

**E-COMMERCE AS A PROMISING DIRECTION OF CHINA'S FOREIGN
TRADE DEVELOPMENT**

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Abstract. The article examines the trends of e-commerce, its dynamics in relation to Chinese electronic platforms, as well as the problems of e-commerce development in China.

Keywords: electronic commerce, legal norms of electronic commerce, forms of electronic commerce

E-commerce in the development of foreign trade is mainly in cross-border electronic commerce, and cross-border electronic commerce, as a new type of digital trade, has sprung up in the background of global economic recession and has become an important force to promote the transformation and upgrading of traditional foreign trade. Cross-border electronic commerce, a European and American country, started in 1990s. Since the end of the 20th century, cross-border electronic commerce has gradually developed from providing simple information services such as online information display and transaction matching to an electronic online trading platform integrating online payment, transaction, logistics and customs clearance. However, compared with European and American countries, the development of cross-border electronic commerce in China and the formulation of supporting policies are relatively late.

With the deepening of the application of e-commerce in China and the urgent need of the transformation and upgrading of traditional foreign trade, since 2012, China has started from the demonstration city of cross-border electronic commerce, and gradually established the relevant supporting policy system of customs supervision, taxation, payment, logistics, inspection and quarantine of retail import and export in cross-border electronic commerce. [1]

Since 2013, the State Council, ministries and local governments have issued a series of policies and regulations to support and standardize the development of industries in cross-border electronic commerce. In terms of time development, these policies and regulations promulgated by the central government initially focused on the foreign exchange payment in cross-border electronic commerce, and then extended to the taxation, customs clearance and quality inspection of retail in cross-border electronic commerce and the construction of cross-border electronic commerce Comprehensive Experimental Zone.

Most studies on Cross-border Electronic Commerce in foreign academic circles compare cross-border electronic commerce with traditional e-commerce or traditional foreign trade, and analyze the cost advantages, information advantages and opportunities and challenges brought by cross-border electronic commerce to small and medium-sized enterprises [2], and delimit the boundary and connotation of cross-border electronic commerce in comparison. Among them, some scholars have clearly pointed out that

cross-border electronic commerce is a more advanced application form of e-commerce, and trading parties belonging to different countries and regions complete transactions through the platform built by information technology represented by the Internet.

Data show that the scale of China's cross-border e-commerce market will reach 12.5 trillion yuan in 2020, up 19.04% year-on-year, and it is estimated that the market scale will reach 14.6 trillion yuan in 2021.

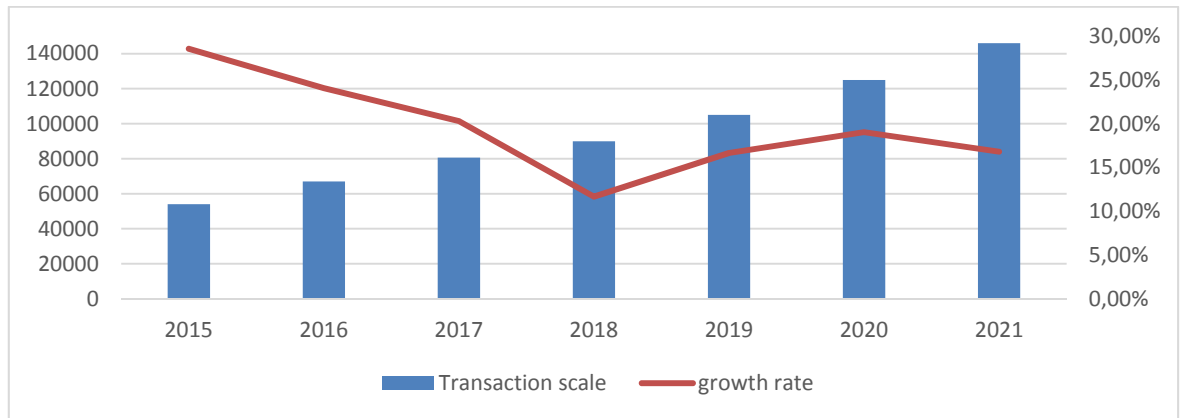


Figure 1. – Cross-border e-commerce transaction scale and its growth rate from 2015 to 2020

Source: E-commerce Research Center, official website.

Note: 2021 is the predicted value.

Affected by the epidemic, offline consumption was restrained, which brought global opportunities for online consumption. At the same time, the support of national policies has promoted the rapid development of cross-border e-commerce. Different from the past, the enterprise layout is from developed countries such as Europe and America to multi-market and multi-channel layout, and the transaction volume of new cross-border e-commerce markets such as Japan, South Korea and Saudi Arabia is also developing rapidly. In terms of product categories, products such as epidemic prevention and household trade are active.

In the import and export structure of cross-border e-commerce, in 2020, China's cross-border e-commerce import and export structure will account for 77.6% of exports and 22.4% of imports. In 2020, in the import and export structure of cross-border e-commerce, under the background of rapid development of export e-commerce affected by last year's epidemic, the export structure showed a slight increase. There are many factors to accelerate the development of the industry, including: policy blessing, accelerated transformation of foreign trade, and increased demand for e-commerce.

