

Sino-Japanese ties expand in digital arena

E-commerce, mobile payments usher in new era of economic cooperation between the two nations

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New-age business models powered by technology and innovation are heralding a new era in Sino-Japanese economic cooperation, helping the two nations to be pragmatic and not allow their bitterness-laced past to influence the present and potential benefits of a shared future.

Driving this practical approach are 21st-century Chinese enterprises engaged in cross-border e-commerce, mobile payments and sharing economy-related businesses.

Emerging fields like artificial intelligence, new materials and other cutting-edge technologies will likely further bridge Sino-Japanese businesses, spawning unprecedented benefits for consumers in both countries, creating big opportunities for many industries across continents, experts said.

Evidence of this trend comes from Chinese e-commerce players stepping up efforts to expand their presence in Japan.

Alibaba Group said Japan is one of its most important markets. So far, 1,370 Japanese brands have found consumers on Tmall Global, Alibaba's business-to-consumer or B2C platform for international brands and retailers.

These Japanese brands cover food, cosmetics, home appliances, maternal and child products, fashion and personal care.

Japanese merchants on Tmall Global notched up a 122-percent year-on-year rise in sales in the fiscal year to March-end, according to Alibaba.

Its New Retail strategy, Alibaba said, combines online and offline platforms to transform the retail experience for consumers. This makes hot products hotter as Chinese consumers gain access to top-quality Japanese goods.

In fact, rising demand for such products among Chinese consumers led JD to establish its Japanese subsidiary in August 2017. JD is another prominent Chinese e-commerce player with additional presence in logistics, delivery and intelligent retail. Its unit in Japan now helps

JD to do business directly with local manufacturers.

In September, JD Worldwide, JD's cross-border e-commerce platform, announced the opening of a procurement center in Tokyo. It is the first such center of JD around the world.

JD Worldwide has attracted the Japanese department store chain Isetan Mitsukoshi to open an online flagship store. Moreover, it has signed strategic cooperation agreements with Japanese cosmetics company Kao Corp, and coffee and beverage maker AGF.

Zhu Dan, general manager of the Japan-South Korea sales and marketing center of JD Mall, the online marketplace of JD, said sales of Japanese products on the platform are estimated to double within a year.

Liu Qiangdong, founder and CEO of JD, said the heightened popularity of Japanese products on e-commerce platforms reflects changing consumption patterns in China.

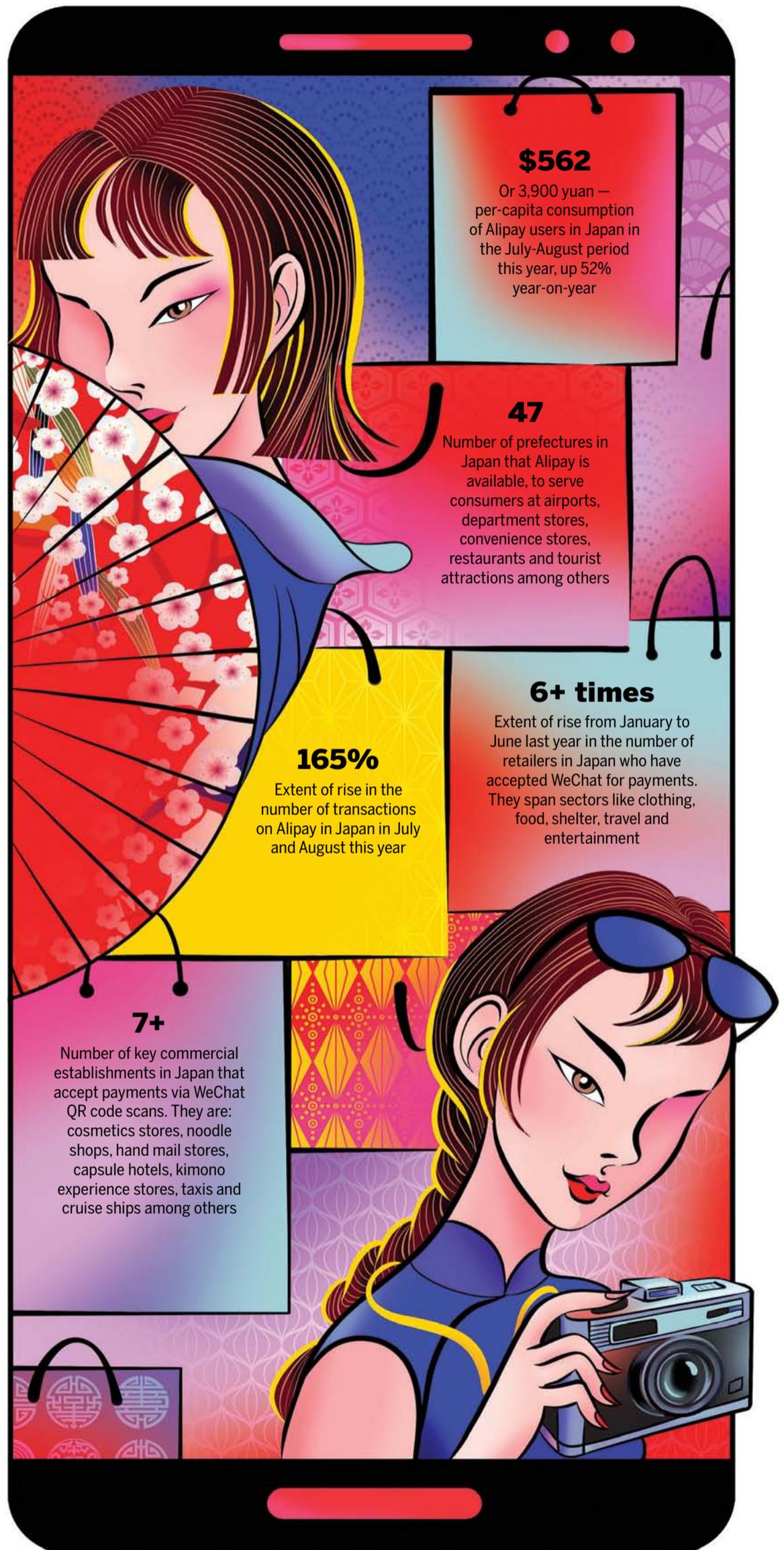
Moreover, as household incomes increase, a growing number of Chinese consumers are attaching great importance to brands, quality and product safety.

In May 2016, JD began cross-border e-commerce operations targeting Chinese consumers in cooperation with an affiliate of Japanese delivery firm Yamato. In addition, it signed an agreement with Mitsubishi Chemical Corporation in June 2017 to adopt the latter's plant factory system and technological links in the areas of vegetable cultivation and hygiene control.

To further develop its business in Japan, JD began striving to increase the number of Japanese products delivered to Chinese consumers. It also started to further bolster its online shopping sales by investing in Japanese small and medium-sized enterprises.

Official data showed bilateral trade between China and Japan rose to \$300 billion in 2017 from \$236 billion in 2007. Japanese investment in China rebounded at a faster pace, and Chinese investment in Japan's new economic models like cross-border e-commerce, mobile payment, and the sharing economy is also increasing.

The number of mainland tourists



Source: Alipay, WeChat Pay and Alibaba

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