

The New Path of Cross-Border e-Commerce Transformation and Development of China's Smes under the Ewtp Initiative

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Abstract: Small and medium-sized enterprises have become an emerging driving force for cross-border e-commerce development in various countries. The Internet, cloud computing, and the Internet of Things in the digital age have provided new impetus to its rapid development. The World Electronic Trade Platform (eWTP) is proposed to address the development of SMEs. By analyzing the status quo and dilemma of eWTP development, this paper analyzes the existing problems and demands of cross-border e-commerce in China's SMEs, develops new opportunities, and develops corresponding countermeasures for existing problems, and further explores the new development path of cross-border e-commerce transformation of small and medium-sized enterprises in China.

1. Introduction

According to the World Development Report 2019, the digital economy has become an effective means of rapid economic and technological development. It not only integrates traditional production models, but also deepens the links between large enterprises and small and medium-sized enterprises, and promotes Exchange and accelerate the transformation of the country's traditional economy. In addition, the non-real economy gives SMEs a strong momentum of development [1].

With the sustainable development of the digital economy era, the globalization process is further accelerated, and the traditional trade form transformation is imperative. At the same time, the cross-border e-commerce platform will become a new interest support point and economic growth point, and continue to promote global small and medium-sized enterprises. Enterprises have become an emerging driving force for sustainable development in various countries.

2. The development status and dilemma of ewtp

Nowadays, cross-border e-commerce is the mainstream way of trade, and small and medium-sized enterprises have become the foreign trade subjects in the new era. With the help of e-commerce platform, they will become active participants in international trade and continuously increase their share in the global trade market and value chain benefit distribution [2]. The import and export structure of China's cross-border e-commerce transaction scale from 2013 to 2018 is shown in figure 1.

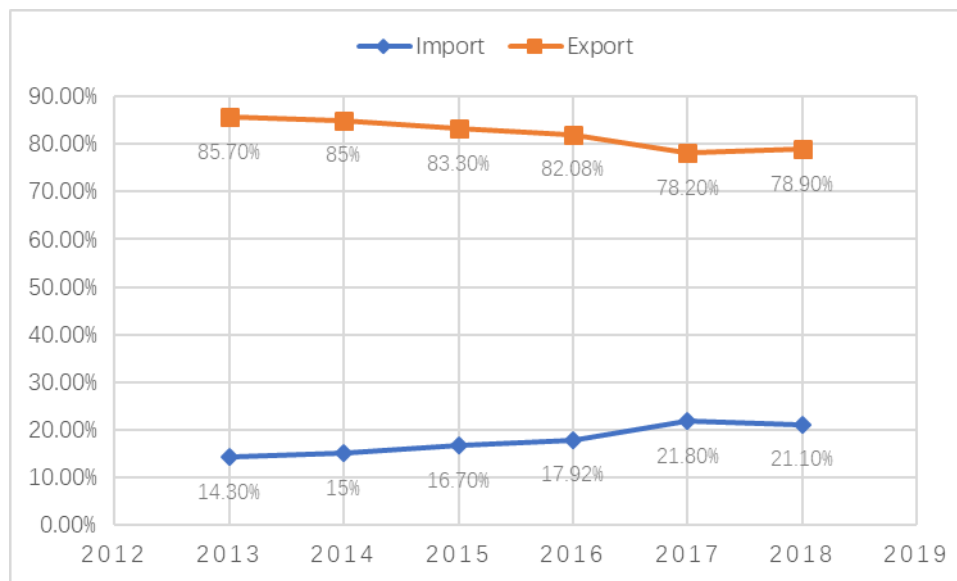


Figure 1 Import and Export Structure of Cross-Border e-Commerce Transaction Scale in China

In March 2016, Jack Ma of Alibaba elaborated and explained the concept of eWTP for the first time on BBS of Boao Asia. The eWTP initiative has received positive response and high recognition from the international community, including UN agencies, international organizations, government agencies, the business community and think tanks and scholars. In September of the same year, eWTP, as a core policy proposal of the G20 business activities (B20), was written into the communique of the G20 summit in Hangzhou with the response and support of G20 leaders.

