



**China Cross-border E-Commerce
Application Appliances**

2014-2015 China's Cross-border E- Commerce Development Report

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Executive summary

Cross-border E-Commerce, as the driving force for the unification of economics, globalization, and global trade, holds significance strategically. Cross-border E-Commerce not only breaks the obstacles for communication between countries, but also leads a revolution for global economics. For enterprises, the openness, variety, and three-dimensional nature of Cross-border E-Commerce opens up many new doors for entering the global market and helps businesses by gaining access to a plethora of resources. For consumers, Cross-border E-Commerce is a great way to gain good quality with competitive price goods from other countries.

The “New Silk Road Economic Belt” and “21st Century Maritime Silk Road” proposed by Chairman Xi Jinping in September and October 2013, respectively, merged into the “**Silk Road Economic Belt**”. This economic belt is proof that Cross-border E-Commerce is an unignorable force in modern economics. In the wake of this revolution, China’s Cross-border E-Commerce industry is facing its biggest challenge yet.

The China Cross-border E-Commerce Application Alliances (CCEAA) is a collection of China Cloud Association, China Management Science and Engineering Academic Society, China Mobile Business Application Alliances, Cross-border Ecommerce Research Center of China Ecommerce Association and many other Ecommerce Industrial Parks and Ecommerce enterprises in China. Under guidance of the Ecommerce and information department of Ministry of Commerce of the P. R. China, its main goal is to upgrade the innovativeness of the Cross-border Ecommerce industry, to aid traditional industries in transitioning to the new medium, and to increase the overall competitiveness of the Cross-border electronic commerce industry. CCEAA has already started cooperating with the Ecommerce Europe, CBEC and some other national Ecommerce associations to promote the unity and cooperation between Ecommerce businesses around the world.

To better advance the strategy of “**Silk Road Economic Belt**” and to advance the development of the Cross-border E-Commerce industry, the CCEAA will start publishing annual publications of the “China Cross-border E-Commerce Industry Development Report” in order to provide a platform for communication and research for engaged in Cross-border E-Commerce organizations throughout the world.

During the editorial process of this report, we have received helpful guidance from the local and central governments of China, and have received the friendly help from **Ecommerce Europe**, **CBEC**, **Payvision Corporation** and many other overseas institutions, providing resources and help. **Shanghai Putuo District Middle-ring Business Area** especially has lend us a huge helping hand, along with the General Editorial Department and China (Shanghai) Global E-Commerce & Internet Conference’s cooperation. We would like to show our gratitude to these

aforementioned institutions for their help. Due to the current rate of development of the E-Commerce industry, this report (including the example cases) is limited to the current information. Also, due to the limitation of literary skill of our writers, there might be mistakes and/or discrepancies in the content, and we would like to apologize in advance while requesting that readers point out said mistakes and critique the report justly. We will try our best to apply new knowledge and improve our work in the future editions of the report.

Prof. Dr. Tang Bingyong

Chairman of China Cross-border E-Commerce Application Appliances

8th November, 2015

1 Industry Background of China's Cross-border E-Commerce

1.1 Definition of China's Cross-border E-Commerce

The Chinese Cross-border E-Commerce industry is the main form of transaction in which Chinese businesses or individual consumers trade and pay with other countries (or regions) through Chinese Cross-border E-Commerce platforms, creating an international business environment.

Commerce-wise: In 2014, Chinese exports and imports reached a total of 4.3 trillion USD, ranking at world first. However, due to the apparent slowing of the Chinese economy, international trade has been decreasing and a change in international trade may be imminent. This, however, has not affected the Cross-border E-Commerce industry much, due to it not being restricted by geographic boundaries, low risk, and low number of intermediate steps, and in fact, has been developing at an incredible speed.

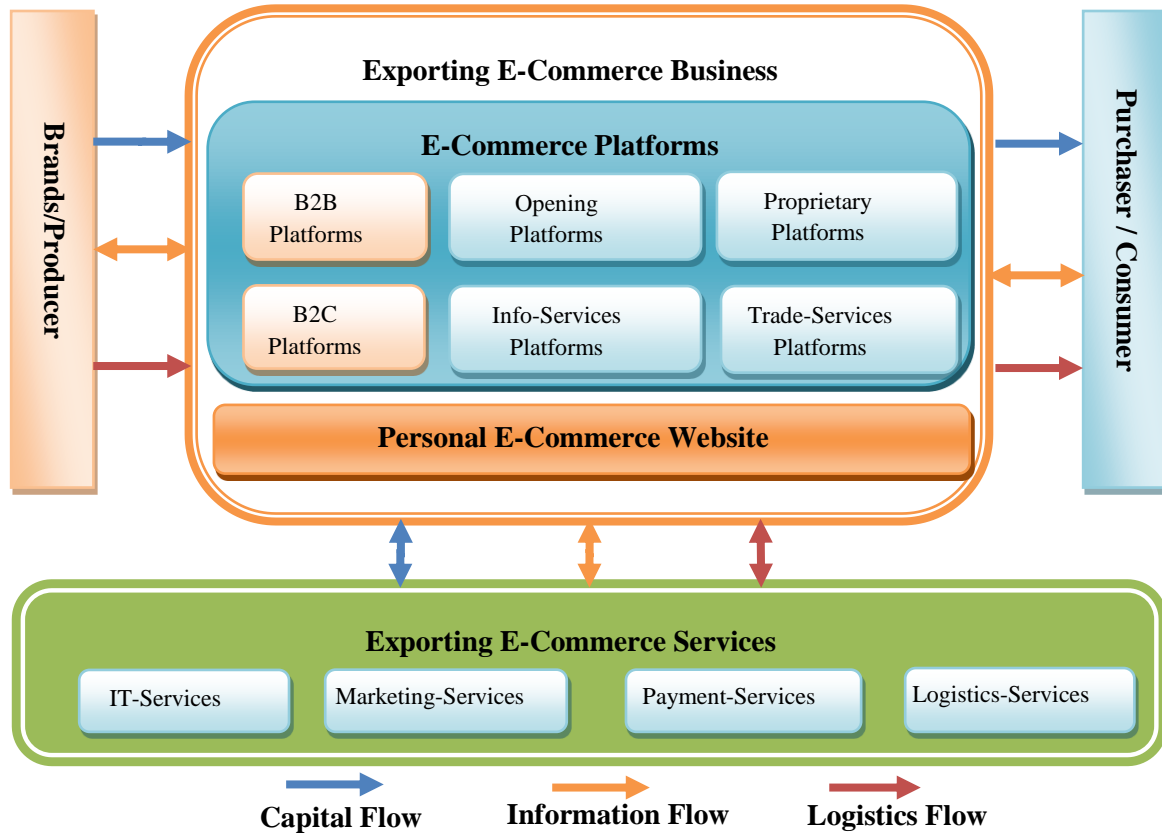
Industry-wise: The “Guideline Aiming to Boost Cross-border E-commerce” released by the State Council of China in June 2015 clearly states that: to support the development of the Cross-border E-Commerce industry can one, utilize the “Internet + International Trade” to maximize quality exports, utilize the strength of the Chinese production industry, and expand international trade, creating an increase in domestic consumption and aiding businesses; two, aid employment and incentivize new businesses, helping economy growth; and three, aid in the development of the “Silk Road Economic Belt”, pushing development of economical strategic interests.

1.2 Industry Mode of China's Cross-border E-Commerce

1.2.1 Chinese Cross-border E-Commerce Export Mode

The typical Chinese Cross-border E-Commerce Export structure is depicted by Figure 1.1.

Figure 1.1 Chinese Cross-border E-Commerce export structure



Major services of Chinese Cross-border E-Commerce Export are depicted in the chart 1.1.

Chart 1.1 Major Services of Chinese Cross-border E-Commerce Export

| Platforms | B2B | | B2C | |
|---------------|---|--|--|--|
| Types | Info-Services Platforms | Trade-Services Platforms | Opening Platform | Proprietary Platform |
| Modes | Buyers and sellers to complete deal-making through information release/search | Buyers and sellers to make online transactions | Open data of goods, stores, trading, logistics, evaluation, storage and so on between buyers and sellers | The platform to purchase goods and sell directly to buyers |
| Main Examples | Alibaba.com, Globalsources.com, etc. | DHgate.com, Osell.com, etc. | eBay.com.cn, Amazon.cn, aliexpress.com, etc. | Lightinthebox.com, globalegrow.com, etc. |

1.2.2 Chinese Cross-border E-Commerce Import Platforms

Typical Chinese Cross-border E-Commerce Import Platforms are depicted in chart 1.2.

Chart 1.2 Chinese Cross-border E-Commerce Import Platforms

| Mode | M2C | B2C | C2C | B2B2C |
|---------------|---|---|---|--|
| Attributes | via Platform from producer to consumers | From Platforms(Bonded and proprietary) to consumers | Via Platform from Overseas sellers to consumers | Suppliers take orders from Platform, and shipment to consumers |
| Advantages | Producers in the Platform have overseas resources and can offer local customer service to consumers | Platforms have in charge of procurement, online trading, logistics and warehouse. | No limit of the type of overseas goods | Platforms have no storage issues and focus on operating |
| Disadvantages | Platforms have little control over producers, and high commodity prices | Financial pressures on the Platforms and limited goods types | Some goods may have legal issues. | No support of Cross-border E-commerce policies |
| Main Examples | TMall Global | JD Worldwide, jumei.com | global.taobao.com, ymatou.com, | speed-trade.com.cn |

1.3 China's Cross-border E-Commerce Development Trends -- "Silk Road Economic Belt"

The "Silk Road Economic Belt" consists of 65 countries, including Mongolia, Singapore, Malaysia, Indonesia, Myanmar, Thailand, Laos, Cambodia, Vietnam, Brunei, Philippines, Iran, Iraq, Turkey, Syria, Jordan, Lebanon, Israel, Palestine, Saudi Arabia, Yemen, Oman, United Arab Emirates, Qatar, Kuwait, Bahrain, Greece, Cyprus, Sinai Peninsula of Egypt, India, Pakistan, Bangladesh, Afghanistan, Sri Lanka, Maldives, Nepal, Bhutan, Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan, Kyrgyzstan, Russia, Ukraine, Belarus, Georgia, Azerbaijan, Armenia, Moldova, Poland, Lithuania, Estonia, Latvia, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Serbia, Albania, Romania, Bulgaria, and Macedonia.

In June 2015, the State Council of China released the "Guideline Aiming to Boost Cross-border E-commerce", promoting the E-commerce cooperation between countries in the "Silk Road Economic Belt", creating a larger platform for Cross-border E-Commerce.

