

# Overseas Warehouse: New Driving Force for Ningbo Foreign Trade

By Dong Na

In this early January, Ningbo Jiajing Supply Chain has officially put into operation its overseas warehouse in Ontario, USA, welcoming "Made in China" products from more than 100 cross-border e-commerce enterprises. In addition to this newcomer, Jiajing already has 121,000 square meters of overseas warehouses in the U.S., with locations in Los Angeles, Atlanta, New Jersey, and Houston.

From January to November 2021, 3.49 billion yuan of Ningbo cross-border e-commerce exports were delivered at overseas warehouses, more than 3.2 times the total value in 2020, ranking first in China.

Will overseas warehouse lead to new business model for Ningbo foreign trade?

## Driving Force for More Chinese Goods to the World

In the list of provincial public overseas warehouses, Ningbo occupies 7 out of the total 13.

Experts point out that Ningbo enterprises account for more than half, indicating that the city has a complete new eco system of cross-border e-commerce industry chain. "As the world trade growth is slowing down, the overseas warehouse model can assist the majority of SMEs to go abroad and provide a strong driving force for more "Made in China" goods to go to the world. Ningbo also needs to further increase the support for overseas warehouses to drive the high-quality development of foreign trade."

Statistics show that in the past five years, the scale of cross-border e-commerce in China has increased by nearly 10 times, which has strongly promoted the transformation and upgrading of foreign trade. The new business model has especially played an important stabilizing role in foreign trade under the impact of the pandemic.

For example, Ningbo business responded with great agility in the first days when COVID



One of Loctek's overseas warehouses in the United States.

[Photo by Xu Neng]

hit, thanks to overseas warehouses. At that time, the home economy in overseas markets rose rapidly. A group of Ningbo cross-border e-commerce enterprises, represented by HOOYA and Aosom, placed orders through the global overseas warehouses in a timely manner and increased supply according to the capacity of factories, which helped many factories to survive.

All kinds of refrigerators, washing machines, kitchen appliances and fitness equipment made in Ningbo sell well all over the world through HOOYA's overseas warehouses. In 2020 alone, the company's overseas warehouse shipments grew by more than 80%, and it also recorded double-digit growth last year.

## Help to Ensure the Growth of Enterprise Performance during COVID

In recent years, both the export and import of China's cross-border e-commerce have been higher than the average

growth of foreign trade, and the proportion is constantly increasing, leaving a great space for development in future.

As a leading enterprise of cross-border export e-commerce, Aosom has attached great importance to the transformation with data innovation since its establishment and built an intelligent system for global marketing, warehousing, logistics network, as well as customer service. In 2020, the global operating revenue of the company reached 3.457 billion yuan, with a year-on-year growth of 109%.

Up to now, Aosom has set up subsidiaries in 7 countries including USA, Canada, UK and Germany, and built more than 20 self-operated overseas warehouses, whose total area accounting for about one tenth of the total of Ningbo enterprises.

In 2021, key cross-border e-commerce enterprises in Ningbo achieved performance growth of more than 50%, and overseas warehouses became one of the biggest drivers. Enterprises transport goods to overseas warehouses, and remotely control

the storage of goods with the logistics information system to manage the inventory. At the same time, they provide perfect after-sales service to realize the return and exchange of goods and local maintenance, which greatly improves the shopping experience of overseas consumers. Largely counter-balancing the COVID-caused slowdown in exports, the supply is much assured by having storage in overseas warehouses.

## Looking Forward to the Commercial Potential of the New Model

For cross-border e-commerce sellers, overseas warehouses have some "high thresholds", such as high operating costs, huge pressure of goods circulation, long investment cycle, inconvenient capital turnover, poor certainty of overseas policies, great influence by the operation capacity of third-party overseas warehouse service providers, high requirements for selection, and difficult warehouse monitoring.