In recent years, China's traditional foreign trade industry is faced with severe development bottlenecks. From the perspective of exports, the rising domestic labor costs, increased foreign exchange pressure and other reasons lead to the disappearance of the cost dividend of China's manufacturing. Meanwhile, low-end commodities of small and medium-sized enterprises are difficult to directly face the foreign market, and the excessively long export chain causes the profit of foreign trade enterprises to be continuously diluted.

In this context, cross-border e-commerce has become one of the highlights of the current national "Internet plus" strategy and is regarded as an important path for traditional foreign trade to break through the pain point.

According to iiMedia Research, in recent years, the overall transaction size of China's cross-border e-commerce has increased from 2.9 trillion yuan in 2013 to 6.3 trillion yuan in 2016, and it has maintained a high speed of growth, with a growth rate of 23.5% in 2016. Therefore, cross-border e-commerce plays an important role in promoting the transformation of traditional foreign trade industry. See Figure 2.

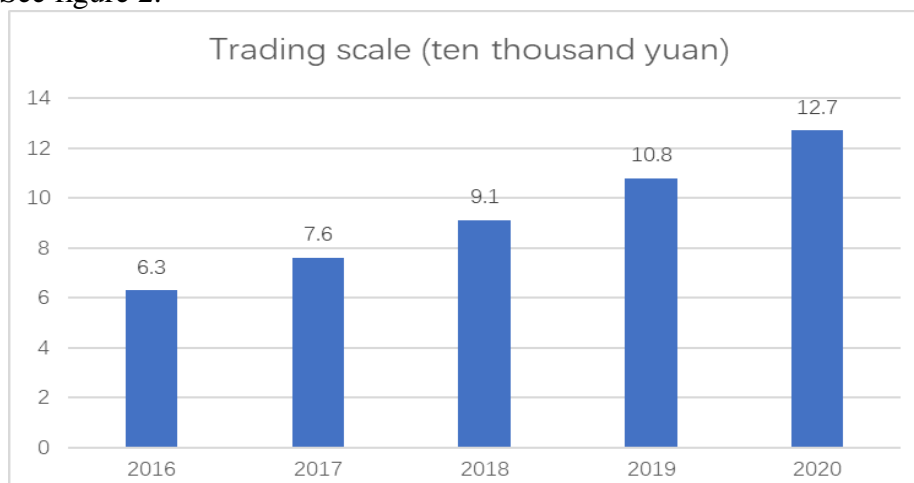


Figure 2 Scale of Cross-Border e-Commerce Transactions in China

3. The existing problems and demands of cross-border e-commerce in China's smes under the ewtp initiative

3.1 Conflict between new trade ideas and old ideas

As a supplement to the WTO, eWTP was originally created to serve the world. Internet, artificial intelligence, cloud computing, etc. have made global trade more convenient, but at the same time, it has created more risks, even In this way, as a platform for the public and inclusiveness, it is obviously impossible to want a glimpse, how to find a balance of government regulation, or the company itself as a leader to reduce risks in trade.

It is difficult for the international community to reach a consensus, which has brought great difficulties to the actual promotion of eWTP. Although several countries and regions have expressed their willingness to accept and conduct further in-depth discussions, on a global scale, such countries Still a minority, most still maintain a wait-and-see attitude or a neutral attitude. The world political and economic situation is changing in real time, and some countries still adhere to the original agreements such as the WTO and the trade change agreement.

For China, eWTP is undoubtedly a platform for e-commerce to support entrepreneurship, drive employment, empower cities and rural areas. While the Internet is booming, corporate connections are becoming more closely linked, and the boundaries of the hierarchy are constantly being blurred. Small and medium-sized enterprises have the opportunity to grow and develop. As a result, while driving the growth of China's trade volume, it also provides empowerment for more enterprises. opportunity.

3.2 Obstacles to rulemaking

For eWTP, enterprises will be the leader. Different from organizations such as WTO, the government is leading. This is a platform for a high degree of autonomy. How to standardize the establishment, operation and maintenance of the platform is also a problem that needs to be systematically considered. What kind of promotion should this play? It is also a question that governments need to think about.

