

Trade Facilitation of MSMEs through Technology

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Challenges Faced by MSMEs in Trade

- Access to global market
- Incapability to address cross border difficulties
- Lack of trust from the consumers
- Financial Difficulties
- Lack of ability to innovate and upgrade products and services
- Insufficient infrastructures
- Others

China's Experience: Digital Technology Enables MSMEs

Businesses: 10 million

Alibaba platform accommodates 10+ million merchants, among which 97% employ less than 5 persons and 95% invest less than USD 4,500.

Employment: 36.81 million

Alibaba retail ecosystem creates 36.81 million job opportunities in China, including 14.05 million transaction-related ones and 22.76 million indirect ones.

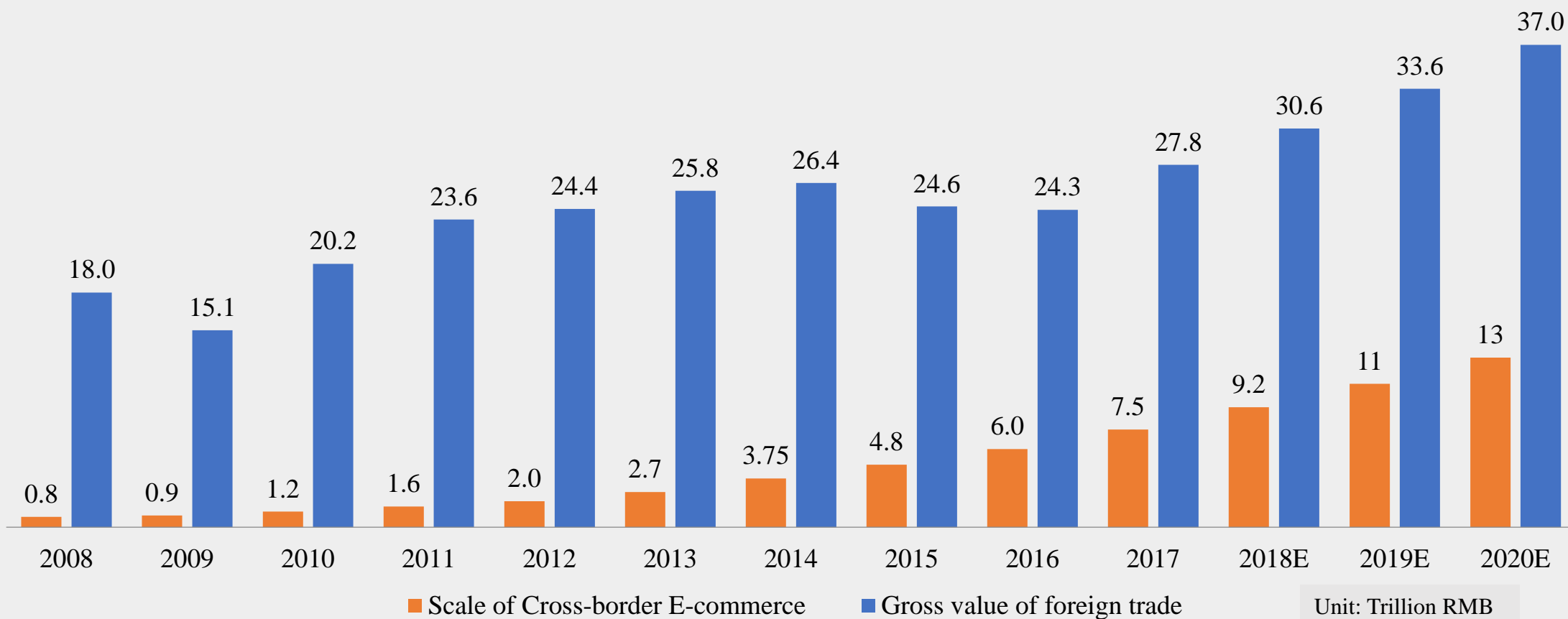
Women: 6 million

49.4% of active online stores owners in Alibaba retail ecosystem are female and contribute to 46.7% of the total sales.