Cross-border E-Commerce is the most optimal system for the promotion of trade in the “Silk Road Economic Belt”, for it can shorten communication pathways and conceive the direct linkage between producers and consumers.

The main focus of governments in Cross-border E-Commerce is the problem of taxation and customs. A good way to overcome this problem is to establish Cross-border E-Commerce trade agreements with specific countries in order to gain experience and scale before extending these agreements to include cooperation between more countries in the Economic Belt.

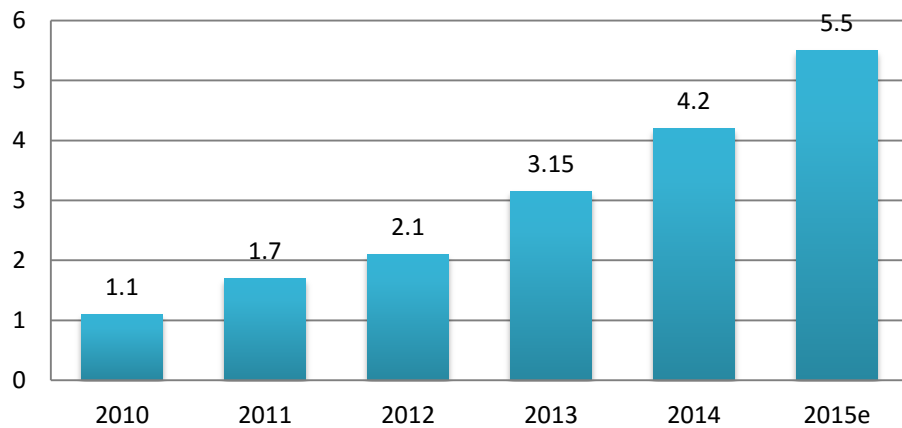
2 Current State of China's Cross-border E-Commerce

2.1 Overall State of Development of China's Cross-border E-Commerce

2.1.1 Scale of Trade in China's Cross-border E-Commerce

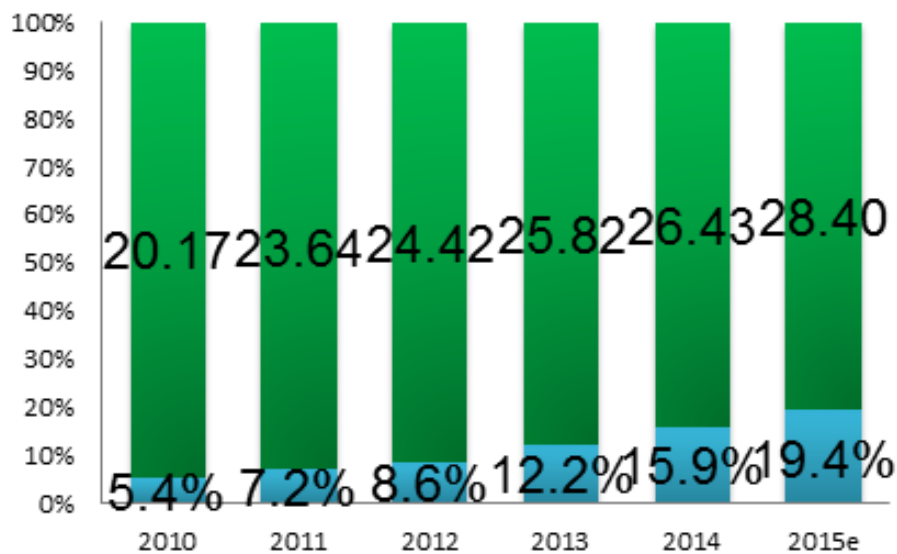
According to data, Chinese Cross-border E-Commerce has a value of 4.2 trillion RMB in 2014, growing in a rate of 33.3%. The scale of 2010-2015 Chinese E-Commerce is depicted in Figure 2.1, and its ratio to the total value of Chinese imports and exports is depicted in Figure 2.2.

Figure 2.1 2011-2015 Scale of Chinese Cross-Border E-Commerce (Trillion RMB)



Source: China E-Commerce Research Centre <http://www.100ec.cn/>

Figure 2.2 2010-2015 Comparison of Cross-Border E-Commerce versus total Chinese Imp. & Exp.



■ Percentage of Chinese Cross-Border E-Commerce ■ Value of Chinese Imp. & Exp.(Trillion RMB)

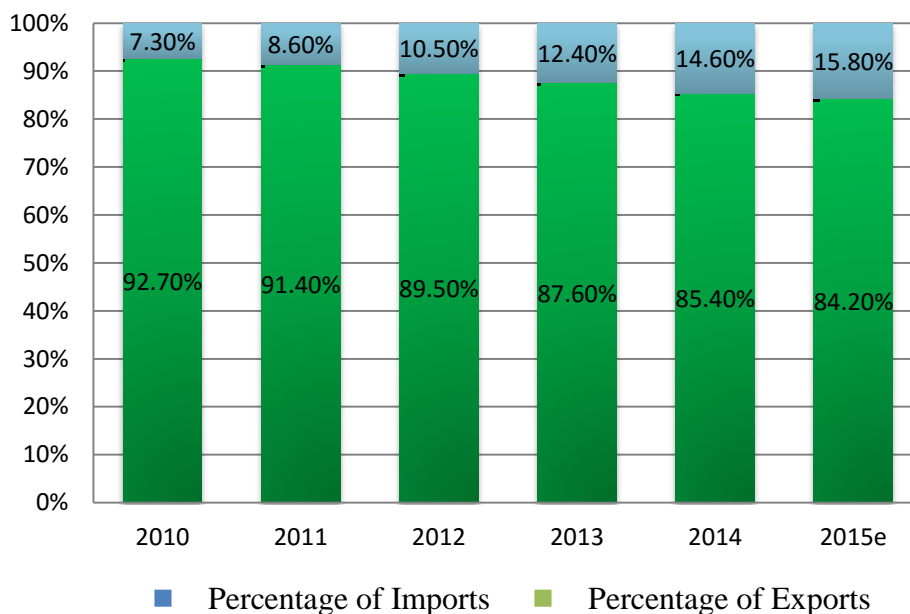
Source: National Census <http://data.stats.gov.cn/>

In the wake of international trade slipping in China, Chinese E-Commerce industry's rapid growth in the 2014-2015 business year can be seen as a new driving force of international trade for China. In the next few years Chinese Cross-border E-Commerce industry will continue to grow at a rapid rate, and will gain more influence in the international market.

2.1.2 Ratio of Exports and Imports in China's Cross-border E-Commerce

According to data, the export of 2014 Chinese Cross-border E-Commerce industry is 85.4% of the totals, while the import is 14.6%. The 2010-2015 Chinese Cross-border E-Commerce import-export ratio is depicted in Figure 2.3.

Figure 2.3 2010-2015 Comparison of Cross-Border E-Commerce Import-Export Ratios



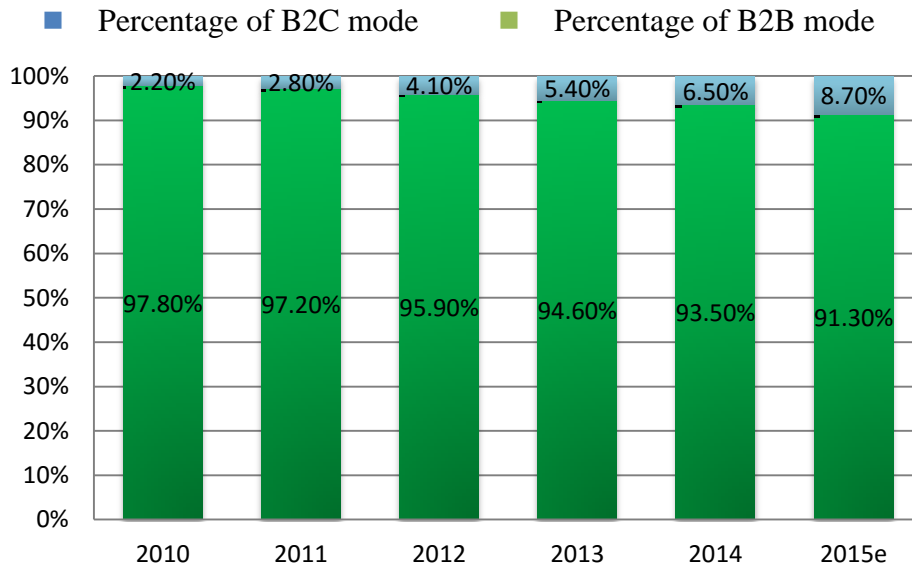
Source: Chinese E-Commerce Research Centre <http://www.100ec.cn/>

Currently import industry of the Chinese Cross-border E-Commerce industry is still in its infantile stages, but with the increase of demand for foreign commodities in the Chinese market, policies promoting Cross-border E-Commerce in major trade cities, and involvement of foreign businesses in China, the import rate of the Chinese Cross-border E-Commerce industry will likely increase in the years to come.

2.1.3 Analysis of the Ratio of Transaction Modes in China's Cross-border E-Commerce

According to data, B2B transaction mode takes up 93.5 of transactions in the 2014 Chinese Cross-border E-Commerce industry, while B2C takes up only 6.5%. The proportion of transactions in the two modes in the years 2010-2015 is depicted in Figure 2.4.

Figure 2.4 China's Cross-border E-Commerce industry's ratio of transaction modes for 2010-2015



Source: Chinese E-Commerce Research Centre <http://www.100ec.cn/>

Up to 2015, the Chinese Cross-border E-Commerce industry is dominated by the B2B mode, with the B2C mode as a minority. In the upcoming years, with the rapid development of the Chinese Cross-border E-Commerce industry, the B2C mode will rise in accordance.

