

## The China Market

China is undergoing a massive economic shift, transforming from the largest exporter to the largest importer in the world. The country's transition into a consumption-driven economy presents a tremendous opportunity for U.S. businesses.

### RISING MIDDLE CLASS

Within five years China's middle class **will exceed 600 million, nearly twice the size of the U.S. population**, according to McKinsey.

### HUGE RETAIL MARKET

In 2016, the size of the China retail market was **nearly \$5 trillion**, virtually the same as the U.S. According to eMarketer, China is expected to be **11% larger** than the total U.S. retail market by 2020.

### TREMENDOUS E-COMMERCE GROWTH

China has the **highest share of e-commerce sales** to total retail sales in the world. E-commerce sales are expected to **exceed 1/3 of all retail sales in China** by 2020, according to eMarketer.

### CHINA'S PURCHASING POWER

By 2020, **60 cents of every dollar** spent online globally will come from China's consumers according to eMarketer.

## China's Consumer

With rising spending power, Chinese consumers today aspire to upgrade every aspect of their lifestyles through consumption. They are increasingly sophisticated shoppers, with a strong demand for a wide selection of high-quality imported products from the U.S.

### CROSS-BORDER GROWTH

Cross-border **retail e-commerce spending in China is expected to grow 6-fold to \$245 billion** between 2015 and 2020, according to Aliresearch and Accenture.

### DEMANDING U.S. BRANDS

According to the Boston Consulting Group, **61% of China's consumers would pay more for a product made in the U.S.**

### DRIVEN BY YOUNG CONSUMERS

In 2016, 70% of Chinese consumers shopping for imported products **were between the ages of 24 and 32**, according to CBN Data and Tmall.

### RETAIL & FRESH FOODS

Among the **most popular imported product categories** in China are 1) apparel, accessories and footwear, 2) beauty and skincare, 3) food and beverage, 4) baby and maternity, according to eMarketer.