

Paypal to help set up e-commerce hub in China mega-city

SHANGHAI, CHINA: US online payment service Paypal has agreed to help set up an international e-commerce hub in southwestern China as more foreign companies cash in on the country's fast-growing Internet sales market.

Paypal and the government of Chongqing have signed a deal to jointly develop a foreign exchange settlement platform in the mega-city to enable users to pay for cross-border online shopping transactions, they said.

They also agreed to set up five international e-commerce centres over the next few months for verification, investment promotion, national telesales, merchant training and regional business development.

Chongqing has become a popular destination for foreign companies wanting to set up operations away from coastal regions, where rising wages and a labour shortage have driven up their costs.

Contribute to development

The city's mayor, Huang Qifan, said the deal with Paypal "will help Chongqing become China's settlement centre for international e-commerce".

"It will also contribute to the development of Chongqing into the financial services centre of west China," he said in the statement.

Transaction volume

The transaction volume of China's online payment market totalled 725.5 billion yuan (US\$109.5 billion) in the first nine months of the year, boosted by the booming e-commerce market, according to Analysys International.

The value of online payments is expected to hit one trillion yuan for the full year, the Beijing-based research company said in a note.

PayPal, a subsidiary of US e-commerce giant eBay, has more than 84 million active users around the world and allows payment in 24 currencies.

Alipay, a unit of China's largest e-commerce company Alibaba Group, dominates the Chinese online payment market with a share of 50.5%, according to figures from Analysys.

Alibaba owns the country's dominant online auction site Taobao.com.

Source: AFP

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