Development Strategy of Cross-border E-commerce in China

SHUYAN LI and YUANREN WU

ABSTRACT

At present, cross-border e-commerce is explosive development. However, while the rapid development of cross-border electricity supplier industry, some problems have also come. Therefore, to change the traditional cross-border electricity supplier sales service model, to meet consumer demand, we must study the formulation of relevant laws and regulations, in order to promote cross-border electricity supplier better and faster development.

KEYWORDS


INTRODUCTION

With the continuous development of China’s economy and the accelerating pace of economic globalization, China’s economic ties with various countries are becoming increasingly close. With the rapid progress of the network, science and technology, China's cross-border e-commerce has sprung up rapidly and has become a new growth engine for China’s foreign trade.

Cross-border e-commerce refers to the main business of different transactions, through the e-commerce platform to achieve transactions, payment and settlement, and through cross-border logistics services, to complete the transaction of an international business activities. The emergence of cross-border e-commerce model is the result of economic globalization, the increasingly close economic exchanges between countries, the continuous improvement of Internet technology and the development of e-commerce mature and other factors combined results. Cross-border e-commerce according to its business model can be divided into B2B, B2C, C2C three types. Compared with the traditional international trade and e-commerce, cross-border e-commerce has distinctive features. Firstly, cross-border e-commerce is a trade conducted between different countries or regions, no longer rigidly adhere to a country, and break the geographical boundaries. Secondly, cross-border e-commerce has injected new elements of online shopping and online payment for traditional international trade. It has changed from traditional offline transactions to online transactions, and communication and payment have been completed through the internet. Thirdly, cross-border e-commerce logistics and transportation mode is more complex and diverse [1].

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THE CURRENT SITUATION OF CROSS-BORDER E-COMMERCE IN CHINA

Data show that China's cross-border e-commerce maintained a high growth rate. In the fourth quarter of 2016, China's cross-border imports of retail electricity market size reached 95.71 billion yuan, up 7.7%, higher than the same period last year, 11.86 billion yuan. It is expected that by 2018, the overall transaction size of China's import and export cross-border electricity business is expected to reach 8 trillion. Cross-border import has become a new growth point of China's foreign trade economy and will develop at a high speed over the next 5 years. Data show that in 2016 China Sea Amoy users scale up to 41 million, the scale growth rate of 78.3%. It is estimated that by 2018, the scale of users will reach 74 million, and the scale of users will increase continuously. China's cross-border electricity business transactions will continue to high-speed development, the proportion of China's import and export trade will be more and more.

Cross-border electricity business is divided into imported electricity and export electricity business. Imported electricity is through the electricity business platform and international logistics in the country to sell foreign products. Export electricity business through the electricity business platform and international logistics in foreign countries to sell domestic products. China 's cross-border electric business to export electricity mainly. In 2014, cross-border electricity exports accounted for 86.7% of total imports and exports, occupying a significant dominant position. As China's product quality continues to improve, the price is relatively affordable, cost is very high, overseas consumers increasingly favored in China [2].

The development of all walks of life requires the support of the environment. China's policy on the development of cross-border electricity business is clearly pointed out that the policy of reducing tariffs on export products to support the cross-border development of e-commerce, to encourage enterprises to go abroad. This has played a certain role in the development of China's cross-border electricity business. In the context of such a big policy, the future development of cross-border electricity providers is quite optimistic [3].

DIFFICULTIES FACED BY CROSS-BORDER E-COMMERCE IN CHINA

Cross-border Logistics Development Is Not Mature

Cross-border logistics involves domestic and foreign logistics, customs clearance and after-sale and so on. The longer the industrial chain of cross-border logistics, the higher the operating costs. Especially in the customs clearance, its huge operational risk directly affects the industry's final pattern. China's many small and medium-sized business enterprises microblogging profit simply do not meet the requirements of the relevant logistics costs, which seriously inhibits the diversification of China's cross-border electricity business. At the same time, by cross-regional cross-regional impact, the operation of the trade process compared with the traditional electricity business is more complicated, such as customs clearance, customs declaration, settlement, tax rebate, handover and other aspects of different norms. Long logistics cycle will lead directly to extend the duration of the entire transaction, thus hindering the continued development of cross-border electricity business [4].
The Policy Supervision System and Policy Support Have Blind Spots

With the rapid development of cross-border electricity business, the current management system, legal and environmental conditions have been unable to meet their requirements. Cross-border e-commerce and traditional trade in the trading platform, logistics and distribution, payment and settlement has a lot of different aspects. The policies related to cross-border electricity companies need to be improved. It is necessary to clarify the differences in cross-border e-commerce and traditional trade in terms of business scope, qualification registration and payment settlement, and introduce management measures for cross-border e-commerce development. The blind areas of policy supervision system and policy support also hinder the development of cross-border e-commerce.

