



CIIE flexes China's consumption power on global stage

Import expo not a solo performance but an international chorus says commerce minister

By ZHONG NAN
zhongnan@chinadaily.com.cn

Ensuring their exhibits shine at the first China International Import Expo in Shanghai tops the agenda for foreign executives coming to the city.

But Jerry Liu, China president of Cargill, has another important mission. He will sign a contract for the US agricultural conglomerate to participate in the next expo.

"The CIIE provides not only a platform for multinational companies to showcase their products, but also a great platform for governments, enterprises, institutions and even consumers to connect and exchange ideas," Liu said.

Cargill is bringing a wide range of products, including beef, cocoa, chocolate, edible oil and other goods, to the expo. It is one of the more than 3,000 companies from over 130 countries and regions keen to take advantage of the opportunities offered by the world's first import-themed national-level expo, being held in Shanghai from Monday to Saturday.

The CIIE is a concrete measure by China to promote further opening-up as it transforms from being the world's biggest exporter of goods to an even bigger buyer.

It will facilitate economic globalization and trade liberalization and is not a solo performance by China but a chorus by all countries, Minister of Commerce Zhong Shan said.

The Ministry of Commerce also announced on Saturday that more than 100 new products and technologies are going to debut during the event, with some being shown to the world for the first time at the CIIE. Over 3,000 companies have signed up to participate, including over 200 big-name groups from the Fortune 500 list.

China will import \$24 trillion of goods in the next 15 years, according to Wang Bingnan, vice-minister of commerce.

The expo shows China's determination to open wider to the world, as economic globalization has suffered setbacks, the multilateral trading system has been challenged and protectionism has gradually risen, said Gao Yan, chairwoman of the China Council for the Promotion of International Trade.

As well as offering opportunities for companies from G20 countries to further diversify market channels in China, the CIIE is also welcoming more than 30 of the world's 44 least-developed countries.

"Global companies have been keen to further dig into the market potential in China at the next level, as the country will continue to be the world's largest consumption power for many products, commodities and services, such as grain, industrial goods and healthcare solutions, for its ongoing consumption upgrading," said Chen Wenling, chief economist at the China Center for Economic Exchanges.

According to exhibitor registration data, about 5,000 exhibits at the expo are being shown in China for the first time.

Consumers and companies will be able to experience global quality and bargain prices without going abroad, fully enjoy the benefits of globalization, and better meet the needs to upgrade domestic consumption and promote high-quality economic development in China, said Vice-Minister of Commerce Fu Ziyang.

"The CIIE also creates a platform for economies which wish to build a sound trade environment and be more open to get better involved in global governance, as the expo is held when the global economy faces downward pressure on foreign direct investment affected by protectionism and unilateralism," said Yu Jianlong, secretary-general of the China Chamber of International Commerce.

Business leaders said Chi-



na's growing demand for imported products and services will provide a historic opportunity for global companies to enter its massive market for the long run.

The expo is timely in the current global trade context,

said Lin Wei, KPMG partner in China, as it aims to dispel the stereotype that China will continue to be an export-driven economy, foster free-trade and global collaboration and multilateralism, and counter

some of the unilateralism

that has been witnessed and the protectionist trade barriers that have been erected.

"Many foreign companies also hope that through the expo, they will have better exposure in China and find more partners to help them distribute their products and services not only in top-tier cities, but also further into lower-tier cities and county-level markets, as well as markets related to the Belt and Road Initiative," Lin said.

He said China's economy is evolving away from an export-driven model. The country has witnessed a

steady increase in imports, especially those that are high-tech or environmentally friendly and consumer products from global markets, as well as measures to address trade surpluses with other countries and regions, and the CIIE is a strong sign of that.

Celina Chew, president of Bayer Group (China), said the CIIE will serve as a platform for China to boost the quality of global trade and restructure domestic industries to make the country a more competitive and friendly market.

Permanent platforms bolster imports

By HE WEI in Shanghai
hewei@chinadaily.com.cn

Though the official closing date of the inaugural China International Import Expo is Saturday, host city Shanghai has established a number of permanent exhibition and trade platforms to boost China's imports year-round.

Donghao Lansheng Group, a State-owned modern services conglomerate, has launched an imported goods exhibition center featuring healthcare and consumer products at the National Exhibition and Convention Center, the venue for the expo.

More than 1,000 products from more than 100 companies have been on display via the "6+365" permanent exhibition and trade platform, a spillover of the exhibition that can bolster imports and drive reforms in trade facilitation, said Wang Qiang, Donghao Lansheng's chairman.

"The exhibition center is a natural extension of the expo, and can serve as an important window. By utilizing such a platform, we aim to provide customized services to clients as they search for premium goods from abroad," he said.

The platform will serve as the optimal choice for domestic and foreign purchasers including China's government agencies, State-owned enterprises, industry associations and business entities, as well as exhibition and trade platforms, to procure commodities, technologies and services.

Explorium, a perennial exhibition center owned by Fung Group, a consumer goods conglomerate in Hong Kong, was among the first exhibitors recruited to the platform.

As the Fung Group's technology and business model innovation center, it features the latest technological advances, including facial recognition systems and drones. These devices can analyze consumer's gestures and facial expressions to help estimate the likelihood of consumption and improve business decisions, said Victor Fung, chairman of Fung Group.