Disabled: 0.16 million

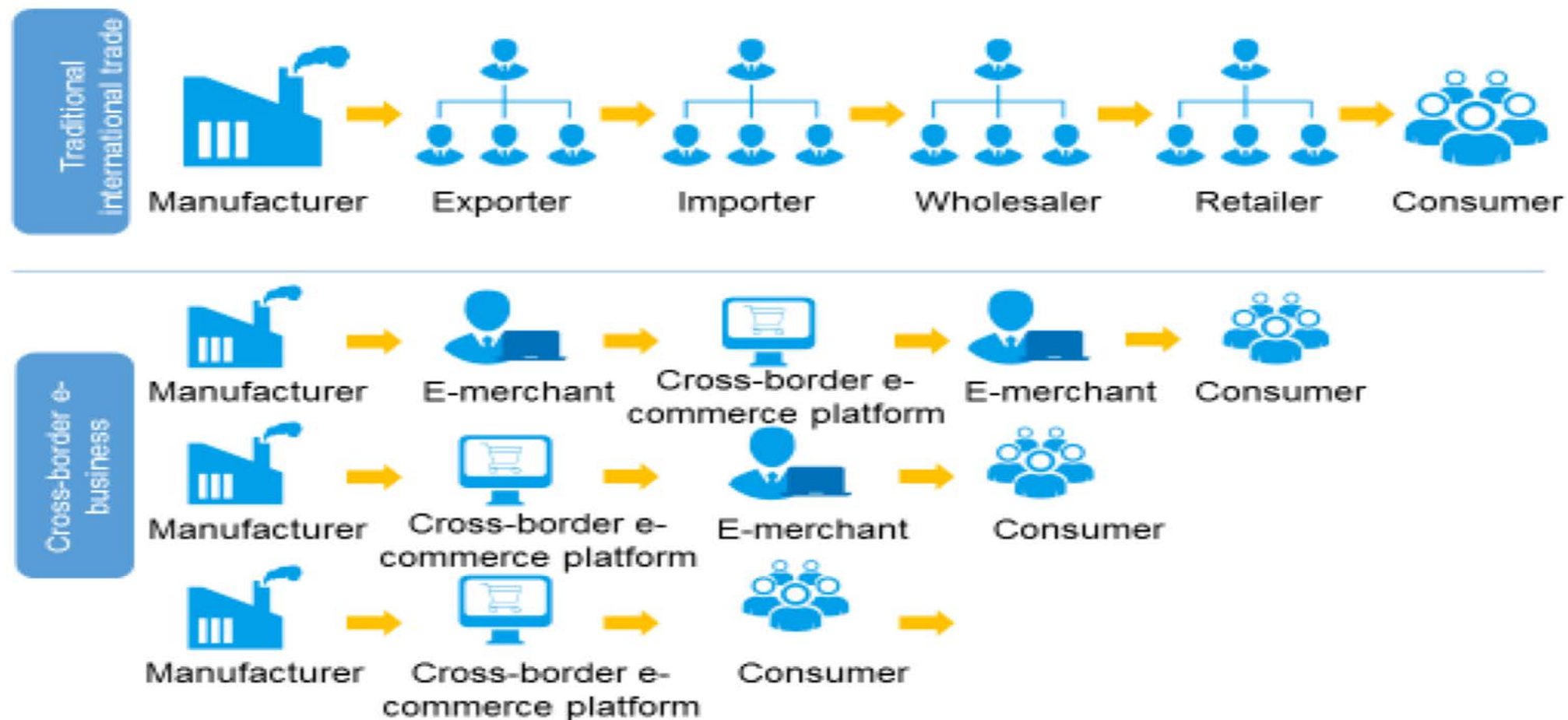
There were more than 160,000 disabled sellers on the Taobao retail platform with total transaction volume of more than USD 1.9 billion.