4. New opportunities for cross-border e-commerce development of Chinese Ssmes under the ewtp initiative

4.1 Analysis of the current dilemma of cross-border e-commerce development

As a form of e-commerce, cross-border e-commerce has gradually become one of the strong drivers of economic development in many countries. However, the World Trade Organization released the latest issue of Global Trade Data and Outlook on April 2, 2019, which lowered the forecast for global trade growth this year to 3.6% from the previous 3.7%.

The WTO said that due to factors such as escalating trade frictions and increasing economic uncertainty, global trade grew by 3.0% in 2018, far below expectations, and global trade growth will still face tremendous pressure this year and next.

WTO Director-General Azevedo said that under the current trade situation, no one should be surprised by this downgrade. He said that the global economy is facing many challenges, and it is an increasingly urgent task to solve the current trade disputes and ensure the positive trend of future trade growth.

The WTO also predicted in the report that trade in developing economies is expected to maintain strong growth this year, with exports and imports expected to increase by 3.4% and 3.6% respectively; exports and imports of developed economies are expected to grow by 2.1% and 1.9%. The WTO also said that if trade frictions ease in the future, global trade growth is expected to rebound to 3.0% in 2020. At the same time, the scale structure of China's cross-investment in e-commerce transactions is also changing, as shown in Figure 3.

The data shows that more and more B2C cross-border e-commerce platforms have been established, eliminating the impact of information asymmetry in the form of B2B2C, which is more

flexible than traditional forms of foreign trade.

