With the ever growing relevancy of drop shipping, this [business model](https://en.wikipedia.org/wiki/Business_model" \o "Business model) has become increasingly popular with the rise of e-commerce platforms and the ease of [global trade](https://en.wikipedia.org/wiki/International_trade" \o "International trade), from China especially. China is globally recognised as a [manufacturing powerhouse](https://en.wikipedia.org/wiki/China_Manufacture_License" \o "China Manufacture License), producing a vast array of products at competitive prices.[[7]](https://en.wikipedia.org/wiki/Drop_shipping" \l "cite_note-7) This has made it a promising source for drop shippers whose interests require [cost-effective](https://en.wikipedia.org/wiki/Cost-effectiveness_analysis" \o "Cost-effectiveness analysis) and diverse products to sell in their online stores. Through establishing a [partnership](https://en.wikipedia.org/wiki/Partnership" \o "Partnership) with Chinese suppliers, drop shippers can offer a wide range of products without the need to invest in inventory.[[8]](https://en.wikipedia.org/wiki/Drop_shipping" \l "cite_note-8) In addition, China has extensive access to global markets which enables to drop shippers to continually expand their [investments](https://en.wikipedia.org/wiki/Investment" \o "Investment).[[9]](https://en.wikipedia.org/wiki/Drop_shipping" \l "cite_note-9) China provides a well-established shipping and logistics infrastructure in place, enables efficient and cost-effective transportation of goods to customers worldwide, providing a crucial component for the success of the drop shipping model, as timely and reliable shipping is a key factor in [customer satisfaction](https://en.wikipedia.org/wiki/Customer_satisfaction" \o "Customer satisfaction).[[10]](https://en.wikipedia.org/wiki/Drop_shipping" \l "cite_note-10)

China's relation with the drop shipping business model is already well established with e-commerce platforms such as [Alibaba](https://en.wikipedia.org/wiki/Alibaba_Group" \o "Alibaba Group) and [AliExpress](https://en.wikipedia.org/wiki/AliExpress" \o "AliExpress) which have facilitated the growth of drop shipping by supplying in a [high demand](https://en.wikipedia.org/wiki/Demand" \o "Demand) marketplace for suppliers and drop shippers to connect.[[11]](https://en.wikipedia.org/wiki/Drop_shipping" \l "cite_note-11) Subsequently with these platforms continually expanding, China has experienced [exponential economic growth](https://en.wikipedia.org/wiki/Economic_growth" \o "Economic growth), leading to increased [disposable income](https://en.wikipedia.org/wiki/Disposable_and_discretionary_income" \o "Disposable and discretionary income) for its citizens.[[12]](https://en.wikipedia.org/wiki/Drop_shipping" \l "cite_note-12) Moreover, [internet penetration](https://en.wikipedia.org/wiki/Global_Internet_usage" \o "Global Internet usage) and smartphone adoption have also increased quite drastically.[[13]](https://en.wikipedia.org/wiki/Drop_shipping" \l "cite_note-13) The combination of these factors have manifested an extensive domestic platform for e-commerce, supplying greater opportunities for drops shipping businesses to expand.

The Chinese government has established the significance of e-commerce and [cross-border trade](https://en.wikipedia.org/wiki/Cross-border_trade" \o "Cross-border trade) for the country's economic development.[[14]](https://en.wikipedia.org/wiki/Drop_shipping" \l "cite_note-14) Subsequently, the Chinese Government have instilled [policies](https://en.wikipedia.org/wiki/Policy" \o "Policy), [initiatives](https://en.wikipedia.org/wiki/Popular_initiative" \o "Popular initiative) and [regulations](https://en.wikipedia.org/wiki/Regulation" \o "Regulation) to aid and promote the market platform of e-commerce. A distinct example can be identified when the government established [special economic zones](https://en.wikipedia.org/wiki/Special_economic_zone" \o "Special economic zone) and implemented [tax incentives](https://en.wikipedia.org/wiki/Tax_incentive" \o "Tax incentive) to encourage e-commerce and [export-specific industries](https://en.wikipedia.org/wiki/Export" \o "Export).[[15]](https://en.wikipedia.org/wiki/Drop_shipping" \l "cite_note-15)