



Research on the Sustainability of China Cross-Border E-Commerce Enterprises Under the Normalization of Epidemic Situation

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ABSTRACT

Since December 2019, COVID-19 has swept the world, affected the normal development of the global economy and brought great risks to the foreign trade of all countries. China is no exception. The changes in the international environment have also brought great challenges and new opportunities to China cross-border e-commerce. This article focuses on the exploration of the sustainability of China cross-border e-commerce enterprises under the normal situation of the epidemic. At the same time, literature research, empirical research and qualitative analysis methods are used to investigate and conclude that the COVID-19 has caused the economic downturn of all countries around the world, and the trading volume of foreign trade industries has decreased significantly, but the cross-border e-commerce industry is developing against the trend. Based on this, we should seize the opportunity to vigorously develop cross-border e-commerce and promote the integration of cross-border e-commerce with the real economy and traditional industries, so as to expand the big domestic circulation and promote the interaction between domestic and international double circulation.

Keywords: Under the Normal Situation of The Epidemic, Cross-Border E-Commerce, Sustainability, Challenges, Opportunities.

I. INTRODUCTION

At the Standing Committee of the Political Bureau of the COMMUNIST Party of China (CPC) on May 14, 2020, General Secretary Xi Jinping put forward the idea of "building a new development pattern both domestic and international circulation and mutual promotion", which was included in the Fifth Plenum of the 19th CPC Central Committee and the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Outline of 2035 Long-term Goals. This has charted the course for China's economic development. It will also help promote the recovery, prosperity and stability of the world economy, give full play to China's important role in world economic development and demonstrate China's role as a major country. Domestic scholars generally believe that the new double-cycle development pattern has important practical value for China to deal with the complex situation at home and abroad and promote high-quality economic development. However, cross-border e-commerce is not exactly equivalent to digital economy, and it has some significant characteristics of its own. Therefore, it is an inevitable result of the development of the situation that we deeply explore the sustainable development of China cross-border e-commerce enterprises.

In the context of the "Internet plus" era, the rapid growth of cross-border e-commerce has played an important role in promoting China's economic development. By 2019, the export volume of China cross-border e-commerce reached 8.03 trillion yuan, with an export growth rate of 13.1%. The proportion of cross-border e-commerce in China's foreign trade is increasing year by year, and its development potential cannot be underestimated. At the beginning of 2020, THE COVID-19 epidemic broke out globally, which is regarded as a serious global public health emergency. It has a huge impact on the production, life, safety and economy of all countries in the world, and plays a great role in promoting the development of cross-border e-commerce in China.

COVID-19 has disrupted the pace of the development of China cross-border e-commerce. Although the overseas epidemic has intensified, taking advantage of China as a manufacturing power, China has taken the initiative to cater to the demand of foreign markets, and made contributions to the global epidemic prevention and control through cross-border e-commerce, which has promoted the development of China cross-border e-commerce.

However, the United States, Japan and the European Union, which have close trade relations with China, have become the hardest-hit areas under the global spread of COVID-19, and China cross-border e-commerce enterprises are generally facing problems such as foreign trade control, supply shortage, declining demand and logistics slowdown. The center of this paper is based on the challenges and opportunities faced by China cross-border e-commerce enterprises under the normal situation of the epidemic.

The first goal is to explore the sustainability of China cross-border e-commerce enterprises under the normal situation of the epidemic. The second purpose is in line with the theme of this international symposium which is to explore the sustainability of business management and finance. Third, based on the WEF paper, it discusses key concepts related to sustainable development, business management and the new normal.

II. RESEARCH METHODS

This research uses the literature search method in the process of: through all kinds of network information resources means, such as China Hownet to collect a large amount of data analysis, all kinds of related references at home and abroad and the academic data, are to analysis and summarizing the research achievements of predecessors, and provide a relevant academic reference for the study of the article. Secondly, empirical research method is used to provide solid and accurate research information by understanding the objective fact that cross-border e-commerce orders increase during the epidemic period. In particular, by studying the change of cross-border e-commerce transaction scale from 2017 to 2021, it is concluded that cross-border e-commerce has further developed during the epidemic period.

