



A display at the Greenland Global Commodity Trading Hub (G-Hub) in Shanghai on July 25.

A Fair Deal

China's import expo is already a major event on the global trade calendar By Zhang Shasha

When Indianapolis-based pharmaceutical company Eli Lilly and Company planned to expand back in the 20th century, it chose Shanghai for its first overseas office, in 1918. So it is appropriate that Lilly China is now gearing up to showcase its latest cancer, diabetes and autoimmune disease medications at the China International Import Expo (CIIE), to be held in Shanghai from November 5–10.

"There are 450 million people all over the world who suffer from diabetes. Almost 150 million, or one-third of them, are in China. So the opportunity to serve Chinese patients is big," Julio Gay-Ger, President of Lilly China, told

Beijing Review. "The government has carried out a lot of healthcare reforms in the last couple of years, which has helped to accelerate innovation. Many of my counterparts in the healthcare industry say the CIIE is a fantastic opportunity. So we can't miss it this year."

This is the second edition of the CIIE, the world's first import expo held at the national level. Last year, the value of the planned deals negotiated at the inaugural fair hit \$57.8 billion.

This year, over 3,000 companies from more than 150 countries and regions have confirmed their attendance, including leading U.S.

enterprises like food and pet food manufacturer Mars and sports brand Skechers.

"The Chinese market has great appeal to companies at home and abroad, including U.S. companies. For the U.S., even if there is some friction in bilateral trade, it can't change the companies' attention to and great enthusiasm for the Chinese market," said China's Assistant Commerce Minister, Ren Hongbin, at a July 26 press conference.

Last year, over 170 U.S. companies participated in the CIIE, and more will exhibit this year. While the exact number is yet to be confirmed, the exhibition area they have booked is 35% larger.

"I don't think the U.S.–China trade friction will affect companies. At least, it won't affect our business because we are in the business of innovation—and the Chinese Government is very committed to continuing healthcare reform," said Gay-Ger.

How it started

The CIIE is part of the Chinese Government's effort to promote imports, open up the coun-

try wider to international markets and meet domestic demand for high-quality goods.

Chinese President Xi Jinping explained the expo's raison d'être at the first CIIE, saying: "China's initiative to expand imports is not a choice of expediency. It is a future-oriented step, taken to embrace the world and promote common development."

The first CIIE introduced spillover effects that are already providing additional benefits, especially to companies unable to attend the expo. They include the Greenland Global Commodity Trading Hub (G-Hub)—an exhibition hall near the National Exhibition and Convention Center (Shanghai), the venue for the CIIE—and around 30 other permanent exhibition and trading platforms. The largest, the Hongqiao Import Commodity Exhibition and Trade Center, covers a whopping 600,000 square meters.

These spaces are designed for foreign companies to display their products and services, leveraging the "6+365 days" model, meaning these areas operate on the six days of the expo each year, plus provide year-round services and sales.

The G-Hub is a boon for U.S. tool manufacturer Stanley Black & Decker, which can't participate in the second CIIE due to a quota system. "It is a pity that we can't be in the exhibition center where the expo will be held,

but this location is good since buyers and customers can visit our brand here. It is a great opportunity for exposure," Aylin Bagci, the company's Vice President of Commerce for Asia Pacific, told *Beijing Review*.

Dang Xiaohong, a senior official at the General Administration of Customs of China, said two practices deployed at the first CIIE have been permanently adopted: The ATA Carnet, an international customs document that allows tax-free and duty-free temporary export and import of non-perishable goods, is valid for an entire year, and CIIE exhibits are now allowed to be transferred to special customs supervision areas or a bonded logistics center, where they are treated as bonded goods. "We will introduce them to other import-themed expos across the country," Dang said.

Xu Kunlin, Vice Mayor of Shanghai, said all stakeholders were asked to suggest how to improve the expo, and based on their recommendations, 120 items were marked for improvement. For example, the security process has been simplified by reducing the number of documents required, and the country pavilion exhibition will remain open to the public for an extra 10 days after the expo.

Extensive participation

African countries and enterprises comprise an important bloc of exhibitors at the CIIE,

and have been accorded additional supporting measures including preferential fees for African booths at the expo. "We have removed tariffs and quotas on 95% of products from the least developed countries in Africa," explained Ren.

While nearly all African countries and regions participated in the first CIIE, their products were not sufficiently diverse. "We will keep focusing on bringing products from Africa's least developed countries and developing countries so that through the CIIE, their industrialization, trade and economic development, as well as China-Africa economic and trade ties, can be promoted," Ren said.

Yu Shuai, CEO of Jinmaisui Food Co. Ltd. in Suzhou, east China's Jiangsu Province, a Chinese sales agent for Manda S.A., a seafood company in Madagascar, said the CIIE is an ideal platform for acquiring know-how about how to do business with China. "While agricultural products abound in Madagascar, due to lack of knowledge about China's import policies and quality requirements, they are hardly sold in China. So we want to have face-to-face exchanges with buyers at the CIIE for better understanding and to enter the market," Yu said.

The second CIIE will see members of the Group of 20 (G-20), BRICS (the five-member bloc of Brazil, Russia, India, China and South Africa) and the eight-member Shanghai Cooperation Organization take part. Nearly 60 countries involved in the Belt and Road Initiative, proposed by China in 2013 to improve trade, infrastructure and people-to-people links between Asia, Europe, Africa and beyond, will participate, along with 40 of the world's least developed countries.

"The second CIIE will advance economic globalization and trade liberalization," Sun Chenghai, Vice President of the CIIE Bureau, told *Beijing Review*.

Qian Bing, who runs an international aquatic products trade center in Shanghai, put forward another perspective, stating that the CIIE boosts international and domestic companies alike.

"Previously, we had to go to trade fairs around the world to buy foreign goods, which cost time and money," he said. "But with the CIIE, we can now see all these products on one platform." ■

(Reporting from Shanghai, China)



A chef prepares sushi at a Spanish company's booth during a buyer-seller matchmaking event at the National Exhibition and Convention Center in Shanghai on July 26, in preparation for the second CIIE, which will open on November 5.

Comments to yanwei@bjreview.com