

# SOEs sign major deals at expo

State-owned enterprises expand collaboration at home and abroad to develop third-party markets

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China welcomes companies from home and abroad to participate in the reform of centrally administered State-owned enterprises (SOEs) by forming equity joint ventures and cooperating in industrial upgrading, said the country's top regulator for State assets on Nov 6.

Xiao Yaqing, chairman of the State-owned Assets Supervision and Administration Commission, said the SOEs will expand their collaboration with capable global companies

and domestic private companies to form commercial groups to develop third-party markets, especially those involved in the Belt and Road Initiative.

"We will also encourage central SOEs to enlarge their import categories to meet their demand for industrial upgrading and the needs of domestic consumers in order to further integrate into the global value chain," Xiao said at a business conference during the first China International Import Expo in Shanghai.

Thirteen central SOEs — including China FAW Group; China National Cereals, Oils and Foodstuffs Corp;

and State Grid — signed import, service and technology cooperation deals with global companies such as ABB Group, Volkswagen and Westinghouse Electric during the conference.

China State Shipbuilding Corp signed a contract with Italy-based Fincantieri and Carnival Corp of the United States and Britain to build two large luxury cruise ships and options on four others during the meeting.

British manufacturer Rolls-Royce signed an engine and long-term maintenance service agreement with China Eastern Airlines involving the

airline's 20 Airbus A350-900 aircraft, with a total contract value of over \$1.45 billion.

Tang Bing, executive vice-president of China Eastern, said the aircraft and service package will help the company speed up its global expansion to further compete with other established rivals.

China Poly Group sealed a deal with Standard Chartered Bank to purchase \$1.6 billion worth of precious metals from the British banking and financial services group over the next two years.

The commission has organized a general purchasing group formed by

China's centrally administered SOEs to participate in the expo. It took part in 58 activities during the event.

"China's proposal to import more advanced industrial goods and explore third-party market cooperation via joint ventures and other types of partnerships with global companies can bring benefits to both Western and developing countries, without causing a clash of interests," said Li Jin, chief researcher at the China Enterprise Research Institute.

He said projects involving China, France and some French-speaking African countries are a typical example of such collaboration.

# E-commerce firms forecast robust demand

Cross-border online retailers say foreign brands in the Chinese market about to enter a 'golden period'

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With the China International Import Expo (CIIE) expected to stimulate demand for imports, including machinery, pharmaceuticals and everyday products, cross-border e-commerce companies are preparing to reap the benefits.

Kaola, the cross-border e-commerce arm of Chinese internet giant NetEase, was among exhibitors at the CIIE in Shanghai from Nov 5 to 10.

"The demand for imported goods is constantly changing in China and reflects the consumption trend," said Zhang Lei, Kaola's CEO.

"At first, the demand was mainly for milk powder and diapers, and imported goods were a symbol of quality. With rapid growth in cross-border e-commerce, cosmetics now are a huge part of that demand."

She said her company expects business to be robust in the next two years.

"Long-term, consumer demand for imports will focus on customized and specialized products. Other than maternity products, cosmetics and skin care products, health supplements, food and clothes also have a profound future," Zhang said.

"The next two years will be a golden period for foreign brands in the Chinese market. We anticipate it will see soaring demand for imported goods."

Wu Yue, spokesman for Panshi,



**Employees** of Correos Chile sort parcels from China at a logistics hub in Santiago, Chile. The goods were ordered from an e-commerce site owned by Alibaba.

HAO ERHE / XINHUA

an e-commerce service provider based in Hangzhou, East China's Zhejiang province, said he foresees more foreign-made consumer goods becoming available in China thanks to improved customs clearance procedures.

"Consumer goods account for only 15 percent of China's total trade volume, but in developed countries it's 30 to 40 percent," he said.

To close the gap, he said, the country has lowered tariffs on daily necessities, medicines and elderly care products, meaning shoppers

can enjoy a wider selection of goods.

"Cross-border e-commerce has just gone through two years of explosive growth," Wu said. "As the customs clearance mode for consumer goods develops, cross-border e-commerce will become even more cost-effective."

"Further expanding imports can balance foreign trade, push domestic industries to a higher level through competition brought by foreign counterparts, and meet people's daily demands."

In particular, he said, Panshi has

forecast rapid growth in trade with economies involved in the Belt and Road Initiative.

Wu said the major competitive edge of Chinese cross-border e-commerce is in its convenient payment methods and advanced logistics services.

"In other countries, it may take up to two weeks between placing an order and receiving the goods, but the Chinese government has been promoting paperless customs declaration methods, which shorten the time needed for clearance," he added.

To boost cross-border e-commerce, China's customs service has been working to simplify the clearance process to make it easier for foreign merchants and Chinese importers.

"When Kaola was set up, the bonded import policy shortened our entire process from 10 to 15 days to just two to three days," Zhang said.

"With support from customs officials, in 2016, we achieved next-day delivery in most regions in China. Last year, we even achieved same-day delivery in some areas."