

# BUSINESS

## Innovating cross-border logistics

**GOING GLOBAL |**  
Best Inc targets  
ASEAN e-commerce  
as launchpad for  
worldwide trading

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With the Association of South-east Asian Nations emerging as China's largest trading partner, Best Inc, a Chinese integrated supply chain and logistics solutions provider, will build more service networks in the bloc's member economies.

Earlier this year, the Hangzhou-headquartered company started to operate cross-border services between China and five Southeast Asian markets.

Based in Zhejiang province, Best had completed building service networks in Thailand, Vietnam, Malaysia, Cambodia and Singapore in July, to introduce China's mature logistics operational modes. These are creating jobs, tax revenues and the right conditions for local businesses to develop e-commerce, mobile payment systems and other emerging industries.

By leveraging its asset-light model and experience in Thailand and Vietnam, Best plans to operate 12 sorting centers and around 400 service stations across Malaysia, Cambodia and Singapore over the next three years.

These will include two customized flagship sorting centers in Kuala Lumpur and Phnom Penh that will be equipped with cutting-edge automation equipment like high-speed automatic sorting lines and dimension-weight-scanning systems.

According to a joint research by Google, Temasek and Bain & Company, with 360 million mobile-savvy internet users, Southeast Asia's e-commerce sector is on track to reach \$150 billion in sales by 2025 from \$38 billion in 2019.

Jonny Chou, the group's founder and chairman, said through vigorous investment, and application of automation equipment and information technology, the company aims to provide its Southeast Asian clients with efficient services. This will help local small and medium-sized enterprises to benefit from smart logistics services, and facilitate the growth of digital economies in these areas.

In addition to building more partnerships with airlines, freight train operators and local partners in both China and ASEAN markets, Best's next steps will innovate cross-border business. They will make cross-border logistics a strong link in international trade under the current global business setting, he said.

To meet the rising demands of the e-commerce sector and evolving customer needs, Best is offering



A woman acknowledges receipt of goods from a Best Inc employee in Kuala Lumpur in July. PROVIDED TO CHINA DAILY

### 2.51 trillion yuan

value of trade between China and ASEAN economies in the first seven months of this year, according to the General Administration of Customs

next-day delivery options in major areas of Thailand and same-day deliveries in Ho Chi Minh City and Hanoi in Vietnam. The company's total parcel volume from Southeast Asia reached 16.1 million in the second quarter of this year.

The company is also eyeing opportunities to provide additional services in the region, including supply chain management, freight delivery, and truckload capacity brokerage, with plans to operate in Indonesia and the Philippines in the future.

Chou stressed that multilateral trade is still an irresistible trend. The increasingly close economic and trade relations between ASEAN and China remain vigorous due to multilateralism and free trade deals, such as the upcoming Regional Comprehensive Economic Partnership.

China's trade with ASEAN stood at 2.51 trillion yuan (\$367 billion) in the first seven months, growing 6.6 percent year-on-year, accounting for 14.6 percent of its total foreign trade volume, according to data released by the General Administration of Customs.

The expansion in China-ASEAN trade has been partly buoyed by the

implementation of an upgraded China-ASEAN Free Trade Area protocol since October 2019, which has further facilitated goods trade and brought dividends to e-commerce businesses on both sides.

"We will promote the construction of logistics channels from China to Southeast Asia, making available sea, land and air transport between the two sides, and provide cross-border e-commerce customers with full-link door-to-door integrated cross-border logistics services," he said.

The company hopes to work with more partners to provide logistics support to Chinese companies so they could "go global" through the deployment of global logistics and supply chain networks. It will also seek to help upstream businesses cultivate reliable logistics service ability.

Earlier this month, the company participated in the 2020 China International Fair for Trade in Services in Beijing as part of its efforts to further expand its global footprint.

Chou said with COVID-related social distancing measures forcing many people into isolation across the world, demand for faster and better deliveries is rising. Since the contagion has been largely under control since April, the company saw its first-half international business volume surge. Its total sales reached 13.88 billion yuan in the first half of this year.

As people in other countries are also under quarantine and still subject to social distancing measures,

e-commerce is booming. Demand for faster and better logistical services is high. Many multinationals believe the industry is no longer simply labor-intensive, but a combination of people, technology and innovation, Chou said.

