

## *Research on the Development Strategy of Cross-border E-commerce under the Background of "The Belt and Road" Initiative*

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**Abstract:** This paper first describes the concept of cross-border e-commerce and the opportunity of cross-border e-commerce under the background of "The Belt and Road" initiative. Then it analyzes the current situation of cross-border e-commerce in China and further discusses the development bottleneck. Finally, the paper puts forward some development strategies in cross-border e-commerce logistics development from the customs standards interoperability, payment facilitation, improving the cross-border e-commerce credit system under big data, building market demand-oriented system of personnel training model.

### **1. CROSS-BORDER E-COMMERCE AND "THE BELT AND ROAD" STRATEGY**

Cross-border e-commerce refers to the different customs of the transaction side, through the e-commerce platform for transactions and payment, through cross-border logistics delivery of goods or services to an international business, is a network transaction as the main content of the business mode.

"Silk Road Economic Belt" and "21st Century Maritime Silk Road" referred to as "The Belt and Road". It east China, runs through Central Asia, Southeast Asia, South Asia, West Asia, leading to the hinterland of Europe, across the Eurasian continent, aimed at proactively developing economic cooperation with the countries along the country.

Cross-border e-commerce using advanced communications technology and network information system for countries of the producers, traders and consumers to provide comprehensive, multi-level interactive business services, breaking the traditional trade in time and space restrictions on multi-country. Between the interoperability, better fit the "The Belt and Road" strategy requirements. Cross-border e-commerce can effectively help countries in "The Belt and Road" strategic areas to integrate resources, establish links, open up trade and logistics links, promote intra-regional economic and trade exchanges and development.

### **2. OPPORTUNITIES FOR CROSS - BORDER E-COMMERCE IN THE CONTEXT OF "THE BELT AND ROAD"**

#### **2.1 The Gradual Elimination of Trade Barriers**

The promotion of the "The Belt and Road" strategy will further eliminate the trade barriers, build a free trade negotiation mechanism between countries along the way, improve the relevant regulations and rules of cross-border e-commerce, guide the orderly development of

China's Internet industry, lead economy Structural transformation of the development of traditional enterprises for cross-border e-commerce business direction.

#### **2.2 Optimize Customs Clearance Services for Cross - border Electricity Providers**

Under the guidance of the "The Belt and Road" strategy, China will fully implement the mechanism of cross-border e-commerce enterprises to promote the electronic port settlement, tax rebates and cross-border electricity business platform, cross-border logistics, electronic payment and other links between the Internet Interchange, the implementation of classified customs clearance management and port supervision of the forward shift, enhance the customs service function.

#### **2.3 Promote the Development of Cross-Border Logistics Industry**

Most of China's large-scale logistics enterprises have the plans of opening up overseas market, but because of the complexity of cross-border logistics, it is difficult to conduct a comprehensive deployment. In the "one side" strategy implementation stage, the state gradually introduced the relevant policies, and develop logistics process specifications, service quality standards, and encourage domestic enterprises to establish overseas storage base, and implement diversified cooperative delivery model with large international express delivery enterprises to promote cross-border logistics and distribution enterprises to mention Quality efficiency(Yonghong Du,2016).

### **3. CHINA 'S CROSS - BORDER E - COMMERCE DEVELOPMENT STATUS QUO**

#### **3.1 Size of the Transaction**

With the development of cross-border e-commerce in China, the transaction scale is gradually increasing. According to relevant information, In 2016, China's total cross-border electricity transactions is nearly 7 trillion

yuan, an increase of about 25% over last year. Export trade reached 5.5 trillion, an increase of about 22% over last year, and import trade amounted to 1.2 trillion, an increase of 33.3%. Watch the growth rate can be seen in 2012, cross-border electricity business in China's rise soon, the growth rate is not strong; 2013 is the highest growth rate of the year, reaching 50%. After the growth rate decreased year by year, but still maintained at more than 24% of the relatively high level (Xuejun Li., Daopeng Qi, 2015). It can be seen that cross-border electricity business in China still has a very good development potential, the transaction size is expected to continue to rise.

### **3.2 Import and Export Ratio**

China's cross-border electricity business development will always be the main export, supplemented by imports. In 2016, China's cross-border electricity import and export structure, the proportion of exports accounted for 82.08% of electricity, imports of electricity accounted for 17.92%, the export scale is 4.58 times the import. Overall, 2012 ~ 2016 China's cross-border electricity business export ratio is always far more than imports. It is expected in the next few years that China's export electricity business will continue to maintain the scale of 20% -25% growth rate, and the proportion of cross-border export electricity business will be higher than the proportion of cross-border imports of electricity.

