

# Importing the Future

China gears up for its first-ever import expo in Shanghai By Zhou Xiaoyan

From fresh milk from New Zealand to Canadian seafood and South American fruits, the increasingly discerning tastes of Chinese consumers present enormous opportunities for foreign businesses. A similar trend can be seen in consumer spending on famous-brand automobiles, luxury bags and hi-tech devices. To help keep up with the changes in Chinese buying patterns, the first China International Import Expo (CIIE), with the theme "New Era, Shared Future," will be held in Shanghai on November 5–10.

"The CIIE should be on par with the most renowned expositions in the world, combining country- and enterprise-specific exhibitions and business forums to form a comprehensive international influence," said Vice Premier Hu Chunhua at a conference marking the start of the 100-day countdown for the opening of the CIIE on July 27.

Over 2,800 companies from over 130 countries and regions have confirmed their attendance at the CIIE in November. The expo has attracted exhibitors from all G20 members, over 50 countries and regions along the Silk Road Economic Belt and 21st-Century Maritime Silk Road and more than 30 of the world's least-developed countries. It's expected that over 160,000 purchasers from China and abroad will attend the event.

"As one of the four major diplomatic events hosted by China this year, the first CIIE is of great significance on the occasion of the 40th anniversary of China's reform and opening up," said Vice Minister of Commerce Wang Bingnan.

What makes this expo so special is that it is a major move by China to support trade liberalization and open its markets wider to the world. The CIIE serves as a brand-new springboard for foreign businesses and products eyeing the Chinese market.

## A timely, popular event

Over six decades after China established the China Import and Export Fair (Canton Fair) in Guangzhou, in south China's Guangdong Province, originally aimed at exports, the country will host its first import-themed national-level expo, on an annual basis. At the Belt and Road Forum for International

Cooperation in May 2017, Chinese President Xi Jinping announced the decision.

As Xi has reiterated on many occasions, China will not close its doors to the world, but will only open up more and more. "Openness brings progress, while self-seclusion leaves one behind," he said.

Exhibitor enthusiasm for the first CIIE has exceeded organizers' expectations. "The booth area for businesses was already fully booked in June. We had to expand the booth area twice, from 210,000 to 270,000 square meters," said Sun Chenghai, Deputy Director of the CIIE Bureau. In light of the CIIE's popularity, more than 40 companies and institutions, including many industry leaders, have already signed up for the second CIIE.

Arancha Gonzalez, Executive Director of the International Trade Centre, said the CIIE is a unique fair: "It signals a commitment by China to move from being a global factory to being a global market." Through the CIIE, China can share its experience of expanding exports with other economies around the world, and can help them tap the Chinese market, she said. The expo is "an example of how international trade can be win-win."

Liang Ming, Director of the Institute of International Trade at the Chinese Academy of International Trade and Economic Cooperation, said the CIIE comes at the right time. "The world economy is facing challenges from a lack of growth momentum as the trend of anti-globalization emerges and some countries' policies are increasingly domestically focused," he said, adding that mounting trade frictions and investment restrictions pose a great threat to sustained global growth.

"Against this backdrop, the CIIE, with participation from a large number of countries and regions, and buyers from home and abroad, will serve as an open platform for global trade," Liang said, noting that China's further opening up and increase of imports will greatly increase trade liberalization and inject new impetus into global growth. "To the greatest extent, it shows China's consistent stance in supporting the multilateral trading system and free trade. It sends a strong signal in opposition to trade protectionism and in support of building and safeguarding

an open world economy."

Hosting the CIIE also caters to the ongoing consumption upgrade taking place in China, amid a continuously expanding middle-income group and increasingly diversified product and service demands.

Chinese people have also demonstrated their ever-growing purchasing power through hefty spending during overseas trips. The world's biggest spenders, Chinese mainland tourists spent \$261 billion in 2016, two times that of U.S. tourists' overseas spending. This accounted for nearly 21 percent of the world's tourist consumption, according to a report released by China's leading online travel agency, Ctrip, and the Center for China and Globalization, a Chinese think tank.