III. DISCUSSION

3.1 Under the epidemic, the ecological reconstruction of e-commerce is accelerating

In 2020, Tang Li, a reporter of International Business Daily, published an article titled "Accelerating Reconstruction of cross-border E-commerce ecology". The article pointed out that China cross-border e-commerce had been greatly affected by the epidemic throughout the year. The sustained impact of the epidemic is continuously driving up the penetration rate of overseas online consumption, but behind the high growth, competition and challenges are also coming one after another. The Marketing Research Institute, a comprehensive platform for mobile marketing, has put together a list of seven major events that have had a big impact on the industry over the past year. These events on the demand side, policy side, platform side and rules side are accelerating the restructuring of the cross-border e-commerce ecosystem. 1. The transaction volume of multi-ground wire increased more than expected. 2. The share of Chinese sellers in many countries is super local sellers. 3. RCEP will promote and protect the exports of cross-border e-commerce. 4. "TikTok Leggings" phenomenon activates more channels for delivery. 5. Speed up compliance management of cross-border e-commerce. 6. Apple officially implemented the new advertising identifier policy. 7. Amazon was locked.

3.2 Relationship Between Research Results and Relevant Theories

3.2.1 Research on The Development Strategy of China Cross-Border E-Commerce in The Context Of COVID-19 Epidemic

In 2020, Li Guoqing published research on the development strategy of China cross-border e-commerce in the context of THE COVID-19 outbreak on Commerce and Industry. He pointed out that due to the COVID-19 outbreak, consumers' demand for cross-border e-commerce increased, and the growth effect of typical regions was lower than that of atypical regions. Suppliers, consumers and policy factors have significant positive effects on cross-border e-commerce, while other factors have no significant positive effects. Offline channels are negatively correlated with government traffic control and cross-border e-commerce, and the difference between typical and atypical regions is obvious. The development trend of cross-border e-commerce is good. The COVID-19 outbreak has brought opportunities for cross-border e-commerce. The government should play a positive role in promoting the development of cross-border e-commerce.

3.2.2 The Short-Term Performance of Cross-Border E-Commerce Platforms Will Be Affected and The Supply Chain Has Huge Pressure

Zhang Zhouping, senior analyst and director of B2B and cross-border E-commerce at the E-commerce Research Center, said the outbreak has affected cross-border e-commerce platforms, supply chains and logistics to varying degrees. One is the platform. Affected by the epidemic, cross-border e-commerce platforms will be affected to varying degrees. Cross-border e-commerce platforms such as Amazon, eBay, AliExpress and Wish have introduced policies and measures, which will inevitably affect the trading volume and revenue of cross-border e-commerce platforms in the short term. Second, supply chain. In the short term, cross-border e-commerce products will be out of stock. Factories in zhejiang, Guangdong, Jiangsu and other major domestic supply areas have shut down for the first half year of the epidemic, and most businesses will be out of stock. Third, logistics. In international logistics, the cost of small package express delivery will increase due to the reduction of flights. Shipping must be considered, but the delivery time will be prolonged and the consumer experience will be poor. Several countries have restricted or even stopped flights to China.

3.2.3 The Impact of COVID-19 On Cross-Border E-Commerce and Its Implications

In 2020, Zhang Xiaoheng published an article on the impact and enlightenment of COVID-19 outbreak on cross-border e-commerce. The article pointed out that due to the COVID-19 outbreak, consumers' demand for cross-border e-commerce increased, and the growth effect of typical regions was lower than that of atypical regions. Suppliers, consumers and policy factors have significant positive effects on cross-border e-commerce, while other factors have no significant positive effects. Offline channels are negatively correlated with government traffic control and cross-border e-commerce, and the difference between typical and atypical regions is obvious. The development trend of cross-border e-commerce is good. The COVID-19 outbreak has brought opportunities for cross-border e-commerce. The government should play a positive role in promoting the development of cross-border e-commerce.

3.3 New Challenges and Sustainable Business

3.3.1 Consumer Demand Has Been Further Unleashed, And Cross-Border E-Commerce Consumption Has Become More Normalized

The situation will be reversed as the epidemic gradually stabilizes and China's ability to supply supplies for epidemic prevention improves, said Gao Pan, a special researcher at the E-commerce Research Center of China Economic and Social Network and founder of Wuhan Jiangnan Company. The epidemic has affected the income of some domestic residents to some extent, which will have some impact on cross-border e-commerce imports in the short term. Before the epidemic is completely eliminated, cross-border travel of Chinese people will be greatly restricted, cross-border offline consumption will be difficult to meet, cross-border online consumer demand will be released, and cross-border e-commerce imports may usher in relatively rapid development. Chen Hudong, a special researcher at the E-commerce Research Center of China Economic society and general manager of Beijing Dongxiao Tengfei Supply Chain Management Co, LTD, also pointed out that the outbreak may increase the volume of cross-border imports. And benefiting from the country's encouragement policies for cross-border retail imports, cross-border e-commerce imports are likely to welcome good news.

