

China e-commerce sales up 22% in 2010: report

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A woman shops online at the Taobao website in Beijing. Online sales in China, the world's largest web market, rose 22 percent in 2010 as price-sensitive consumers turned to the Internet for cheaper products amid rising inflation, an industry report said.

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Internet sales in the country hit 4.5 trillion yuan (\$684 billion) in 2010, the China e-Business Research Center said in the report published Tuesday.

The data covers business-to-business, business-to-consumer and consumer-to-consumer transactions.



Cheaper prices and growing confidence in online payment security attracted more people to the Internet, with the number of shoppers reaching 158 million last year compared with 121 million in 2009, the report said.

"Internet shopping offers users lower prices and convenience amid high inflation," it said.

"Meanwhile, users' confidence in and reliance on online shopping have strengthened as companies improved their services and product quality."

Consumers are increasingly anxious about soaring living costs, after inflation topped five percent in November for the first time in more than two years.

Consumer online spending nearly doubled to 513.1 billion yuan in 2010 from a year earlier, accounting for around three percent of total <u>retail</u> <u>sales</u> in the country, the report said.

It could exceed one trillion yuan in the next two years.

Commerce ministry spokesman Yao Jian said Tuesday China's retail sales likely reached 15 trillion yuan last year, up 18 percent on year. Key economic data for 2010 are scheduled to be released on Thursday.

E-commerce has been expanding in China as more companies set up online stores to cut costs and improve efficiency, the report said.

There were 25,000 e-commerce websites at the end of 2010, compared with 20,700 at the end of June -- no figure for 2009 was provided.

Highlighting the growing appeal of the country's <u>Internet market</u>, which has more than 450 million users, foreign companies such as Adidas, Gap



and Wal-Mart have been opening online stores in China.

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