The Development of e-Commerce in China

September, 2004
The Status of E-Commerce Development in China
Agenda

- Golden Gate Project
- E-Commerce Laws
- E-Commerce and Logistics Standard
Golden Gate Project
- Construction of Information Infrastructure Related to Trade flow

- Chamber of commerce
- Bank
- Insurance
- Taxation
- Customs
- Regulatory
- Database center
- Operation center
- Backup center
- CA center
- Provincial offices
- Branches
- Foreign trade & economic Committee
- Local offices of MOFCOM
- I/E enterprises
- Foreign trade & economic Committee
- Local offices of MOFCOM
- I/E enterprises
- Foreign trade & economic Committee
- Local offices of MOFCOM
- I/E enterprises

International access
VPN接入
206个驻外机构
Golden Gate Project
- Construction of Information Infrastructure Related to Trade flow

• **Four Major Application Systems of the Golden Gate Project**

1. Quota License Management System
2. The Import and Export Statistics system
3. Export tax refunding administrative system
4. The Clearance of Export Exchange Income and Import Foreign Exchange Payment System
Quota License Management System

Regional ETC Quota Management Dept.

State Planning Commission

State Economic & Trade Commission

I&E Enterprises

MOFCOM

I&E Chamber of Commerce

Custom

USA

Canada

EU

Other Agreement Countries

Quota Data

License Data

Quota Assignment Data

Quota Tenders Bidding Data

Textile License Data

Clearance Customs Data

Quota Transfer Data

Written License

License Application

License Delivery Dept.

Paper I&E License

Export

Import
Tax refunding administrative system

MOFCOM

Foreign Trade & Economic Committee

I/E Enterprises

Customs

Taxation

Foreign exchange control

Local

Local

Local

Audit data of Export Tax refunding

Export Tax refunding Audit

Audit data of Export Tax refunding

Application for export tax refunding

Completion of Tax Refunding

Export declaration data

Verification data of foreign exchange collection
- Clearance of Export Exchange Income and Import Foreign Exchange Payment System

- Local governments of foreign trade management

- I/E enterprises

- Bank

- Customs

- Local customs

- Foreign currency control Bureau

- Taxation Bureau

- Local Branches

- Application

- Cancel after verification data

- Foreign exchange collection data

- Verification data of foreign exchange collection

- Customs declaration data
Golden Gate Project
- Construction of Information Infrastructure Related to Trade flow

Security System

Application Layer

Management Layer

System Layer

Hardware Platform

Digital Signature, Identity Certificate & Data Encode

Uniform Security Strategy, Standard Management Mechanism

Network Security System

CA System

Backup System

Environment

Host Computer

Network
Agenda

- Golden Gate Project
- E-Commerce Laws
- E-Trade & Logistics Standard
Formulation of Related Laws for e-Commerce

– Related Laws for e-Commerce
  • Contract Law
  • Negotiable Instruments Law
  • Consumer Rights Protection Law
  • Advertisement Law

– Laws to be stipulated
  • Electronic Signature Act (Draft)
  • Electronic Contract Law
  • Private Data Protection Law
Agenda

- Golden Gate Project
- E-Commerce Laws
- E-Trade & Logistics Standard
China e-Commerce standard system frame

Key issues

- Data share
  - e-Commerce basic data
- Business Collaboration
  - Info illustration technology
- Security
  - e-Document format

Business flow
Messaging Service
Network communication
Data maint. & management

ISO/IEC 14462 information Technology: Reference Model for Open Electronic Data Interchange.
– EPC (Electronic Product Code) is the latest technology applied in the management filed of logistics and supply chain.

– The Standardization Administration of China declared in February 2004 to formally found a state standardization work group for “electronic label” (RFID), responsible for drafting and stipulating the national standard for “electronic label”, so as to promote standardization of “electronic label” in China.
Current status of e-Commerce in China

- 40% Chinese enterprises taking advantage of e-Commerce by various means.
  - Enterprise Recourse Planning
  - Online Marketing
  - Online Procurement
  - Supply Chain Management
  - Customer Relations Management
  - .....