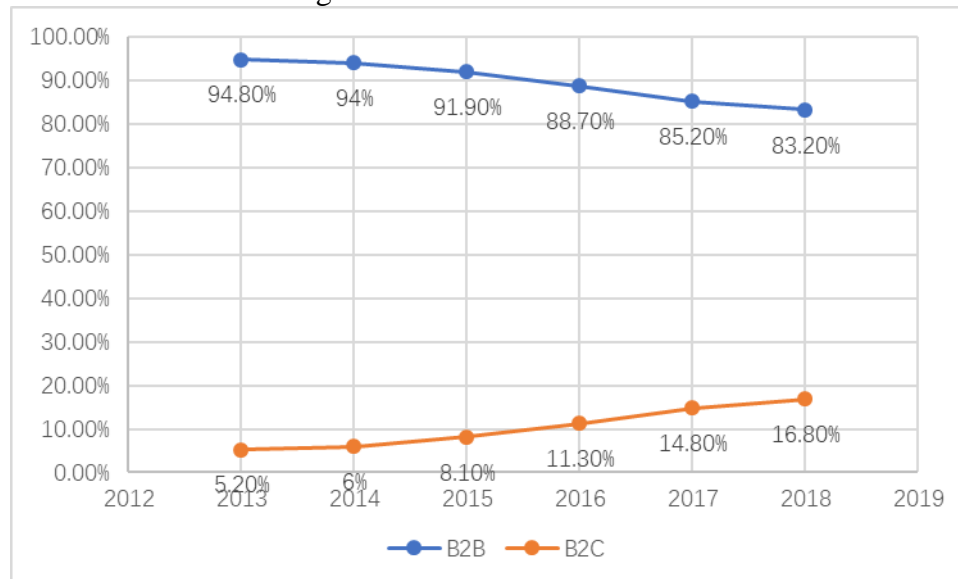


Figure 3 China'S Cross-Border e-Commerce Transaction Scale B2b, B2c Structure

E Libin and Huang Yongwen introduced the development status of cross-border e-commerce, compared the differences between cross-border e-commerce and traditional trade models, and analyzed the opportunities and challenges faced by China in developing cross-border e-commerce, from the government and enterprise levels. Proposed policy recommendations for the development of cross-border e-commerce [3]. Tu Xinquan and Jiang Jieyuan believe that the establishment of a new e-commerce order is the key work of China's e-commerce development in the next five years, and proposes to improve the top-level design, establish a regulatory mechanism, enhance international cooperation, and take the initiative to lead the way. Rule dilemma [4]. Zhou Jishun and Guo Yuyu focused on the current difficulties faced by China's cross-border e-commerce development, including imperfect policies and regulations, immature supporting services, uneven regional development, and mismatched talent positions. Targetedly proposed optimization proposals to solve the dilemma of cross-border e-commerce development in China, such as the use of the Belt and Road Initiative, strengthening government services, improving supporting services, adhering to local conditions and accelerating personnel training, etc [5]. Zhao Jun and Gan Yanwei said that cross-border E-commerce is a new form of international economics and trade in the Internet era. Its rapid development has brought about a series of new challenges while promoting the new growth of the international economy. It has brought about corresponding changes in international economic and trade rules, and countries have also legislated for cross-border e-commerce. Regulate. The global and cross-border characteristics of cross-border e-commerce require domestic and international relevance. The harmonization in order to better promote the orderly development of cross-border e-commerce in our country, it is necessary to take appropriate measures to further promote positive interaction between international rules and domestic legislation [6].

4.2 Traditional trade transformation is imperative

The role of traditional trade in the digital age and even the upcoming intelligent era is undergoing rapid changes. If these foreign trade companies want to stand out among many similar enterprises, they will inevitably need to carry out corporate strategic transformation, technological transformation and even personnel transformation. The impact of the global integration process in countries continues to grow. At the same time, cross-border e-commerce is also developing at a high speed, using Internet means to change traditional trade transaction forms and trading strategies.

Conventional cross-border trade also involves various tariffs, surtaxes, and import tax negotiations. For SMEs, such trade operations are difficult. Zhang Guohong believes that economic globalization is the basic feature and main trend of world economic development after World War

II, and it has also promoted the rapid development of international trade. The emergence of horizontal intra-industry trade between developed countries with similar technologies, endowments and similar preferences, and vertical intra-industry trade between developed and developing countries, but the emergence and spread of anti-globalization in recent years, it is manifested in the adjustment of tariffs and additional taxes in various countries, and challenges globalization [7].

When explaining the concept of eWTP, Ma Yun proposed that eWTP is actually a platform for free trade, in order to help SMEs, catch up with this fast-growing train and let more people get employment opportunities [8]. Ma Shuzhong and Guo Jiwen believe that the longer the supply chain of traditional trade channels, the greater the possibility that consumers and producers choose cross-border e-commerce channels; the greater the utility of unit products for consumers, the more consumers and producers choose to cross The less likely the e-commerce channel is; the greater the ratio of the cost-plus rate of cross-border e-commerce channels to the average cost-plus rate of traditional trade channels, the less likely consumers are to choose cross-border e-commerce channels. The greater the likelihood that producers choose cross-border e-commerce channels. The cross-border payment industry also plays an important role in consumer choice, as shown in Figure 4 [9].