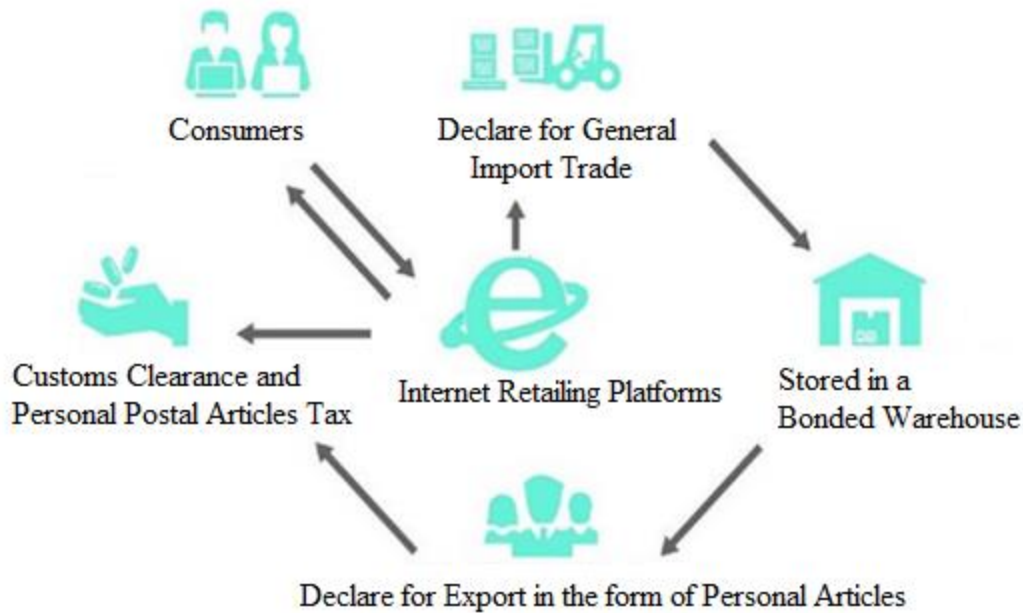
2.2 Current State of China's Demonstration Cross-border E-Commerce Cities

According to the Customs of China, up until the end of 2014, the total value of Chinese Cross-border E-Commerce in demonstration cities has reached over 3 billion RMB: export orders at 38.23 million packages ranging to over 181 countries and regions with a total value of 2.4 billion RMB; import orders at over 4.11 million packages, with a total value of 1.1 billion RMB.

2.2.1 Shanghai

Shanghai is the core demonstration Cross-border E-Commerce city in China.

Figure 2.5 Flow Chart of KJT.com in Shanghai



Source: China Industry Information Net <http://www.chyxx.com>

Shanghai relies on the Free Trade Zone (FTZ), Special Customs Administrative Region, and National High-Tech Industrial Development Area to create a variety of different Cross-border E-Commerce industrial park zones. Industrial Park Administrations perfect comprehensive service system to attract Cross-border E-Commerce businesses, with the help of government supporting policies which related to talent, financial, facilities, etc.

Shanghai, through Special Funds such as, strategic emerging industry, international development, foreign investment, and service industry guidance, is able to support public service platforms, talents cultivation, international market expanding, and overseas warehouse. Businesses that fit certain criteria in the Cross-border E-Commerce industry can gain rights for tax reduction.

Shanghai is currently creating multi-channel investment and financing mechanism to adapt Cross-border E-Commerce development, which includes Supply Chain Finance, Commercial Factoring, Credit Insurance, Trust-based Unsecured Loan, Venture Capital Fund, etc.

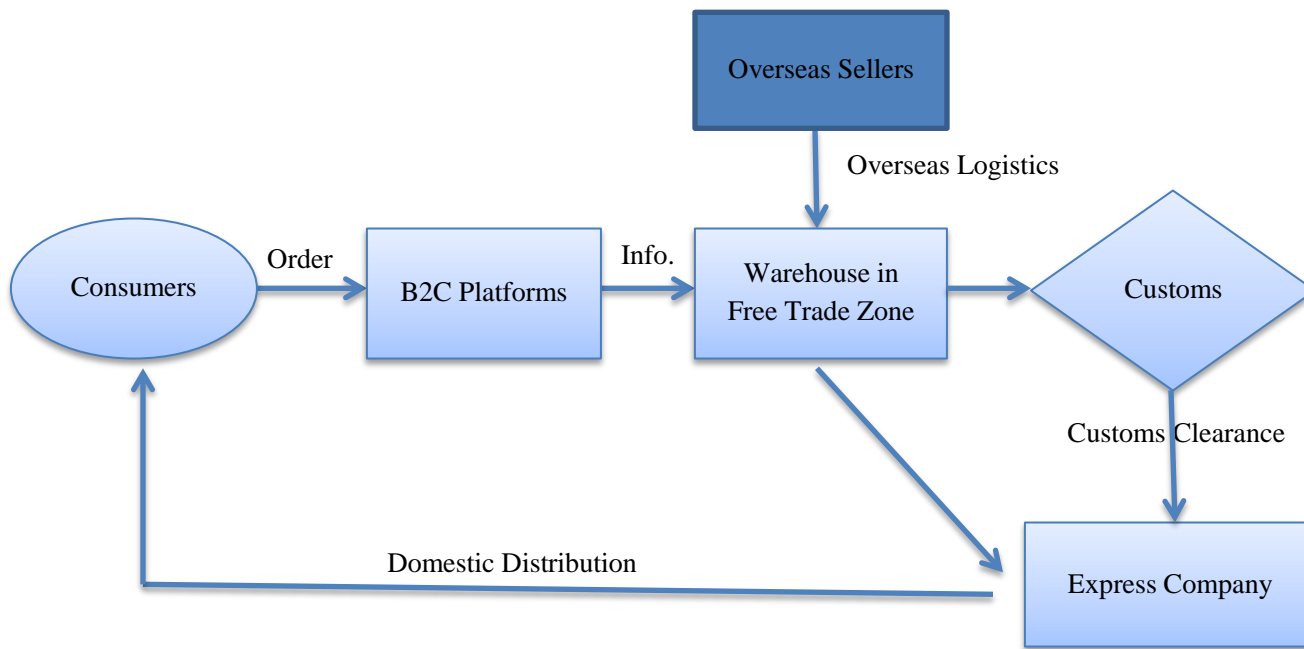
The major commerce modes for Shanghai Cross-border E-Commerce businesses are separated into three: **Online-shopping Direct-Mail Import, Online-shopping Bonded Import, and General Trade Export.**

The Online-shopping Bonded Import mode of Cross-border E-Commerce businesses in the Shanghai FTZ has seen some rapid growth. In January to July of 2015, the Cross-border E-Commerce business in the Shanghai FTZ's total trade value has increased 109.7 times while its orders have gone up 46.7 times, year-on-year.

Currently, Shanghai FTZ is working to improve Cross-border E-Commerce in three ways:

First is the Direct Delivery Service from overseas and Bonded Stocking-up mode.

Figure 2.6 Direct Delivery Service from overseas and Bonded Stocking-up mode



Source: China Industry Information Net <http://www.chyxx.com>

Second is the transaction mode of “Front Website, Back Warehouse promoted” by the FTZ, creating a bonded chain management mode which combines display and retail.

Third is the promotion of “Direct Delivery from Producing Area” transaction mode.

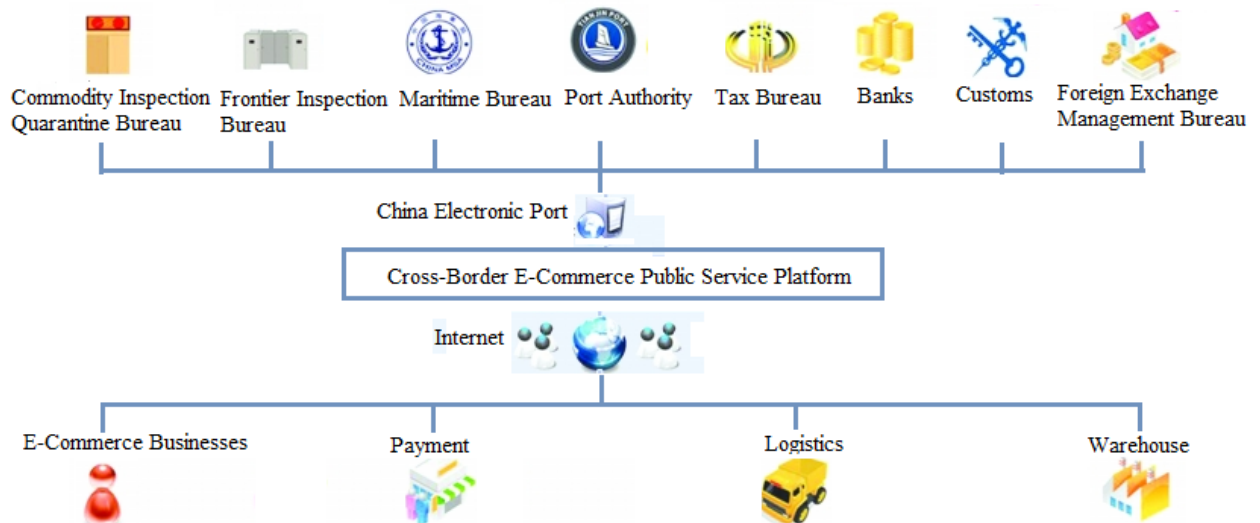
According to the data from the Shanghai Customs, from January to July of 2015, Shanghai Customs accepted a total of 192.2 thousand orders, with a total value of 5.266 million RMB, collecting a total of 3.404 million RMB in taxes. Up until the end of August, 2015, the **Online-shopping Bonded Import orders** numbered in at 428.9 thousand orders, with a total value of 104 million RMB, collecting a tax of 336 thousand RMB.

The Shanghai Airport Inspection and Quarantine Department adopted a “Non-paper Declaration, Electronic Inspection, Fast Inspection” approach to **Online-shopping Direct-mail Import**. From January to September of 2015, Online-shopping Direct-mail Import came in at 228 thousand units, which is a 46.5 times rapid increase from the previous year.

2.2.2 Chongqing

Chongqing Cross-border E-Commerce has four modes of commerce: **General Import**, **Bonded import**, **General Export**, and **Bonded Export**.

