

Study on Guangdong-Hong Kong-Macau Greater Bay Area's E-commerce Cooperation between Governments

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Abstract: With the rise of Internet technology, e-commerce has emerged as a new trade model recently. Under the opportunity of constructing of Guangdong-Hong Kong-Macau Greater Bay Area, e-commerce will help speed up the circulation of factors of production in Greater Bay Area and boost the deep construction of Greater Bay Area. Due to the e-commerce is cross-border and anonymous, it requires the cooperation of governments in Guangdong, Hong Kong and Macau. The government in Greater Bay Area can establish inter-regional e-commerce relations under the authorization of the central government, formulating inter-regional conflict laws, strengthening interregional e-commerce cooperation legislation, and increasing the introduction of e-commerce talents and financial support to promote government's cooperation in e-commerce.

1. Introduction

E-commerce is a new type of business model, in which virtual data is used as the medium and goods are delivered through the logistics platform. The development of e-commerce provides a new impetus and a new model for the regional economy, effectively promoting the circulation of various factors of production. According to the difference between the main body and operation mode of e-commerce, e-commerce mode can be divided into ABC, B2B, B2C, O2O mode and so on. The main mode of e-commerce of Guangdong-Hong Kong-Macau Greater Bay Area (GHMGBA) is B2C mode. This model can effectively expand the market share of enterprises and meet the needs of regional consumption. In addition to shopping transaction as the main function of modern e-commerce, it also has the functions of electronic data exchange, network marketing, electronic money access and so on, which makes e-commerce more reasonable and convenient. Inter-regional e-commerce mainly through the construction of data platform and cross-regional transport to promote the inter-regional information flow and capital flow and logistics connectivity, in order to enhance the role of regional economic exchanges. Guangdong, Hong Kong and Macau are close to each other, and their transportation network is well developed and their economic foundation is good. Therefore, the development of inter-regional e-commerce in the GHMGBA has unique advantages. Guangdong, as a manufacturing center, has developed the garment and small commodity manufacturing industry and can expand the market sales scope through e-commerce. As the financial highland of the world, Hong Kong can make great achievements in financial electronic transactions, while Macau's tourism and gambling industry is well developed and can promote tourism products to the e-commerce market. On this basis, promoting the development of interregional e-commerce cannot only effectively stimulate the economy of the Bay area, promote the circulation of various elements between cities, but also strengthen the cultural exchanges between Hong Kong and Macau compatriots and the mainland, so as to enhance the sense of belonging and identity of Hong Kong and Macau residents [1]. It can be seen that the development of inter-regional e-commerce for the construction of the

GHMGBA is particularly important.

2. The Relationship between Electronic Commerce and Interregional Administrative Assistance

First, cross-regional e-commerce requires cooperation among the governments of Guangdong, Hong Kong and Macau. There are differences between the Pearl River Delta and Hong Kong and Macau in the legal system, the degree of development of e-commerce and the legal norms of e-commerce. Take Sasa app, the e-commerce platform of SaSa, a well-known shopping mall in Hong Kong, as an example. Many consumers who do online shopping on this platform complain that the app network is not running smoothly, that it is difficult to load content, and that the customs clearance speed is slow after placing orders online. The logistics take so long that many consumers who have used the app to shop end up abandoning online shopping on SaSa's e-commerce platform. This shows that the development of e-commerce in Hong Kong and Macau still needs to be improved. Today, the development of e-commerce in the mainland has become more large-scale and well-known than that in Hong Kong and Macau, but in terms of e-commerce legislation, Hong Kong and Macau are more scientific and sounder than those in the mainland. Hong Kong has implemented the Electronic Transactions Ordinance, Electronic Transactions (fees) Regulation, Electronic Transactions (exemption) Order to specifically regulate e-commerce issues [2]. In the mainland, The National People's Congress promulgated the Electronic Commerce Law in 2018 and applied it in parallel with the General provisions of the Civil Law, the Contract Law, the Electronic Signature Law, and other laws. At present, the mainland has formed a relatively complete legal system for electronic commerce. However, in view of the "Electronic Commerce Law" has just been enacted, the difficulties faced in practice are still unknown. Macau mainly regards tourism and gambling industry as its economic lifeline, so it has not paid enough attention to the construction of e-commerce and its laws and has not formed a special e-commerce law, which is mainly regulated according to the "Macau Civil Code" and the relevant civil and commercial laws. Therefore, we should strengthen the legislative cooperation between Guangdong, Hong Kong and Macau, focus on the construction of e-commerce legislation in Macau, learn from the experience of e-commerce legislation in Hong Kong and the mainland, and jointly promote the orderly development of the Bay area economy.