3.3.2 Study the Significance and Application Value of Cross-Border E-Commerce

According to the Data of China Statistical Yearbook, according to the Relevant data of The General Administration of Customs of China, Ebang Think Tank and Prospective Industry Research Institute, the transaction size is RMB 806 billion in 2017, RMB 906 billion in 2018, RMB 1.05 billion in 2019, RMB 1.25 billion in 2020. According to the same growth rate in the first two quarters of 2021, the estimated annual scale is 1.46 billion yuan. Therefore, it can be seen that China's cross-border e-commerce and traditional foreign trade are both ice and fire, and cross-border e-commerce has a significant crowding out effect on traditional foreign trade. As shown in Figure 1

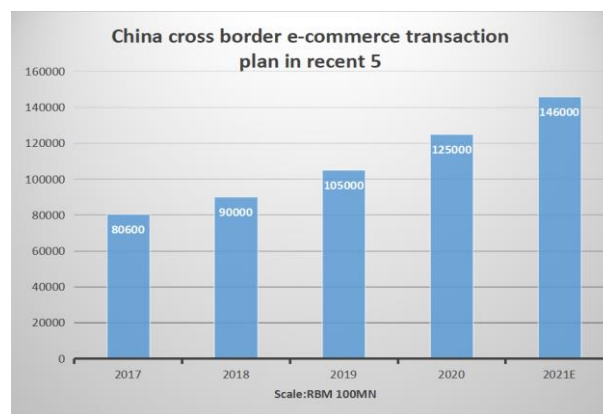


Figure 1

3.3.3 Under the Normal Situation Of COVID-19, Participants in Cross-Border E-Commerce Activities Are Driven to Carry Out Business Activities More Accurately

The rapid development of cross-border e-commerce carries out business activities due to include information technology, Internet technology and the emerging digital technology innovation. Using these emerging technologies on cross-border electricity trading of massive amounts of data capture and analysis, not only including the consumption data, also including the payment data, logistics data, production data, etc., So as to drive the participants of cross-border e-commerce activities to carry out business activities more accurately. Along with the maturity and refinement of the domestic market, new consumer demand, consumer behavior and consumer decision-making are constantly emerging. Cross-border e-commerce depends on accurate data fetching, timely into the live broadcast, social, community and other innovative consumer scenarios, meet the demand of the new domestic market at the same time, and also reshape the consumption in the process of information transfer mode and demand.

3.3.4 Supply is short due to the pandemic shock

After the outbreak of the epidemic, the suspension of production in various countries led to the stagnation of the supply side of the export trade. In the context of economic globalization, the production of all kinds of products requires the participation of multiple countries, and each country is a crucial link in the complete production chain. In the international production chain as the main way of production mode, all countries play a decisive role. The spread

of the outbreak of a country will cause the country's suspension of production, and block the entire product production chain. Global supply shortages will spread to the global cross-border supply electricity trade, through the study, which can lay a foundation for cross-border electricity product supply and demand balance.

3.3.5 Cross-border e-commerce has boosted the transformation and upgrading of traditional industries

Cross-border e-commerce belongs to the category of service industry. It is China's responsibility to promote the integration of cross-border e-commerce and traditional industries and promote the coordinated development of the two industries. It is an important way to promote the transformation and competitiveness of traditional industries. The development of cross-border e-commerce is in line with the 19th Communist Party of China National Congress, the fifth Plenum of the ninth Central Committee of the CPC and the top-level design of the 14th Five-Year Plan. The industry is an effective carrier for the development of cross-border e-commerce. Through the starting point of domestic supply side, industrial upgrading can effectively alleviate structural shortage and improve supply quality. Promoting the integrated development of traditional industries and cross-border e-commerce can reconstruct the industrial chain, drive industrial innovation, and then promote the transformation of traditional industries. More and more traditional industrial enterprises have set foot in the cross-border e-commerce market. Relying on cross-border e-commerce platforms, they accelerate the connection of production, supply and marketing information, quickly collect, sort out and analyze consumer data, and drive the change from the original mass-order production to small-batch and multi-frequency flexible manufacturing.