### **3.3 Operating Mode**

From the import and export direction, cross-border e-commerce is divided into export cross-border e-commerce and import cross-border e-commerce. From the trading model, it is divided into C2C, B2B and B2C three models, namely consumer to consumer, business to business, business to consumer. At present in China, the main business model is the B2B and B2C, but C2C has also been a good development in recent years, on behalf of the platform Taobao global purchase, Jingdong overseas purchase, eBay global market, for consumers to bring more choices. Relevant data show that in 2016, the transaction amount of B2B trading model accounted for 88.7% of the total transaction amount of cross-border electricity business, accounting for the vast majority, while the amount of B2C trading model accounted for only 11.3% of China's total cross-border electricity business, B2B model will be long as China's cross-border electricity business's main development model.

### **3.4 Types of Goods**

China's cross-border electricity business involved in a wide range of products, and import and export transactions of goods category showed a big difference. In the cross-border electricity business, the majority of imported products are food and cosmetics, and cosmetics are mostly imported from Europe and the United States and Japan and South Korea. China's exports of goods mainly is clothing, 3C electronic products, outdoor products with significant cost Advantages and standardization which in the international market has a strong price advantage. It is expected that in the future China's cross-border retail sales, clothing and electrical appliances will continue to rise in the scale of export

trade, cross-border electricity business will further expand to more types, business products will be home, cars and other large products .

## **4. CROSS - BORDER E - COMMERCE DEVELOPMENT BOTTLENECK**

### **4.1 The Reform of Cross-border Customs Clearance Management System Needs to be Promoted**

Cross-border e-commerce transactions are characterized by a large number of category, large trading volume, but a small amount of single transaction volume. With the further growth of cross-border e-commerce business, enterprises and consumers complained that cross-border e-commerce exchange slow, difficult tax rebate, which raised the doubts of the customs supervision level. At present, cross-border e-commerce customs clearance of the reform is being pilot, and port single window mechanism has not yet formed, and regulatory departments are scattered (Nan Liu, Ce Yang, 2017). China's customs urgent need to reform customs clearance service management, improve the quality of customs clearance services, speed up the efficiency of customs clearance, thus solving the difficult problems of cross-border e-commerce about settlement and tax rebate to further reduce cross-border e-commerce transaction costs.

### **4.2 There is a Certain Risk of Cross-border Electronic Payments**

Cross-border payment is the core link of cross-border e-commerce, involving capital transfer security issues, thus cross-border payment has a certain risk. In the process of payment of information input, transmission, processing, incomplete information or loss may be due to system failure or information failure .in addition, There are illegal elements of illegal theft of payment information, to the transaction side to bring losses. Common risk is due to ID cards, bank cards and mobile phone verification code and other information disclosure, resulting in account theft, personal fraud. The establishment of sophisticated cyber fraud prevention mechanisms to prevent such issues as personal information and credit card theft is an important part of reducing the risk of cross-border transactions.

### **4.3 Fragmentation of Cross - border Logistics Has Increased the Difficulty of Regulation.**

Cross-border logistics is characterized by fragmentation, the number of large, relatively fragmented. With the continuous growth of cross-border e-commerce business, the current cross-border logistics model has lagged behind the development of cross-border e-commerce. At present, cross-border logistics infrastructure is imperfect, logistics management system is unreasonable. In addition, due to inadequate implementation of supervision, fake and shoddy goods in the cross-border online shopping continue to appear. In order to evade taxes, tax avoidance, "purchasing", concealment and other means continue to appear, even appear the mail with weapons, drug smuggling and other

criminal acts, so cross-border logistics have many security risks.

#### **4.4 The Cross-border E-commerce Credit System Needs to be Further Improved.**

The credit risk caused by virtualization of e-commerce is a big bottleneck in the development of cross-border e-commerce. There is a bad phenomenon, such as using electricity business platform to issue false information, the sale of fake and shoddy products, infringement of intellectual property rights. Foreign consumers have repeatedly complained about fraud, seriously damaged the collective image of China's foreign trade. Due to the different cultural backgrounds and laws and regulations of various countries and regions, there is no uniform standard in the credit system in the field of cross-border e-commerce market, and there is no internationally recognized credit management mechanism. Therefore, there is an urgent need to establish and improve the cross-border, cross-cultural credit system to maintain a complex cross-border e-commerce trading environment.

### **5. THE DEVELOPMENT STRATEGY OF CROSS-BORDER E-COMMERCE UNDER THE BACKGROUND OF "THE BELT AND ROAD" STRATEGY**

#### **5.1 Customs Clearance Standards Interoperability**

First, enterprise should be give more autonomy options. And allowing enterprises to choose the way of customs clearance according to the logistics needs to simplification procedures, cost savings. Second, it is standardization that including customs clearance language standardization and monetary measurement unit standardization. Customs language can choose the language of the exporting country or the language of the importing country, or choose English uniformly. Currency measurement units should be consistent with international standards.

