



## **Alibaba Group and Yiwu City Expand eWTP Partnership**

*Initiatives support global trade recovery and accelerate digitization  
at the world's largest wholesale market*

**Yiwu, China, June 22, 2020** – Alibaba Group and the municipal government of Yiwu, Zhejiang Province in China, have announced plans to develop a Digitized Comprehensive Bonded Zone under the eWTP (electronic World Trade Platform) framework, making cross-border e-commerce more accessible to small and medium-sized enterprises (SMEs) at the world's largest wholesale market.

The planned expansion of the strategic collaboration between Alibaba and Yiwu marks the first anniversary of the city's establishment as an eWTP hub. The partners launched the hub last year to digitize Yiwu's commerce infrastructure and enable new trade flows and opportunities. The expansion is especially timely, supporting the restoration and recovery of global trade under the Covid-19 pandemic.

A core part of the new initiatives is a joint venture between Alibaba Group and Yiwu-based China Commodities City Group to develop the eWTP cross-border trade service platform of Yiwu. This one-stop platform will offer SMEs digitized trade services, including customs clearance, foreign exchange settlement and tax procedures. It will be the third trade service platform established at an eWTP Hub, following the launch of trade platforms in Hangzhou, China and Liège, Belgium.

"With its advantages as a product and SME hub as well as its existing trade infrastructure, Yiwu is the definition of strategic planning for enabling businesses to navigate the digital age. Alibaba will work together with Yiwu to further facilitate the city's transformation into a digitized small commodities trading hub and digitized port as a step toward the collective goal of complete digitization of global trade," said Daniel Zhang, Chairman and Chief Executive Officer of Alibaba Group.

### **Pioneering a New Retail approach to cross-border trade**

The joint venture will also help develop the Yiwu Comprehensive Bonded Zone<sup>1</sup>, ratified by China's State Council in April this year, into one of the country's most-digitized trade zones. A highlight of the zone will be the launch of an offline exhibition area to showcase cross-border products, scheduled for pilot launch in mid-September.

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<sup>1</sup>Comprehensive bonded zones in China are specially-designated commercial areas that feature favorable taxation and other policies, under the supervision of customs officials.

Inspired by Alibaba's groundbreaking New Retail concept, consumers shopping at the showcase will be able to see and touch a variety of imported products offered by merchants on and beyond Alibaba's platforms. Shoppers can also immediately pay for and bring home those imported products. This cross-border shopping area will initially occupy a floor area of around 20,000 square meters, with the potential for significant expansion.

### **Supporting Yiwu's transition into an import distribution hub**

To cater to rising demand from Chinese consumers for high-quality international products, Yiwu is progressing well in its transformation into a distribution hub for imported consumer goods. To this end, Alibaba Group and the municipal government of Yiwu have also announced the establishment of the eWTP Yiwu Digital Customs Clearance Port. The digital customs clearance system will enable overseas merchants exporting products to China in smaller quantities via international parcel delivery to complete and clear customs processes online, getting parcels to customers in a more-timely fashion.

### **Setting Yiwu SMEs on a path of growth**

In the year since the eWTP's Yiwu launch, an increasing number of SMEs have found success exporting products online. According to Alibaba.com, Alibaba's platform for global business-to-business trade, its Yiwu-based supplier members have attracted business opportunities from close to three million active buyers over the past 12 months, generating 82% more online transactions on a year-on-year basis.

Under the eWTP framework, Yiwu businesses have access to their counterparts in various other eWTP hubs, allowing them to explore even more cross-border opportunities.

"We believe a digitized trading world where all core aspects of commerce are digitized is under formation. From merchants to products, from order settlement to logistics, and from a container to a receipt, everything is going to be inseparable from digital technology. With our shared customer base and shared markets, Yiwu and Alibaba will jointly usher in innovations in trade rules, technology and trade models to serve our customers and markets better and create better lives for consumers," added Zhang.

Other initiatives by Alibaba to support SMEs in Yiwu, especially to support the post-pandemic recovery phase for businesses, include a solution to facilitate cross-border and foreign exchange transactions for SMEs in partnership with the Zhejiang Chouzhou Commercial Bank. A small commodities online trade show, part of Alibaba.com's series of 20 online exhibitions, will also be held to attract five million international wholesalers to consider locally produced items from Yiwu. This follows the recent opening of the world's largest digital exhibition featuring cross-border trade products by Alibaba.com.

Initiated by Alibaba Group founder Jack Ma, the eWTP is a private-sector-led, multi-stakeholder initiative that facilitates public-private dialogue and collaboration to share best practices, incubate new trade rules and foster a more-integrated policy and business environment to help develop inclusive trade and the digital economy. To date, Alibaba Group has joined forces with the governments of

Belgium, Malaysia, Rwanda, and Ethiopia as well as Hangzhou and Yiwu in China to establish six eWTP hubs around the world.

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### **About Alibaba Group**

Alibaba Group's mission is to make it easy to do business anywhere. The company aims to build the future infrastructure of commerce. It envisions that its customers will meet, work and live at Alibaba and that it will be a good company that lasts for 102 years.

### **About eWTP**

eWTP (electronic World Trade Platform) is a private-sector-led, multi-stakeholder initiative that facilitates public-private dialogue and collaboration to share best practices, incubate new trade rules, and foster a more integrated policy and business environment to support the development of inclusive trade and the digital economy.

The concept of eWTP was first initiated in 2016 by Jack Ma, founder of Alibaba Group, and was accepted as a major policy recommendation of the Business 20 (B20) and officially included in the 2016 G20 Leaders' Communique. The initiative aims to help small to medium-sized enterprises (SMEs), women and youth by developing policies and making it easier for them to leverage technology in order to participate in global trade.

The development of eWTP is driven by businesses, with support from governments. Businesses can create hubs for e-commerce, and governments can work with businesses to create free trade zones for cross-border e-commerce, develop new trade rules, share best practices, and facilitate development of e-commerce infrastructure and services. By promoting a comprehensive approach under the "4Ts" of eWTP – trade, tourism, training and technology, the initiative seeks to empower SMEs, to support the young generation and women, to facilitate global consumption and to foster a more integrated, inclusive environment for trade.

As of now, Alibaba Group has joined forces with the governments of Belgium, Malaysia, Rwanda and Ethiopia as well as Hangzhou and Yiwu in China to establish six eWTP hubs around the world with the goal of enabling SMEs across the world to support global trade.

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