Internet user

80,000,000

Computer connected with Internet

30,890,000
Practices & International Cooperation of CIECC
Agenda

- Business Frame System
  - Network environment
  - CA Security Certification
  - e-Commerce service
  - International Cooperation
Business Frame System

Internet Portal: www.ec.com.cn

CA Center
- Professional Information Service
- China Commodity Trade Market
- Online Canton Fair
- Process Trading Promotion Service
- Internet Application Service

Basic Trade Service-EDI
- (Data Storage, Process and Exchange)
- Professional Trade Service

Public Trade Service
- E-Government Service
- E-Customs Application
- Electronic Submission
- Payment Service

Trade Financial Service
- Electronic Submission
- Tax, Foreign Exchange Administration & Commodity Inspection
- Banks
- Insurance Agent
- Commercial Bank
- Insurance Companies

Foreign e-Trade Service Provider
- Delivery
- Cargo Tracking
- E-Logistics System
- Logistics Service
- Logistics Planning

Foreign e-Trade Service Provider

China E-Port
- Data Synchronized Transmission
- Data Backup
- Other Data
- Tax, Foreign Exchange Administration & Commodity Inspection

Professional Trade Service
- Internet Application Service
- Intermediate credit

Online Canton Fair
- Professional Information Service

E-Logistics System
- Electronic Customs Application
- E-Government Service

E-Logistics System
- Electronic Customs Application
- E-Government Service

E-Logistics System
- Electronic Customs Application
- E-Government Service

E-Logistics System
- Electronic Customs Application
- E-Government Service

E-Logistics System
- Electronic Customs Application
- E-Government Service
Agenda

- Business Frame System
- **Network environment**
- CA Security Certification
- e-Commerce service
- International Cooperation
Network Environment

Sketch Map of Network Structure

China International e-Commerce Network

Backup Center

Operational Center

International Internet

China International Economic & Trade Network

Code Library of Commodity

Code Library of I/E Enterprises

CA Center

Backbone Node

Backbone Node

Backbone Node

Other Internet

Enterprises & Groups ADSL

Node

Node

Node
Agenda

- Business Frame System
- Network environment
- **CA Security Certification**
- e-Commerce service
- International Cooperation
CA Security Certification

Unified CA Security Certification

Technology
- Confidentiality
- Identification
- Authorization
- Data Integrity
- Anti-Denial

Management
- Security Infrastructure
- Security Strategy
Agenda

- Business Frame System
- Network environment
- CA Security Certification
- e-Commerce service
- International Cooperation
**e-Commerce Service**

- **Data service**
  - The databases are based on advanced search technologies for intelligent information such as information guide, vague inquiry, dynamic digest generation, digital characteristics collection and full text search, so it is very convenient for the users searching data quickly.

- **Credit Service**
  - Launched the plan of constructing “China Enterprise Credit Information Database”;
  - Planned to preliminarily set up the largest enterprise credit information database in China in about five years.
e-Commerce Service

_transaction Services

- Large scaled trade platforms:
  - Online Chinese Export Commodities Fair (online Canton Fair)  
    www.cecf.com.cn
  - Online Yiwu Fair  www.chinafairs.org
  - China Investment  www.chinainvest.com.cn
Agenda

- Business Frame System
- Network environment
- CA Security Certification
- e-Commerce service
- International Cooperation
International Cooperation

– Founding member of Pan-Asia e-Commerce Alliance
– Initiated APEC E-Commerce Business Alliance.
– Actively participated APEC, ASEM, ASEAN+3 to promote the global e-Commerce development
– actively involved in the E-Commerce legislating activities in such international organizations as the United Nations Commission of International Trade Law and UNCTAD
Thanks!

Q&A