Second, virtual electronic commerce needs cooperation between Guangdong, Hong Kong and Macau. Compared with the traditional trade of goods, the electronic trade method has extremely high convenience, but its own flaw cannot be ignored. For example, in the display of goods, e-commerce transactions can only give consumers a general description of the characteristics of the goods through simple video, pictures or text. Consumers through this visual virtual information cannot experience the reality of goods or services, so consumers and sellers often arise trade disputes because of the color difference, texture differences and other issues. In addition, based on the virtual nature of e-commerce, network infringement is also a noteworthy problem. On e-commerce platforms such as Taobao, we often see product introductions of the same kind of products from different merchants, even with identical pictures, videos, and words. Some e-commerce businesses simply copy and paste their works without the consent of the original copyright owners, which seriously infringes the rights of copyright owners and suppresses the enthusiasm of sellers to participate in the development of e-commerce. This phenomenon is particularly serious in the mainland, but Hong Kong and Macau attach great importance to the protection of intellectual property rights, so we need to learn from the advanced governance experience of Hong Kong and Macau, and strengthen the protection of intellectual property rights in electronic commerce. For these network infringement and trade disputes, Guangdong, Hong Kong and Macau have not yet formed a unified system of judicial assistance at this stage, so it is impossible to achieve cross-regional judicial protection, making it easy for lawbreakers to evade legal responsibility. Therefore, it is necessary to strengthen the cooperation among the governments of the three places, lay a good legal basis for regional e-commerce, and ensure the development of e-commerce cooperation by administrative force.

Third, the anonymity of e-commerce requires cooperation between the governments of

Guangdong, Hong Kong and Macau. At present, it is difficult to identify the location and identity of your trading partner while personal information is greatly protected in e-commerce, such a secrecy mechanism helping them escape the responsibility easily after violating other's rights. Compared with the traditional way, people can't directly obtain information about the moral character, trading habits and trading attitudes of other dealmakers, which make online fraud more implementable [3]. Some people can use the e-commerce platform to cheat or steal property in consumers' associated accounts by providing false trading information or setting virus links. Besides, according to the laws, goods purchased from Hong Kong and Macau will be subject to tariffs ranging from 10 % to 50 %. This high tax rate leads to many transactions evading the tariff policy through covert operations [4]. Transactions and currency circulation between e-commerce are conducted in the form of electronic data. Both parties to the transaction can conceal the transaction and evade taxation by agreeing to transfer money directly or transfer it to another platform, which makes tax collection and administration difficult. Therefore, cooperation between the governments is needed to control online fraud and standardize customs and taxation policies for cross-border e-commerce and strengthen their cooperation and established an effective network supervision mechanism to achieve the exchanges and integration of economic and cultural in GHMGBA.

