

**China E-Commerce Revolution!
Retail Fulfillment**

*Retail and E-commerce Development
Trends in China*

May 28, 2013

Joshua Halpern
Commercial Officer
U.S. Embassy, Beijing

**U.S.
COMMERCIAL
SERVICE**

*United States of America
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OVERVIEW

ECONOMIC TRENDS AND MARKET DYNAMICS

CS CHINA ASSISTANCE

WHAT THE U.S. COMMERCIAL SERVICE CAN DO TO HELP





THE URBAN BILLION



Dispersed urbanization

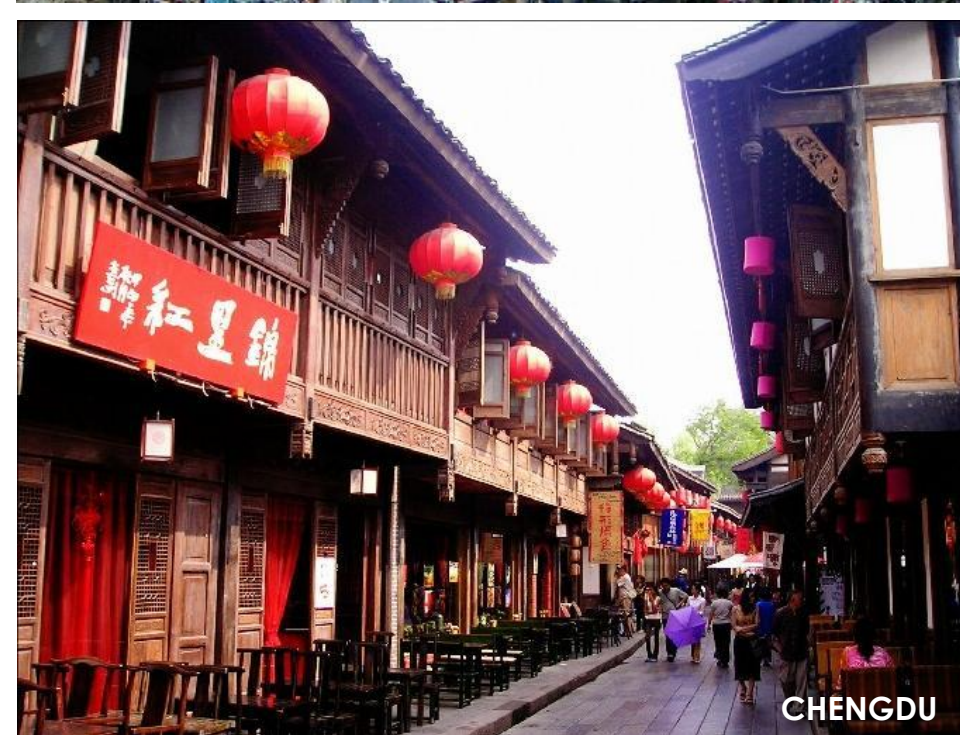
1 billion urban – 2030

2/3 population

60% urban households annual
disposable income **\$12,000 --