Taking the United States as an example, the cost of cross-

border logistics mainly consists of different parts: sea freight, the cost of customs clearance trailer in the United States, and the cost of warehouse operation and express delivery. Since last year, with sea freight doubled, even some top enterprises faced a lot of capital pressure, and could only be alleviated through bank financing. Not to mention a lot of enterprises integrating industry and trade, the long capital return cycle might lead to the break of the capital chain.

Although most of the traditional foreign trade enterprises are still exploring, and the overseas warehouse barrier has not been fundamentally broken, the popularity of this new model has intrigued many enterprises into discovering new business potential. To further promote the high-quality development of overseas warehouses, China will implement five policy measures, such as speeding up the formulation of project standards, promoting the draft of a new batch of national, industrial, and association-initiated standards, among others.

## SPOTLIGHT

## 'Grandma Sweater' Has a Memory Museum

By Xu Zhuowei

Recently, a Memory Museum has been officially opened and named after Han Cuiju, who is also nicknamed "Sweater Grandma".

The Memory Museum is located in the Donghai Garden Community in Dongliu, Yinzhou. Though it occupies a mere area of 30 square meters, the museum is rich in content. It displays the tools that "Sweater Grandma" used to knit sweaters, as well as the letters and hand-painted pictures written to her by children who live deep in the mountains.

On the same day as the Museum opened, Han Cuiju brought members of the knitting club and 120 newly knitted sweaters to the venue. They were donated to a non-profit organization to be brought to children in Sichuan.

The Memory Museum is decorated to create a welcoming environment. On the wall at the entrance, a cartoon image of the Grandma is displayed. Going inside, photos are posted along the long corridor, telling the warm story of "Sweater Grandma" and her gifts. There are also several sets of tables and chairs, allowing Han Cuiju to hold knitting courses here. The members of her knitting club can also come here to knit sweaters together.

In 2005, Han Cuiju donated the first self-knitted sweater. Since then, she has continued to knit and donate for 17 years. In 2019, Han's story was known to the whole country after being reported.

In the past 17 years, Han Cuiju and her members in the studio have knitted more than 2,200 sweaters. In 2021 alone, they knitted 500 sweaters and donated to children in need.

Now, the 86-year-old Han Cuiju is still in high spirits. When talking about knitting sweaters for the needy, her face will bloom with a smile. Asked about her plan in the future, Han Cuiju hoped that more people would join the knitting club to carry on the charitable endeavor together. At the same time, the Memory Museum will also launch extension class to allow people to learn the skills and join the ranks of knitting sweaters.

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## 双语汇 Different Tongues

## 宁波帮博物馆：一群人，一座城

By Gou Wen

A humanities museum in Ningbo, the Ningbobang Museum has been established for 12 years.

作为宁波的一座人文专题博物馆，宁波帮博物馆已经走过了十二年的历程。

Not only does it record the establishment, development and prosperity of Ningbobang (the Ningbonese who work and live away from home) from the end of the Ming Dynasty to now, but also the wisdom of those people and their deep feelings for their native town.

这里，不仅记载着明末至今宁波帮的建立、发展和鼎盛的历史，还呈现了宁波帮的财智文化和桑梓情怀。

The audience can learn about the stories of how they

stood out from many business groups and shined brightly in the fields of shipping, finance, commerce and trade, among others, after walking through the exhibition hall. Their contributions to their hometown and country are equally presented.

在展厅内，观众不仅可以看到宁波帮如何从众多商帮中脱颖而出，在航运、金融、商贸、实业等领域大放异彩，还能看到他们对家国的贡献。

Last year, part of the Museum was dedicated to Ningbo's honorary citizens by opening up a separate exhibition hall on the theme, which discusses the contributions they made to the urban development in diverse fields.

而去年新开的宁波市荣誉市民荣誉馆，也位于宁波帮博物馆内，讲述了宁波市荣誉市民在多个领域为宁波城市发展所作贡献。



The Exhibition Hall. /展厅一景。

[Photo by Tang Yan] 唐严 摄