Fourth, e-commerce logistics needs the cooperation of the governments of Guangdong, Hong Kong and Macau. E-commerce relies on logistics to complete the final commodity transaction. Compared with domestic e-commerce logistics, cross-border e-commerce logistics takes time for customs inspection, the transportation is longer and the cost is higher. Different from the general cross-border logistics, the logistics in Guangdong, Hong Kong and Macau are so close to each other. But, regretfully, there is no connected logistics network in GHMGBA, and the logistics procedures between the mainland and Hong Kong and Macau are complicated. As we all know, the government plays an important role in promoting logistics connection. Take Hong Kong-Zhuhai-Macau Bridge as a successful example, costing 120 billion yuan, which has brought great convenience to the communication between Guangdong, Hong Kong and Macau's people. The operation of the Hong Kong-Zhuhai-Macau Bridge cannot be completed by one side of the government alone [5]. Hong Kong-Zhuhai-Macau Bridge needs financial support and technical arrangements from a government which plays an important role in removing the obstacles to logistics. With the development of e-commerce, the demand for cross-border logistics is mainly about "small amount, multi-batch, fast and efficient". Therefore, under the B2C trading mode, e-commerce logistics in Guangdong, Hong Kong and Macau mainly service by the mode of direct mail and overseas warehousing. Although the modes of overseas warehousing and international direct mail can reduce time and cost to the greatest extent, it still needs to deal with the problem of trade barriers and customs barriers. Goods transport between Hong Kong and Macau and the mainland needs to undergo a lot of security checks, which has extended the delivery period and blocked the cooperation of e-commerce in GHMGBA.

3. The Inter-Governmental Cooperation Path to Promote the Development of E-commerce in GHMGBA

Firstly, strengthen the cooperation between governments to establish an interregional e-commerce relationship. Under the trade pattern of "one country, two systems, three customs areas", the inter-regional e-commerce cooperation has certain challenges. Based on this, it is necessary for the greater bay area to promote e-commerce exchange through the cooperation of the government. Therefore, the Government should formulate a top-level design for the development of e-commerce so as to remove the institutional barriers in the Greater Bay area. On the one hand, in terms of the customs system, the three governments can jointly formulate policies to reduce customs clearance procedures in view of the main problems of customs clearance caused by the inconsistency of customs and inspection and quarantine in the current e-commerce. For example, Zhuhai and Macau jointly formulated the "Zhuhai Port Inspection Mechanism Innovation Pilot Scheme" to effectively improve the efficiency of customs clearance between the two places. Compared with the original method, the goods have to be inspected at the entry and exit ports of Zhuhai and Macau respectively,

and the procedures are repetitive and cumbersome. However, the buffer zone between Zhuhai and Macau has become smoother after the “innovative pilot scheme of inspection mechanism at Zhuhai Port” proposed a new and efficient customs clearance model of “cooperative inspection, one release”. Zhuhai has set up a unified inspection port, simplifying the customs clearance procedures required for the entry and exit of goods [6]. Therefore, we can use the experience of Zhuhai for reference and extend the mode of “cooperation in inspection, once release” to other ports to improve the efficiency of cross-border logistics in e-commerce in the Greater Bay area. On the other hand, as a result of the closure of the external network and the control of the Internet in the mainland, mainland residents cannot directly enter the online shopping platforms of Hong Kong and Macau through the mainland network. To a large extent, this has hindered the opening of the Great Bay area network. The network opening needs the policy support, therefore needs the three local governments’ communication and the consultation to formulate the network opening policy which suits the development of the electronic commerce in the Bay area. For example, we can set up a network opening policy in the Bay area, lift the network restrictions in the Pearl River Delta region, and open the network within the scope of e-commerce to meet the needs of cross-border online transactions in the Bay area.

Secondly, formulate interregional conflict law. Law is the guarantee of government cooperation. There are three jurisdictions in the GHMGBA. The legislative system and judicial system of the GHMGBA are different. At present, China has not yet established a special law to regulate the legal relationship between the mainland and Hong Kong and Macau. In the field of civil and commercial affairs, there is only the Law of the People’s Republic of China on the Application of the Law on Foreign-related Civil Relations, which regulates the relationship between Chinese and foreign laws concerning marriage, family, inheritance, property rights and creditor’s rights. As far as Hong Kong and Macau are concerned, they should not be equated with foreign international subjects and be subject to private international law. In order to coordinate the relationship between Hong Kong, Macau and the mainland, we should formulate an interregional conflict of laws applicable to Hong Kong, Macau and the mainland, taking into account the specific conditions of our country. On one hand, the development of the Model Law on Interregional Mutual Legal Assistance and the Model Law on the Application of Interregional Law can guarantee intergovernmental cooperation in electronic commerce in GHMGBA. The Model Law on Interregional Mutual Legal Assistance can clarify the issue of mutual legal assistance in electronic commerce disputes in GHMGBA and provide guidance for optimizing judicial resources and facilitating the settlement of electronic commerce disputes in other places. On another hand, establish the “Model Law on the Application of Interregional Law”. To a certain extent, Hong Kong and Macau have the power to formulate local legal norms, but there is no uniform superior law in the Bay area to coordinate the relationship between the application of laws, resulting in cross-regional cases cannot rely on when the law is invoked. Therefore, it is necessary for the central government to formulate the norms of conflict of application of laws to bridge the gap in the application of laws between Guangdong, Hong Kong and Macau, and to promote the inter-governmental cooperation of e-commerce.