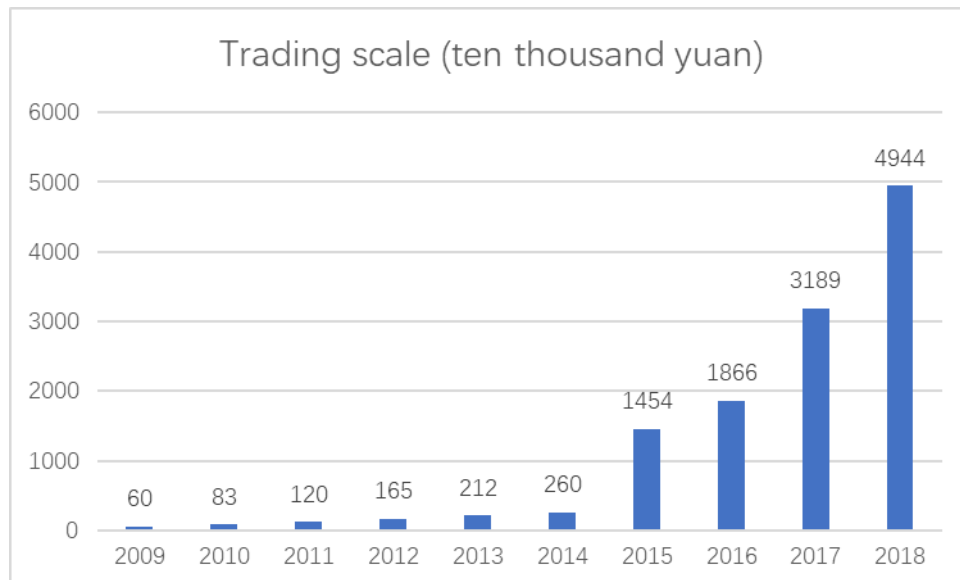


Figure 4 China's Cross-Border Payment Industry Transaction Scale

4.3 Big data helps transform the digital economy

On September 5, 2015, after the approval of Premier Li Keqiang, the State Council issued the “Outline for Promoting Big Data Development” and systematically deployed big data development work.

The convergence of information technology and economic society has led to rapid data growth, and data has become a national basic strategic resource. Adhering to innovation-driven development, accelerating the deployment of big data, and deepening the application of big data have become the inherent needs and inevitable choices for stabilizing growth, promoting reform, restructuring, benefiting people's livelihood and promoting the modernization of government governance capabilities.

The “Outline” proposes to strengthen top-level design and overall coordination, vigorously promote the open sharing of government information systems and public data interconnection, accelerate the integration of government information platforms, eliminate information islands, promote the opening of data resources to the society, enhance the credibility of the government, and guide social development. Serve the public enterprise; take the enterprise as the main body, create a relaxed and fair environment, increase the key technology research and development, industrial development and talent training of big data, focus on data collection and discovery, deepen the innovation and application of big data in various industries, and promote the healthy development

of big data industry. Improve the legal system and standard system, scientifically regulate the use of big data, and effectively protect data security. The “Outline” clearly defines the development and application of big data. In the next 5 to 10 years, it will create a new model of social governance with precise governance and multi-party collaboration, establish a new mechanism for stable operation, safe and efficient economic operation, and build a people-oriented and benefit-oriented people's livelihood service. The new system will open up a new pattern of innovation and drive for mass entrepreneurship and innovation, and foster a new ecosystem of high-end intelligence and emerging and prosperous industries.

Traditional network marketing has been gradually eliminated by e-commerce companies, especially cross-border e-commerce companies due to its high cost and low efficiency. The amount of data and its usage are gradually diversified, and big data technology is now becoming the development technology of various enterprises. The important direction of attack. Based on cross-border e-commerce platforms such as eWTP, SMEs can better collect, operate and analyze data, accurately sense customer needs and changes, and respond in a timely manner. At the same time, each platform can also make corresponding adjustment plans. Cross-border e-commerce companies can also obtain appropriate resources with the direct or indirect help of the platform to launch better and more suitable e-commerce services. In short, get resources right, deepen product value, build brand effects, sense customer needs, and adjust strategies in a timely manner. Thereby achieving the sustainable development of the enterprise ^[10].

5. New opportunities for cross-border e-commerce development of Chinese smes under the ewtp initiative

5.1 Improve the level of trade facilitation between enterprises

Although China's trade facilitation has made some progress, it will be found in the benchmark international market that there is still much work to be done in China.

With the increasing exchange activities between Chinese enterprises and countries around the world, the number of temporary inbound and outbound goods has been increasing. The State Council has agreed to expand the acceptance of the “International Convention for the Istanbul Convention” and the attachment of biopharmaceuticals. Currently, relevant technical procedures are being processed. Continue to expand the scope of implementation of the ATA Carnet System in China.

From a global perspective, the ATA documentary system also has considerable prospects. The future ATA documentary system will be fully electronic, greatly simplifying customs clearance procedures, reducing trade costs, better adapting to business needs, and expanding global use. Ruedi Bolliger, Chairman of the World ATA Carnet Council, expressed his views.