Figure 2.7 Chongqing Cross-border E-Commerce Public Service Platform



Source: Chongqing Economic Times <http://e.chinacqsb.com>

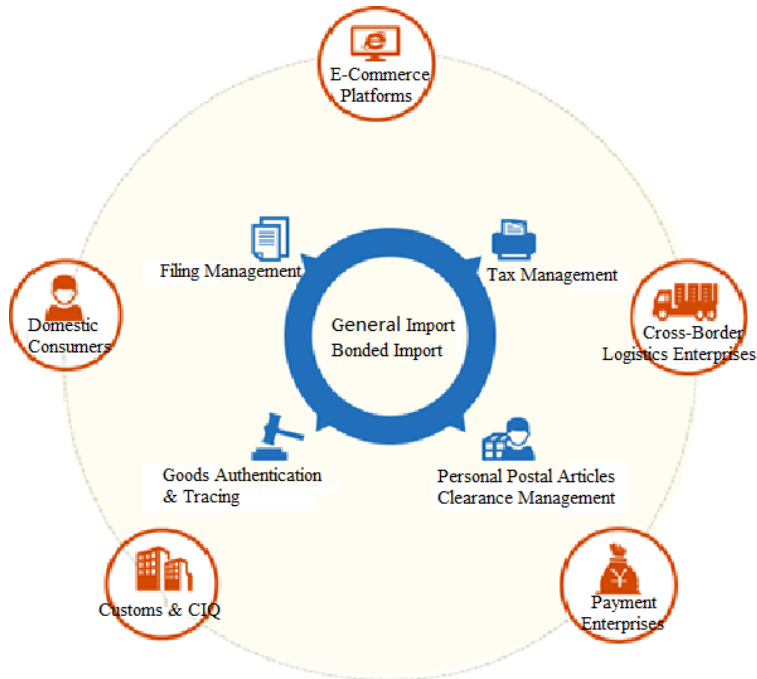
Chongqing Cross-border E-Commerce Public Service Platform (version 2.0) was released on June 17th, 2014 and is the symbol of the Chongqing Cross-border E-Commerce industry going into actual operation. Up until the end of 2014, Chongqing Customs recorded a total of over 200 thousand orders for the Cross-border E-Commerce industry, with a total value of 60 million RMB, and in it, food, milk powder, diapers, clothing, and bags are the five top ranked products. From January to August of 2015, under the inspection of Customs, Chongqing Cross-border E-Commerce industry had a total of 1.231 million orders, with a total value of 314 million RMB.

2.2.3 Hangzhou

Up until the end of April 2015, Hangzhou Cross-border E-Commerce industry had a total of 2.565 million export orders, with a total value of 116.213 million RMB, reaching over 180 countries and regions; import orders totaled in at 1.2723 million units, with a total value of 270.298 million RMB.

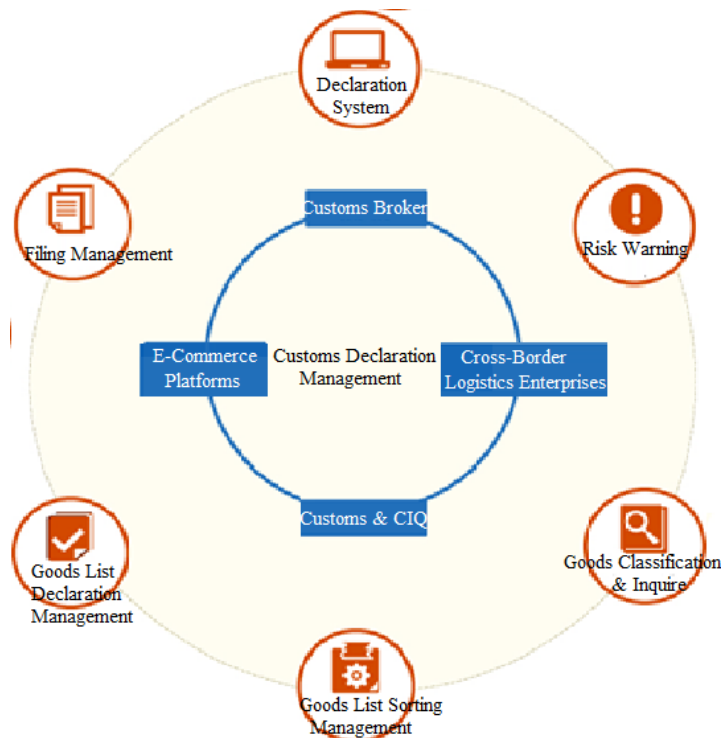
Hangzhou Cross-border E-Commerce Industrial Park has not only “**Bonded Import**”, but also “**Direct-mail Import**” modes, and also provides “**Cross-border One-stop**” solutions to Cross-border E-Commerce businesses.

Figure 2.8 Cross-border Import Solution of Cross-border One-stop



Source: Cross-border One-stop <http://www.kjeport.com/>

Figure 2.9 Cross-border Export Solution of Cross-border One-stop



Source: Cross-border One-stop <http://www.kjeport.com/>

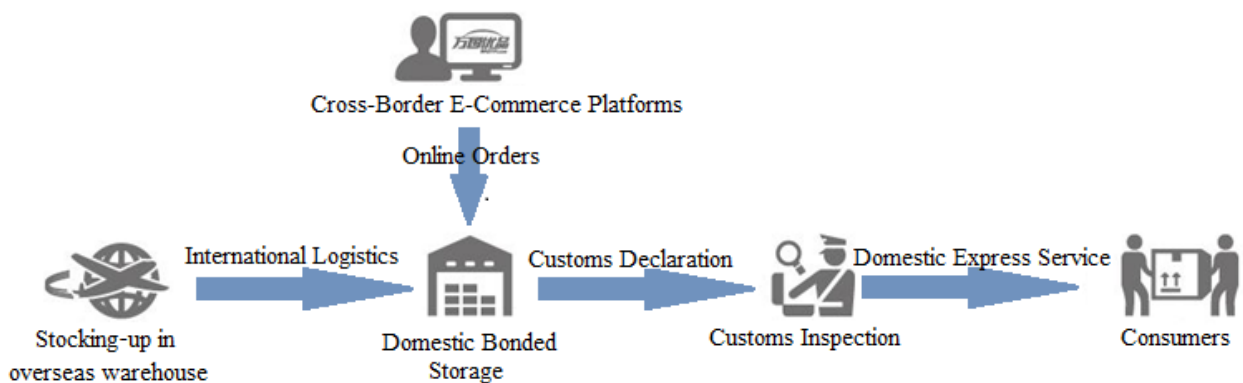
2.2.4 Ningbo

Ningbo is the first demonstration city in China to reach 1 billion RMB in value of its Cross-border E-Commerce industry.

Ningbo has already started developing focuses on Cross-border E-Commerce in the Ningbo Free Trade Zone (FTZ), Ningbo Lishe Bonded Logistics Centre, Lishe International Airport, and Ningbo Meishan Free Trade Harbor Zone, with a total of 33.7 thousand Customs Registration Commodity Lists.

Ningbo FTZ focuses primarily on Import Cross-border E-Commerce services, developing a “**Bonded Stocking-up**” mode, meaning Cross-border E-Commerce platforms buy in bulk from overseas not according to the consumers’ orders, and directly transport them to designated storage areas in the FTZ. Consumers’ orders step as follows: firstly, Consumers in China can put orders on the Cross-border E-Commerce platforms; secondly, Cross-border E-Commerce platforms deal with customs clearance, and paying the personal post articles tax; lastly, the orders are delivered to consumers after the customs inspection.

Figure 2.10 Bonded Stocking-up Mode Flow Chart



Source: Wanguoyoupin (WGYP) <http://wgyp.com>

Ningbo Lishe Bonded Logistics Centre develops a “**Bonded Goods-collection**” mode, meaning Cross-border E-Commerce platforms buy in bulk from overseas according to the consumers’ orders, and directly transport them to designated storage areas in the FTZ. Express Companies pack the consumers’ orders individually, declare to the customs one-by-one, and then deliver to the consumers after the customs inspection.

Figure 2.11 Bonded Goods-collection Mode Flow Chart



Source: Wanguoyoupin (WGYP) <http://wgyp.com>

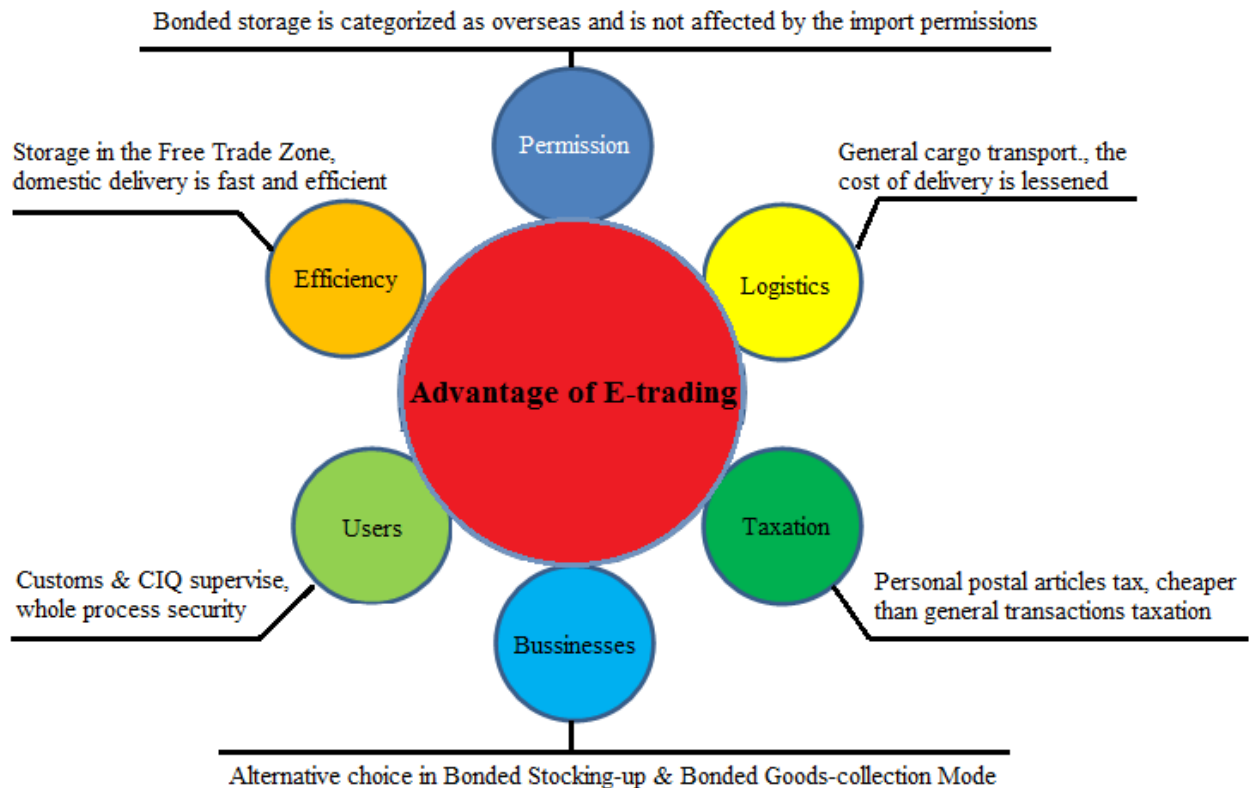
Ningbo Meishan Free Trade Harbor Zone has the advantages of policies such as “**Within the Borders while Outside the Customs**” and “**Zone-Port Integration**”, enacting the “**Online-shopping Bonded Import**” mode, meaning that the customs inspect and collect tax in bulk. Overseas commodities are temporarily stored in the Free Trade Harbor Zone, and once receiving the consumers’ orders, the express companies directly send the commodities to the consumer from the Free Trade Harbor Zone, decreasing the cost of customs declaration and the time it takes for the consumers to receive the commodities.