Since April, Shanghai has opened more than 30 year-round platforms for the exhibition and trade of imported goods, according to the city.

"We are excited to be part of the CIIE and hope to bring more Japanese commodities to China," said Tomoaki Komori, managing director of Shanghai Takashimaya Co, a department store chain in Japan.

According to Komori, 85 percent of the company's revenue is contributed by overseas customers, including Chinese, so it is eager to expand its business in China. The Takashimaya exhibition center in Shanghai will focus on clothing, children's products and food.

In addition to the physical presence, a digital exhibition has gone online to connect merchants and buyers via a swatch of logistics, custom clearance, foreign exchange, insurance and payment services, said Wang at Donghao Lansheng.

Leading cross-border e-commerce sites such as Alibaba Group's Tmall Global, Red and Ymatou have signed up to become the first group of companies on the digital exhibition.

The enduring influence of the CIIE will require companies to pull in both online and offline resources, according to Dora Liu, innovation lead at Deloitte China, a professional service provider for the 6+365 platform.

"The flow of information online is totally traceable, so by mining the relevant data one can facilitate matchmaking," she said. "Substantial deals are more likely to be reached offline. Therefore, concerted efforts online and offline will make the CIIE a truly long-lasting event."

Expo to upgrade shopping choices and regional integration

By ZHOU WENTING
in Shanghai
zhouwenting@chinadaily.com.cn

The China International Import Expo, with exhibitors from around the world bringing their best products to Shanghai, is set to bring about upgrades in the city's shopping services and further integration of the Yangtze River Delta region, experts said.

"Such an expo will link Chinese business purchasers with a variety of goods from all over the world and make it possible for residents to buy the best products on their doorstep," said Zhang Min, executive head of Shanghai University's Shanghai Exhibition Research Institute.

As the world's first national import expo, CIIE is a landmark undertaking in the history of international trade. It has attracted thousands of exporters from across the world and about 160,000 Chinese buyers.

It will provide local businesses with a competitive edge when targeting the more than 200 million afflu-

ent consumers in the delta region, who tend to demand world-class products and services, Zhang said.

Although the delta region accounts for just 3.8 percent of China's total land area, its GDP amounted to 19.5 trillion yuan (\$3.08 trillion) last year, roughly 25 percent of the national total, official statistics show.

Shang Yuying, director of the Shanghai Commerce Commission, said the city has tapped into the opportunity to "improve the business environment and emphasize consolidating and enhancing our status as an international trade center."

"We aim to build Shanghai into a world-class shopping hub that offers the world's most updated, trendiest and most value-for-money selections," Shang said at a ceremony on June 15 that marked the beginning of the city's drive to become a choice destination for global product launches.

Shanghai has rolled out a series of measures this year to ensure the expo is a success and develop the city into

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Shang Yuying, director of the Shanghai Commerce Commission

a distribution hub for imported goods across China and Asia. One measure made it easier for imported goods and services to enter the city, and another was the establishment of year-round exhibition and transaction platforms to support the expo.

The Shanghai Commerce Commission said the platforms were established because the authorities recognized that the six-day expo would not provide international exhibitors and buyers with enough time to learn about all the business opportunities in China.

"The platforms will also promote the sustainable development of the expo and

enhance Shanghai's brand as an international shopping destination," Shang said.

The Yangtze River Delta E-commerce Center, in the Hongqiao business district, is an example. Located near the National Exhibition and Convention Center, where CIIE is being held, the center is designed to serve as a year-round offline display platform for cross-border e-commerce operators from around the world, according to Huang Zhimin, general manager of Shanghai Kouxing Enterprise Management, the company responsible for the center's operation.

"It can be very costly for cross-border e-commerce operators to transport prod-

ucts to China once a year just for a six-day expo," Huang said. "We aim to offer them a transit platform where they can display their products between expos. This will not only help them to achieve significant cost savings but also offer them year-round access to the local market."

Huang said more than 100 e-commerce operators have expressed interest in registering for a space at the center. Some, including vip.com, have opened offline stores.

Customers can select from imported products — mainly cosmetics, food and health products — at such stores and complete online customs clearance through a mobile app. The e-commerce center provides an area of nearly 143,000 square meters that the enterprises can use as a bonded warehouse.

Thanks to the growing integration of transport, services and economies in the delta region, the expo's effect is not limited to Shanghai but will also spread to cities in the neighboring provinces of Zhejiang and Jiangsu, boosting collaboration

among cities in the region, experts said.

Zhao Huiqin, the Party secretary of Shanghai's Qingpu district, said several collaborative projects have been implemented, including a plan to extend the Shanghai Metro to Jiashan in Zhejiang and Kunshan and Suzhou in Jiangsu province, and a plan to build a 5G network in the delta region.

Scientific researchers in the delta region also said they were looking forward to the expo as it will allow them to view the world's top technology in their fields.

"Such a transparent exhibition platform will provide abundant opportunities for communication between the technology suppliers and purchasers to learn each other's needs," said Huang Zhen-gren, director of the Chinese Academy of Sciences' Ningbo Institute of Material Technology and Engineering.

"Greater knowledge of such needs will help to apply more research results from the country in the market, even in the global market," he said.