

Research on China Cross-border E-commerce Development Strategy under the Background of Trade Facilitation

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Abstract

The main purpose of trade facilitation is to simplify trade processes, reduce trade costs, and improve policy transparency. Affected by the global financial crisis, global market demand is insufficient, and China's foreign trade growth is weak, while cross-border e-commerce is thriving, showing a gratifying growth trend. The qualitative and quantitative leap of cross-border e-commerce is inseparable from the macro-environmental support and influence of my country's social development. Chinese government departments should actively participate in relevant meetings and project negotiations of international organizations, establish friendly exchanges and cooperative relations with other countries, and achieve tax incentives and credit Negotiation and coordination mechanisms for system construction cooperation, data security, cybercrime, etc., to seek more convenient and efficient border management

Keywords Trade facilitation; Cross-border E-commerce; Development Strategy

I. Research background

In December 2013, the WTO Bali Ministerial Conference passed the Trade Facilitation Agreement. By the end of November 2014, the WTO passed the relevant protocol and delivered to all members to perform domestic approval procedure. Approved by the State Council, China submits the approval letter to the WTO on September 4 2015. As of 29 April 2021, 154 members have joined the Agreement. The main purpose of trade facilitation is to simplify trade processes, reduce trade costs, and improve policy transparency. As a new and efficient trade method spawned by the Internet, the rapid development of cross-border e-commerce has slowed down the sluggish foreign trade market caused by the global economic crisis, which has become a sharp edge in improving the status quo of trade facilitation China. Based on the main theme of trade facilitation, this article analyzes the macro-environment of the development of cross-border e-commerce China, and puts forward specific suggestions to promote the facilitation of cross-border e-commerce China from the perspective of government departments.

II. Research significance

Productivity promotes the development of trade, and the development of trade will also promote the progress of productivity. With the development of e-commerce and the process of economic globalization, international trade has developed rapidly in the past few years, but traditional trade has some shortcomings. Gradually exposed, high logistics costs, increased risk of foreign exchange collection, imperfect laws, the lagging development of China's informatization and comprehensive capabilities, coupled with the advancement of Internet technology in the early 1990s, gave birth to a new form of international trade – Cross-border e-commerce. It has inherited the functions of traditional foreign trade, and has advantages unmatched by traditional international trade. Moreover, because there are no obstacles from foreign countries, international trade has become more and more free of national boundaries. Today's world is diversified and the overall information is complex. Full of various variables and risks, as well as looking at the current position of cross-border e-commerce in the entire capital market, China has undoubtedly become the country with the strongest online purchasing power in the world. According to Nielsen data, 2015 China's total e-commerce sales reached 13 trillion in 2015, and cross-border e-commerce transactions exceeded 5.5 trillion. In the next few years, from a trend point of view, China's e-commerce will continue to maintain rapid growth. The diversification of cross-border online shopping and the increasingly mature purchasing behavior, the increase in the proportion of people participating in overseas shopping, the diversification of product types, procurement and sales channels, and the diversification of shopping modes have created opportunities for the development of cross-border e-commerce. Facing many challenges, how to effectively supervise, reduce logistics costs, improve various tax systems, and improve related legal systems is an urgent and arduous task that needs to be faced in the development of cross-border e-commerce. The purpose of this article's writing and research is to explore feasible optimization schemes, and to explore the corresponding solutions one by one to the legal issues involved in cross-border e-commerce commodity inspection, tax payment, logistics, credit payment management and supervision, and related links.

III. The status quo of the development of cross-border e-commerce in China

Affected by the global financial crisis, global market demand is insufficient, and China's foreign trade growth is weak, while cross-border e-commerce is thriving, showing a gratifying growth trend. In 2014, the scale of cross-border e-commerce transactions in China was 4.2 trillion yuan, a year-on-year increase of 33.3%. It is estimated that by 2016, the transaction scale will exceed 6.5 trillion yuan. What is even more surprising is that in the first half of 2015, the scale of China's cross-border e-commerce transactions reached 2 trillion yuan, a year-on-year increase of 42.8%, accounting for 17.3% of my country's total import and export value. In the near future, more companies will join the ranks of cross-border e-commerce. China's cross-border e-commerce will greatly increase in scale and quality, and its influence in the international market will be further enhanced. The qualitative and quantitative leap of cross-border e-commerce is inseparable from the macro-environmental support and influence of my country's social development.