Thirdly, formulation of e-commerce legal norms in the GHMGBA and improvement of the mechanism for examining unconstitutionality. The framework agreement on “Deepening Guangdong-Hong Kong-Macau in the Development of the Bay Area” to promote the construction of the GHMGBA, and the “Pan-Pearl River Delta Regional Cooperation Framework Agreement” signed by the government of the GHMGBA can only be implemented by the government on its own initiative. It is difficult to protect the inter-regional e-commerce market supervision only by soft law. Therefore, it is necessary to strengthen the legal legislation of regional market supervision, such as the formulation of “Guangdong-Hong Kong-Macau Greater Bay Area E-commerce Law” to ensure the operation of the market by hard law. When formulating relevant local regulations and regulations, opinions shall be extensively solicited and the needs of Hong Kong and Macau residents for the application of the law shall be fully taken into account. In addition, the formulation of e-commerce legal norms is only to establish a superficial legal dispute resolution mechanism. In order to promote e-commerce intergovernmental cooperation from a deep level, it is necessary to reduce the emergence of interregional conflict of laws from the source. One is to strengthen the constitutionality

review of e-commerce laws and government administrative regulations in the mainland and establish constitutional authority. Second, the e-commerce laws of Hong Kong and Macau should pay attention to the examination of whether they comply with the basic Law, break the disorder of interregional legislation, and promote the legalization and unification of market supervision in GHMGBA.

Fourthly, establishing interregional e-commerce negotiation platform to optimize transportation and logistics in Bay Area. The e-commerce network in the GHMGBA is complicated, and there are many e-commerce disputes. However, there is still a lack of inter-regional consultation platform for e-commerce in the GHMGBA. Take Taobao as an example, Taobao has developed two major e-commerce platforms, the mainland version and the overseas version, which can solve problems through online customer service when disputes arise, but mainland and overseas e-commerce customers to be unable to communicate on the same platform. In addition to Taobao, Jingdong, Amazon and other e-commerce platforms also exist this drawback. Therefore, the GHMGBA needs to establish an inter-regional e-commerce consultation platform. Firstly, the construction of the consultation platform should be based on the establishment of the coordinating organization of the GHMGBA. Secondly, the establishment of the inter-regional e-commerce platform should be guaranteed and guided by the coordinating body of the GHMGBA. Finally, we need the strong support of the government and scientific planning to build more Guangdong-Hong Kong-Macau access, through the comprehensive construction of the sea, land and air transport network in the GHMGBA, so as to improve the efficiency of logistics.

4. Summary

Inter-governmental cooperation is closely related to the development of inter-regional e-commerce. Under the opportunity of national vigorous construction of GHMGBA and promotion of “the Belt and Road” initiative, inter-regional e-commerce has great prospects. At present, the Hong Kong-Zhuhai-Macau Bridge has been completed and put into operation, the Guangzhou-Shenzhen-Hong Kong High Speed Rail has been opened to traffic, and the number of new control points between Shenzhen and Hong Kong will increase to six, greatly facilitating exchanges and exchanges between residents of the GHMGBA. It provides more options for e-commerce logistics and greatly improves the efficiency of customs clearance. Government cooperation provides a lot of support for the development of inter-regional e-commerce, through intergovernmental cooperation, it will continue to promote the development and growth of inter-regional e-commerce in the GHMGBA, so as to promote the common development and prosperity of all parts of the GHMGBA.

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