Up until the end of September 2015, the customs of Ningbo estimates a total of 6.2 million orders, with a total value of 1.41 billion RMB, which is 3.8 times the total of 2014.

2.2.5 Zhengzhou

Zhengzhou, in accordance to the national policy of simplifying customs procedures, promotes a system of “Three Ones” (**One Declaration, One Inspection, One Release**) paving the path for the rapid development of Cross-border E-Commerce in Zhengzhou.

Figure 2.13 E-trading Flow Chart



Source: Henan Bonded Logistics Centre <http://www.hnbcl.com/ptys.htm>

Zhengzhou enacts the policy of preemptive inspections, inspecting commodities in a special district, cutting down time needed when sending commodities off in bulk, increasing

efficiency and decreasing the storage time of commodities. According to the Zhengzhou customs, up until September 20th, 2015, Zhengzhou Cross-border E-Commerce industry has a total of 102.46 thousand Customs Registration Commodity Lists, and of the Customs Registration Commodity Lists 101.477 thousand types is for imports, and 983 types for exports.

2.2.6 Guangzhou

From January to July of 2015, Guangzhou Cross-border E-Commerce industry had a total value of 3.22 billion RMB in exports, its value ranking top in the major pilot Cross-border E-Commerce trade cities.

Guangzhou's Cross-border E-Commerce service modules are mainly **B2C General Trade Export (Post/Express)**, **B2B2C Bonded Trade Import**, and **B2B General Trade Export**.

B2C General Trade Export (Post/Express): Pilot enterprises registration, commodities registration and whole process management are operated on the custom's online information platform. The packages are allowed to post or express to the overseas, provided list of transactions or logistics. The pilot enterprises make monthly declaration to the customs, and related taxes and foreign exchange settlements are done monthly in bulk.

B2B2C Bonded Trade Import: Uses the “**Batch import, Deliver individually, Declare in bulk**” method. “Batch import” means to admit commodities in bulk to the Free Trade Zone after archival filing lists are provided to the customs; “Deliver individually” means to express individually to the consumers after registering to the customs and tax guaranteeing by E-Commerce business; “Declare in bulk” means to declare registration commodities in bulk to the customs periodically.

B2B General Trade Export: As pilot enterprises, the large-scale international trade enterprises or E-Commerce platforms gain supports for rapid clearance, tax incentives and professional international trade chain services.

2.2.7 Shenzhen

Shenzhen's Cross-border E-Commerce industry transactions make up more than 50% of the entire national transactions. From January to June of 2015, Shenzhen Cross-border transactions come up to a total of 85.677 billion RMB (Including B2B transaction modes), a 131.65% increase from last year.

Shenzhen's Cross-border E-Commerce focuses on the Qianhai Bonded Port Area. Cross-border E-Commerce businesses import commodities from overseas in bulk into the Qianhai Bonded Port Area, and, in accordance to the orders given by domestic consumers, declares the commodities and pays personal postal articles tax before expressing the commodities to the consumers.

Currently, both import and export pathways are open to Cross-border E-Commerce businesses in the Qianhai Bonded Port Area.

According to the statistics by the Shenzhen customs, during January to June of 2015, there are 68 Cross-border E-Commerce businesses in Qianhai Bonded Port Area, 7.08 thousand types of commodities were registered, total of 340 batches of commodities were admitted into the Area, which is a 831% increase from the previous year, total value of goods entering the area amounted to 331 million RMB, which is a 1,731% increase from the previous year, and total completed import orders went up to 2.0409 million orders, which is a 400% increase from last year.

On June 2015, the Shenzhen Cross-border E-Commerce Customs Clearance Service Platform was launched, enabling Cross-border E-Commerce businesses to gain One-stop service on a variety of subjects provided by the Customs, CIQ, Frontier Inspection Bureau, Tax Bureau, Foreign Exchange Management Bureau and Market Supervisor Department.

2.2.8 Tianjin

The Tianjin Free Trade Zone has three subdivisions for Pilot Cross-border E-Commerce Zones, providing conditions for Cross-border E-Commerce to flourish in Tianjin.

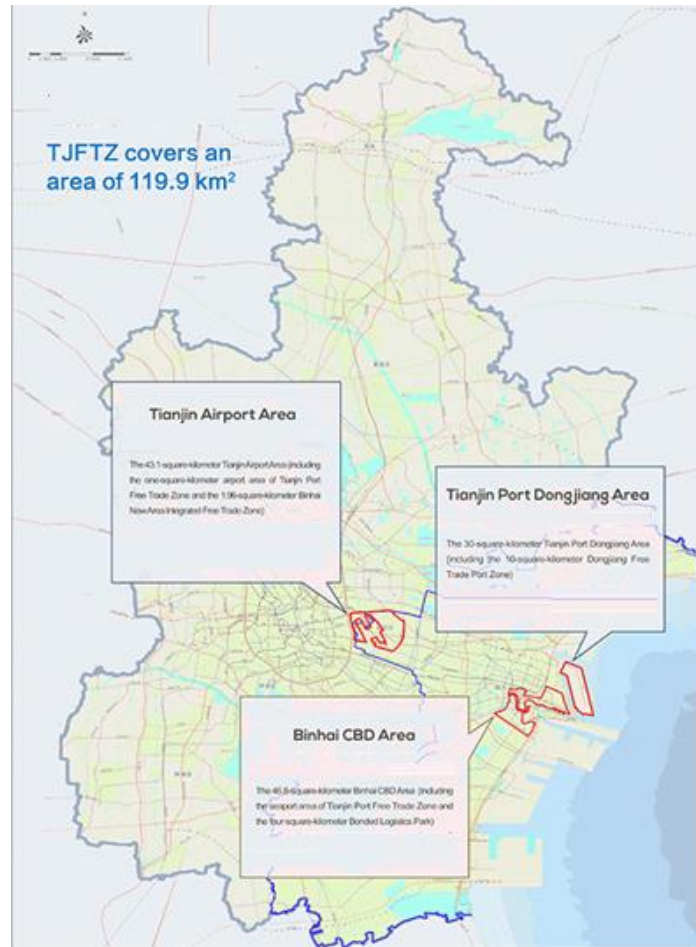
The Tianjin Cross-border E-Commerce Public Service Platform is scheduled to be completed by the end of 2015 to the beginning of 2016.

Dongjiang Bonded Port Area specifically uses naval trade as its **Bonded Stocking-up mode**. The commodities are stored in the Dongjiang Bonded Port Area and, in accordance to the situation of domestic consumers, are delivered through the personal postal articles tax.

The Tianjin Airport Area is the only one of the five Free Trade Zones in China that includes an airport in its vicinity, focusing on the **air express-mail trade** import of Cross-border E-Commerce industry.

The Tianjin Binhai CBD Area Pilot Free Trade Zone aims to the erection of Cross-border E-Commerce Supply Chain Service Platform, strengthening the function of warehouse, logistics, express, financial support and so on.

Figure 2.14 Area of the Tianjin Free Trade Zone



2.3 Development of Cross-border E-Commerce Platforms in China

Judging from the statistics given by Ministry of Commerce of the P. R. China, the number of Cross-border E-Commerce businesses has exceeded 5000, and other Cross-border E-Commerce related businesses has exceeded 200 thousand. In 2014, the total value of import & export by Cross-border E-Commerce businesses is approximately 420 million RMB, the projected total of 2015 will reach 550 million RMB, and the projected total of 2016 will reach 650 million RMB.

2.3.1 Export Platforms

AliExpress

AliExpress, under the company Alibaba has become one of the most active Cross-border E-Commerce platforms in the world. With the help of the large pool of members of Alibaba, AliExpress is also one of the platforms with the most varieties of commodities in the world.

The sellers in AliExpress uses strategies such as low pricing, for their primary targets are price-sensitive overseas consumers.

AliExpress's main focus of development is in new rising consumers in countries such as Russia and Brazil. According to East-West Digital News, AliExpress and eBay holds the two largest shares in the E-Commerce market in Russia. Up until mid-2014, AliExpress and eBay make up 80% of Russia's Cross-border E-Commerce market shares.

Amazon

Amazon started its "Global Opening" in China during the end of 2012, helping Chinese sellers promote "Made in China" to the world, consolidating the "Chinese brand".

Amazon Global has opened up pathways to Chinese sellers all over the world, including stations in USA, Germany, UK, France, Italy, Spain, Canada, India, Japan, and Mexico.

According to statistics, Chinese sellers increased their sales total by 515% in 2014 in Japan, and sales totals increased several times in the North American market. By the beginning of 2015, Amazon launched a support program specifically targeted at Chinese businesses in order to improve their sales globally.

Amazon states that it will continue to work hand in hand with Chinese businesses to promote the Cross-border market, pooling in global resources and Chinese domestic resources to further the development of a global Cross-border E-Commerce industry.

eBay

eBay's primary locations include USA, UK, Germany, and Australia.

In the United Kingdom, the number of Chinese sellers has been increasing rapidly due to the fact that British buyers are more accepting of various products, high gross margins, and ease of physical distribution. Because of this, UK is a probable starting point for Chinese sellers taking as Cross-border E-Commerce center.

The United States is the top country in sales for eBay, but because of this price competition is fierce. If Chinese sellers want to enter this market, a big focus would be to check if they would have an advantage regarding prices.

The biggest categories of Chinese sellers' "exports" are technology, fashion, furniture, and clothing.

In China, eBay and Winit.com.cn signed a strategic agreement for Winit to become eBay's leading provider in whole supply chain services in order to improve global consumer online shopping experiences and to strengthen Chinese seller's competition overseas.

2.3.2 Import Platforms

TMall International and JD Global

Alibaba and JD are the two largest E-Commerce businesses in China, and their import platforms are TMall International and JD Global respectively as shown by chart 2.1.