\$25,000**



8 MEGACITIES (10M+) BY 2025



TRENDS

Growth of **US exports** to 2nd and 3rd tier cities

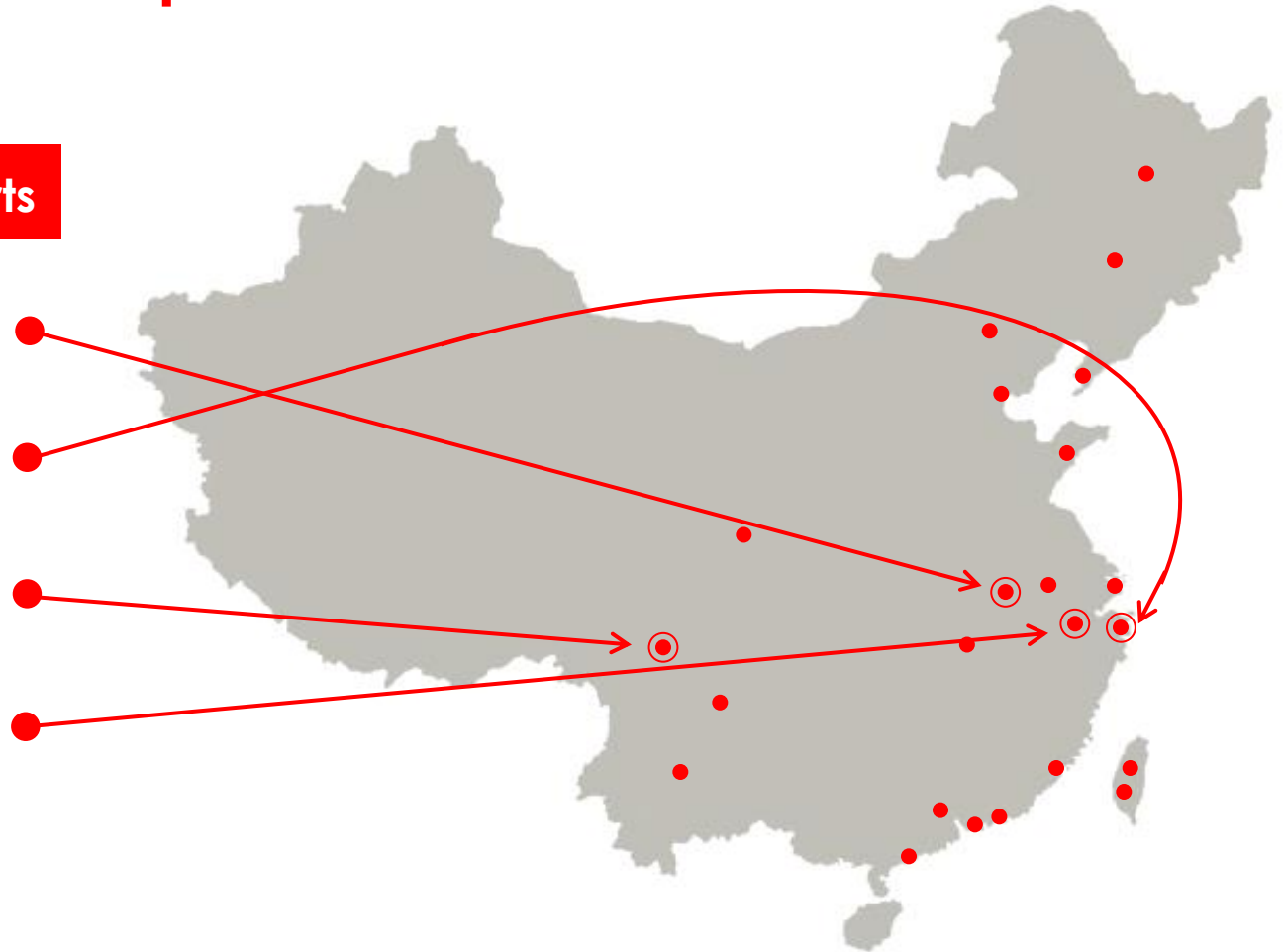
Top 15 60% of U.S. exports

Hefei **+164%**

Ningbo **+90%**

Chengdu **+75%**

Hangzhou **+63%**



TRENDS

China's luxury market

25% worldwide consumption

