

Strategies for the high-quality development of cross-border e-commerce in Fujian Free Trade Zone under the background of intelligence

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Abstract

The most typical function of the development of the Fujian Free Trade Zone is to develop cross-border e-commerce. As a coastal province, Fujian has a natural advantage in the development of cross-border e-commerce. The establishment of the Fujian Free Trade Zone is based on the further exploration of this advantage. The free trade zone provides assistance to the development of cross-border e-commerce in terms of cross-border finance, convenience of customs clearance, and construction of logistics channels. However, there are also some practical problems that need to be resolved in the development of the Fujian Free Trade Zone. At the same time, the new crown epidemic has also brought serious uncertainty to global economic development. Based on the development status of the Fujian Free Trade Zone, this article points out the practical challenges faced by the cross-border e-commerce development in the Fujian Free Trade Zone from the perspective of overall influence, and proposes some strategies to achieve the high-quality development of cross-border e-commerce in the post-epidemic era .

Keywords

Intelligence, Fujian Free Trade Zone, cross-border e-commerce, high-quality development.

1. Introduction

In 2014, the State Council formally approved the establishment of the Fujian Free Trade Zone. The central government's development plan for Fujian Province is to catch up with Taiwan's GDP in 2020. The meaning of the construction of the Fujian Free Trade Zone is to "open to Taiwan" and "comprehensive cooperation". As the direction, and at the same time use the window of cross-strait cooperation to carry out in-depth cooperation. Cross-border e-commerce in Fujian has risen and developed rapidly in recent years, forming a certain scale. According to the data of the "2018 White Paper on the Development of China's Cross-border Export E-commerce", the total transaction volume for the year was nearly 8 trillion. Fujian and Zhejiang are the two provinces with the best development and the best performance. Cross-border export e-commerce accounts for more than 10%, and a certain cross-border e-commerce scale has been formed. From the perspective of market structure, the market-oriented distribution structure of Fujian's cross-border e-commerce is mainly concentrated in the Asian region. In the export market ranking, the United States has the highest market share with a market share of 20.7%, followed by the European Union market, accounting for 18.7%, and Asian market share. The largest proportion is 46.7%, but it is allocated to different countries and regions, mainly in Hong Kong (8.3%), the Philippines (4.4%), Japan (5.2%), Taiwan (3.3%), Thailand (2.6), Malaysia (2.5%). The development environment of Fujian's cross-border e-commerce enterprises is good, and the supporting industries are mature, forming a complete industrial chain of cross-border e-commerce. From goods procurement, to physical transportation, to financial payment, more and more enterprises have joined Fujian

Trade zone. There are more than 10,000 cross-border e-commerce companies registered in Fuzhou. From the cross-border e-commerce development report in 2018, Fujian Province ranks fourth in terms of the number of sellers. In terms of distribution, Fujian ranks fourth, lagging behind Guangdong, Zhejiang and Jiangsu, which are also major foreign trade provinces. In terms of enterprises, there are more than 50 enterprises in the cross-border e-commerce industrial park in Fuzhou, and the Straits Meeting Smart Trade City has introduced more than 20 e-commerce enterprises. Several other commercial complexes have also attracted the presence of COSTCO from the United States. Business status and models are becoming more and more abundant.

2. Opportunities for cross-border e-commerce development in Fujian Free Trade Zone

Support of preferential policies Since the establishment of the Fujian Free Trade Zone, a series of support measures have been introduced from the central to the provincial level and then to the local level. For example, the Fuzhou area has issued the "Fuzhou Economic and Technological Development Zone's Implementation Measures for Promoting the Development of the E-commerce Industry (for Trial Implementation)" and "Fuzhou Development Zone Cross-border Trade E-commerce Industry Center Entry Conditions and Support Policies" to provide preferential tax policies for enterprises to settle in , Encourage foreign investment to settle in. In 2016, the Xiamen Free Trade Zone also issued a document, the new policy of cross-border e-commerce import tax and the newly released "Cross-border e-commerce retail import commodity list" formally implemented. In addition, it has also planned for the supporting needs of cross-border e-commerce development, such as providing a series of preferential measures from the talent system, intermediary services, commercial registration, and tax Amp, to provide all environmental resources for the development of the free trade zone. Since the Pingtan Free Trade Zone was listed for three years, it has actively built the image of Pingtan's tourism and shopping market, introduced the new Silk Road cross-border trading center, established the first "overseas public warehouse", etc., and comprehensively improved the development level of the Pingtan Free Trade Zone.