Chart 2.1 Comparison of TMall International and JD Global

| Import Platform | TMall International | JD Global |
|--------------------|--|---|
| Platform Structure | Open platform | Self-operated model (Overseas direct purchase) and Open platform |
| Features | Platform service fees are higher to sellers. | Platform service fees are rather lower, minimizing sellers' cost. |
| Import Method | Bonded Stocking-up | Bonded Stocking-up; Bonded Goods-collection; Online-shopping Direct-mail Import |
| Supply chain | Supply chain pressure is on individual sellers | Supply chain pressure is shared by JD International and sellers |

Amazon Overseas E-Shopping

Amazon Overseas E-Shopping started operating in China on November 11th, 2014. Domestic consumers can log in to Z.cn to access Amazon Overseas E-Shopping services. During the early stages of operation, Amazon used data from Chinese consumers in the United States to hand-pick 8,000 premium commodities to sell online, and Chinese-language service aided Chinese consumers in overcoming language barriers by delivering high quality overseas commodities in the country.

Tax-wise, Amazon China operates behind the policy of “**Return and Reinforce**”, meaning if the actual import tax is lower than the proxy import tax, Amazon China will return the difference between the two taxes back to the consumers, while if the actual import tax is higher than the proxy import tax, Amazon China will pay the difference for the consumers themselves.

Customer service-wise, consumers can enjoy domestic and local customer service provided by Amazon China when they purchase on the Amazon Overseas E-Shopping platform.

Vip.com

Vip.com, with the aid the support of the Guangzhou Customs, launched “**VIP GLOBAL SALE**”, which is the first Cross-border E-Commerce platform in China to dock customs declaration and clearance information system, and achieved rapid import customs clearance in overseas express way.

Domestic consumers can enjoy the same online shopping experiences as other domestic E-Commerce on **VIP GLOBAL SALE**, while being able to obtain convenient services of “**Genuine commitment, Global Premium Commodities, Global Free-shipping**”.

2.4 Development of Logistics in China's Cross-border E-Commerce

Chinese Cross-border E-Commerce businesses generally utilize three ways of admitting commodities through the customs: As **goods**, as **express deliver**, and as **postal delivery**. B2B business models use admittance as goods and admittance as express delivery (with a small portion as B2C models). B2C models generally use admittance as postal delivery. The biggest difference between B2B models and B2C models is the rate of commodity tax, further explained in chart 2.2.

Chart 2.2 Comparison of Commodity Tax Rates Between B2B and B2C Businesses

| Type of Commodity | B2B | | | B2C |
|------------------------------|----------------------|-----------------|----------|------------|
| | Customs Tax (Lowest) | Value Added Tax | Sale Tax | Postal Tax |
| Cosmetics | 10% | 17% | 30% | 50% |
| High-end watch & Accessories | 11% | 17% | 20% | 30% |
| Bags | 20% | 17% | -- | 10% |
| Shoes and Hats | 15% | 17% | -- | 20% |
| Clothing | 14-17% | 17% | -- | 20% |
| Electronics | 10% | 17% | -- | 10% |
| Milk Power | 10% | 17% | -- | 10% |
| Accessories | 10% | 17% | -- | 10% |
| Exercise Machines | 12-14% | 17% | -- | 10% |
| Overseas Commodities | 10% | 17% | -- | 10% |

The process of B2B models of physical distribution is virtually the same as general trade import. B2C models have three models of physical distribution as shown in chart 2.3.

Chart 2.3 Comparisons of Physical Distribution Methods in B2C Models in China

| Distribution Method | Direct Postal Method | Direct Postal in goods-collection Method | Bonded Method |
|---------------------|---|---|---|
| Features | Order, then distribute | Order, then distribute | Distribute, then order |
| Advantages | Simple and fast | Through whole supply chain management, time of delivery will be shortened significantly, lower distribution cost than direct postal delivery. | Lowest cost of delivery, usually takes 4-5 days before reaching consumer. |
| Disadvantages | Takes a long time, costly. | Parts of the pilot Chinese Cross-border E-Commerce cities do not accept this method. | Harsher inspection on goods types and quality. |
| Main Incentive | Overseas warehouse; ability of customs clearance | Total solution; mature administrative system | Domestic bonded warehouse; ability of customs clearance |
| Suited Targets | Small sellers & Cross-border E-Commerce enterprises | Variety of sellers & Cross-border E-Commerce enterprises | Large-scale Cross-border E-Commerce enterprises |

During 2015, Chinese Cross-border E-Commerce industry has seen a steady rapid increase, and projects to reach 300 billion RMB by the end of 2015.

2.5 Development of Payment Modes in China's Cross-border E-Commerce

Up until August 2015, Shanghai, Beijing, Chongqing, Hangzhou, and Shenzhen has 23 third-party payment firms that was granted a certified license for Cross-border payment by the National Foreign Exchange Reserves. According to enet.com.cn, based on the criteria of iBrand, iSite, iPower, China's Cross-border payment firms' rankings are shown in chart 2.4.

Chart 2.4 Top 20 Chinese Cross-border Payment Firms in 2015

| Ranking | Name of Firm | Total Score | iBrand | iSite | iPower |
|---------|--------------|-------------|--------|-------|--------|
| 1 | Alipay | 91.56 | 95.28 | 98.84 | 90.06 |
| 2 | Tenpay | 89.86 | 94.31 | 91.26 | 88.61 |
| 3 | Chinapay | 89.31 | 83.08 | 90.61 | 90.37 |
| 4 | 99bill | 87.25 | 86.04 | 87.59 | 87.44 |
| 5 | ChinaPNR | 85.70 | 81.65 | 85.52 | 86.60 |
| 6 | Tongrongtong | 84.74 | 76.42 | 87.50 | 85.93 |
| 7 | Jdpay | 83.91 | 83.50 | 85.12 | 83.74 |
| 8 | AllinPay | 83.83 | 75.69 | 84.33 | 85.46 |
| 9 | Lakala | 83.79 | 87.43 | 85.39 | 82.66 |
| 10 | Payease | 83.21 | 76.03 | 84.27 | 84.52 |
| 11 | iPs | 81.18 | 82.37 | 85.20 | 80.07 |
| 12 | Fuiou | 80.88 | 77.70 | 83.99 | 80.90 |
| 13 | Shengpay | 80.04 | 76.18 | 79.31 | 81.02 |
| 14 | Yijifu | 79.89 | 70.13 | 86.44 | 80.58 |
| 15 | Ebatong | 79.10 | 67.73 | 83.87 | 80.52 |
| 16 | Easipay | 18.96 | 69.17 | 80.11 | 80.81 |
| 17 | Qiandai | 78.38 | 77.39 | 84.58 | 77.27 |
| 18 | EBC | 78.10 | 70.98 | 72.32 | 80.87 |
| 19 | Globebill | 78.03 | 67.20 | 76.72 | 80.63 |
| 20 | Zihexin | 76.68 | 73.59 | 80.60 | 76.50 |

Sourcer: enet.com.cn <http://www.enet.com.cn/>

On October 8th, 2015, People's Bank of China administered the **Cross-border Interbank Payment System (CIPS)**. The first 19 banks to adopt the CIPS include the ICBC, Agricultural Bank of China, Bank of China, China Construction Bank, Bank of Communications, HSBC Bank (China), Citibank (China), and several other banks.

CIPS is divided into two developmental stages: first stage uses real-time full amount payment method, providing settlement and clearing services for Chinese Cross-border trade, investment and financing, and all other RMB related businesses all over the world; the second stage uses a more active compound settlement method, improving the efficiency of clearing and settlement of RMB Cross-border and offshore funds.

3 Example Cases of China's Cross-border E-Commerce

3.1 Example Cases of China's Cross-border E-Commerce Enterprises

3.1.1 Alibaba

AliExpress

AliExpress was officially launched in April 2010, an online transaction platform targeting the global market under Alibaba. AliExpress mainly aims at buyers overseas, who can use international accounts of Alipay to perform guaranteed transactions, and uses international express services to deliver its commodities. It is also the world's third largest English online shopping platform.

Features of AliExpress

Categories of commodities

Including 30 categories from the primary sector such as 3C, clothing, home decoration, jewelries, among which its dominant categories are clothing, cell phones and communications, shoes and bags, beauty and health, jewelries and watches, consumer electronics, computers and internet, home decoration, accessories of cars and motorbikes as well as lamps and lights.

Logistics

There are three ways for consumers to choose:

- “Big and small parcels” of China Post and “Big parcels” of Hong Kong Post: low cost but slow delivery, and possibility of missing parcels. Currently, 90% of the transactions use “Big and small parcels”.
- AliExpress Cooperative Logistics: economical and practical, and high price-performance ratio.
- Commercial Express: quick delivery, good service, but expensive.

Language translation

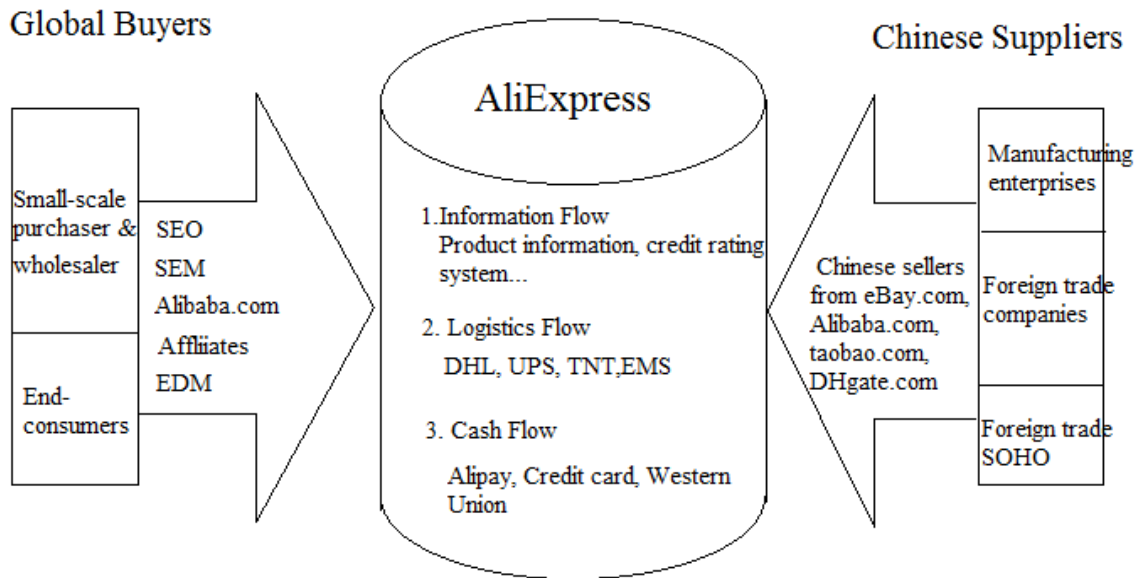
Language support in main steps of transactions on AliExpress:

- Commodities Entirely Moving: commodities' text from Taobao will be automatically translated into English by the tool of “Taodaixiao”, and posted on AliExpress, and Sellers only need to make certain supplementary.
- Partial Correction: things such as titles and descriptions of services can be translated into English from Chinese by using translation tools and can be edited after that.