China lacks high-level talents who are familiar with international trade facilitation policies and practices. The country's regional development level is very different, and the problems to be solved vary widely from place to place. In the face of severe challenges such as anti-globalization trend and trade protectionism, it has become China. Three major obstacles on the road to trade facilitation. In the view of Tao Shaoqing, deputy director of the Shaanxi Port Office, we must pay more attention to the application of existing WTO rules and safeguard the interests of all parties. In the country, we will continue to optimize the business environment, vigorously cultivate excellent market players, and increase market vitality. In the international arena, give full play to China's own advantages, and deeply participate in the formulation of international trade rules to make the world know more about China.

It is understood that in advocating international trade facilitation, the Shaanxi Provincial Council for the Promotion of International Trade has made active attempts to promote the communication and exchange of business associations and promote the development of investment and trade. Xue Hua, president of the Shaanxi Provincial Council for the Promotion of International Trade, said that Shaanxi has established the China International Trade Arbitration Commission Silk Road Arbitration Center, which has improved the diversified dispute resolution mechanism, effectively

reducing the cost of protecting the rights of enterprises, and is legal, international, and convenient. The construction of the business environment provides an important carrier. The Shaanxi Provincial Council for the Promotion of International Trade has signed 192 multi-lateral cooperation agreements with business associations and industry enterprises in 166 countries and regions around the world, expanding the channels for foreign cooperation and exchanges in Shaanxi.

5.2 Building a global digital environment

The Internet of consumer behavior and demand, the rise of industry 4.0, e-government and smart cities has brought a broader market development space to the telecommunications circle represented by operators, but also caused traditional value chains and business models. An unprecedented impact.

The transformation of digital business is developing in depth. Turning to digital operators and providing digital services for growth has become the main theme of more and more operators' transformation. The parties in the aggregation industry chain and other industry partners have also built the digital ecosystem. The industry's top priority.

It has become increasingly difficult for a single company to complete its business independently. In Huawei's view, digital transformation requires top-down and bottom-up integration. Based on the long-term technical ability accumulation and the pursuit of full ICT openness.

Data has penetrated into every aspect of the digital society like oil. The 'clouding' from infrastructure to upper-level applications has brought many opportunities for industrial change, and the 'hardware' business in traditional concepts is evaporating. The ICT industry is reshaping the entire real world, and software is defining the world. Futurist and ICT industry opinion leader Robert Tercek expressed his views at the 2015 "Innovation and Transformation" summit.

In Huawei's view, in the digital transformation, operators can not only provide digital network and operational enablers, but also provide their network resources and telecommunications capabilities to the entire digital society. They can also select suitable services according to the characteristics of each region in the world. Serving end users, the business types can be "2C" and "2B".

"The telecom value chain is no longer a chain structure, but a complex network structure. In the digital economy, value creation occurs in the competition between partners, and the transformation from self to ecosystem is going on (Ego- System to Eco-System). Nik Willetts, Chief Digital Officer of the TM Forum, emphasized that the traditional boundaries between the layers, from infrastructure, business enablement platforms to content and applications, have been blended. It is to create the greatest value. End-to-end ecosystems offer operators many opportunities, such as operators' advantages in network and information security, and user information, which can be transformed into new opportunities in the ecosystem.

5.3 Incubating global standardization rules

From multinational corporations to small and medium-sized enterprises and individual consumers, in the international trade, the latter's "presence of existence" is getting stronger and stronger. Under the new form, the global trade pattern has changed, and new trade rules are urgently needed.

In the new era of cross-border e-commerce, reshaping global trade rules is only just beginning, and China is expected to take the lead in incubating new trade rules. In recent years, China's cross-border e-commerce has formed a diversified, multi-level market ecosystem, and there are many cross-border e-commerce platforms with global influence, such as Alibaba, Jingdong, Tmall, etc., fully explaining the formulation of rules. First, full practice of business is needed.

eWTP Malaysia and other places are developing corresponding projects, reflecting that China's platform has mature technology and mature business models.

To shape the global rules for cross-border e-commerce, it is necessary to establish rules for transactions, delivery, arbitration, and supervision based on e-commerce platforms, and to create rules with stable expectations and stable operational procedures.