2.1. Market potential under the combination of Free Trade Zone and "One Belt One Road"

The Belt and Road Initiative has two core points, of which Xinjiang is the core on land and Fujian is the core on the sea. Under this positioning, Fujian's characteristic lies in its focus on Taiwan and the construction of the Maritime Silk Road. As a bridgehead in the maritime free trade zone, Fujian naturally undertakes the task of market development. As the core point of the One Belt One Road, Fujian Free Trade Zone is also actively connecting with the markets along the One Belt One Road to develop cross-border e-commerce dividends. At present, the Fuzhou area is establishing active cooperation on a global scale, and is also negotiating investment agreements with the United States, Brazil, and France. At present, it has attracted more than 40 enterprises from developed countries in Europe, America, Japan and South Korea. Xiamen Free Trade Zone is also actively expanding its business. The investment in the construction of the "Lulutong" platform can help the Free Trade Zone achieve business model innovation, optimize and improve the overall business environment of the Free Trade Zone to attract more settled in the region.

2.2. Solutions to shortcomings in cross-border e-commerce logistics

The main dilemma faced by cross-border e-commerce development is the high logistics cost. It takes 3-15 days for cross-border e-commerce companies to ship to the world, or even one

month. The time is poor, and the goods are often lost, which affects normal operations. In order to solve the logistics problem, Fujian Province has built a large logistics solution of "one channel, two hubs, and three centers" around the free trade zone. Among them, the "channel" refers to the coastal logistics belt in Fujian, and the "hub" refers to the "Xia Zhangquan" "Fu Pu Ning" two major hub areas, the "center" refers to the Fuzhou, Xiamen, and Pingtan areas of the Fujian Free Trade Zone. The large logistics program provides solutions for cross-border e-commerce logistics in the area. Taking Taiwan as an example, after the free trade zone was listed, the Pingtan area has carried out extensive cooperation with the Taiwan Port Corporation and the Provincial Transportation Company. The number of freight packages of "Lina" and "Lina" approached 80,000 pieces in 2018, with a total weight of 1,500 tons. The Xiamen Free Trade Zone has initiated the exemption of container inspection service fees, which has saved costs for most companies and accelerated the efficiency of customs clearance. The Xiamen area actively opened the "Xiamen-Keelung-Taipei" business, increased shipping lines, and further improved the timeliness of 2-3 days on the basis of the existing three links, greatly improving the efficiency of cross-border logistics .

3. Challenges of cross-border e-commerce development in Fujian Free Trade Zone

3.1. The competitive impact of other free trade zones along the coast

The development of free trade zones is China's main strategic trend in the future. Prior to the Fujian Free Trade Zone, the state had supported Guangdong, Tianjin, Shanghai, and Free Trade Zones, and the resource endowment conditions of these free trade zones were quite different. The positioning given by the country is also different. These free trade zones have also been actively developing cross-border e-commerce business in recent years, which has put a certain degree of competitive pressure on the Fujian free trade zone. From a comparison point of view, although the positioning of different free trade zones is different, cross-border e-commerce is their main business development. Comparing transaction data, Guangdong, Zhejiang, and Shanghai all have more market shares than Fujian Province. From the perspective of its support to cross-border e-commerce, the Fujian Free Trade Zone is relatively weak in competition in the fields of finance and logistics. In addition, the overall economy of the region is relatively weak. The competition in the Shanghai Free Trade Zone is still at a disadvantage.