China's Cross-border E-commerce & Foreign Trade



Data Sources: Ministry of Commerce, Bureau of Statistics, AliResearch, etc.

Help MSMEs Access Global Market



Case: Wig Production and Sales in Juanchen County, China



Case: Lobsters from USA and Canada Exported to China

11/11/2016

Lobsters Sold: 97,000+

Fastest delivery: 33 hrs



Case: Live Selling of Kashmir Scarf to Chinese Consumers

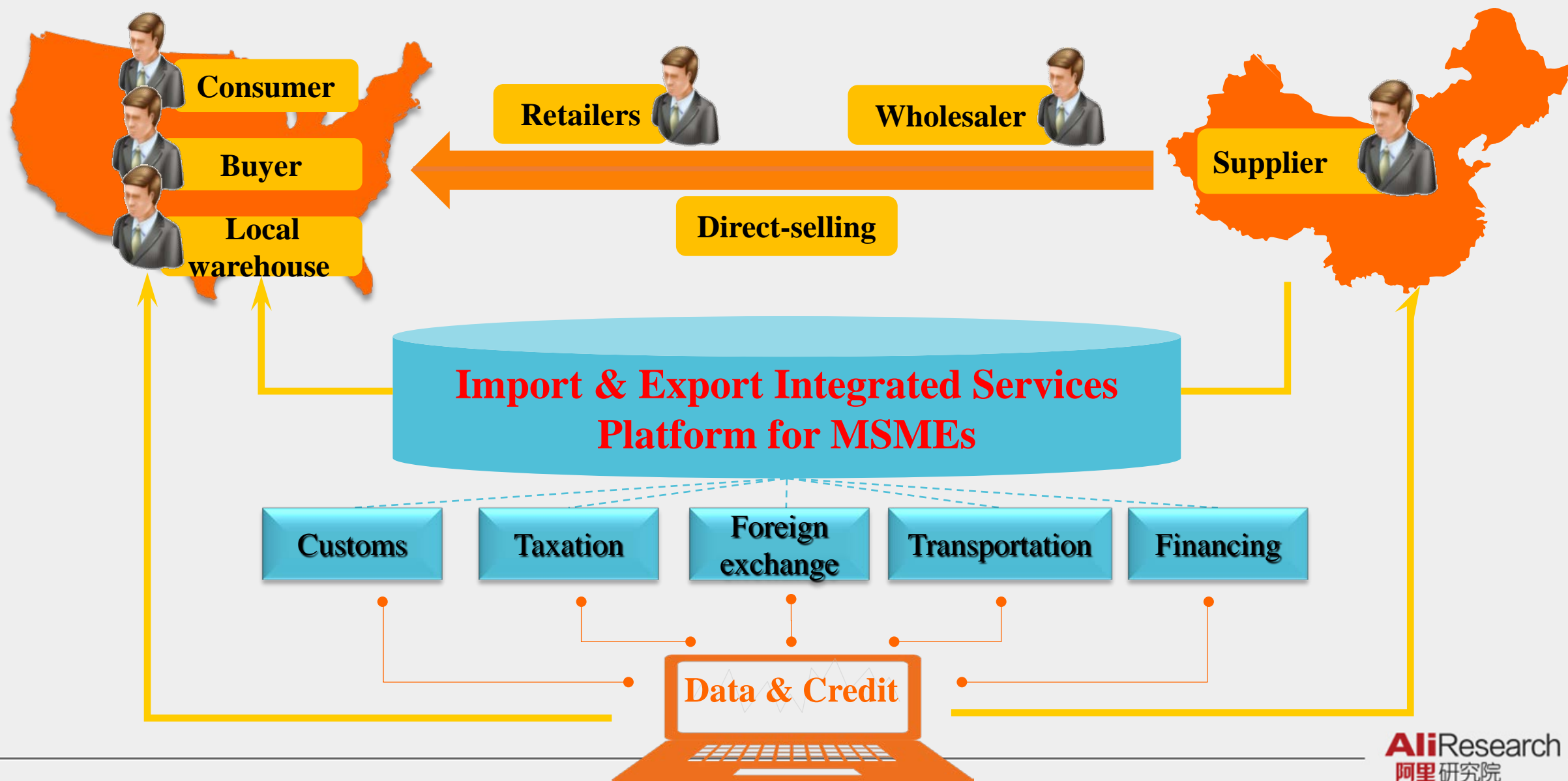


Some Findings in ITC-AliResearch Report

E-commerce Opportunities For Asian LDCs

- E-commerce focuses on processed products ready for consumption.
- Products from the large companies with well-established distribution and trade channels, do not feature prominently in online demand. Sectors populated by SMEs, such as gifts and crafts, textile and leather products, rank higher in online trade and offline trade.
- E-commerce provides opportunities to expand and diversify exports, notably into higher value added products.
- E-commerce could generate new demands. A notable example is beauty and personal care products, which features in the top three e-commerce product for both Cambodia and Myanmar, and is the fastest growing category for Bangladesh.
