Look at the Supply Side Reform of China's Production Side from the Purchasing Tide

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Abstract. With the rapid development of China's economy, people's level has been significantly improved, but also on the type of goods, have a higher level of performance requirements, and domestic goods and crudely made species poor has been unable to meet the market demand, and because of the popularity of the network, e-commerce as the main platform for overseas purchasing industry produce like bamboo shoots after a spring rain and rapidly, however it also brings enormous pressure to the domestic market, resulting in domestic products the backlog, resulting in an imbalance between supply and demand. The supply side reforms to supply, enhance the competitiveness of the production side, through the liberation of productive forces, and to meet the demand, promote economic development.

Introduction

In March 24, 2016, the Ministry of finance, the General Administration of customs, the State Administration of Taxation jointly issued "on cross-border e-commerce retail import tax policy notice", announced that since April 8th this year, China will implement the cross-border e-commerce retail import tax policy.

This means that cross-border retail electricity supplier will formally bid farewell to import duty-free era, but in a narrow sense of personal behavior is still scouring the sea temporarily spared. The Ministry of Finance official said, after the introduction of the new deal than the previous tax rate is increased, but not on the consumer's daily consumption bring too big impact, consumers through cross-border e-commerce retail import channels to purchase goods, more efficient, convenient, safe.

The Status Quo of China's Overseas Purchasing

Overseas purchasing refers to the buyer, purchasing customers to buy love but not to buy products from overseas market, followed by EMS or express indirect, or direct human back home, then to the shopping mode. The hands of buyers of overseas purchasing goods are in the domestic price is higher or not listed in the domestic commodity. The purchasing area of source distribution all over the world, mainly in the United States, Japan, Korea and Europe, and China's Taiwan and HongKong, Macao and other regions.

The Ministry of Commerce statistics, China's various types of cross-border platform companies have more than 5000. Some experts predict that in 2016 Chinese cross-border e-commerce import and export volume will reach 6 trillion and 500 billion yuan, the next few years, cross-border electricity accounted for China trade proportion will increase to 20%, the annual growth rate of over 30%.
Overseas Purchasing for the Impact of China's Growth Spurt

The serious loss of state tax revenue

Overseas purchasing goods entry is usually not in formal commercial immigration channels of customs entry, but by the inbound tourist goods be meter core, thereby greatly reducing import tariffs, especially cosmetics, electronic products, gold and silver jewelry, also caused the circulation the VAT tax evasion, resulting in serious loss of taxation.

Customs clearance management is more complex and difficult

The cross-border e-commerce retail imports mainly baby products, food, health products, cosmetics and other personal consumer goods, the value is low, the existing tax shall be exempted from tax avoidance, a large number of packages do not pay taxes on imported, the overseas purchasing more small, domestic consumers need to disperse the levy, aggravated the imposition of the workload, the cost of the tax increase, at the same time, increasing the burden for the inspection of smuggling more difficult, which is active in the gray area of more than 40 billion yuan amount much.

Foreign exchange regulatory difficulties

Compared to the traditional goods trade, cross-border e-commerce has many unique features, so that the foreign exchange supervision is facing new challenges. It is also the cross-border Internet payment transaction property monitoring difficult, through the third party payment platform to make foreign exchange verification regulation blocked coupled with the virtual network, unable to obtain the real data, the statistical effect of the international balance of payments, it is difficult to do accurately.

Affect the retail business order and development

The overseas market products with its variety of high-end brand, preferential price advantage in the domestic market and gradually increase the share of national and foreign retail enterprises have been seriously affected. According to the data, like Carrefour, WAL-MART, this kind of imported large stores, a store traffic day is 4-5 million, and like Taobao and other commercial enterprises every day there are about 60 million regular visitors.

From the Development of Overseas Purchasing to See the Need for Structural Reform of the Supply Side of the Supply Side

Reasons for the rapid growth of overseas purchasing

Price and quality advantage

Why consumers have to make light of travelling a thousand miles, from the overseas purchase of China has the ability to produce goods, from three aspects, one is no corresponding domestic products, or optional two is too small; the quality of domestic goods does not pass, the resulting distrust of all domestic products; three is the foreign purchase no tariffs or low tariffs, price cheap compared to domestic.

