

Influence of RCEP Signing on China's Cross-border E-commerce and Countermeasures

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Abstract: The signing of RCEP marks the official launch of the world's largest free trade area so far, which means the emergence of a large integrated market. Starting from the current situation of China's cross-border e-commerce, this paper analyzes the impact of RCEP signing on China's cross-border e-commerce from two aspects of opportunities and challenges, and puts forward corresponding countermeasures.

Keywords: RCEP; China's cross-border e-commerce; Trade digitization

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1. Introduction

As the largest cross-border e-commerce market in the world, China has the largest B2C sales volume and its proportion in retail sales among RCEP member countries. With the signing and entry into force of the RCEP agreement, the e-commerce ecology among member states will be further improved, so that their cross-border e-commerce trade activities will have a legal basis and be more secure and convenient, thus laying a solid foundation for the healthy and sustainable development of China's cross-border e-commerce. At the same time, the RCEP will bring more development opportunities to China's cross-border e-commerce. Many of China's foreign trade companies will benefit from the agreement, which takes effect on Jan. 1, 2022. However, with the rapid development of cross-border e-commerce, many problems will arise. Therefore, in order to adapt to the economic and social development, it is more urgent to make good use of RCEP to help the development of China's cross-border e-commerce. Based on the current situation of cross-border e-commerce, this paper analyzes the impact of China's cross-border e-commerce through RCEP. Then put forward the corresponding countermeasures to realize the long-term development of China's cross-border e-commerce.

2. The Current Situation of Cross-border E-commerce in China

According to customs statistics, the import and export scale of China's cross-border e-commerce in 2021 is 1.98 trillion yuan, up 15%, showing a booming trend, of which the export is 1.44 trillion yuan, up 24.5%. According to

preliminary customs statistics, in the first quarter of 2022, China's cross-border e-commerce imports and exports reached 434.5 billion yuan, up 0.5% year on year, of which exports reached 310.4 billion yuan, up 2.6%. Imports were 124.1 billion yuan, down 4.2 percent.

New forms and models of business, such as cross-border e-commerce and market procurement, are an important force promoting China's foreign trade and a new trend in the development of international trade. In the second half of 2021, China Customs will officially copy and promote the cross-border e-commerce B2B export supervision pilot, and gradually improve the relevant policies. At the same time, the "Shanghai Cooperation Demonstration Zone - Minsk", "Yixin-Europe", "Su-Xin-Europe", Hefei to Hamburg, Wilhelmshavn, Germany and other cross-border e-commerce special trains have been launched, integrating the "China-Europe freight train" into the cross-border e-commerce model.

3. Impact of the Signing of RCEP on China's Cross-border E-commerce

3.1 Opportunities Brought by the Signing of RCEP

3.1.1 Tariff Reduction is Conducive to Improving the Competitiveness of Export Commodities

The tariff reduction measures in the RCEP agreement will benefit China's cross-border e-commerce enterprises, especially export enterprises. Tariff reduction and exemption will reduce the tax cost of Chinese cross-border e-commerce enterprises' exported commodities in the importing country, thereby ensuring that users in foreign markets can obtain more favorable prices and improving the market competitiveness of exported commodities^[1].

3.1.2 Trade Standardization is Conducive to Weakening Trade Barriers

With the unification of regional rules and clauses in RCEP, unified rules of origin, customs procedures, technical standards and other rules have been issued successively, and trade rules in the region have been gradually standardized and unified, and the integration of trade standards in the market has greatly weakened trade barriers. The improvement of the trade facilitation level of RCEP member countries can significantly promote the release of China's trade export potential, thus bringing broader space for the growth of China's cross-border e-commerce^[2].

3.1.3 Free Flow of Production Factors is Conducive to the Construction and Operation of Overseas Warehouses

After RCEP is signed, national resources, commodity flow, technical cooperation and talent cooperation among member states will be more convenient, which is conducive to value creation and resource integration, and further promote regional economic integration. This will bring great opportunities for Chinese cross-border e-commerce companies to establish and operate overseas warehouses, explore East Asian markets, and attract international talent. Accelerate the integration of commodity flow, technical cooperation, service capital and talent exchange, and lay a foundation for the rapid development of cross-border e-commerce in China^[3].

3.1.4 Promoting Trade Digitalization and Facilitating the Transformation and Upgrading of China's Cross-border E-commerce Enterprises

RCEP includes a series of rules to promote trade digitalization and reduce information communication costs, such as vigorously promoting paperless trade, submitting trade management documents in electronic form, recognizing that electronic documents have the same legal effect as paper documents. This promotes the process of trade facilitation to the greatest extent. The higher the degree of trade facilitation, the better the external economic environment, and plays a more positive role in helping the transformation and upgrading of China's cross-border e-commerce enterprises^[4].

3.1.5 Simplifying Customs Procedures and Improving the Efficiency of Cross-border E-commerce Logistics

RCEP logistics policy adopts efficient management such as pre-adjudicative, pre-arrival processing and information technology application, and finally simplifies the customs clearance process. The simplification of customs procedures will improve the user experience of China's cross-border e-commerce and reduce export costs, there-

by increasing the volume of import and export trade.