Tax System is Not Perfect

At present, cross-border trade is mainly based on express mail and sellers can not provide declarations, so most sellers can not enjoy the tax rebate policy. The conflict between the identification of goods and the tax system is becoming more and more obvious. The conflict between the identification of goods and the tax system is becoming more and more obvious. Take B2C imports as an example, goods need to impose tariffs, consumption tax and value added tax. However, the use of personal items only needs to pay much lower than the commodity tax postage tax. The actual operation can only be based on the number of how much to distinguish between goods and personal items. With the growing size of cross-border electricity supplier B2C, the mass of small quantities of goods become circulation goods, which makes it difficult to define the tax.

Payment Security Is Not Guaranteed

Payment settlement is related to the financial security of both parties to the transaction, and is the core link of cross-border trade. In the process of information transmission, it is possible that the payment information is lost due to the system failure, and the more important is the security of electronic payment. Data show that 2012-2013 Chinese Internet users in deciding whether to use cross-border payment by the most important factors, the safety factor accounted for the highest, reaching 36.1%. This highlights the security of the cross-border electricity business is a weak link.

Lack of Cross-border Electric Business Professionals

Unlike domestic electricity providers, cross-border e-commerce is facing a global customer. Different languages, cultures, religious beliefs, and customs of life make cross-border e-commerce more complicated. Therefore, involving the payment, logistics, customs clearance, networking, language and other comprehensive knowledge and skills of complex talents is very short. The talents who really know foreign trade in e-commerce are very short of, and the training mechanism of talents is not perfect. The talents who really know foreign trade in e-commerce are very short of, and the training mechanism of talents is not perfect. Cross border e-commerce and domestic electricity supplier requirements vary greatly, attracting cross-border
e-commerce talent policy is imperfect, and the government should provide support for cross-border electricity supplier talent policy [5].

**DEVELOPMENT STRATEGY OF CROSS-BORDER ELECTRICITY SUPPLIER IN CHINA**

Compared with traditional trade methods, cross-border e-commerce is of great significance in promoting international economic and trade cooperation and promoting the optimal allocation of global resources. On the current cross-border electricity business development situation, there has not been in the absolute position of the leading enterprises. With the relevant policies and regulations to further establish and improve the development of cross-border electricity business in the various problems will be gradually resolved.

**Improve Cross-border Electricity Supplier Laws and Regulations**

At present, compared to Western Europe and the United States and other developed countries and regions, China's cross-border e-commerce industry is still in the initial stage. Consumer fraud, false transactions, counterfeiting and other bad phenomena is very much, and the customer's online information, network payment security is difficult to get the relevant legal protection. Facts have proved that only the universality of the law and the norms of the will to reflect the national will to make these issues can be harmonized, and only the law can fundamentally maintain the production operators and the interests of the broad masses of consumers.

**Actively Guide the Construction of Overseas Warehousing**

Overseas warehousing construction refers to the convenience of efficient and efficient to help the network sellers to complete the sales management services, by a dedicated logistics service providers, e-commerce service platform together or alone in the construction of a one-stop control warehouse to complete the corresponding commodity exports, customs clearance, transport, storage, delivery. E-commerce requires efficient network will be a large distribution center and small towns connected to the town, through active investment in the construction of overseas warehouses, the establishment of an orderly logistics supply chain system, changing the status of cross-border logistics immature.

**Training Cross-border Electric Business Professionals**

Cross-border electricity providers need to recruit a certain foreign language skills, e-commerce knowledge and expertise in foreign trade complex cross-border electric business talent. However, the relevant professionals are seriously lacking, to a large extent restricted the whole industry to further development. Therefore, how to establish a scientific training model to increase the counterparts of professionals, as the current government, enterprises, colleges and universities urgently need to solve a major problem. The government should establish and improve the complex cross-border electric business personnel training effective incentive mechanism, through the tax system and other financial means to give economic tilt. In addition, we can actively guide the state-owned enterprises and local large-scale e-commerce companies, through
preferential policies and other measures to jointly set up public welfare professional training institutions to improve the quality and quantity of relevant personnel.

Enterprises should be based on long-term, meticulous planning of human resources strategy. Improve the school-enterprise cooperation, to achieve the school and enterprises in a mutually beneficial win-win under the premise of personnel training chain on the seamless docking. The school can strengthen the communication between colleges and universities, and implement the measures of "coming in" and "going out", that is, hiring industry experts and core technical backbone of enterprises as professional teaching consultants, inviting senior managers and project leaders to hold on campus professional lectures and so on.

Colleges and universities should pay attention to the accumulation of practical experience of students, take the initiative to cooperate with the off-campus enterprises, and enterprise projects and theoretical teaching combined to provide students with a real and reliable training platform, so that students have more practical opportunities to enhance the integration of student’s ability.

CONCLUSION

The Internet has shortened the distance between the country and the country, the merchants and consumers, and the people, breaking the traditional barriers to trade, and promoted the borderless, instant, and non-alienation of the transaction. The development of cross-border e-commerce in China is catering to this trend and developing rapidly. China's cross-border electricity supplier has many advantages, but also faces many difficulties.

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