- Each country has its unique offerings in e-commerce. Even though the five LDCs are in the same region, more or less of the same level of income, and share similarities in their broad export categories, the star products in e-commerce vary significantly from country to country.

Integrated Cross-border Trade Services for MSMEs

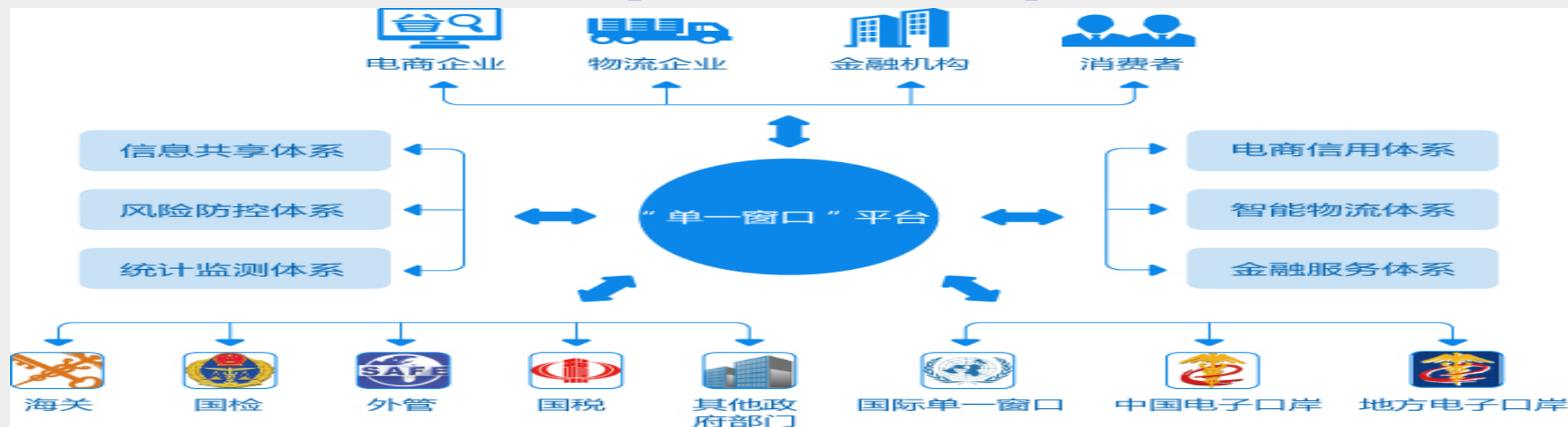


China's Cross-border E-commerce Comprehensive Pilot Zones

Hangzhou Experience: Six Systems and Two Platforms

- Policy and Rules Innovation
- Governmental Management Innovation
- Intergrated Services Innovation

Online Comprehensive Services platform



Help MSMEs Establish Global Trust



Trade Assurance

Free for buyers and suppliers

Order quality and on-time shipment safeguards with

100%* PAYMENT REFUND

up to the Trade Assurance Amount

Support MSMEs with Inclusive Finance



Mybank provides
“310” Loan Service (3-min application, 1-sec approval & grant and 0 manual intervention) for MSMEs.