Cost of the platform

Joining AliExpress, commodities release and opening shops are all free of charge, but a transaction fee of 5% will be charged by AliExpress after the completion of each transaction.

Figure 3.1 AliExpress Platform



Source: ebrun.com

TMall International

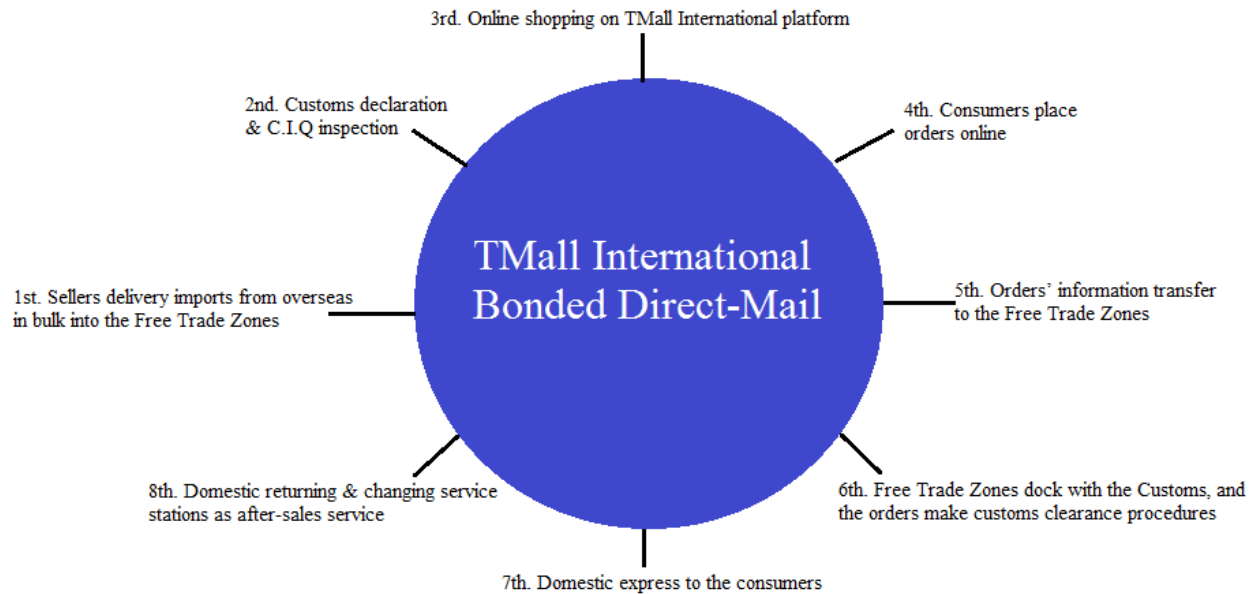
TMall International provides imported commodities directly from foreign countries for Chinese buyers.

All the sellers that have joined TMall International are companies outside Mainland Chinese, and are qualified to do international retail; their commodities are all produced or sold overseas, and all are brought to Chinese market through China Customs via international logistics services. All the sellers that joined TMall International are equipped with Wangwang, a Chinese-language Instant Message Software, and provide Chinese domestic after-sale services. Chinese buyers use Alipay to pay the imported commodities.

As for logistics, TMall International requires sellers to finish shipping within 72 hours, and make sure their commodities are delivered to Chinese buyers within 14 working days. All the shipments should be traceable.

TMall International cooperates with six pilot Chinese Cross-border E-Commerce cities, adopting the Bonded Direct-Mail method (Figure 3.2), using the Free Trade Zones as intermediate stations for overseas commodities to storage in bulk before orders are made by domestic consumers. After orders are made, the commodities are directly expressed to consumers from the Free Trade Zones.

Figure 3.2 TMall International Bonded Direct-Mail Flow Chart



Taobao Global

Taobao Global is a Cross-border E-Commerce platform specifically target at overseas commodities by Taobao. Established in 2007, Taobao Global has an incredible selection of high quality goods from overseas, satisfying the Chinese consumers' desire of "shopping around the world without stepping out of China."

Taobao Global only accepts commodities directly supplied by overseas sellers (products made in Hong Kong, Macau, Taiwan, or foreign countries). Taobao Global provides an independent filter system. When a seller shows any behavior violating the platforms terms of use, Taobao Global has the right to immediately terminate or freeze the user's account and deny the user's access to Taobao Global.

Any complaints or arguments that arise in Taobao Global in accordance to Chinese Law must be resolved by the sellers themselves. Taobao Global does not participate in any transaction as either the buyer or the seller.

3.1.2 DHgate

DHgate (DHgate.com) is a B2B internet transaction platform for small Chinese businesses. The platform adopts a commission system and is free to register for buyers and sellers. DHgate only asks for a commission after a successful transaction has been made between the buyer and the seller, and uses the EDM (Email Direct Marketing) model to help Chinese sellers expand into oversea markets.

DHgate's model of transaction is "**Payment after Success**". Buyers can make orders according to the information provided by sellers, and can choose to buy in bulk or buy a small

amount as sample first, then buy in bulk. For small transactions (orders less than one hundred pieces) DHgate cooperates with DHL, FedEx, and other international express companies to provide logistics and customs clearance services for sellers at a set price.

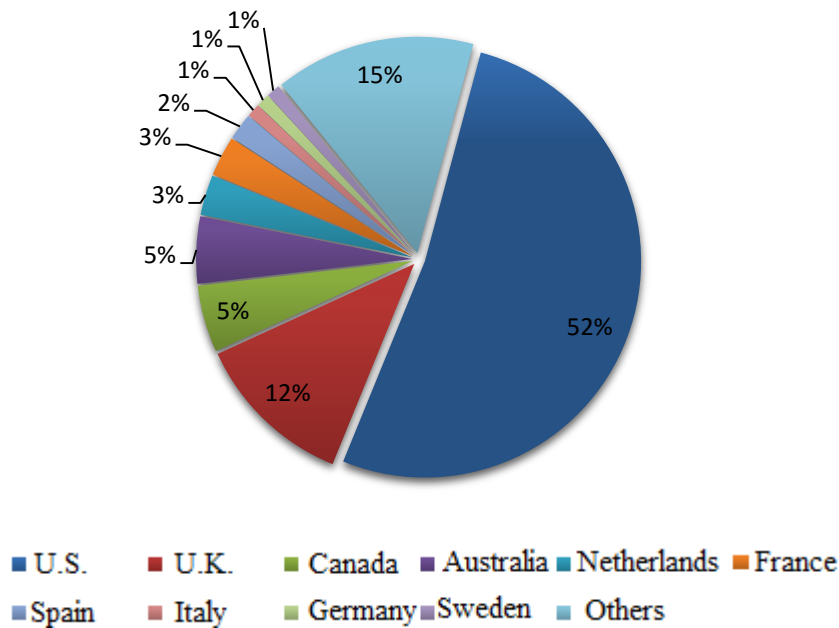
Variety of products, scale of transactions increasing rapidly

Up until the end of 2014, types of commodities have reached 3 million different SKU. In these, ten categories that make up a majority of transactions include: electronics, mobile phones and accessories, computers and network, wedding dresses, infant products, health and beauty, sports and outdoors, furniture and gardening, lighting, and clothing.

The United States and Europe are the two largest destinations for exports. France and Spain and other non-Anglophone countries have large untapped potential markets.

In 2014, majority of orders on DHgate come from industrially advanced regions in Europe and America. The top ten export markets are shown in Figure 3.3

Figure 3.3 2014 Major Destinations for Exports in DHgate



Source: DHgate

Orders from France, Netherlands, Italy, Spain and other non-Anglophone regions have seen a huge increase. For example, computing industry orders from Spain and Germany grew from 2% in 2013 to 6% and 5% respectively in 2014. In the near future, under the support of DHgate’s multilingual platform, orders from non-Anglophone countries will most likely see an increase.

3.1.3 Ymatou

Ymatou (Ymatou.com) was established in 2009 as a Chinese Cross-border E-Commerce import platform, satisfying Chinese consumer's wishes of being able to buy overseas commodities without leaving the country. Ymatou's App has a shopping channel broadcasting built inside. Another channel gives information on the various brands commodities around the world.

There are two modes of transaction on the Ymatou platform:

C2C Model

Overseas personal sellers (foreigners have to show full personal information, overseas personal ID, overseas credit certificate, and overseas residence certificate) and domestic consumers complete transactions on Ymatou platform.

M2C Model

Overseas enterprise sellers (enterprises have to show business and retail permits, bank details, corporate identity, and pay a security deposit) and domestic consumers complete transactions on Ymatou platform.

Ymatou established a Cross-border logistic system, xLobo Global Express, to ensure the safety of overseas commodities, and to provide speedy deliveries from overseas to domestic consumers. Besides, xLobo Global Express aids overseas sellers with customs clearance services. Currently, Ymatou has established ten large scale international storage centers (New York, San Francisco, Los Angeles, Chicago, Melbourne, Frankfurt, Tokyo, London, Sydney, and Paris), and cooperates with various international airlines to provide air freights with over 40 flights per week to ensure fast delivery for domestic consumers.

Figure 3.4 Ymatou Platform Flow Chart



Source: Business Wisdom, <http://www.glzh.com.cn>

3.1.4 JD Global

JD Global is the JD Corporation's Cross-border E-Commerce platform established in 2015. There are over 150 thousand types of commodities online, with a lineup of over 1200 brands and over 450 online-shops covering infant products, food products, cosmetics, clothing, gift packs. The joint operation "eBay Overseas Selection" between JD Corporation and eBay came online around the same time. Up until now, JD Global has divisions in North America (USA and Canada), Japan, Korea, Australia, New Zealand, and Europe, and has uploaded English and Russian sites.

Two methods of transaction exist on the JD Global platform: **JD Self-Management Model** where overseas merchants sell commodities to JD Global directly, and then JD Global sells to Chinese consumers; **JD Open-platform Model** where overseas merchants sell commodities to Chinese consumers on JD Global platform.

