Exporting to Asia Through Cross Border E-Commerce (CBEC)

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Chinese government policies are driving growth in CBEC

2020 CBEC sales forecast - US$137.3 billion
China’s Top-4 marketplaces account for 72.7% of all CBEC sales in China

- 网易考拉海购 (KAOLA.com) - 24.2%
- 天猫国际 (TMALL GLOBAL) - 20.3%
- 唯品会 (vip.com) - 15.7%
- 京东全球购 (JD Worldwide) - 12.5%
Engaging a third-party agency is a common way for SMEs to sell on-line in China.
Demographics and economic fundamentals are driving CBEC in India

**US$27 billion**
India’s 2020 CBEC Market Forecast

- **$5.3 B** (2016)
- **$14 B** (2017)
- **$27 B** (2020)

**Indian online consumers shop cross border mainly from US, UK, and CHINA**

- Consumer Electronics
- Apparels & Accessories
- Beauty & Personal Care
- Home & Furnishings
- Toys, Games and Media
- Healthcare

**US$2,200**
Average Annual CBEC Spend

**38%**
CBEC Transactions

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The top 4 e-commerce marketplaces account for over 90% of CBEC sales into India.

1. flipkart.com
   - Sales - US$4 billion
   - Major S/H – Softbank
   - Owns eBay India

2. amazon
   - Sales – US$3 billion
   - Investing US$5 billion to grow India business

3. Paytm
   - Sales - US$4 billion
   - Major S/H – Alibaba

4. snapdeal
   - Sales – US$1 billion

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In India, marketplaces can act as one-stop shops for web presence, agency and fulfillment services.
Singapore and Thailand lead in CBEC purchases

US$8.7 billion
ASEAN-6 2020 CBEC Market Forecast

15% CAGR (2016-2020)

40% of E-Commerce transactions are cross-border

% of E-Commerce that is Cross Border Purchases

- Singapore: 67%
- Thailand: 49%
- Malaysia: 48%
- Philippines: 38%
- Vietnam: 33%
- Indonesia: 4%

Source: Consumer Barometer Survey

Source: Frost & Sullivan

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Thailand’s Top-3 marketplaces account for 84% of CBEC

2017 CBEC of US$3.5 billion

Overall Sales

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<tr>
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<th>CBEC Sales</th>
<th>Overall Sales</th>
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<td>(billion US$)</td>
<td>2016</td>
<td>2017</td>
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<td>Source: PayPal</td>
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Key CBEC platforms by monthly traffic (Oct 2017)

Source: ASEANup
CBEC through Lazada’s marketplace in Thailand

**Overseas (USA)**

- **Seller**
  - Seller Pays Cost of Landed Duty Paid

- **International Courier**
  - FedEx, DHL, TNT
  - Seller Pays Cost of Landed Duty Paid

**Cross-Border**

- **Customs**
  - Courier pays Customs Duties of Behalf of Seller

- **Lazada Warehouse**

**Domestic (Thailand)**

- **Local Marketplace**

- **Delivery by LEX**

- **Customer**
  - Customer Order

Lazada Pays Seller After Receiving Payment Minus Fees

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Thank you