7 million

7million MSMEs received the loans

USD 150 billion

Total loan amount of USD 150 billion

USD 4,500

Average loan balance below USD 4,500

Help Rural Areas Leapfrog and Develop

“Smiling Taobao Village” leverages e-commerce platform and promotes rural sustainable development

2118

Taobao Villages
In 2017

Demand for
rural products
is fulfilled

Urban
Consumers

Taobao Village
Online Store

Sell local produce
on-line

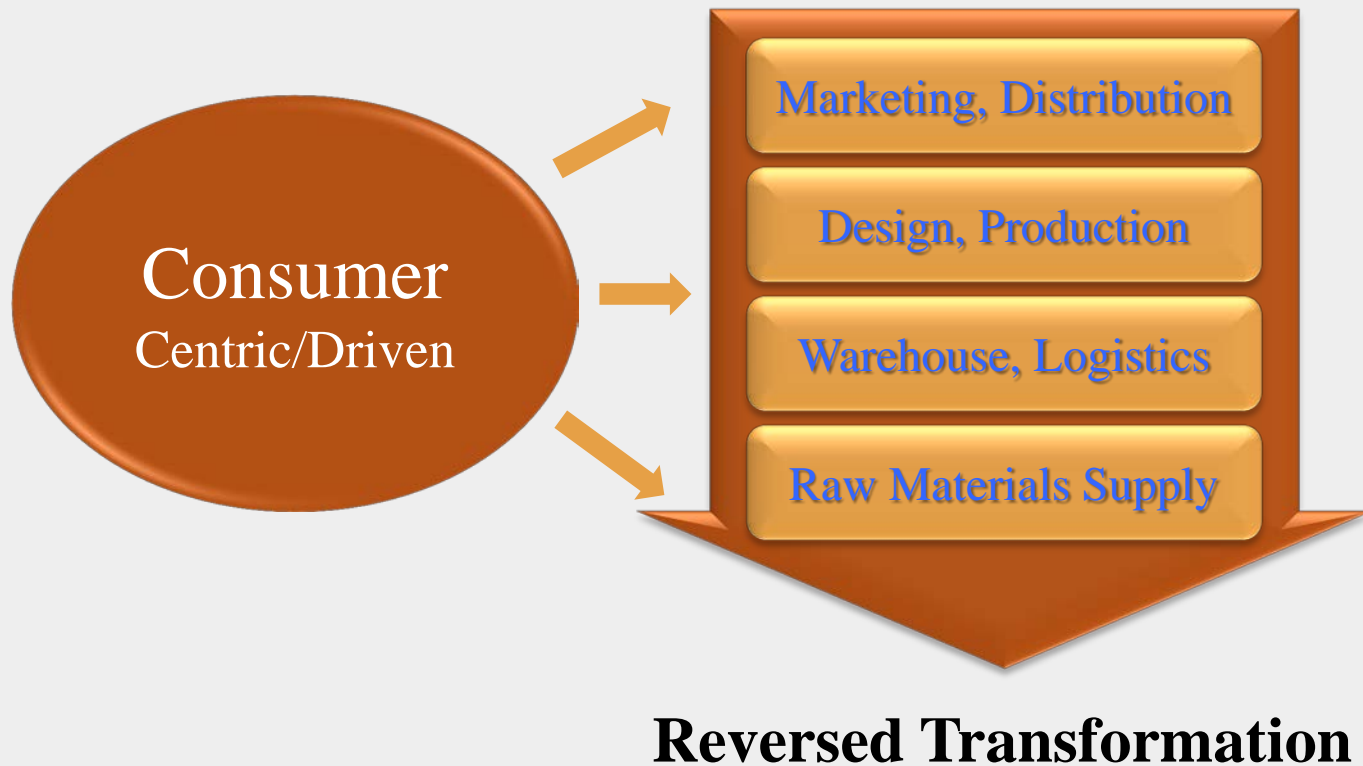
¥ 10 mn

Min Sales per
Taobao Village

E-commerce Platform

Provides information, transaction, payment, logistics, finance infrastructure

Help MSMEs to Innovate and Upgrade (C2B)