Surpassed Japan, \$27B/\$24B

80% buyers < age 45

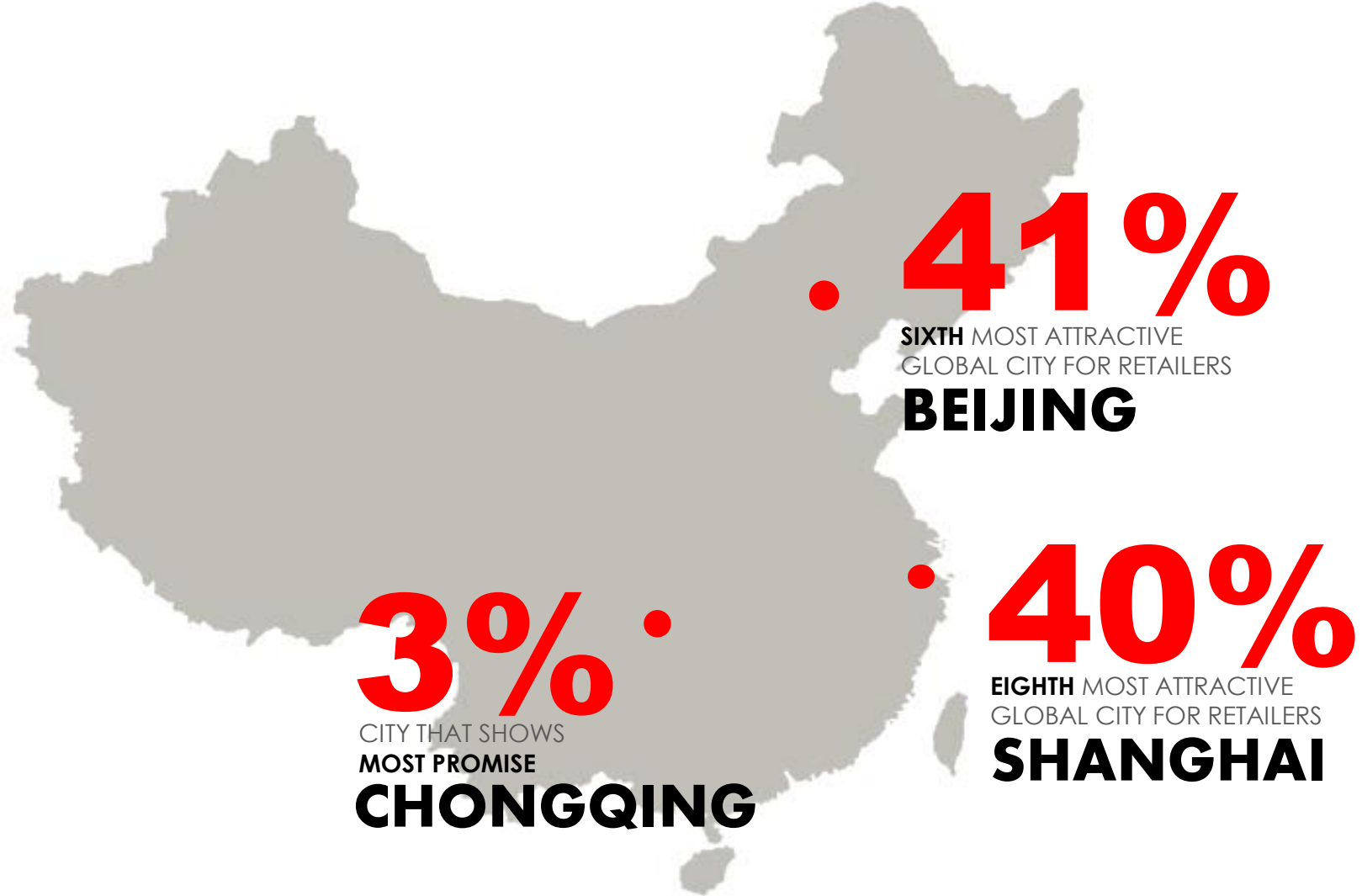
Fragmented market

Upper middle class



RETAIL

Percent of **international retailers** present



• **41%**

SIXTH MOST ATTRACTIVE
GLOBAL CITY FOR RETAILERS

BEIJING

• **3%**

CITY THAT SHOWS
MOST PROMISE