5.4 Establishing a soft and hard condition for digital trading

Digital trade has strong requirements for digital infrastructure, and needs to focus on strengthening key digital network infrastructure and focusing on improving cross-border infrastructure and technical conditions, such as information and policies linked to the exchange of digital certificates, electronic signatures and electronic certification. Promote mutual recognition of digital certificates and electronic signatures, and create a good hard environment for the development of digital trade.

The trade in digital goods is the key direction to optimize the structure of trade in goods. On the one hand, it is necessary to introduce specific measures to promote the export of digital hardware such as computers, electronic equipment, communications and telecommunications equipment, chips, storage products, drones, robots, etc., expand the international market share, and promote the competitiveness of the domestic digital hardware industry; On the one hand, in-depth development of cross-border e-commerce, directly connecting Chinese producers and exporters with foreign consumers, and improving export efficiency.

On the one hand, we must fully promote the export of digital content services such as computer software and information services and digital culture; on the other hand, we must substantially upgrade the digital level of traditional service trade, and vigorously develop the export of digital tourism, digital education, digital medical services, etc., with digital technology. Focus on enabling trade in services and continuously improve the tradability and export competitiveness of the service industry.

At the same time, it is necessary to strengthen the training of digital technology and digital trade talents. It is necessary to establish an effective talent training plan, build an interactive joint development model between universities and enterprises, strengthen cooperation between the government and enterprises, and form a new mode of talent training for interaction between industry, academia and research; on the other hand, create a good policy environment for digital trade development. . Simplify the border control measures of some products and explore ways to implement tax rebates in B2C, B2B, C2C and other modes. Strengthen consumer protection, privacy protection and intellectual property protection in the digital age.

5.5 Improve the cross-border e-commerce ecosystem

There is no doubt that cross-border e-commerce needs a new ecosystem to support, including the corresponding policy support, corporate benchmarking, trade rules, business rules, personnel training, interactive exchange and other conditions.

Continuously improve the online and offline service system of cross-border e-commerce parks, fully introduce and cultivate cross-border e-commerce import and export trade and service enterprises, innovate cross-border financial and supply chain financial services, orderly arrange overseas warehouses and overseas marketing channels, and promote manufacturing. The seamless connection between port services and international trade is focused on creating a cross-border e-commerce ecosystem.

The platform aggregation effect can obviously help SMEs to rise rapidly, maintain stable business growth and provide relatively fair and appropriate service transactions for enterprises.

It is especially necessary to build a production and sales docking platform between manufacturers and cross-border network operators. Platform aggregation and integration of supply sources, overseas third-party sales platforms, cross-border trade sales enterprises, warehousing logistics service providers, customs inspections and other government regulatory agencies, financial payment service providers, operation training service providers, etc., to create export cross-border closed-loop ecological aggregation Circle, providing one-stop service for export cross-border. The platform can be used as a starting point for commodity supply and marketing, cross-border supply chain finance, cross-border logistics and overseas warehouse sharing, achieving a seamless connection between manufacturing, port services and international trade.

In the next step, we should promote the development of F2B integrated service platform for cross-border e-commerce supply chain, provide all-round product supply chain services and

professional services for small and medium-sized cross-border e-commerce enterprises, and solve production manufacturers and cross-border e-commerce. Collaborative issues, integration of warehouse leasing, logistics and other resources to achieve smooth supply and marketing of goods, cross-border logistics sharing.

6. Conclusion

The introduction of eWTP undoubtedly provides the possibility of rapid development for SMEs. After analyzing the current situation and predicament of cross-border e-commerce development, this paper proposes corresponding solutions. However, a good initiative is only the first step. The implementation requires not only enterprises but also the government's strong support, including policy support, think tank support and project support. Only in this way can eWTP continue to develop. At the same time, the government needs to do a good job of eWTP's active guidance, so that countries around the world can reach a consensus on cooperation, encourage small and medium-sized enterprises to participate in the platform construction, and help countries across border E-commerce enterprises to achieve a good cooperation basis. At the same time, enterprises need to strengthen their links and communicate effectively with other companies through

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