In terms of cross-border e-commerce model structure, in 2020, China's cross-border e-commerce transaction model accounted for 77.3% of cross-border e-commerce B2B transactions and 22.7% of cross-border e-commerce B2C transactions. In 2020, B-end online sales and purchasing habits will be accelerated, and a large number of B-end merchants will turn their sales behaviors online to meet the purchasing needs of downstream buyers with contactless purchasing, thus driving the base growth of the scale of upstream suppliers and downstream users of B2B e-commerce platform.

In 2020, the total market value of 8 cross-border e-commerce listed companies was 89.666 billion yuan, which was 164.12% higher than the total market value of 7 cross-border e-commerce listed companies in 2019, which was 33.949 billion yuan. Among them, Anke Innovation ranked first with a market value of 66.76 billion yuan, account-

ing for 74.45% of the total market value of cross-border e-commerce listed companies, and cross-border communication ranked second with a market value of 8.008 billion yuan. The following rankings are: Tianze Information 4.301 billion yuan, hua ding shares 3.242 billion yuan, contact and interaction 3.135 billion yuan, Guangbo Shares 2.329 billion yuan, Lanting Gathering Potential 1.854 billion yuan and Xinwei International 37 million yuan.

Table – List of Market Value of Cross-border E-commerce Listed Companies in China in 2020

ranking	company	Market value/100 million yuan	location
1	Anke innovation	667.6	Changsha
2	Cross-border communication	80.08	Taiyuan
3	Tianze information	43.01	Nanjing
4	Hua ding shares	32.42	Yiwu
5	Contact interaction	31.35	Hangzhou
6	Guangbo stock	23.29	Ningbo
7	light in the box	18.54	Beijing
8	Xinwei international	0.37	Hong Kong

Source: E-commerce Research Center, official website.

Note: 1. The market value ends at 15:00 Beijing time on December 31, 2020.

2. The exchange rate is calculated according to December 31, 2020: US\$ 1 =6.5272 Yuan and HK\$ 1 =0.8412 Yuan.

In terms of investment and financing, in 2020, there were 33 financing cases in China's cross-border e-commerce, a year-on-year decrease of 2.95%. In 2016, there were 114 financing cases, down 27.85% year-on-year; In 2017, there were 58 financing cases, down 49.13% year-on-year; In 2018, there were 45 financing cases, a year-on-year decrease of 22.42%; In 2019, there were 34 financing cases, a year-on-year decrease of 24.45%.

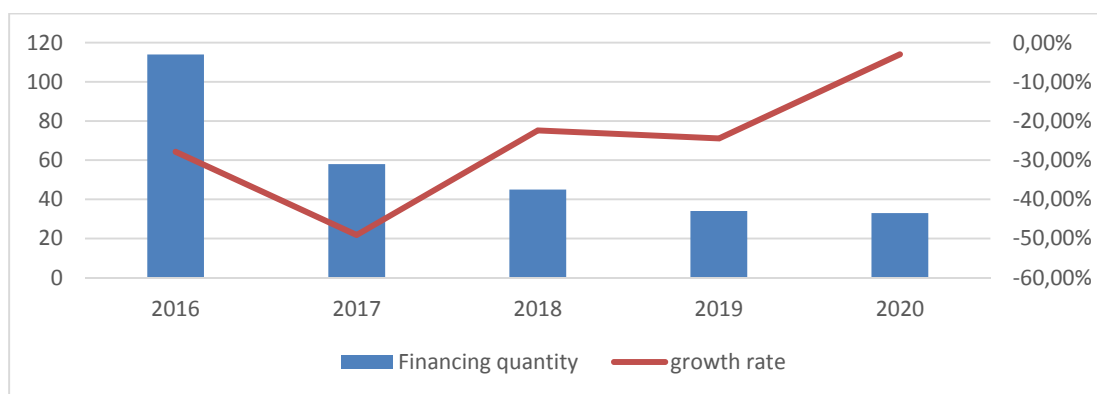


Figure 2. – The number and growth rate of cross-border e-commerce financing events from 2016 to 2020.

Source: E-commerce Research Center, official website.

Problems in the development of e-commerce in China at present:

1, the risks of e-commerce transactions.

Because of the virtual nature of the Internet, there are some risks in using e-commerce in foreign trade, such as transaction risk, payment risk and information leak-

age risk. The security and stability of the network is a prerequisite for the healthy development of e-commerce, and the security of e-commerce largely determines the enthusiasm of enterprises for foreign trade.

In order to create a safe e-commerce transaction environment, the government needs to strengthen the security management of the Internet, improve the relevant laws and regulations on online transactions, and increase the popularization of Internet security knowledge; For enterprises, they need to improve the communication security of internal network and regularly train their employees on Internet information security.

2. The construction of e-commerce laws and regulations is not perfect.

Because the current international trade law is aimed at traditional trade, and mainly regulates paper trade, many clauses are not applicable to e-commerce, a new trade mode, which hinders the application of e-commerce in foreign trade to a certain extent.

Chinese government needs to build a perfect legal system of e-commerce according to the current development of domestic e-commerce, so as to provide institutional guarantee for enterprises to conduct foreign trade. In addition, the Chinese government should increase international cooperation projects, on the one hand, improve its international competitiveness, and at the same time, strive for a certain right to speak in international e-commerce legislation, which is conducive to creating a good external trade environment for Chinese foreign trade enterprises.

List of sources used

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