CHONGQING

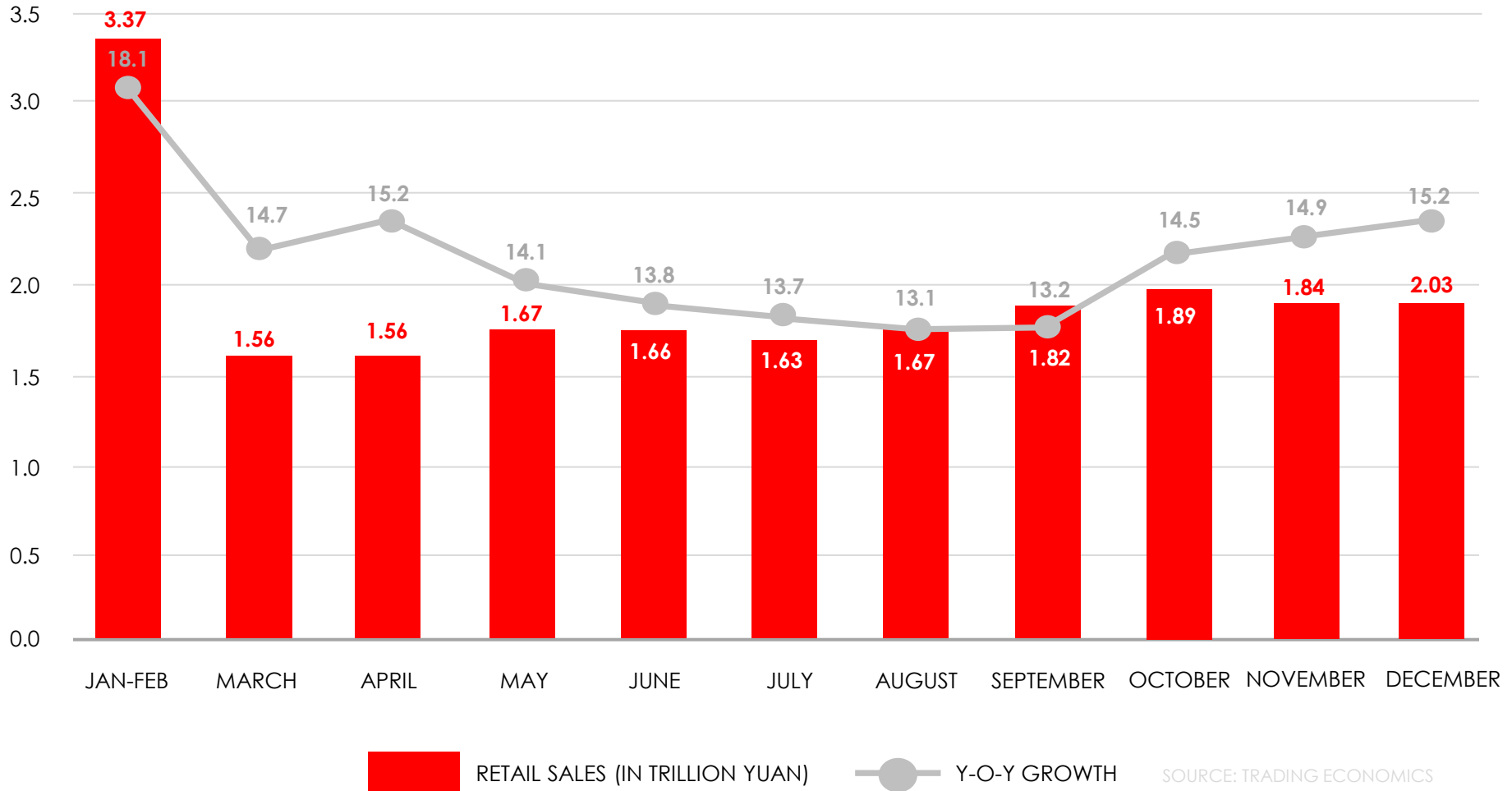
• **40%**

EIGHTH MOST ATTRACTIVE
GLOBAL CITY FOR RETAILERS

SHANGHAI

RETAIL

Retail sales of consumer goods, 2012

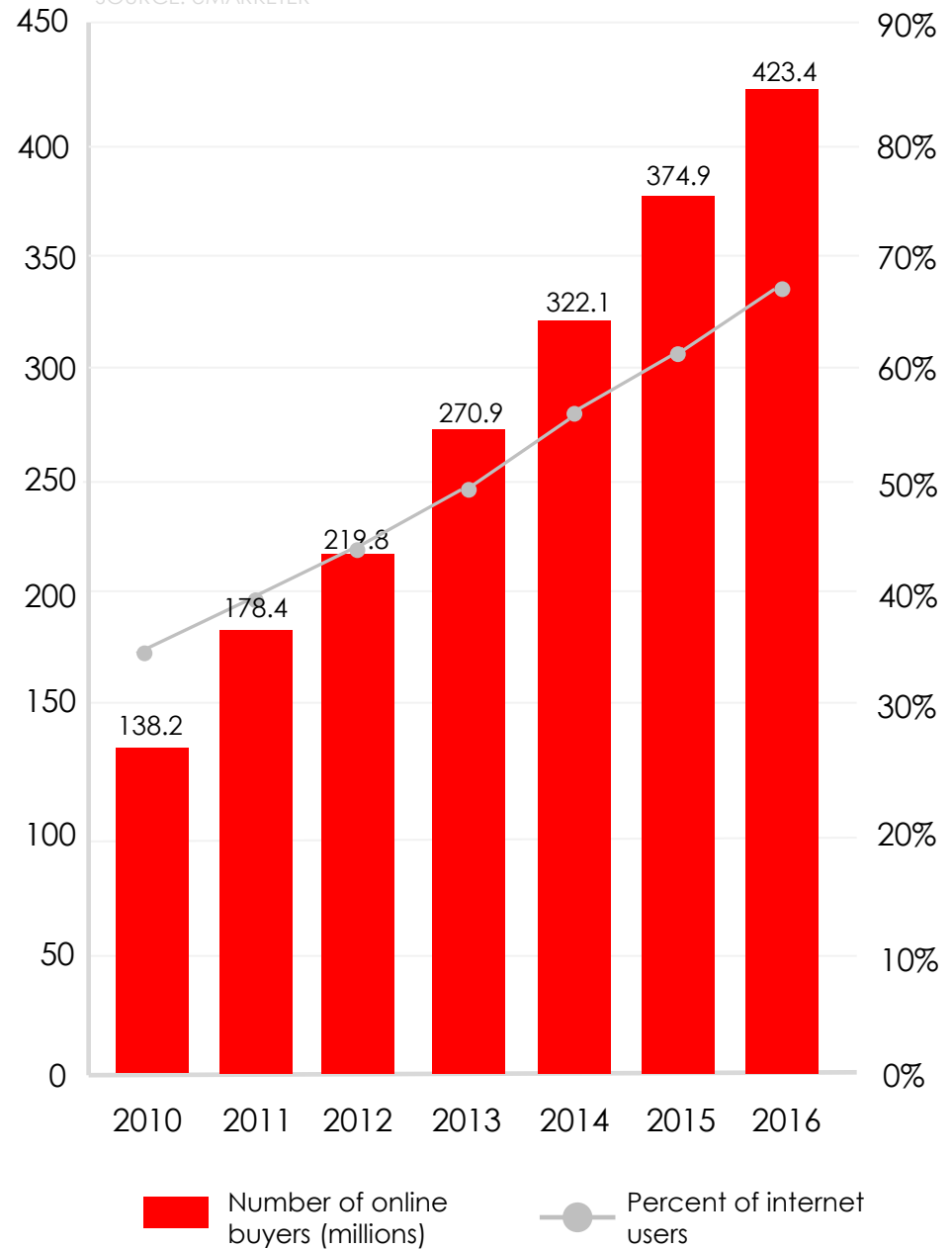


513 MILLION INTERNET USERS

MORE USERS THAN THE U.S., JAPAN, INDIA, AND U.K. COMBINED.