3.3.6 The theoretical mechanism of cross-border e-commerce to promote the new development pattern of double circulation

After years of development, China has the material basis, human resources, industrial system and technical support to excavate the domestic market to support the sustainable development of the economy. In addition, the scale of the middle-income group continues to expand and the domestic production exchange distribution and consumption capacity, which has laid a foundation for the realization of the big domestic cycle. Guided by the concepts of external development, inclusive interaction, joint construction, common governance and shared benefits, China has also accumulated a lot of experience and foundation in docking with international rules, embedding in the global value chain and actively integrating into the international circulation, which has created good conditions for the linkage of domestic and international circulation. The strategic path of international circulation was proposed earlier by Wang Jian, who believed that the advantages of labor resources should be fully utilized to support the construction of domestic basic industries and infrastructure by developing the export of labor-intensive products in exchange for foreign exchange income and promote the development of capital-intensive industries. Under the trend of global economic integration, the global value chain has undergone a profound transformation of vertical division of labor, the industrial chain of international circulation has been continuously elongated, and the carriers participating in international circulation have become richer, which has brought new changes to the domestic and international double circulation. In March 2021, The State Council issued the Opinions on the Implementation of the Division of Key Work in the Government Work Report, which clearly proposed the development of cross-border e-commerce and other new business forms and models. It is an inevitable choice for China's high-quality and sustainable economic development to promote the transformation and upgrading of traditional industries and foreign trade with cross-border e-commerce as the engine, and promote the construction of a new development pattern of domestic big circulation and domestic and international double circulation through the deep integration of cross-border e-commerce and manufacturing. The theoretical mechanism of cross-border e-commerce promoting domestic and international double circulation is shown in Figure 2.

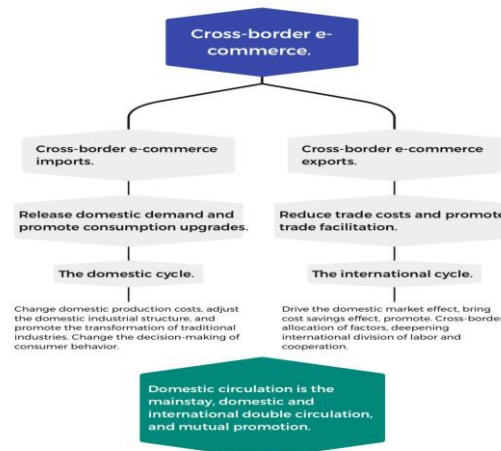


Figure 2

3.3.7 Cross-border e-commerce changes consumer behavior decisions

Consumption is the core of the domestic cycle, and the release of domestic demand and consumption upgrading is an important force to promote the double-cycle new development pattern. Cross-border e-commerce is

very important for optimizing domestic consumption structure, improving domestic consumption level and promoting domestic consumption upgrading [14]. Digital technology has driven huge changes in the external environment faced by domestic consumer groups, and has increasingly profound impact on people's consumption behavior, habits and decisions. Online consumption habits continue to stabilize. Online and offline integration of consumption paradigm gradually formed. Diversified and personalized consumer demand has been released, and the continuing spread of the global epidemic has also affected the consumption behavior and decision-making of domestic consumers, making cross-border online shopping stickier and expanding the consumer groups and market scale for the development of cross-border e-commerce.

3.4 Future Research Suggestions

Although this study for the transformation and upgrading of China's cross-border e-commerce provides the theoretical basis and methodology support, as the "block chain" and so on science and technology are applied to the cross-border power, China's cross-border e-commerce future not limited platform development itself, but the integration of product manufacturers, cross-border logistics, payment platform, other aspects such as cross-border trade on the industrial chain, build cross-border business ecosystem. As for the obstacles encountered in the process of coordination and integration of all links of cross-border e-commerce industry chain, and the construction of ecosystem will be the next research direction.

IV. CONCLUSION

1. Under the normal situation of the epidemic, China cross-border e-commerce has achieved sustainable development. Cross-border e-commerce needs to take advantage of the trend and develop markets in emerging countries. In addition to Europe and the United States, southeast Asia, Central Asia and other third world regions, rapid economic growth and expanding demand are the most potential markets for cross-border e-commerce.
2. Due to the spread of the epidemic, a large number of manufacturing-industry workers cannot resume work and production, and the safety and hygiene of the food processing industry cannot be guaranteed. Therefore, the supply of goods for many cross-border e-commerce sellers cannot be guaranteed.
3. Potential international logistics problems of cross-border e-commerce are also gradually emerging. The extended service time and slow backflow of funds exacerbate the adverse experience of "information gap" for customers. Due to the restrictions of air and sea transportation and the influence of customs policies of various countries, the timeliness of cross-border logistics is reduced. We will build a global logistics network and a new international logistics system.
4. Implement diversified target market layout and actively promote the establishment of international standard cross-border e-commerce system. It is of far-reaching significance to increase policy inclination to promote the growth of e-commerce enterprises, and the government should actively promote the establishment of international standards and norms for cross-border trade.
5. The rapid growth of cross-border e-commerce, which in turn led to the recovery of other industries, and bucked the trend of other industries being hit by the pandemic.
6. The rapid development of cross-border e-commerce has driven the development of other domestic industries, effectively accelerated economic recovery, and forced the government to establish or improve the relevant policy system of cross-border e-commerce, effectively promoting industrial transformation and upgrading.

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