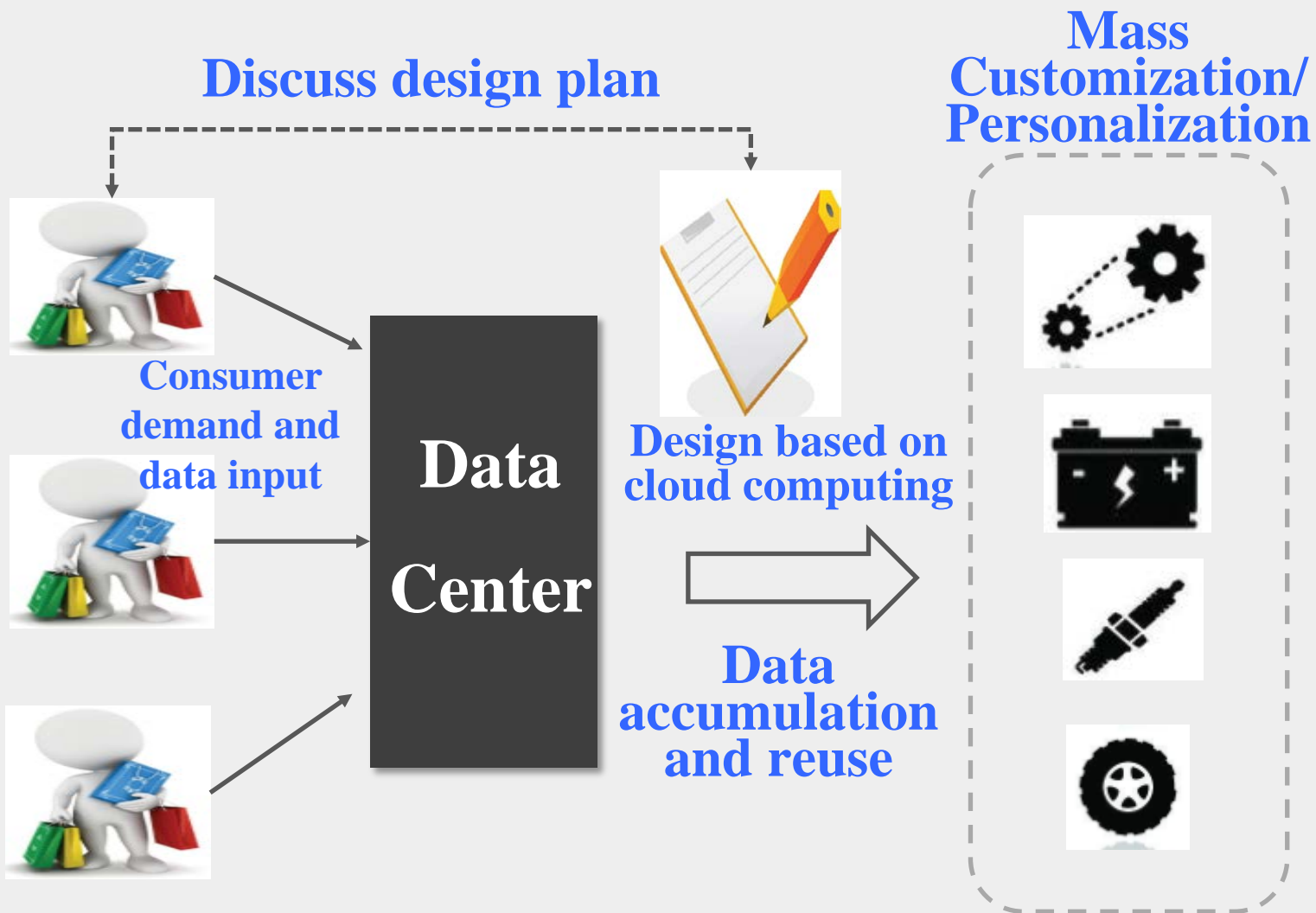


Supportive Mechanism for C2B Model



- ✓ Real time data sharing
- ✓ Mass Customization/Personalization
- ✓ Large scale network collaboration
- ✓ Based on Internet and cloud platforms

Case: A Furniture Company



Assembly



Paradigm Shift: Industry versus Digital Economy

Industry Economy

- ▶ B2C
- ▶ Standardization
- ▶ Mass production
- ▶ Low Cost
- ▶ Assembly Line
- ▶ Supply Chain
- ▶ Hierarchy

Linear · Mechanical · Control

VS.

Digital Economy

- ▶ C2B
- ▶ Customization
- ▶ Differentiation
- ▶ Value
- ▶ Network
- ▶ Social Collaboration
- ▶ Self Organizing

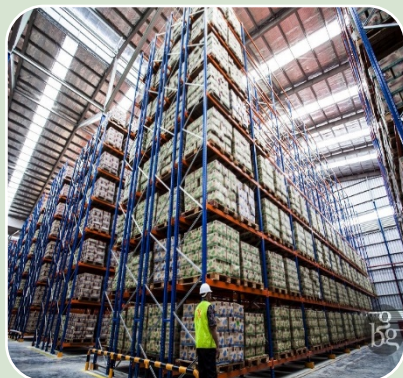
Web · Ecological · Enable

New Infrastructures for Digital Economy



Traditional Infrastructures for Industry Economy

Malaysia's Digital Free Trade Zone (eHub)