IV. Literature review

1. Strong policy support

Since 2013, various national departments have successively issued a series of "Guiding Opinions on Promoting the Healthy and Rapid Development of Cross-border E-commerce" and "Several Opinions on Promoting the Stable Growth of Imports and Exports" to support the development of cross-border e-commerce and promote trade facilitation. Relevant policy opinions on customs clearance, logistics, payment and settlement, taxation, inspection and quarantine, business environment, e-commerce legislation,

network security, talent training, etc., are established in Chongqing, Ningbo, Hangzhou, Zhengzhou, Guangzhou and other places. The cross-border e-commerce pilot program calls on major e-commerce companies and logistics companies to settle in, and encourages local governments to learn from the successful experience of the Shanghai Free Trade Zone, and make full use of the Internet, big data, cloud computing and other high-tech technologies to improve Chinese companies' foreign trade. Unfavorable situations enhance the competitiveness of foreign trade, and promote the facilitation of cross-border e-commerce. At present, there are many domestic researches on e-commerce development issues covering a wide range, mainly focusing on high logistics costs, low distribution efficiency, and imperfect laws. Lai Youwei, Li Guangqian, and Shi Guang (2014) proposed that China's development of e-commerce has problems in management systems, laws and regulations, and delivery efficiency." Gao Fei (2014) takes Jingdong Mall, Dangdang.com, Excellent Amazon, and Tmall as typical examples. Taking B2C e-commerce companies as an example, it points out that the main problems in the development of B2C e-commerce logistics are logistics cost and reverse logistics, and analyzes the causes of the problems. Wang Hong (2014) believes that there are problems in the internationalization of e-commerce in China, including the incomplete legalization of user authentication and privacy protection, imperfect payment methods and integrity issues". Wu Tingqian (2014) believes that the main problems in e-commerce logistics and distribution are high distribution costs, high storage costs and imperfect distribution channels". Wu Zanting and Wang Zhongzhuang (2015) studied e-commerce based on the analysis of e-commerce cost composition, he pointed out that the main problems of the enterprise lie in cost control and he recommended to improve the cost control level.

2. Stable economic growth

At present, China's economy is in a new normal of structural adjustment and stable growth. Economic growth has shifted from being driven by factors and investment to being driven by innovation. Affected by overcapacity in the manufacturing industry, the willingness of private investment has weakened, tax revenue and land transfer revenue have decreased, local government investment capacity has been limited, and the in-depth adjustment of real estate has caused real estate investment to continue to decline. Fixed asset investment continued to slow in 2014, with a year-on-year growth rate, but it further fell to 15.8%. Consumption growth still lacks endogenous motivation, and the annual growth rate remains at around 12%. The export recovery was weak, with a year-on-year growth of 4.4%. The troika driving economic growth can only rely on export growth. As a dark horse to change the downturn in the foreign trade market, cross-border e-commerce is driven by innovation to lead economic growth and China's economic transformation, which in turn, the development of cross-border e-commerce will create a stable and convenient environment.

3. Infrastructure construction is booming

From 2011 to 2013, China's investment in the transportation and information industries has shown a continuous growth trend. From January to September 2014, China successively introduced a series of stimulus policies, and the growth rate of infrastructure investment was 20.95%. In the first half of 2015, highway and waterway completed fixed asset investment of 718.8 billion yuan, a year-on-year increase of 9.5%. Since 2015, my country's approval of infrastructure construction projects has accelerated significantly. It is expected that the growth rate of infrastructure investment in the future will remain at a high level. Construction-related investment has also been included in the national key investment areas. It is estimated that by 2016, China's IT service market will reach 563.766 billion yuan, with a year-on-year growth rate of 23.25%. The heavy investment in infrastructure has facilitated cross-border e-commerce marketing, logistics, payment and other links, created a good hardware environment for the development of cross-border

e-commerce in China, and laid a solid foundation for China's exports to stimulate economic growth.