The influence of film and television works

It is obvious that by Korean culture shock, a large number of domestic consumers are keen to buy South Korea. South Korea's own brand price advantage compared to the domestic market at all, which appeared in South Korea.

Affected by the appreciation of the renminbi

The appreciation of the RMB can greatly reduce the cost of their travel, tourists can spend less money to buy consumer goods for home consumers, net purchases of overseas goods are also more favorable.

Overseas buyers to get profit from the overseas purchasing

Overseas purchasing as the main domestic and foreign through the purchase price difference and collection of purchasing expenses and other earnings, while in the process of communication with
customers in the sales process, you can exercise communication skills, business opportunities and development often in the process.

**The relevant laws and regulations are not perfect**
Even practitioners recognize that this is based on a gray industry tax evasion. These are because the relevant legal system of overseas purchasing industry is not perfect, the purchase has been wandering in the legal edge, hit the edge ball.

**Consumers face many risks**

**The authenticity of purchasing products**
Because both parties only through the network platform of virtual electronic negotiate purchase, consumers can’t determine the authenticity and quality of real goods, to be familiar with the overseas purchasing consumers need to bear a greater risk of being cheated.

**It is difficult to guarantee after-sales service**
Overseas purchasing commodity trading has increased compared to the normal purchasing procedures, it also increased the number of uncontrollable factors, once a dispute, because of the lack of real consumption vouchers, consumer rights is difficult for sellers responsibility, resulting in damage to their own interests.

**The existence of personal privacy security risks**
Consumers in the choice of overseas purchasing businesses must carefully, choose the regular official purchasing, to prevent the leakage of personal information or by blackmail and impose exactions on induce other illegal and criminal acts.

**The Adverse Effects of Overseas Purchasing Recommendations**

**In the Light of its General Trend, Adapt to the Needs of Consumers**
First of all enterprises need to do is to tap their own potential, innovative production, to attract consumers to the quality and price advantage, but also must take the public consumption upgrading, promote domestic consumer goods industry upgrade; secondly continues to expand open market economy, overseas purchasing as a new industry which has great potential for development, the need for government support and guidance, but also cannot do without the support of consumers to create new supply; in addition to retail enterprises, must adapt to the development of the current status of electronic business, try to achieve the store and e-commerce in both ways.

**Establish brand awareness, encourage industry transformation and innovation**
As everyone knows, the strength of the brand plays an important role in stimulating consumption, for example, for our German cars, Japanese electronics, South Korea's cosmetics, French perfume and luxury consumer goods and so on. These are a stereotype, we always lead to these foreign brands favored, because these foreign brands they are built on the inception of the quality and credibility of the advantages of consistent from beginning to end. On the production side, only quality advantage is not enough, has become an independent school brand and style is also important.

**Reduce costs and help enterprises maintain competitive advantage**
On the one hand, further decentralization, effectively reducing the system transaction costs; Second, to promote tax reform, and effectively reduce the tax burden on enterprises; Third, to promote market-oriented reform of energy pricing system, reduce the energy cost burden.; Fourth, to promote the reform of the financial system, reduce the financial cost.

**To build a reasonable and perfect electricity supplier tax laws and regulations**
The construction of electronic commerce tax legislation, must from the electronic commerce in our country and our tax law practice, not only to avoid double taxation, but also make full use of existing tax provisions of the principle of moderate concessions. Because the prospect from the actual situation of the industry background and consideration of China's overseas purchasing is still in its infancy state, need the government to give appropriate protection and guidance.
Constructing the foreign exchange supervision system in the network information era

The risk of potential network purchasing industry cross-border payment in foreign exchange management, should be timely to construct suitable for electronic commerce, should be applicable to the construction of electronic commerce in foreign exchange management and monitoring system, and strengthen the enforcement and inspection of existing relevant laws and regulations.

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Reference