**Regional
Logistics
Hub**



**One Stop
International
Trading
Services
Platform**



**Cloud
Computing
and Big Data**



**E-payment
and Inclusive
Financial
Service**



**Global
Digital Talent
Training**

Awareness Raising and Training for MSMEs



店铺运营 >

新手开店 日常运营 数据运营 商品运营

营销引流 >

日常推广 内容营销 店铺活动 淘宝活动

店铺视觉 >

宝贝拍摄 美工PS 视觉设计 旺铺装修

客户服务 >

售前客服 售中客服 售后客服

其他分类 >

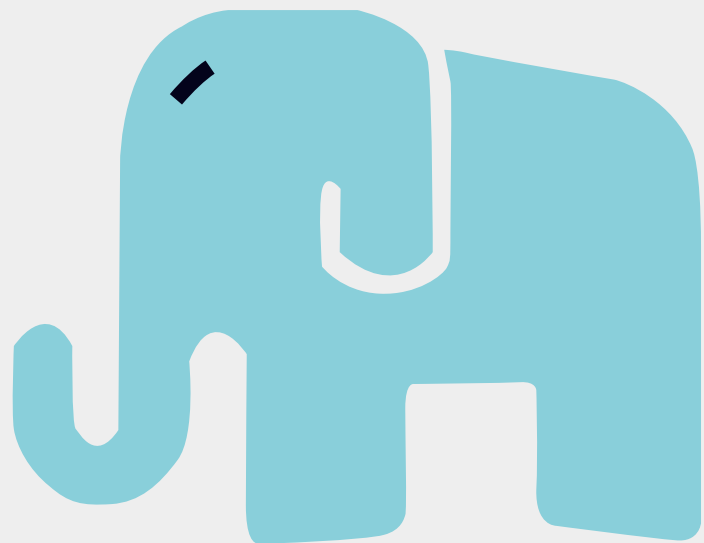
客户运营 店铺设置 手机淘宝 淘宝规则



Technology Empowers MSMEs To Compete with Large Companies

A MSME cannot compete
with a large company

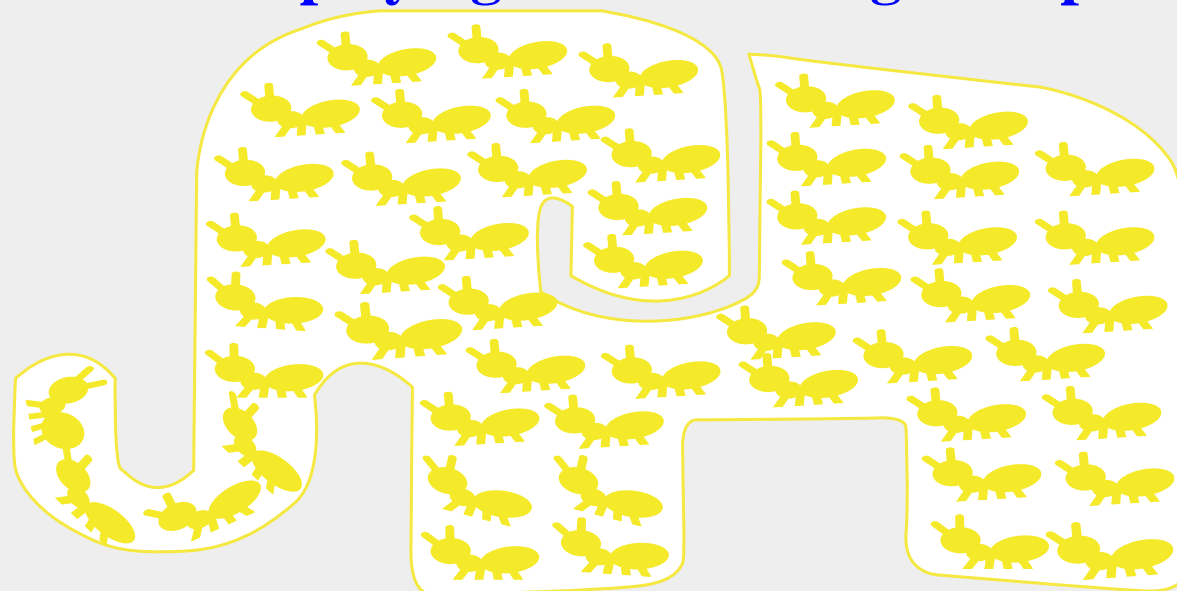
Technology and e-commerce empowers MSMEs with
data, credit, trading rules, access to value chain, etc. and
provides the level playing field with large companies



Large Company



MSME



MSMEs on E-commerce Platform

Ali Cross-border E-commerce Research Center

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阿里研究院



Inclusive Growth and E-commerce: China's Experience

April 2017

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Future of Global Trade: Connecting the World through E-commerce

2016 China Cross-border E-commerce Report

Alibaba Research Institute
Ali Cross-border E-commerce Research Center



E-COMMERCE IN CHINA OPPORTUNITIES FOR ASIAN FIRMS



In partnership with

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阿里巴巴集团

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阿里跨境电子商务研究中心



Unleash the \$3 Trillion Potential of Online Retail in BRICS

—BRICS E-commerce Development Report 2017

September 2017

accenturestrategy
埃森哲战略

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—— 阿里巴巴经济体的实践

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2017年4月21日

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世界电子贸易平台倡议 (eWTP) 2017 年度报告

AliResearch
阿里研究院
2017年3月