

# **The CEE Products Permanent Pavilion—Operating All-Year Round**

At the China-CEEC Summit in 2021, President Xi Jinping stated that China planned to import \$170 billion of goods from CEECs in the subsequent five years. In this regard, Ningbo is playing an active role by hosting and operating the Permanent Pavilion of CEE products, which was converted from the former permanent exhibition of CEE goods. As part of the China-CEEC cooperation mechanism, the Permanent Pavilion will be China's largest and most comprehensive CEE products seller and retailer of its kind, making Ningbo a top destination for CEE imports in China.

## **I. Best practices**

### **i. From an exhibition to a retail venue—an upgrade**

The Permanent Pavilion, located inside Hall 9 of Ningbo's International Convention and Exhibition Center, was renovated from the CEE products exhibition and now has on sale products from all CEECs. Regular retail and livestream marketing strategies bolster the products' brand image. New product launches and trade in services are both conducted at the Pavilion, making it the "center stage" for CEE product debuts. Products are displayed in a variety of presentations for wholesale buyers and consumers to freely select from, with additional services available for the former. An integrated supply chain platform offers logistics and other support services, facilitating the import and domestic sales of CEE goods.

### **ii. Domestic and international sales boosting global trade**

Internationally, the Permanent Pavilion serves as a portal for CEE imports, leveraging its proximity to the Ningbo Zhoushan Port and bonded warehouse facilities (a result of special arrangements with the Ningbo FTZ). The Permanent Pavilion sells and showcases products, while logistics parks hold its inventory. This model greatly facilitates CEE imports' entry. In China, the Permanent Pavilion distributes CEE products online and offline, listing them on Yiwang Yuncang,

Taixianggou, and other virtual platforms while putting them on the shelves of expressway rest area stores, school campus retailers, and CEE product shops. The Permanent Pavilion also has a CEE specialty products store at Xiangshan's "international style block", attracting tourists with the charm of CEE goods and thereby expanding its sales network.

### iii. Policies to expand imports

Companies whose CEE imports exceed a certain threshold are entitled to receive property rent rebates of up to 100%, if they meet all relevant criteria according to policies that support CEE product importers. This would help importers cut costs and make CEE products more competitive on the Chinese market.

## II. Outcomes

### i. Stronger sales

Currently at the Permanent Pavilion, there are 35 importers of CEE goods operating 27 booths. In 2021, they imported ¥254 million CEE consumer goods, up by 58.8% year-on-year. The top imports were cosmetics, alcoholic beverages, and dairy products, accounting for 66.5% of all imports. Thus, the Permanent Pavilion has become China's largest distributor of CEE goods.

### ii. Wider product range

More than 4,000 product types are available in the Permanent Pavilion, the range spanning alcoholic beverages, foods, household chemicals, beauty products, and gifts and souvenirs. In the case of alcoholic beverages, all CEECs are represented in the product mix. Polish and Bulgarian dairy products are enjoying growing market recognition and market share in China. Czech crystal designers are upgrading their offerings in Chinese market with custom-made pieces. New product categories are constantly being rolled out.

### ii. Greater sales network

Since its opening of the Permanent Pavilion, 38 affiliated retailers have been established in 15 Chinese cities across 8 provinces, expanding a national CEE products' distribution network with Ningbo as its hub. As premium CEE products gain

more market exposure, they are also witnessing increasing sales among Chinese consumers.

### III. Highlights

#### i. Immersive CEE-style environment

The Permanent Pavilion has three sections: generic, nation-themed, and brand-themed. European-style interior design, décor, and architecture afford consumers a uniquely CEE shopping experience. A “digital twin” of the Pavilion is available online in VR format, making the charm of CEECs available to all consumers at their fingertips.

#### ii. Year-round sales

During the 4-day China-CEEC Expo, the Permanent Pavilion holds special exhibitions of its products and services. In the remainder of the year, the Permanent Pavilion sells CEE products and facilitates CEE imports, maintaining the impact of the Expo. CEE products will continue to enjoy smooth entry the Chinese market through the Permanent Pavilion, which sustains the market ecosystem initiated by the Expo.

#### iii. Diverse business models

The Permanent Pavilion engages in general retail and cross-border e-commerce, supported by bonded warehousing facilities and favorable e-commerce import and export policies. With its unique business model incorporating duty-free product display and cross-border e-commerce, the Permanent Pavilion is working with the Ningbo Import Commodities Center to create a “fast-track” entryway for CEE imports. By exploring new import models and expanding its national network, it will become an important venue that showcases CEE specialty products.

### IV. Future Plans

The Permanent Pavilion will continue to incubate and attract large-scale CEE product traders and maintain ties with the Procurement Alliance of CEE Commodities. These companies and networks will facilitate the Permanent Pavilion’s Development and CEE products’ import and sales in China. Long-term performance assessment of the Permanent Pavilion will be based on profit per unit space. As an emerging CEE

product display, trading, and storage hub that is the largest of its kind in China, the Permanent Pavilion seeks to expand its mission even further to cover startup incubation and culture & creativity.