

The Development of Cross-border E-commerce in Yunnan Province under the background of "Belt and Road"

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Abstract: In September 2013, Xi Jinping proposed Belt and Road's development strategy during his visit to Central and Southeast Asia. After the implementation of the strategy, the volume of export trade generated by China's "Belt and Road" in 2015 accounted for 1/4 of China's total export trade. Yunnan, as a province connected to Southeast and South-central Asia on the maritime Silk Road, actively developed cross-border e-commerce, constantly adjusted and optimized the industrial structure, and realized the pull of local regional economy, which also produced new economic growth points and boosted the economic development of our country. This thesis mainly discussed the development of cross-border e-commerce in Yunnan under the background of "Belt and Road". Based on the analysis of opportunities for the development of cross-border e-commerce in Yunnan Province, the thesis discussed the establishment of cross-border e-commerce network system and the shaping of cross-border e-commerce brand. The perfection of laws and regulations and the optimization of logistics system provided an effective reference and guidance for "Belt and Road" to enjoy the innovation and development of cross-border e-commerce in Yunnan.

1. Introduction

Cross-border e-commerce, referred to as "cross-border e-commerce", bears the historical mission of transformation and upgrading of China's foreign trade enterprises, and has been vigorously promoted by the state in recent years[1]. In July 2015, the State Council, as the top administrative organ of the state, had issued eight policy documents on cross-border e-commerce, which has also encouraged enterprises and related practitioners in the field. At the same time, Li Keqiang recently presided over the State Council executive meeting stressed: Use the "Internet foreign trade" ideas to achieve superior entry and output. This is beneficial to expand consumption, promote the development and upgrade of open economy, and create new economic growth point. As the hub connecting the Silk Road economic belt to the north and the maritime Silk Road to the south and based itself on the opportunity of "Belt and Road" construction in the context of the times when the country vigorously developed cross-border e-commerce, Yunnan should actively layout and develop cross-border e-commerce projects for South and Southeast Asia. This is of great practical significance for speeding up the transformation and upgrading of economic structure in Yunnan Province and strengthening trade cooperation and exchanges with Southeast Asia and South Asia[2].

2. Opportunities for Development of Cross-border E-commerce in Yunnan under the Background of "Belt and Road"

2.1 Southeast Asian markets have great development potential.

Through "Belt and Road's" cross-border e-commerce network, Southeast Asia e-commerce market shows great potential for development. The e-commerce market in Southeast Asia was worth just \$7 billion in 2015 and is expected to expand to \$88 billion by 2025 according to a joint report on the online economy of Southeast Asia released by Google and Temasek Holdings on May 24, 2016. And the large number of Southeast Asian retailers and large warehousing retailers in remote islands such as the Philippines, Indonesia and so on, also present great opportunities for

developing cross-border e-commerce with Southeast Asian markets. In 2016, Alibaba acquired large e-commerce enterprises from Southeast Asia. The implementation of "Belt and Road" initiative also makes Yunnan have more space to expand the distribution and development of cross-border e-commerce market in Southeast Asia, and the "end" of Yunnan's reform has become a "frontier" closely linking South Asia and Southeast Asia[3].

2.2 Speed up the development of foreign trade of small and micro enterprises in Yunnan Province.

Yunnan is located in the southwest border of China, engaged in border trade for a long time. According to the statistics bureau of Yunnan Province, in 2015, the province's wholesale enterprises with main business income of 20 million yuan or more and retail enterprises with 5 million yuan or more of main business income in the whole year realized their retail sales of 102.4million through the Internet, which grew by 1.45 times over 2014. The annual import and export to South Asia was 1.104 billion dollars, an increase of 40.4 percent. According to the Main Data Bulletin (No.1) of the Third National Economic Census of Yunnan province issued in September 2015 by the Yunnan Bureau of Statistics, by the end of 2013, the small and micro-enterprise corporate units in the second and tertiary industry in Yunnan province are 112.6 thousand, accounting for 94.1 percent of all enterprises as legal persons, among which 40.2 thousand was the wholesale and retail, accounting for 33.6 percent and ranking the first in the province. Transportation, storage and postal services are only 4 thousand. Yunnan Province is an important gateway to South and Southeast Asia. Moreover, the deepening of the "Belt and Road" initiative is the best way to accelerate Yunnan's integration into the "Internet Plus" to realize the transformation and upgrading of the trade structure, and to bring more business opportunities to connect with the internationalization for many small and micro enterprises in the province. Further, it improves the original limited production and trading space.

3. Optimized Countermeasures for the Development of Cross-border E-commerce in Yunnan Province under the Background of "Belt and Road" Strategy

3.1 Give full play to the advantages of the Internet and promote the development of information infrastructure.

The development trend of "Internet Plus" creates a good environment for cross-border e-commerce. The provinces, districts and cities along the line should grasp this opportunity in time and consolidate the basic information facilities as soon as possible in combination with their present situation. Most of the "Belt and Road" strategic finalization areas of China are weak in comprehensive strength, and also weak in information infrastructure, so northwest, northeast, and southwest areas need to break the bottleneck of cross-border e-commerce development as soon as possible, and shift strategic investment to maintaining the credit environment, so that to enhance electronic commerce basic service, and build network information platform and so on. In 2011, the Ministry of Commerce announced a focus on encouraging the development of third-party e-commerce platforms in foreign trade. Moreover, Alibaba's four home appliances platforms, such as Global Express, became the key recommendation platform of the Ministry of Commerce. As for the current situation in Yunnan Province, where e-commerce is small in scale and mostly enters the market through wholesale, we will use third-party cross-border e-commerce platforms to carry out foreign trade. This is the best channel for province's small and medium-sized enterprises to speed up the transformation and upgrading. Through the presence of third-party platforms, we can minimize the cost of market access in remote mountain areas, thereby expanding the scale of participation in cross-border e-commerce in the province.