4. Changes in lifestyle

The emergence of the Internet has changed the way people obtain information, shopping, payment, travel, education, catering, and entertainment. Unknowingly, it has penetrated into all aspects of public life, such as Weibo, WeChat, Taobao, Didi Taxi, and Alipay, Are you hungry, Meituan, Dianping, Baidu Maps and other apps, which have become essential for mobile phones. "Take a mobile phone to walk around the world without being afraid of wherever you go" is no longer a dream. People's lives are interconnected. It is becoming more and more obvious that the application of data mining in personalized recommendations is gradually deepening. This change in lifestyle brought about by the Internet has gradually been accepted by people and has become a living habit, spreading across the world. It has cultivated a good market foundation for the development of cross-border e-commerce, and developed new areas and new forms of trade needs.

5. Technology brings convenience

Internet +, cloud computing, Internet of Things, and big data have become hot words of the year. Web6.0 and Industry 4.0 have also been applied to various fields of production and life. The vigorous development of cross-border e-commerce is inseparable from strong technological strength. Support, the acceleration of the process of trade facilitation also requires us to speed up the pace of process simplification and cost reduction. Financing, marketing, logistics, customs clearance, foreign exchange settlement, payment, credit evaluation, after-sales service, supervision, statistics and other links require us to increase scientific research investment. To promote the development and progress of Internet finance, electronic payment, supply chain management, electronic customs clearance, credit evaluation system construction, Internet marketing, and Internet supervision, and promote the facilitation of cross-border e-commerce.

V. Problems caused by cross-border e-commerce

Current research on cross-border e-commerce is focused on exploring its development issues, including logistics, customs clearance, supervision, and law. Juan Liu (2012) analyzed the reasons for the rise of small cross-border foreign trade e-commerce and the existing problems, and summarized innovations in logistics services." Wang Huimin (2014) discussed how cross-border e-commerce promotes the transformation and upgrading of international trade. It is proposed that the development of cross-border e-commerce should solve the problems of credit construction, logistics construction, customs clearance and laws and regulations." Lai Youwei and Wang Kaiqian (2014) mentioned that China's cross-border e-commerce development needs to be improved and optimized in terms of customs clearance services, market supervision system, and foreign exchange settlement methods in the emerging stage, and proposed strategies." Huang Yongwen (2014) will my country's cross-border e-commerce and traditional trade have been compared in many aspects, and the development opportunities and challenges of cross-border e-commerce have been analyzed. Finally, solutions have been proposed from the perspective of the government and enterprises." Xie Na (2015) pointed out that China's cross-border e-commerce currently has many problems with intellectual property rights, platform services, industrial chain and model innovation. Liu Yang and Xiong Chao (2014) analyzed the security issues of cross-border e-commerce from five aspects, considered the causes of regulatory issues, and put forward some suggestions."

VI. Recommendations to promote the facilitation of cross-border e-commerce in China

1. Improve laws and regulations related to cross-border e-commerce

Any emerging industry cannot lack the protection of laws and regulations in the early stage of development. In addition to the fact that infrastructure construction is the key support for its healthy and rapid development, the realization of the Internetization of every trade link is our goal for the development of cross-border e-commerce. It is key to further increase the R&D investment in e-commerce infrastructure software and hardware, increase network transmission speed, reduce network usage costs, expand the application range of the Internet in trade processes, and realize the paperless system and facilitation in marketing, payment, customs clearance, logistics, foreign exchange settlement, tax refund, supervision, after-sales and other links. From the perspectives of space, time, labor, and raw materials, it reduces business costs and improves trade efficiency.

2. Strengthen e-commerce infrastructure construction and cross-border e-commerce security protection

The development of cross-border e-commerce must have a solid infrastructure as a forward. The e-commerce Internet is a double-edged sword. While bringing us efficiency and convenience, internet security issues have become a hidden danger for cross-border e-commerce applications. In order to ensure the security of cross-border e-commerce transactions, government departments must strengthen the construction of laws and regulations related to Internet security, and infrastructure investment, take practical and effective measures to improve the social credit system, and create a healthy and good cross-border e-commerce network environment. The government shall solve the network security and credit problems arising from the rapid development and application of cross-border e-commerce from both legal and moral perspectives.