"Going forward, we plan to maintain a balanced growth strategy and strive for profitability by continuing to leverage our technology-enabled integrated supply chain and logistics service model. We will lay emphasis on e-commerce, invest in technology application and automation, and capture revenue and cost synergies across multiple business units," said Chou.

Efficient supply chains are essential to the digital economy and foreign trade. Besides making bigger investments in technology, many logistics companies are expanding their network of warehouses to improve cross-border delivery services, said Cai Jin, vice-president of the China Federation of Logistics and Purchasing.

China's courier sector delivered 60 billion parcels in 2019. The country has over 20,000 companies for express deliveries, employing more than 3 million people, according to the State Post Bureau.

Supported by more than 8,000 employees, the New York Stock Exchange-listed Best's business currently covers express and freight delivery, supply chain management, business-to-store-to-consumer supply chain, truckload capacity brokerage, international logistics and financial services. It had business units in around 20

countries and regions such as the United States, Germany and Japan by the end of 2019.

Wei Jianguo, vice-chairman of the China Center for International Economic Exchanges, said it is time for China to highlight the roles of processing trade and cross-border e-commerce businesses to ease the pressure on general trade, which refers to imports or exports of goods. It is equally important to further tap the consumption potential in the domestic market to help Chinese exporters seek new growth points.

Processing trade refers to the business activity of importing all, or part of, the raw and auxiliary materials from abroad, and re-exporting the post-processing/assembly finished products.

We said both exporters and the government need to intensify information exchange with the country's long-term trading partners and maintain China's vital position in the global industrial chain. Chinese logistic service providers must pay close attention to the pandemic situation in their overseas markets, and prevent risks caused by protectionism.

To maintain solid economic fundamentals, the government has also emphasized the importance of focusing on the six priorities of safeguarding employment, people's livelihoods, the development of market entities, food and energy security, the stable operation of industrial and supply chains and the smooth functioning of society.

## Huawei well set to jazz up connected vehicles

By **MA SI**  
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As automobiles are set to get increasingly smarter, Huawei Technologies Co is partnering with more carmakers to deliver internet-connected automotive experience to consumers despite the US government restrictions it faces.

In August, Volvo unveiled the S90, its latest car model, carrying Huawei's HiCar system, which is based on the latter's self-developed HarmonyOS.

The HiCar system is an in-car smart interactive system that allows drivers to connect their cars with their smartphones and offers a string of services, including intelligent voice assistance and map navigation.

Yu Chengdong, CEO of Huawei's consumer business group, said at the S90 launch that the HiCar system will be installed on more Volvo car models. "We aim to bring millions of smartphone apps to Volvo's car models in the future."

But Volvo is not the first carmaker to make use of the HiCar system. That record went to Chinese automobile maker BYD in July. According to Yu, compared to Apple's CarPlay system, Huawei's HiCar solution can support more apps.

The Shenzhen, Guangdong-based company said last September that its 5G-based HiCar partnership ecosystem includes more than 30 enterprises, including Audi, BYD, GAC and BAIC.

Huawei has been seeking to offer smart solutions to carmakers. The world's largest telecom equipment maker has repeatedly underlined that it has no intention of making cars, and its aim is to help automobile companies make better cars by leveraging its research and development prowess in information, communication and technology.

Xu Zhijun, rotating chairman of Huawei, said earlier the company offers technological solutions to help connect cars with services and products such as the cloud for autonomous driving, 4G/5G in-vehicle communication modules, and Huawei HiCar people-car-home connectivity solutions.

Under the leadership of founder and CEO Ren Zhengfei, Huawei established a smart-car solutions business unit last May. The division offers end-to-end smart mobility solutions for cars.

Huawei has also patented a list of autonomous driving technologies this year. In May, its autonomous driving system was awarded the highest Automotive Safety Integrity Level D, the first Chinese company to receive the certification.

Guosen Securities said in a research note that since Huawei's main businesses like smartphones and telecom equipment are relatively mature, expanding its presence into internet-connected automobile market can help it to find a new stream of revenue.