3.2. Insufficient degree of marketization and liberalization of cross-border e-commerce

First, the degree of cross-border financial marketization is insufficient. The development of cross-border e-commerce requires the support of stepping into finance. The financial system of the Fujian Free Trade Zone is still inseparable from government intervention, and there are many institutions, such as China Banking Regulatory Commission, Securities Regulatory Commission, and China Insurance Regulatory Commission. From the perspective of international experience, for example, Hong Kong's free port's financial supervision is completely liberalized and regulated by the market. Moreover, due to the complete set of financial service institutions, the government has less intervention in the financial market. Under this system, Hong Kong's financial institutions, after several economic crises, still maintains financial stability today. The lack of marketization and openness makes it difficult to support the development of cross-border e-commerce. The second is the insufficient support for cross-border e-commerce companies. The Fujian Free Trade Zone continues to expand open areas, but still has reservations. It is still unable to achieve a high degree of free investment policy in terms of trade and investment. The removal of investor qualification requirements, shareholding restrictions, business scope restrictions and other access restrictions shows that

the investment opening in the Fujian Free Trade Zone is still restricted by many factors and is at a disadvantage in terms of the degree of liberalization. This disadvantage is not conducive to it.

3.3. Trade facilitation is backward and customs clearance efficiency is low

Trade clearance in the Fujian Free Trade Zone is "list approval and regular declaration". This model has a low degree of automation, regular summary, and a series of materials such as complete export certificates are required to declare foreign exchange tax rebates. The process is relatively cumbersome. In actual business operations, companies engaged in cross-border e-commerce do not have corresponding customs declarations as legal vouchers, and they cannot enjoy export tax rebates and other benefits. The logistics cooperation of cross-border e-commerce in the area is mainly based on logistics companies such as SF Express, but SF's business does not cover the world. Xiamen's cross-border e-commerce is combined with ASEAN, Taiwan, Japan and South Korea. Is relatively close. SF Express's business is mainly in Europe and the United States and other regions, so the overall logistics service presents problems of low efficiency and high cost. Cross-border e-commerce is inseparable from logistics support. Overseas warehouses are a solution. However, overseas warehouses require large-scale investment and construction, and only global e-commerce companies such as Amazon have the ability to build. It is difficult for ordinary logistics companies or small and medium-sized enterprises to undertake the construction investment of overseas warehouses.

4. Strategies for the high-quality development of cross-border e-commerce in Fujian Free Trade Zone

4.1. Integrating into regional cooperation and expanding the scale effect

The development of cross-border e-commerce is mainly concentrated in the coastal areas, mainly in Jiangsu, Zhejiang, Shanghai, Guangdong and Fujian. The total market share of the five regions is more than 60%. Several free trade zones between the areas can try to establish cooperation to achieve regional development. The scale effect of cross-border e-commerce. From the perspective of regional positioning, it is necessary to strengthen the exploration of cooperation with global free economic demonstration zones, increase in-depth exchanges with foreign personnel, commodities, and funds, and actively achieve a win-win situation in cooperation. For example, the exchange of talents and in-depth cooperation with the Guangdong Free Trade Zone. In terms of overseas cooperation, differentiated cooperation will be carried out under a detailed division of labor, and each will give full play to the advantages of the free trade zone. Fujian Investment Group and Taiwan Yuanfu Securities signed a strategic cooperation. In the cooperation with the free trade zone, cross-border e-commerce will be piloted in the fields of shipping logistics, financial services, commercial services, and cultural industries. Taiwan Lukang Farmers' Association settled in the cross-border e-commerce industrial park in the Free Trade Zone to provide logistics services for characteristic agricultural products in Fujian. In 2017, the Pingtan area cooperated with Taiwan to establish an overseas warehouse, which played an important role in solving logistics pain points. The main business of Fujian Pingtan Yanago E-Commerce Co., Ltd. is to sell digital 3C products to Taiwan. Under the traditional business process, the cost of air transportation is high, and when the number of shifts is insufficient, additional expenses are required for Pingtan, Fujian. Yanago E-Commerce Co., Ltd. caused greater pressure on business costs. Pingtan's overseas warehouse in Taiwan solved this logistics problem and provided one-stop service, one-to-one order to the end, reducing costs for Fujian Pingtan Yanago E-commerce Co., Ltd. and improving the timeliness of goods.