3. Create a comprehensive cross-border e-commerce service platform

As the country's regulatory policies for cross-border e-commerce become increasingly clear, traditional small and medium-sized foreign trade companies have become incompatible with the new regulatory policies. These companies have the following two common characteristics. One is that they have used postal transportation for a long time, and they are not taxed or refunded; the other is that they are not familiar with the sunshine cross-border chain, and they are at a loss when facing new cross-border e-commerce supervision policies. Some large-scale cross-border e-commerce companies have rich experience in docking with government, customs and other departments to deal with the problems that arise in the long chain of cross-border e-commerce. Therefore, a batch of cross-border e-commerce companies have been developed. A comprehensive service platform for SMEs and individual sellers to provide agency services such as marketing, finance, customs clearance, logistics, tax refund, and foreign exchange settlement. The government shall further improve the cross-border e-commerce customs clearance service platform and public service platform, implement the use of the cross-border e-commerce customs clearance service platform for distribution, collection, and tax rebate, to provide small and medium-sized foreign trade enterprises with customs clearance convenience; carry out statistical supervision, create a comprehensive cross-border e-commerce service platform, realize the data exchange and docking between the customs clearance service platform, public service platform and comprehensive service platform, facilitate government departments' supervision and statistics on cross-border e-commerce, and help traditional foreign trade companies succeed in going through the transition period and mastering the operational procedures and skills of cross-border e-commerce, which is a powerful lever for real facilitation of cross-border e-commerce in China.

4. Participate in cross-border e-commerce international cooperation

The facilitation of cross-border e-commerce is inseparable from regional cooperation among various economies. Chinese government departments should actively participate in relevant meetings and project negotiations of international organizations, establish friendly exchanges and cooperative relations with other countries, and achieve tax incentives and credit Negotiation and coordination mechanisms for system construction cooperation, data security, cybercrime, etc., to seek more convenient and efficient border management; create a safer international Internet environment, and create a business environment that is more conducive to the development of cross-border e-commerce in China so as to achieve a higher level of cross-border e-commerce facilitation. In addition to giving policy support to encourage its growth, corresponding laws and regulations should be formulated to regulate and guide the development of the industry. Since cross-border e-commerce involves different countries and regions, coupled with its own characteristics of online transactions, the formulation and implementation of laws and regulations related to cross-border e-commerce are relatively difficult and complicated. Transnational litigation, international commercial arbitration, and mediation are no longer suitable for the settlement of cross-border e-commerce disputes. The difficulty in the implementation of overseas legal judgments, the cost of cross-border litigation, and complex transnational judicial procedures are all influencing factors. The current inadequacy of cross-border e-commerce laws and regulations has directly affected consumers and operators' confidence in participating in cross-border electronic transactions, thereby affecting the development of cross-border e-commerce. Some documents raise the issue of importing cross-border e-commerce from a macro level and provide suggestions. Zheng Haohao and Cheng Yasha (2016) pointed out that imported cross-border e-commerce companies are facing pressures from tax collection and management, transaction payment, cross-border logistics, and information asymmetry. They believe that the regulation of the industry should be strengthened and the supervision of cross-border transaction payment should be strengthened. Cross-border logistics system, reduce logistics costs, strengthen corporate credit management, and improve after-sales service." Wang Ning (2016) analyzed the short supply chain of imported cross-border e-commerce, such as supply chaos, payment risks, low customs clearance efficiency, and high logistics costs. Wang Ning proposed an optimization plan for imported cross-border e-commerce supply chain, platform alliances-bargaining with foreign brands, exchange ideas with foreign sellers, cooperate with cross-border logistics supply chain service providers, and use big data The combination of precision marketing, overseas warehouses and bonded warehouse logistics models. Wu Chengqian (2016) analyzed the advantages and disadvantages of various models of cross-border import retail e-commerce in China, mainly discussing the crises and challenges faced by cross-border e-commerce in payments taxation, fake goods, supply chain timeliness, overseas warehouses and bonded warehouses". Pan Junjie and Huang Chaolun (2016) mainly introduced the development history and status quo of China's current bonded areas, and discussed the cross-border e-commerce in bonded areas such as the problems of logistics warehousing, information and data connection, and imbalanced development between the east and the west were analyzed.

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