Cui Dongshu, secretary-general of the China Passenger Car Association, said there is big room for the development of smart cars in the 5G era. Huawei can offer a slew of technological solutions and services covering both hardware and software.

Analysts said Huawei's years of research in telecommunications, especially 5G, would give it a head start over competition. After all, it is impossible to have fully autonomous vehicles without 5G, which is essential in enabling superfast internet speeds and real-time data analysis.

The latest update of global standards in 5G technologies in July is expected to accelerate the development of smart connected cars, said Xu Xiaodong, chief telecom expert at China Mobile.

The market size of the global connected-car industry is projected to reach \$166 billion by 2025, from an estimated \$53.9 billion in 2020, according to a report from MarketandMarkets (M&M), a research company.

It will be influenced by factors like the increasing trend of in-vehicle connectivity solutions and government initiatives for the development of intelligent transportation systems, M&M said.

### POVERTY ALLEVIATION | RONGJIANG COUNTY

## Social enterprise quells poverty via handicraft sales online

By **ZHU WENQIAN**  
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in Rongjiang county, Guizhou

Yang Xiuli, 57, a resident of Rongjiang county in Southwest China's mountainous Guizhou province, began mastering embroidery decades back. Little did she imagine that one day she would make a living out of what was essentially a hobby.

She lives in a small wooden cottage, and used to work as a farm hand. Widowed at 36, she raised two children against odds.

In 2016, a flood damaged her home. A year later, with the help of the local government, she moved to a flat in town and landed a job as an embroiderer.

"I'm not getting younger, and not keeping in good health either. I can't do heavy work in the fields anymore. Women who live here know how to embroider. We learnt this skill when we were younger. A piece of work involving embroidering a pair of butterflies can make me 18 yuan (\$2.6)," Yang said.

Like Yang, about 120 elderly employees, whose average age is 65, work at the Moon Hometown workshop.

training, they have attained a certain degree of mastery in the craft. Their monthly average salary is around 3,000 yuan, and they make money based on the number of embroidered products they make daily, according to the workshop.

Co-founded in April 2018 by the local government and designer Liu Yang, who is of the Miao ethnic group and a native of Rongjiang, the Moon Hometown workshop is a social enterprise that focuses on poverty alleviation through the revival of the handicraft industry with indigo elements.

Of the more than 3,000 villages in Rongjiang, many have long been deeply poverty-stricken. The county does not have much centralized arable land, and it is one of the key targets of the country's poverty alleviation work.

Yet, it has suitable climate and the soil for planting indigo. The county is gradually lifting itself out of poverty, leveraging the development of indigo-related sectors.

The leaf of indigo can be made into indigo-dyed cloth, and the root part serves as the raw material for traditional Chinese medicine *Radix isatidis*. After fermentation, indigo



A craftswoman in Rongjiang county, Guizhou province, embroiders a cup mat on Sept 10. YAO XU / CHINA DAILY

will be able to dye cloth and the natural colorant won't have any adverse impact on the environment.

In May last year, the company started its operations. With a bit of innovative thinking, it designed customized cultural creative products with indigo elements. They included cups, plates, bags, and clothing for corporate customers. In the workshop, employees dye cloth with indigo colorant, and

then make clothing by weaving and embroidering.

The company has opened a few brick-and-mortar stores in the region, and plans to open more such stores at some malls and sightseeing spots nationwide. In addition, it operates an online store on Taobao, an online marketplace owned by Alibaba.

In August, livestreaming celebrity Li Jiaqi selected a stylish bag

co-made by the workshop and a factory out of more than 800 different styles of bags. He promoted the bag online and sold more than 20,000 pieces of the product, and helped the workshop to significantly increase its revenue.

So far, the Moon Hometown workshop has created a complete handicraft production chain, including design and development, embroidery, and sales. It has also seized the business opportunities of New Retail.

"We are trying to connect the traditional indigo elements with fashionable cultural and creative products that young consumers are interested in, to achieve sustainable growth," said Liu Yang, co-founder of Moon Hometown.

"Indigo can help derive and create multiple business opportunities. By integrating fragmented intangible cultural heritage and handicraft resources in the county and helping them to connect with the market, the traditional culture in the area can be revitalized," he said.

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