4.2. Expanding the degree of development of the free trade zone and increasing the degree of trade freedom

The first is to liberalize foreign investment. Cross-border e-commerce is not only an export, but also a large number of import companies have spotted the huge demand in the Chinese market. In response to foreign investment, implement the "pre-entry national treatment + negative list" policy, improve commercial registration, change approval to record, lower the threshold system, and attract foreign investment. The second is to focus on liberalizing service industry access, especially financial services, logistics services, payment services, etc., which are most needed by cross-border e-commerce. The service industry should be appropriately liberalized to improve the efficiency of cross-border e-commerce services in the free trade zone. The third is to support the foreign investment of enterprises in the zone, provide them with investment services, information services, consulting services, etc., and expand foreign cooperation. In opening up business, many policies in the free trade zone have also attracted many foreign-funded enterprises, such as Hong Kong's Jinhan Environmental Technology Co., Ltd., which was the first to be listed in the free trade zone and embarked on the path of capitalization. Taiwan Changlong Human Resources Co., Ltd. settled in the Fuzhou area to provide services such as human resources and headhunting for cross-border e-commerce companies in the region. Lijia Industrial (Fujian) Group directly signed a strategic agreement with the Fuzhou area to conduct in-depth cooperation on logistics and financial services in the region. Fujian Sloasian International Trade Co., Ltd. cooperated with Singapore logistics company to expand the free trade zone bonded warehouse warehouse, expand the product category, and attract products from Australia, New Zealand, Europe, America, ASEAN and other countries.

4.3. Strengthening the construction of trade facilitation and improving the efficiency of customs clearance

First, we must improve the cooperation mechanism for facilitation of customs clearance and unify the coordination of supervision systems across the Taiwan Strait, improve the construction of electronic information ports, establish information exchange and sharing mechanisms, and improve the level of intelligent customs clearance. For example, China Mobile Fujian Co., Ltd. actively participates in and actively connects with each other. The intelligent system it provides allows customers to work more efficiently, and has won the unanimous recognition of Taiwanese customers. Its "one-port acceptance" model in its business services directly improves customs clearance efficiency by 30%. Second, it is necessary to simplify the export tax rebate process, so that more settled enterprises can obtain benefits. In terms of tax rebate, coordinate and innovate with the taxation department to simplify procedures. Formulate special export tax rebate implementation measures for cross-border e-commerce enterprises, improve tax rebate procedures, shorten the tax rebate time, and allow enterprises to benefit from it. Fujian Fenglian Trading Co., Ltd. adopts the Internet + method of relying on the free trade zone to simplify the customs clearance process to the greatest extent. Through pre-approval procedures such as "price classification" in advance and can be processed in advance, there is no need to go through the procedures for entry and exit of goods. Submission of paper documents at the customs clearance site saves Fujian Fenglian Trading Co., Ltd.'s time for submitting paper documents to and from the customs and freight sites, and simplifies the customs clearance procedures. In the past, the customs clearance time of Fujian Fenglian Trading Co., Ltd. was increased by an average of 120 minutes, but now it only takes 30 minutes, and the fastest way without inspection is only 3 minutes. Third, we must standardize third-party payment platforms. In the process of cross-border e-commerce transactions, standardize and restrict corporate behavior, monitor the risks of fund pool precipitation, increase the verification of user identities, improve the construction of cross-border payment systems, and ensure the safety of funds.

5. Conclusion

Based on the development status of the Fujian Free Trade Zone, combined with the current global epidemic situation, this article fully examines its impact on the development of cross-border e-commerce, and points out the practical challenges faced by the development of cross-border e-commerce in the Fujian Free Trade Zone. This article also provides strategic suggestions for the development of cross-border e-commerce in the Fujian Free Trade Zone. These recommendations emphasize that the key to the high-quality development of cross-border e-commerce in the Fujian Free Trade Zone is to integrate into regional cooperation, expand the scale effect, build the credit system of the free trade zone, expand the development of the free trade area, increase the degree of trade freedom, and strengthen the construction of trade facilitation, improve the efficiency of customs clearance.

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