3.2 Challenges to China's Cross-border E-commerce due to RCEP Signature

3.2.1 Differences among Member Countries May Lead to Infringement

The RCEP intellectual property Chapter not only covers traditional intellectual property works, patents, trademarks and other contents, but also reflects the new issues of intellectual property protection and development. Under the complex framework of RCEP, we should pay more attention to how to protect our own intellectual property rights and how not to infringe on others' intellectual property rights in the face of differentiation.

3.2.2 Complicated Trade Environment Leads to Increased Difficulty of Customs Supervision

Under the framework of RCEP, with the liberalization of trade, there will be an increasing number of large cross-border companies doing both import and export. Customs supervision needs to deal with more complex trade environment, which increases the difficulty of customs supervision.

3.2.3 Increasing Demand for Goods Triggers Logistics crisis

With the removal of trade barriers, demand for goods will increase significantly, and the core of cross-border e-commerce includes products, logistics and services. And products and services and logistics are inseparable. Therefore, the development of supporting industries, especially the surging logistics demand, is the main factor restricting the development of e-commerce.

3.2.4 Trade Frictions Caused by the Popularization of Dividend Policy

China's cross-border e-commerce will face fierce competition among RCEP members. For example, ASEAN, Japan, the ROK and other member countries can directly benefit from the RCEP's preferential policies. Some middle and high-end industries in China will also encounter the impact of products from Japan and South Korea, and some competitive industries will also face fierce competition from ASEAN.

4 Countermeasures of China's Cross-border E-commerce to Cope with the Impact

4.1 Establishing the Concept of Intellectual Property Protection

Before starting import and export business, export sellers of China's cross-border e-commerce should familiarize themselves with the intellectual property rules of the RCEP target market, make risk estimation and formulate

corresponding preventive measures. For cross-border e-commerce enterprises with independent innovation, they must have a corresponding understanding of the intellectual property system of the exporting countries in advance. If they find the possibility of infringement, they should avoid handling the patented technology and trademark design to protect their legitimate rights and interests to the maximum. In order to protect their legal intellectual property rights, enterprises can apply for intellectual property rights in the target market and file with the Chinese customs to realize border protection of intellectual property rights.

4.2 To Innovate the Customs Supervision Mode

In the complex trade environment, China Customs must make full use of big data, artificial intelligence, cloud computing, Internet of things, 5G and other new technologies, and according to its own development level and actual needs, realize the automation and intelligence of the supervision and management process, so as to further improve the internal operation efficiency. At the same time, through information sharing, risk prevention, and mutual assistance in law enforcement, we will innovate the concept of border supervision, equip it with smart hardware and software facilities, and jointly build a new landscape for border governance. Finally, smart technology and innovative methods will be used to coordinate customs of various countries to establish connectivity and real-time cooperation relations, so as to provide services for the security and convenience of global trade.

4.3 Speeding up the Connectivity of Logistics Facilities

China's transport authorities shall, according to the actual market demand for capacity, increase the number of transport lines, and maintain the smooth flow of cross-border logistics supply chain by increasing capacity and container input, improving transport efficiency and strengthening digital construction. Second, we support and encourage liner companies to increase capacity investment, open more international container routes, and optimize the route network layout. Finally, accelerate the construction of the international logistics channel, support the buddy freight train, build an important channel to serve the domestic and international double circulation, in order to solve the problem of large demand for freight.

4.4 Strengthen the Implementation of Industrial Policies

Under the new situation of RCEP taking effect, make full use of China's advantages of comprehensive industrial categories and strong comprehensive supporting capacity, accelerate the transformation and upgrading of traditional industries and foster and develop emerging

industries, actively introduce advanced equipment from Japan and South Korea, and boost industrial upgrading. At the same time, advantageous industries are encouraged to establish production bases in Southeast Asia, expand overseas markets, promote the transformation and upgrading of traditional advantageous industries into medium and high-end industries, strive to improve quality standards, and push Chinese manufacturing to a new height^[5].

4.5 Policy Support for the Development of Cross-border E-commerce

The recent relevant policies and measures will promote the development of China's cross-border e-commerce from different perspectives. Cross-border e-commerce also ushered in important strategic opportunities during the 14th Five-Year Plan period. The 14th Five-Year Plan for Business Development clearly proposes the goal of promoting innovative development of foreign trade, specific measures for the development of cross-border e-commerce, specific actions for the construction of rules and standards, and special actions for the development of high-quality overseas warehouses^[6].

5. Conclusions

To sum up, China's cross-border e-commerce should make good use of the policy dividend of RCEP, continuously promote the transformation and upgrading of China's cross-border e-commerce, strive to extend the regional cross-border e-commerce supply chain, increase the added value of products, optimize the allocation of resources, carry out differential competition based on its own advantages, and form its own unique competitiveness.

To its negative influence, at the same time to "suit the remedy to the case", from their own to find problems, considering the national differences in the levels of e-commerce development, make full use of the RCEP the signing of the agreement, to reduce the bilateral and plurilateral trade and investment barriers, building to promote the international domestic circulation circulation, the international circulation to stimulate the domestic circulation of the binary pattern^[7].

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