

# JollyChic taps Middle East market

Hangzhou-based e-commerce firm helps to build an online Silk Road linking China with Arab countries

By XINHUA

**I**'ve bought things on JollyChic many times, because prices are cheap, quality good and delivery fast," said Lima Khalid, 25, a Saudi Arabian female employee at a local company.

JollyChic is not a Saudi Arabian online shopping site; rather, it is an online retailer operated by a Chinese e-commerce company named Jolly Information Technology based in Hangzhou, East China's Zhejiang province.

It is so popular that it has become the top e-commerce company in the Middle East, with more than 35 million registered users by the end of 2017.

"JollyChic is popular across the country, and nearly every online buyer here knows it," said Abdu Lahman, a student at King Saud University.

JollyChic is among Chinese e-commerce companies making a mark in the Middle East, where online shopping is a fast-growing market.

Through cooperation with local enterprises, JollyChic is among Chinese e-commerce companies helping to build an online Silk Road linking China with the Middle East.

They have earned profits while benefiting Middle Eastern customers, allowing them to buy inexpensive and fine products at home.

Typically, a JollyChic warehouse in the Saudi capital Riyadh houses commodities arranged for dispatch



Chinese and Saudi people interact at JollyChic's office in Riyadh, Saudi Arabia. WANG BO / XINHUA

to households. These include Chinese-made clothes, shoes, bags, home decoration articles and appliances.

"JollyChic entered Saudi Arabia in 2013 and topped the local online shopping market in just a few years. Besides advanced data processing technology, warehouse establishment and cooperation with cyber celebrities is crucial to marketing," said JollyChic's CEO Li Haiyan.

To promote JollyChic, the company makes use of social media in the

region and cooperates with more than 1,000 online celebrities to promote its brand to over 60 million customers.

In Riyadh, the company established warehouses of more than 100,000 square meters, with stock of over 15 million pieces of commodities. The warehouses can deal with up to 1.4 million items a day, Li said.

Such facilities enable JollyChic to shorten the delivery time to two days from the previous 10 to 15 days, Li said.

"By 2020, the company plans to construct warehouses with more than 1 million square meters, with a capacity of storing 100 million pieces of commodities and processing 800 million pieces in a year," said Li.

Abdul Aziz, a Saudi Arabian reporter, said the majority of his compatriots are low- and middle-income consumers who enjoy buying quality goods at reasonable prices online.

"We like the Chinese-made goods

as they have good quality and are affordable," Aziz said.

Li said at Saudi Arabia's physical stores, low- and medium-priced commodities are often made in China, but JollyChic still offers a price advantage over them.

JollyChic's annual sales have been growing each year, and now more than 200,000 pieces are sold every day. Encouraged by its success in Saudi Arabia, the company has expanded into neighboring countries, including Jordan, the UAE and Bahrain. It has already set up similar warehouses in Dubai and Bahrain.

The success of Chinese e-business firms in the Middle East has created job opportunities for Middle Eastern countries, and helped spur the local economy. In the Middle East, half of the top 10 e-business companies are from China. These Chinese companies are estimated to have created more than 5,000 jobs.

JollyChic alone employs 600 local staff in Jordan, 350 in Saudi Arabia, and about 100 in the UAE and Bahrain.

Sulaiman Azmi, a Saudi Arabian manager of human resources at JollyChic's local branch, said the country is seeking ways to help young people find jobs, especially for women who find it hard to get work in the conservative nation.

JollyChic hires women for positions like copywriter, designer and accountant, thus training professionals in the region, Azmi said.

## Overseas projects key for gold producer

Chinese mining companies should seek global opportunities, says Zijin chairman, as Belt and Road countries beckon

By ZHENG XIN

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Zijin Mining Group Co, China's largest gold producer, will seek to expand through acquisitions in countries rich in resources like large mines of gold and copper, its top executive said.

For Zijin Mining, overseas projects are going to be the mainstay of the company's development. Chinese mining companies should also go global and seek more opportunities to compete in the global market, said Chen Jinghe, the company's chairman.

Overseas gold products accounted for more than 50 percent of Zijin Mining's products by the end of last year, followed by copper products (14 percent) and zinc products (more than one-third).

The company has overseas

reserves of 688 metric tons of gold, 20.4 million tons of copper, and 942,000 tons of lead and zinc, accounting for 52 percent, 65 percent and 10 percent of the company's total reserves respectively.

According to Chen, overseas assets' worth now exceeds 20 billion yuan (\$3 billion) and overseas profit accounts for nearly 30 percent of the group's total. The company's business abroad is starting to grow. Its gold and copper reserves overseas are more than those in the domestic market. Gold production overseas has also exceeded that in China.

Analysts believe Chinese gold companies should further tap markets abroad as many undervalued mines present a good buying opportunity.

"Compared with other Chinese gold producers, Zijin Mining is more exposed to prices of gold and other metals due to its portfolio of more

diversified mining assets," said Zhu Yi, senior analyst of metals and mining at Bloomberg Intelligence.

"The company could be a defensive play if gold prices decline compared with other pure gold producers."

Zijin Mining has been aggressively investing overseas to secure raw material assets, to ensure supplies and to diversify from gold to other metals. Although gold is Zijin's main source of revenue, the company is into copper and zinc in a big way, ranking among the top producers of the two metals.

The company bought assets from Barrick Gold and Ivanhoe Mines in 2015, and the Norton Gold Fields in Australia in the same year.

"The Belt and Road Initiative has facilitated Chinese gold miners' overseas forays for gold assets, to meet domestic demand. China is a resource-rich country, but its

ore grade is relatively low and some resources are not easily accessible," said Zhu.

According to the China Gold Association (CGA), Chinese companies have invested over \$4 billion in overseas markets during the past few years, and accessed gold resources of more than 1,500 tons. Overseas gold production by Chinese companies reached 35 tons by the end of 2017. China imported more than 854,150 tons of raw materials worth more than \$1.69 billion in 2017.

In doing so, China became the world's top gold producer for the 11th consecutive year since it surpassed South Africa in 2007. Its gold consumption reached 1,089.07 tons in 2017, up 9.41 percent year-on-year, with demand for gold jewelry, gold bars and industrial-use gold surging.

Demand for gold is expected to continue to rise with the growth in

high-end jewelry consumption, particularly in second- and third-tier cities, according to the CGA.

Zijin's overseas investment strategy took effect in 2005 when the company forged a cooperation agreement with Mwetaung mine for exploring nickel and other minerals in Myanmar. In the following years, Zijin invested in mineral-rich assets through mergers and acquisitions in Canada, Russia, Vietnam, Peru and other countries.

Song Xin, head of the CGA, said the Belt and Road Initiative has provided new opportunities for the Chinese gold industry.

According to Song, China imported 408,700 tons of gold material from BRI-related countries and regions in 2017, 48 percent of the country's total imports. It was worth \$573 million, 34 percent of overall gold material imports.