3.2 Highlight the characteristic industry and tap the new growth point of Yunnan trade.

Cross-border electronic commerce is an innovation to the traditional trade mode. By using the network marketing channel and combining the advantages of local factors, it can effectively

promote the cross-border circulation of the elements and actively seize the international market. On the one hand, we should continue to consolidate and expand the advantages of traditional trade; on the other hand, we should vigorously develop modern service trade and tap new growth points of trade. Agricultural and special products are the advantages of Yunnan's participation in cross-border e-commerce, but at the same time, the homogeneity of agricultural and special products in the same county and the lack of brand awareness are also the disadvantages of Yunnan's participation in cross-border e-commerce. As a result, the province to participate in cross-border e-commerce is often wholesale-based. For homogeneity of agricultural and special products, we should establish a unified brand and carry out international marketing; for individuals or enterprises, they also have guaranteed income, and can have a better reputation in the international market. The development of cross-border e-commerce in the context of "Belt and Road" strategy can not only eliminate investment and trade barriers, build a good business environment in the region and other countries, but also jointly discuss and build free trade zones with countries and regions along the route to stimulate the release of potential for cooperation. But the premise is the effective docking of information exchange, mutual recognition of supervision, law enforcement, inspection and quarantine, certification and recognition, standard measurement and statistical information between the areas along the route and the cooperative countries. This challenges the acceleration of China's trade facilitation process.

3.3 Improve laws and regulations and establish cross-border e-commerce alliances.

Cross-border electronic commerce is a new way of trade. According to its development, international organizations such as the United Nations International Trade Commission have formulated some policies to regulate electronic commerce, but these laws and regulations have not been fully incorporated into the legal system of our country. In recent years, although China has formulated "Electronic signature Law", "Electronic Authentication Service Management method" and other laws and regulations, it has not been able to protect customers and restrict merchants. With the promotion of "Belt and Road" strategy, China will join the broader cross-border e-commerce market, so the standardization of cross-border e-commerce is imminent. Moreover, the supports of laws and regulations and the improvements of policy are particularly important. With the improvement of laws and regulations, this will mobilize the enthusiasm of Yunnan enterprises in the development of cross-border e-commerce, and more enterprises will realize the many benefits of e-commerce. This has greatly increased the efficiency and scale of enterprise docking and expanding the market, which also has increased the participation of small and medium-sized enterprises in cross-border e-commerce in Yunnan Province and enabled the province to actively formulate support policies for small and medium-sized enterprises and to participate in cross-border e-commerce. At the same time, it strengthens the effect of e-business demonstration zone, improves the demonstration area of cross-border e-commerce development, and promotes the communication and cooperation between other small and medium-sized enterprises in Yunnan Province.

3.4 Strengthen construction of logistics to lay the foundation of cross-border e-commerce logistics.

The construction of logistics system is an important foundation for the development of cross-border e-commerce. However, due to the influence of natural conditions and historical factors, the overall logistics infrastructure construction in "Belt and Road" area is relatively weak at this stage[4]. Thus, it can not promote the further development of cross-border e-commerce. Before the implementation of "Belt and Road", the western region still regards road transportation as the main form of logistics transportation, and the natural internal short board of road transportation can not meet the basic requirements of the convenience of electronic commerce. Therefore, it is necessary to further strengthen the construction of cross-border e-commerce logistics system at this stage. First of all, it is necessary to strengthen the application of multi-link transportation system in the areas along "Belt and Road"; namely, it is to strengthen the construction of air and water transportation while strengthening the construction of road transportation. For the foreign "Belt and

Road" area, it is necessary to integrate the investment into the existing logistics transportation system and establish a unified logistics transportation system. Moreover, they should advocate logistics enterprise strategic alliance to open market, so that to let many outstanding logistics enterprises enter the international logistics market. They should give full play to the technological advantages of big data, cloud computing and the Internet of things and create an intensive logistics and freight organization system in Yunnan, relying on Internet technology, strengthening the interaction between online and offline, so that to realize innovation and adjustment in the traditional logistics industry and adapt to the integration of logistics and e-commerce. Further, they will achieve the construction and implementation of intelligent logistics system. The position of Yunnan Province in the national "Belt and Road" and the basic conditions of Yunnan logistics decide that the combination of government guidance and enterprise market operation is the guarantee to construct Yunnan logistics system. The position of Yunnan Province in the national "Belt and Road" and the basic conditions of Yunnan logistics decide that the combination of government guidance and enterprise market operation is the guarantee to construct Yunnan logistics system.

4. Summary

In recent years, cross-border e-commerce has successfully occupied the main position of China's market economy with the rapid development speed, and has become an important driving force to promote the development and construction of China's modern economy. The development strategy of "Belt and Road" brings new opportunities for the development of cross-border e-commerce. At the same time, it is accompanied by corresponding challenges. Therefore, under the background of "Belt and Road", cross-border e-commerce companies should fully understand and grasp their own advantages, weaknesses, opportunities and challenges, and take effective measures to promote their sustainable development. At present, there are still some problems in e-commerce in Yunnan Province, such as small scale, uneven development of industry, lacking of independent brand, and low participation of enterprises. With the in-depth implementation of the "Belt and Road" initiative, the provincial government is also making efforts to promote the development of cross-border e-commerce in Yunnan Province, so as to play a good role as a radiation center for the market in South and Southeast Asia. The provincial government should improve the traditional trade structure of the province and encourage small and medium-sized foreign trade enterprises to participate in cross-border e-commerce, so that to give play to its location advantages and national cultural characteristics and release the great potential of cross-border e-commerce development in Yunnan Province.

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