

Foreword

The year 2011 proved to be an extremely volatile year; the weakening global economy has not only cast clouds over the growth prospects of the world economy, but also imposed huge pressure on the Chinese economy. While the outlook for the global economy is highly uncertain, we expect China's economy to remain resilient owing to the relatively strong economic fundamentals and government's initiatives to boost domestic consumption.

One of the key economic tasks highlighted in China's 12th Five-Year Plan is to accelerate the restructuring of the economy and shift toward a more consumption-led model of growth. With rising incomes and substantial government-led measures to boost consumption, we see strong and promising growth prospects for China's commercial sector.

In view of this, the authoritative National Academy of Economic Strategy (NAES) of the Chinese Academy of Social Sciences (CASS) in collaboration with the Li & Fung Research Centre launches, for the fourth consecutive year, the *Blue Book of China's Commercial Sector* in 2012 to give readers a comprehensive account of the latest developments in the commercial sector of China.

Today, businesses at home and abroad are targeting China's commercial sector. Enterprises are advised to keep up vigilance against any possible external and internal shocks, and to be more adaptive to the ever-changing and competitive commercial landscape.

The Blue Book gives an overview of the developments in China's commercial sector. Starting with the macroeconomic background of domestic consumption in China and recent pricing trends, the Blue Book provides in-depth analyses of the different industries including retailing, wholesale and distribution, catering, and commercial property. Popular topics such as online retailing, luxury market, retail logistics, and regional commercial developments in China are also included in the Blue Book.

In this Blue Book, the CASS and the Li & Fung Research Centre have attempted to give readers a holistic review of China's commercial sector. The authors believe that the Blue Book can help businesses and investors gain further insight into China's commercial sector and better prepare themselves to ride the next wave of growth in China's commercial sector.

It should be noted that some of the articles in this Blue Book were written prior to January 2012, when complete data for the entire year of 2011 was not available.