SOURCE: eMARKETER





RETAIL & ECOMMERCE

RETAIL MARKET STATISTICS, CONSUMER ANALYSIS

RETAIL

China's consumers

Self-indulgence

Concern with design

Brand loyalty

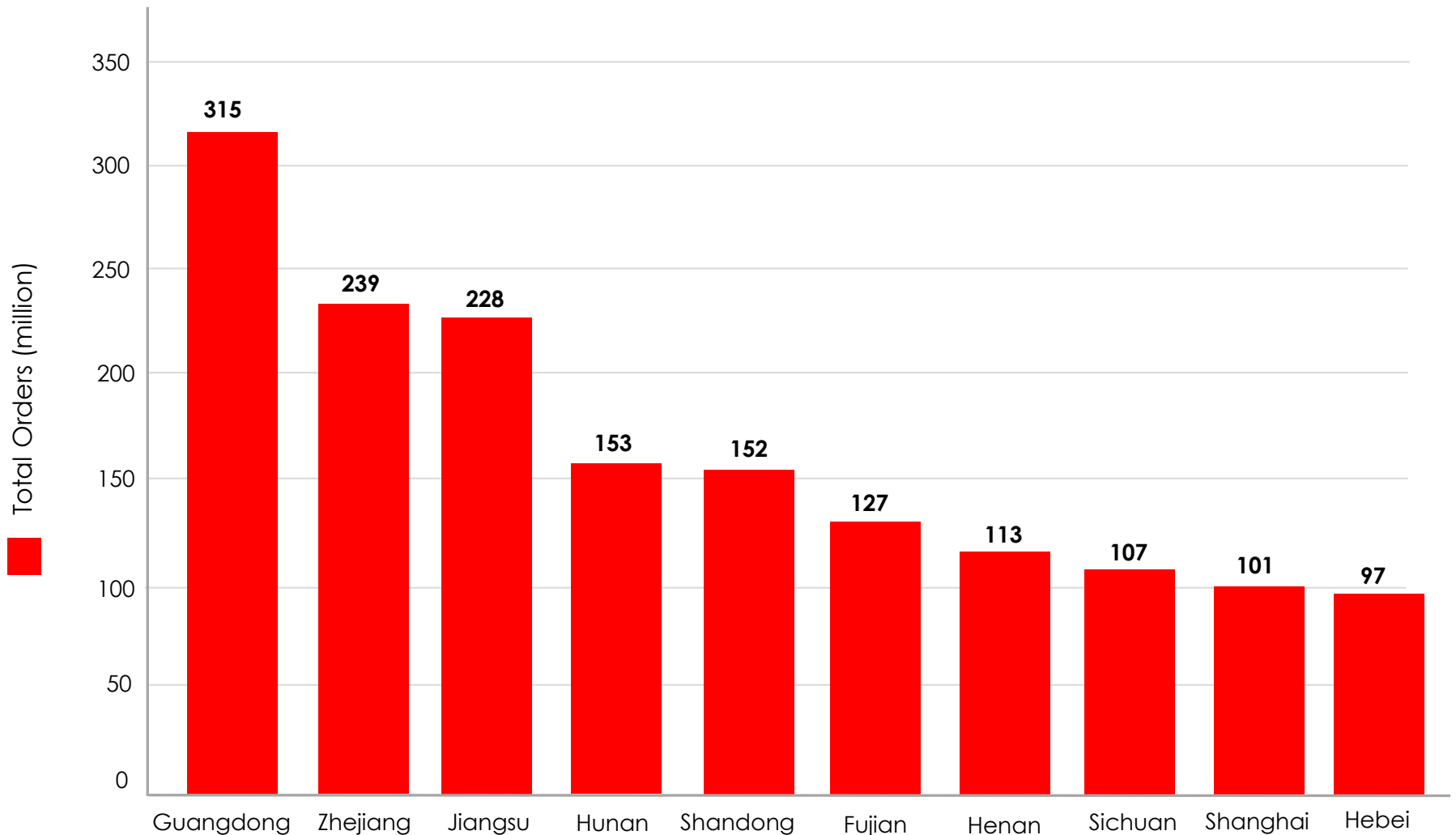
Emotional Value

Environment



ECOMMERCE

Top 10 online shopping provinces by online orders



ECOMMERCE

Opportunities

Large consumer base

- 513 million online
- 423 million buyers - 2016
- Mobile internet

Price competition

- More options/prices
- Price check

High growth rate

- \$420B in sales - 2020
- 80% of market in certain industries

ECOMMERCE

Challenges

STRICT REGULATIONS

Telecommunication services
Must apply for qualification

IMMATURE DELIVERY SYSTEM

Few nation-wide networks
Inconsistent service quality

COUNTERFEIT PRODUCTS

Unregulated online sellers

IMMATURE PAYMENT SYSTEM

Mass usage of COD
Few shoppers use credit/online banking



CS CHINA ASSISTANCE

WHAT THE U.S. COMMERCIAL SERVICE CAN DO TO HELP

CS ASSISTANCE

YOUR GLOBAL BUSINESS DEVELOPMENT TEAM





HOW WE CAN HELP

Find Distributors/Agents for U.S. Exports (GKS)

Organize/Lead Chinese Buying Delegations (IBP)

Screen Chinese Companies (ICP)

Promote Your Firm to Target Markets (SCP)

Multi-City U.S.G.-Led Trade Missions

Market Research (CMR)

Trade Show Support

PTO

U.S. Patent and **Trademark Office**

The US Embassy IPR Toolkit

<http://beijing.usembassychina.org.cn/ipr.html>

China IPR Advisory Program - 1 hr free
consultation

http://www.abanet.org/intlaw/china_program2.html

USPTO: Free China Conferences

http://www.stopfakes.gov/events/china_webinar_series.asp

IP Webinar Series

www.stopfakes.gov





Joshua Halpern, U.S. Commercial Service Officer

U.S. Department of Commerce

U.S. Embassy, Beijing

Joshua.Halpern@trade.gov

Mr. Shen Yan, U.S. Commercial Specialist

U.S. Department of Commerce

U.S. Embassy, Beijing

Yan.Shen@trade.gov



The background features a stylized American flag with red and white stripes and white stars on a blue field. A white map of the United States is overlaid on the left side. The text is positioned in the upper left and center-right areas.

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