



**Asia-Pacific
Economic Cooperation**

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Cross-Border e-Commerce Development and Its Implication for FTA Negotiation: APEC and China

Submitted by: China



**Workshop on Building and Enhancing FTA
Negotiation Skills on e-Commerce
Medan, Indonesia
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Cross-border E-commerce Development and its Implication for FTA Negotiation: APEC and China

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Content

- Cross-border e-commerce development
- Transformation of international trade transaction and handling process
- Benefits of cross-border e-commerce for trading partners
- What are the challenges?
- Implications for FTA negotiation
- How to enhance mutual understanding through FTA negotiation?



Cross-border E-commerce development

- **eBay and Paypal: the typical case of cross-border e-commerce**
 - 15% of global e-commerce (paypal)
 - 20% of transactions (68 billion USD 2012) are cross-border
 - Growth of China is 68% (ebay sales, 2012) and 35% with paypal
- **China's cross-border e-commerce**
 - 15 billion USD, 2012 with growth above 30%
 - 0.73% of China's total export
- **APEC region**
 - 30 billion USD, 2012 est.
- **Global**
 - 44 billion USD, 2012 est.(ComScore and Euromonitor)

Cross-border EC Commodity Structure

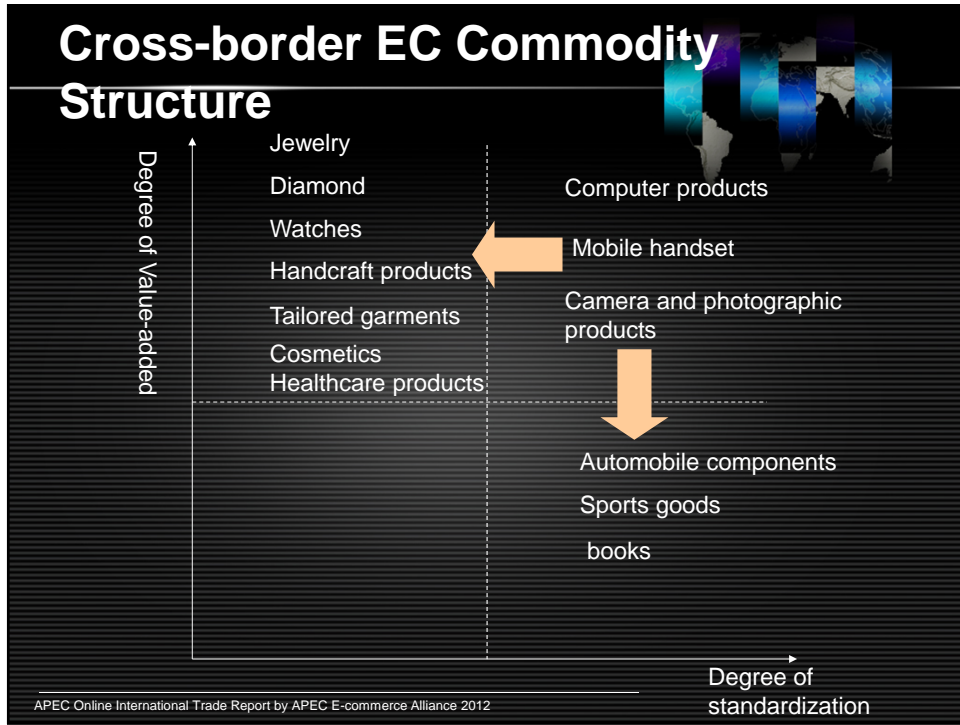
Labor-intensive

Jewelry	Computer products
Diamond	Mobile handset
Watch	
Handcraft products	
Tailored garment	

Automobile components	
Sports goods	
Cosmetics	
Healthcare products	

Technology-intensive

APEC Online International Trade Report by APEC E-commerce Alliance 2012



Immerging Platforms on Internet

Immerging Platforms in China to facilitate Trade

Before Transaction

- Alibaba.com
- MadeinChina.com
- Globalmarket.com
- Trade2cn.com

Transaction

- Dhgate.com
- Aliexpress.com (Alibaba)
- M2Cmart.com (Global market)
- Ebay.cn

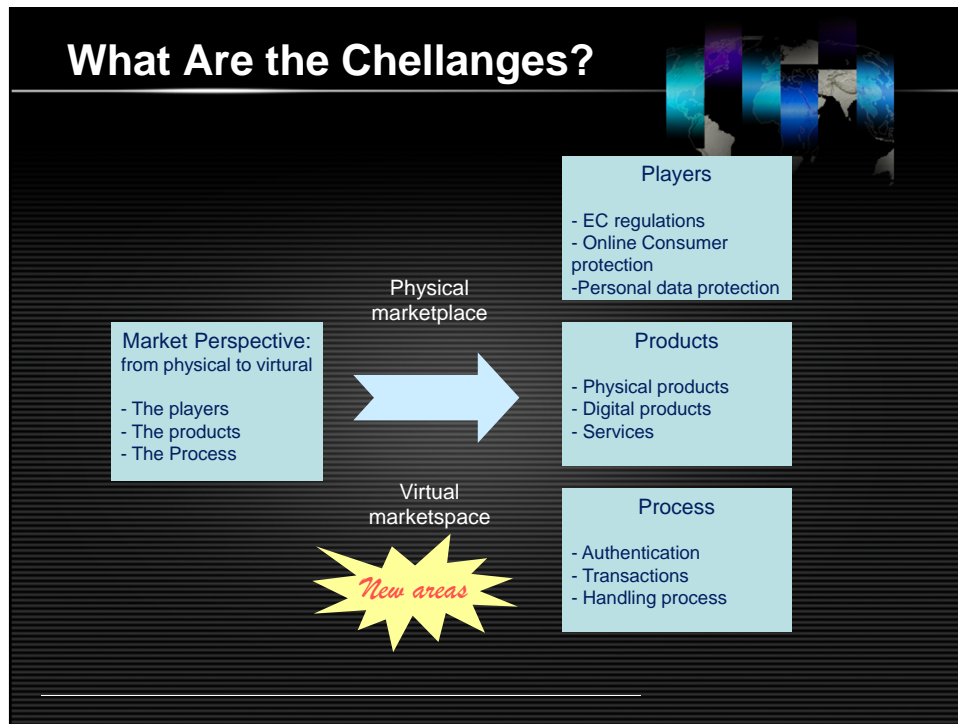
After Transaction

- Onetouch.cn (taken over by Alibaba)

Note: Apart from the above third party platforms, Lightinthebox has just been listed in NYSE on 6th, June 2013.

Benifits of Cross-border E-commerce

- Increase the availability and choices of consumer products
- Easy and convenient for business and consumers
- Increase the market efficiencies
- Reduce the transaction cost
- Facilitate International trade



How to Enhance Mutual Understanding through FTA negotiation?



- Maintain discussing channels
 - Exchange views with mutual respect
 - Make analysis of the underlying interest and benefits
 - Emphasize the potential opportunities for mutual gain
 - Establish objective legal criteria (new rules, regulation, legal framework)
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Thanks



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