"By hosting the CIIE, China will expand imports of services and high-quality consumer goods to give people more choices, guide Chinese people's overseas spending to flow back, optimize consumption structure and better satiate people's demands for more diversified and tailor-made products," Liang said.

## Global reaction

China has been the world's second-largest importer of goods for the last nine years, and took in 10.2 percent of global imports last year. In the next 15 years, China is expected to import \$24 trillion worth of products.

Foreign businesses are coveting market opportunities created by one of the world's fastest-growing major economies, and by the world's biggest middle-income group, which is demanding a higher quality of life and higher-quality goods.

In early July, China introduced substantial tariff cuts on imported automobiles and consumer goods. While tariff cuts reduce the costs of imports, the CIIE aims to provide institutional support by boosting information sharing and bridging supply and demand.

Walter Tong, Greater China Managing Partner for Key Accounts at Ernst & Young, the multinational professional services firm headquartered in London, said the CIIE is not only a bridge connecting exhibitors and buyers, but also a bridge for

exhibitors to network.

"With our professional knowledge and Chinese market know-how, we can help small and medium-size foreign businesses expand their operations in China. And the CIIE offers a good opportunity for Ernst & Young to reach more potential clients," Tong told *Beijing Review*.

Tong also hailed China's recent moves to further open its financial market wider to the world, especially the banking and insurance sectors. "We very much look forward to entering this market," Tong said.

Andreas Weller, President of the Asia-Pacific region for German auto parts maker ZF, said the company would display its latest technology in autonomous driving and e-mobility at the CIIE. "ZF is pleased to take part in the CIIE, which is an important means for the sustained opening up of the Chinese economy, and a great opportunity for global

enterprises to enhance technical exchange and business cooperation," Weller said.

According to Weller, ZF's footprint covers 40 countries and 230 locations worldwide, and China comprises nearly 20 percent of its global sales volume, playing a vital part. "We have set up two R&D centers in China, and are committed to significantly enlarging our R&D facilities in China," he said.

Simon Electric is a supplier of high-quality electrical equipment and wiring products. The Spanish company first entered the Chinese market in 1999 and achieved sales revenue of over 1 billion yuan (\$146 million) last year, with the goal of at least tripling this figure within three to five years.

"Over the past two decades, our sales revenue in the Chinese market has been increasing at an average of 15 to 20 percent annually," said Zhang Renyu, General Manager of Simon Electric China, adding

that China sales now account for roughly 20 percent of the company's global total.

"We applied for a 300-square-meter booth, but because of the popularity of the CIIE, we only got 100 square meters," Zhang told *Beijing Review*.

"We have shared the benefits of China's continued reform and opening up for the past 20 years. Taking part in the first CIIE reflects our confidence in China, in the Chinese market and in the Chinese Government," Zhang said.

"We will consolidate relations with our traditional partners and explore new partners at the first CIIE in November," he added. ■



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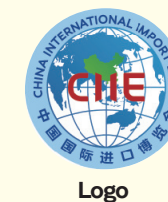
## Quick Facts About the China International Import Expo

**Theme:** New Era, Shared Future

**Venue:** National Exhibition and Convention Center (Shanghai)

**Date:** November 5—10, 2018

**Hosts:** Ministry of Commerce of the People's Republic of China, Shanghai Municipal People's Government



Logo

**Partners:** World Trade Organization  
United Nations Conference on Trade and Development  
United Nations Industrial Development Organization



Mascot

### 3. Hongqiao International Trade Forum



An opening ceremony and three parallel sessions will be held at the forum. The parallel sessions will focus on Trade and Openness, Trade and Innovation and Trade and Investment.

### Three Major Parts of the Expo:

#### 1. Enterprise and Business Exhibition

Over **2,800** companies from over **130** countries and regions

across five continents have confirmed their attendance. = 10

The average exhibition area for each company is **100** square meters.

Over **200** businesses

are industry leaders on the Fortune Global 500 list.

It's expected that over **150,000** purchasers from home and abroad will attend the event.

#### 2. Country Pavilion for Trade and Investment

So far, **80 countries** and **three international organizations** have confirmed their participation.

**21** developed countries  
**9** least-developed countries  
**50** developing countries