#### **5.2 Payment Facilitation**

First, supporting a wide range of payment methods, Such as my payment, payment by others, cash on delivery etc, to protect the economic interests of buyers and sellers. Second, accepting multi-currency payment. Carrying out scientific prediction and analysis, and statistics out the customer to provide local currency exchange rate changes regularities, for customers to choose what kind of payment currency to provide reference recommendations. Third, efforts to shorten the payment of the time period. Rationalize and clear the channels of financial cooperation between banks, as far as possible to avoid all kinds of financial risks. Fourth, to ensure that the customer's account balance changes information caused by business activities can be synchronized feedback.

#### **5.3 Promotion Cross-border E-commerce Logistics Development**

The improvement of cross-border logistics efficiency is essentially a supply chain management problem. "The Belt and Road" cross-border e-commerce logistics cooperation alliance should be set up as soon as possible, open up the "The Belt and Road" along the country, cities, enterprises and social organizations communication channel, build three-dimensional, multi-dimensional and efficient collaborative service platform, to promote the rapid development of regional economy.

Giving full play the characteristics of "The Belt and Road" along the logistics resources collaboration, promoting "The Belt and Road" regional logistics market rapid docking, optimizing logistics resources allocation, and logistics industry structure. In addition promoting "The Belt and Road" along the city logistics new technology and new equipment applications, and accelerating technological innovation and management innovation, further reduce logistics costs, improve logistics efficiency.

Establishing of overseas storage warehouse, and implementing "set direct mail" model for effective integration and convergence of logistics, sellers, cross-border e-commerce platform and government regulation.

#### **5.4 Improve the Cross-border E-commerce Credit System under the Big Data**

In the Internet era, the focus of cross-border e-commerce competition is to pay more attention to customer experience, reputation and services. In order to promote the better development of cross-border e-commerce, cross-border e-commerce credit evaluation system should be speed up the establishment and improvement .On the one hand, establishing cross-border e-commerce information collection, information sharing mechanism which is based on large data, and including third - party credit platform. On the other hand, constructing a cross-border e-commerce credit system of Government-led, multi-party participation and unified standard. Implementing credit rating to cross-border e-commerce enterprises, to provide consumers with cross-border consumer guidance. Introducing cross-border e-commerce integrity regulations, and establishing integrity funds, and implementing fake first compensation mechanism, so that cross-border e-commerce transactions have the credibility of the guarantee in advance.

To "one network three library six platform" cross-border e-commerce overall layout as the carrier and an important starting point, building and improving the cross-border e-commerce credit system under the large data. "A net" that is cross-border e-commerce credit protection services network;" Three Treasury" are main body of the electricity market and its credit information base, electric business products and their quality information base, based on electronic contracts or orders, electronic invoices and logistics e-commerce transaction information database; "Six platform" for the main business information management platform, electric business product information source platform, electronic seal management, electronic contract and electronic

invoice release platform, electric business customs clearance integrated management and service platform, statistical monitoring platform, electricity business credit assessment, credit investigation, credit guarantee and other third-party credit platform(Hong Jin, Xiaowei Lin, 2015).

### **5.5 Construct the Systematic and Market Demand-oriented Talent Training Model.**

There are huge differences in the national language, customs, culture, policies and regulations, both with e-commerce skills and foreign trade expertise, but also master the relevant national language, understand the local consumer philosophy and culture of the complex Cross-border e-commerce talent is particularly important. therefore, constructing the Systematic and market demand-oriented talent training model is very urgent. The construction of this training model requires the government, enterprises and universities to play their respective advantages, division of labor. On the government side, cross-border e-commerce talent training incentive mechanism should be established, and some supports in the financial and tax policies should be given. At the border crossings, establishing higher education institutions or specialized personnel training institutions jointly with other countries to promote the overall quality of personnel. On the enterprises side, from a long-term perspective, human resources planning work should done well. In addition the training system will be divided into different levels to meet the needs of different employees to ensure smooth promotion channel. On the universities side, practical experience and theoretical teaching should be put at the same height, and establish an off-campus training base with enterprises and construct of practical teaching system. At the same time colleges and universities should strengthen ties with national colleges and universities related to "The Belt and Road", and carry out teacher visits and student

exchange and other projects to enhance the teacher's theory and practice level, to maintain the school's openness, the times.

## **6. CONCLUSIONS**

The "The Belt and Road" initiative is a new move put forward by government. With the implementation of "The Belt and Road" strategy, cross-border e-commerce leads the growth of trade and investment with the channel expansion and market share increase, and ushers in many opportunities for development. However, cross-border e-commerce encounters some development bottlenecks after its stage development. This paper attempts to propose some constructive development strategies by analyzing the current status and existing development bottlenecks of cross-border e-commerce in China so as to realize the long-term development of cross-border e-commerce in our country under "The Belt and Road" strategy.

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