Features of JD Global

Overseas Genuine Guarantees

JD Global guarantees 100% authenticity when it comes to overseas commodities, promising to provide "Genuine Guarantees Service". If overseas sellers have been found to provide fakes, JD Global has the rights to end all contracts with the sellers and demand reparations.

Direct Global Supply

JD Global uses overseas or bonded storage to deliver commodities to Chinese consumers, ensuring minimal delivery time.

Full Surveillance

From the moment the commodities are shipped from the overseas to the moment the commodities are sent to the Chinese consumers from the Bonded Area after customs clearance, domestic consumers can monitor the delivery information.

7 Days Post-Purchase Guarantee

JD Global promises to retract commodities found with quality problems within 7 days of receiving the commodities.

Figure 3.4 JD Global Flowchart



3.1.5 PayEase

PayEase (Beijing.com.cn) was founded in 1998 as China's first Cross-border Cross-Bank online payment service. The PayEase platform is an open system, connecting over 23 national banks and is the main payment service in China. It supports online payments with bank cards issued domestically and international credit cards such as VISA, MasterCard, AE, and JCB, and boasts the most usable card types and covers the most area. The PayEase platform can provide solutions to problems faced by E-Commerce businesses over the internet. In 2011 PayEase was issued the certificate for payment services by the People's Bank of China. In 2013 PayEase was issued the certificate of "Cross-border E-Commerce Payment Business" permission by the National Foreign Exchange Reserves.

PayEase is the first business to be awarded the ISO 27001 information safety management system certification and PCI DSS bank card data security authentication in China.

PayEase has Cross-border payment as its core focus, establishing Integrated service solutions for Cross-border trade and E-Commerce businesses, proving as the go-to method of payment of businesses. It also provides billing, financial, custom clearance, storage, and marketing services for businesses in its service platform.

PayEase integrated service platform includes six main functions: Information Sharing Service System (ISSS), Financial Service System (FSS), Intelligent Logistics System (ILS), E-Commerce Business Service System (EBSS), Risk Prevention & Control System (RPCS), and Statistical Detection System (SDS). Among them, ISSS transfer the standard flows of goods, logistics, and capital to the Cross-border E-Commerce government regulators involved in the customs, taxation, foreign exchange, inspection and quarantine, etc., realizing unified information supervision and management. FSS collects payment and settlement, providing credit loan, inventory pledged loan, Cross-border factoring, financial leasing and other forms of business service system; EBSS provides one-stop services for Cross-border enterprises, including customs clearance service, multilingual translation services, tax services, data analysis services, and other services.

3.1.6 Ruston

Ruston (Ruston.cc) was established in 2013 with a focus on the development of Cross-border E-Commerce services in Russian speaking countries. Services include Ruston Logistics, Ruston Cross-border E-Commerce Platform, Ruston Talent Incubation, and Ruston Technology. In May 2014, Ruston started cooperating with AliExpress. In January 2014, Ruston, together with DHgate, was considered one of the best Russian service businesses by online sellers.

Ruston composes of services such as package pickup, warehouse management, Cross-border logistics, call center and frontier warehouse in order to provide the highest quality services for Chinese and Russia Cross-border E-Commerce businesses. Ruston has over 6,000 offline

stations in China, including bonded warehouses in Harbin, Suifenhe, Guangzhou, Shenzhen, Shanghai, Beijing, Hangzhou, Yiwu, etc., and has a daily delivery rate of over fifty thousand packages. Coupled with a highly advanced real-time information tracking system, it is able to reduce the delivery time to 7-12 days from Suifenhe frontier warehouse to Russian consumers.

In 2014, Ruston had over 104 charter flights, carrying over 16.44 million packages, weighing 2,040 tons in total, making up about 30% of all China's Cross-border E-Commerce logistics to Russia, with an estimated total trade value of 220 million RMB.

In 2015, Ruston opened routes to Ukraine and Belarus. Ruston aims to open up more routes to cover all Russian-speaking countries.

3.1.7 Xiaohongshu

Xiaohongshu (Xiaohongshu.com) was established in June 2013 as a Cross-border E-Commerce platform, helping Chinese consumers find quality commodities all over the world. Xiaohongshu combines word-of-mouth marketing and online shopping together, consisting of two main aspects: one, **Overseas Purchase Sharing Forum (OPSF)** based on UGC (User-Generated Content) model; two, **Cross-border import platform** called "Fulishe". To Chinese consumers who are going abroad soon, they can make their own shopping lists by OPSF, and to Chinese consumers who are not going abroad soon, they can be through OPSF to grow knowledge or to buy overseas commodities on Fulishe platform.

Fulishe platform adopts the B2C self-management module, directly cooperating with overseas brands and big trade corporations to sell domestic consumers overseas commodities by bonded warehouse or overseas direct-mail ways. In half of year of Fulishe's initial release, its sales have passed 700 million RMB.

Users registered on Xiaohongshu can post purchasing information (called notes) in forms of commodities' pictures, brand tags, price and location of purchase, and can also get experience on using made by other users. Through the backstage data analysis, Xiaohongshu can let Chinese consumers know what the world's best-selling commodities in what areas and where to buy.

3.1.8 WD

WD (Wd.cm) is a professional clothing Cross-border export platform that adopts a B2C business model, relying on small batch order of foreign trade. It is successful in over 190 countries all over the world, creating a new system of "**Made in China + B2C E-Commerce Platform + World Market**", which is called "**Internet + foreign trade**" model.

WD has over 8 overseas warehouses all over the world, and provides service in 54 languages in 220 countries, with over 700 thousand clothing SKU on its platform.

Successful experiences of WD consist of three aspects: the first is multilingual service (54 country and regional languages) on its platform; the second is over 150 distribution online

shops in eBay, Amazon, AliExpress, ETSY, and DHgate; the third is providing full-service to Chinese small and medium foreign trade businesses including marketing, logistics, overseas warehouse, and E-Commerce operation.

3.2 Example Cases of China's Cross-border E-Commerce Industrial Parks

3.2.1 E-Commerce China Cross-border Retailing E-Commerce Headquarters Park

Shanghai Putuo District Mid-ring Business Area (SPDMBA) is located in the Changzheng Town, Putuo district, Shanghai and gained the honor of **National E-Commerce Demonstration Base** in 2015. SPDMBA covers an area of 4.5 square kilometers, consisting of three parts: the first is **Municipal-level Retailing Center** (2.44 square kilometers) including some large commercial retail enterprises; the second is **Tiandi Technology Valley** (0.48 square kilometers) including Tiandi Software industrial park, New-caoyang Hi-tech industrial park and Huada science and technology industrial park; the third is **Shanghai International SME Headquarters Park** (1.57 square kilometers) concentrating on corporate headquarters, business services, and platform services.

E-Commerce China Cross-border Retailing E-Commerce Headquarters Park takes SPDMBA as the carrier, combining Cross-border E-Commerce with commercial circulation, to create an industrial agglomeration haven for Cross-border E-Commerce businesses. Its E-Commerce One-stop Service Platform provides convenient services for the settled enterprises, including policy service, office service, incubator service, investment & financing service, business facilities service, easy access service for import & export, logistics service, exhibition service, international bond service, E-Commerce channel operation management service, team training service and talents service.

3.2.2 Hangzhou (Liangxu) Cross-border E-Commerce Industrial Park

Hangzhou (Liangxu) Cross-border E-Commerce Industrial Park covers an area of 4.61 square kilometers. It's divided into three sections: core sections, sub-sections and developmental sections, and created in order to serve as the center of the Cross-border E-Commerce of the region.

The park includes 5 functional areas:

E-Commerce Utility Area

To provide Cross-border E-Commerce businesses with physical space.

Logistics Warehousing Area

To provide higher quality and cheaper storage and distribution functions for Cross-border E-Commerce businesses.

Customs Clearance Inspection Area

To provide faster and quality inspection and clearance services for Cross-border E-Commerce businesses, supporting by Customs and CIQ.

Industrial Mixed Utility Area

To provide third party platforms including financing, payment, credit, E-Commerce operation, training, creative, etc. for Cross-border E-Commerce businesses.

Business Lifestyle Supporting Functional Area

To provide housing, entertainment, and other general lifestyle services.

3.2.3 Suifenhe Sino-Russia Cross-border E-Commerce Industrial Park

With the rapid increase of Cross-border E-Commerce between Russia and China, Suifenhe City in Heilongjiang province is the major hotspot of trade. Approved by the General Customs Administration, Suifenhe became one of the Cross-border E-Commerce pilot cities in China in 2014. In 2015, Suifenhe gained the honor of national E-Commerce Demonstration Base. Currently Suifenhe has 7286 online shops with over 60 thousand employees of the industry. On April of 2015, Suifenhe launched Sino-Russia Cross-border E-Commerce Customs Clearance Service Platform, enabling easier and clearer custom declaration and clearance for Cross-border E-Commerce businesses.

The focus of the Suifenhe Sino-Russia Cross-border E-Commerce Industrial Part is to provide one-stop service, payment, and business cooperation opportunities for Cross-border E-Commerce businesses. The Park covers an area of one square kilometer and will mainly include E-Commerce office buildings, import-export exhibition centers, E-Commerce Colleges, and E-Commerce residential areas. The Park aims to draw in E-Commerce businesses, internet networking businesses, and software businesses in order to promote the establishment of Cross-border E-Commerce systems.

The primary goal of the Park is to provide statistics and analysis of the Sino-Russian E-Commerce industry in order to create a database that can help sustain and guide the development of the Sino-Russia Cross-border E-Commerce industry.

3.2.4 Hangzhou Cross-border Trade Town

Hangzhou Cross-border Trade Town is a project that aims at the combination of industry and city, covering an area of about 3.58 square kilometers. The town is based on two large projects: **China (Hangzhou) Cross-border E-Commerce Industrial Park** and **Xintiandi Innovation Base**, and other small industrial parks as its subdivisions.

China (Hangzhou) Cross-border E-Commerce Industrial Park is a national Cross-border E-Commerce Industrial Park, able to carry out both import and export functions, and has already established customs clearance services platform, international trade general service platform, intelligent physical distribution platform, Cross-border E-Commerce training platform, and many other service platforms. From January to July of 2015, exports from the Park has reached 30.0442 million packages, with a value of 1.24 billion RMB, exceeding the total value of 2014, reaching over 180 countries and regions; imported personal packages reached 799 thousand packages, with a value of 110 million RMB.

Xingtandi Innovation Base is a large business creation and creative center, focusing in providing in coming entrepreneurs with financing, housing, education, research, and capital.