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Is the US Notorious Markets' list anti-China?

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Chinese ecommerce Web sites AliExpress and WeChat have been added to the US government's latest "notorious markets" list. But is their inclusion warranted? Image credit: Shutterstock

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The U.S. Trade Representative's office has announced that Chinese ecommerce Web sites AliExpress and WeChat have been added to the United States government's latest "notorious markets" list.

"This includes identifying for the first time AliExpress and the WeChat ecommerce ecosystem, two significant China-based online markets that reportedly facilitate substantial trademark counterfeiting," the USTR office said in a statement.

The list pinpoints "42 online markets and 35 physical markets that are reported to engage in or facilitate substantial trademark counterfeiting or copyright piracy," according to [CNM](#).

Moreover, Baidu Wangpan, DHgate, Pinduoduo and Taobao are also on the list.

The Jing Take: Ecommerce Web sites have been fighting off counterfeiting accusations for years, and some tech giants such as Amazon have acted "[too little, too late](#)." Yet that is hardly the case with Alibaba.

In fact, Alibaba's efforts to tackle pirated goods have been recognized by industry leaders. Nick Hayek, CEO of Swiss-based Swatch Group, told [CNBC](#) that Alibaba is "[fighting actively against fakes. Amazon is not](#)."

When interviewed by [The Fashion Law](#), Mr. Hayek also mentioned that Amazon "refuses to enter into discussion because they have, I think, 10,000 lawyers that say, At Amazon, we should not enter into anything that should force us to fight against fakes."

Conversely, Mr. Hayek said, "The Chinese are doing it. They [are] fighting against it."

Luxury conglomerate, Kering also remarked on Alibaba's impressive efforts to fight against knock-off products.

Not only did the French conglomerate dismiss its lawsuit against Alibaba, but it also agreed to create a joint task force with Jack Ma's company to [act against sellers of counterfeit goods](#).

In other words, industry experts have lauded Alibaba's measures. Consequently, the inclusion of Alibaba-owned AliExpress on this list, [while leaving out Amazon's platforms](#) especially since they were [included on the 2019 and](#)

2020 lists reinforces the idea that U.S. policymakers are politicizing commercial issues. Sure enough, the Chinese Foreign Ministry seems to share the same view.

Per *CNN*, Wang Wenbin, a ministry spokesperson, said: "We urge the U.S. side to stop politicizing economic and trade issues."

Foreseeably, the move will not stop Western brands from partnering with Tencent and Alibaba. Likewise, it will not impact long-term sales strategies, share-price movements and profits.

To be sure, Alibaba shares declined 2.9 percent in Hong Kong on Feb. 18 after the list came out, and Tencent stock fell 1.9 percent, according to *Real Money*. Nevertheless, this is just a temporary setback.

Inclusion on the list might temporarily taint the reputation of these Chinese platforms, but Western partners can rest assured that there will be no long-term reputational damage.

In fact, experts forecast **AliExpress to boost its cross-border customer base** by 2030.

Tencent-owned WeChat will not see any major consequences either because its **clientele overseas is made of Chinese expatriates and Chinese tourists**. Therefore, inclusion in America's "notorious markets" list will not influence their loyalty or decision processes.

In this context, U.S. companies operating in China should expect Beijing to retaliate. Hence, they will be again caught in the crossfire and forced to navigate additional risks.

The views expressed in this piece are purely the author's.

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