

Analysis of the current situation of cross-border e-commerce in China and Russia

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Abstract: In recent years, Sino-Russian cross-border e-commerce trade has developed rapidly. This article analyzes the development status of Sino-Russian cross-border e-commerce, explores the cross-border e-commerce transaction scale, cross-border e-commerce platform, the main mode of cross-border e-commerce trade, and the payment method of cross-border e-commerce trade. It points out that the logistics channel of cross-border e-commerce is single, the delivery time is long and the cost is high; The laws and regulations of cross-border e-commerce in China and Russia are not perfect; Lack of cross-border e-commerce professionals; Platform management is not standardized; China and Russia cross-border e-commerce commodity structure is unreasonable, the article finally put forward suggestions.

Key words: China; Russia; Cross-border e-commerce

I. Current situation of cross-border e-commerce between China and Russia

In the past five years, the scale of cross-border e-commerce between China and Russia has grown year by year. According to China's General Administration of Customs, in 2019, the trade volume between China and Russia was about \$110.8 billion, up 3.4 percent year on year, and the cross-border e-commerce transaction volume was about \$5.3 billion; The bilateral trade volume between China and Russia was about 107.8 billion U.S. dollars in 2020, and 146.9 billion U.S. dollars in 2021, surpassing the 100 billion U.S. dollars mark for three consecutive years. The cross-border e-commerce transaction volume of Russia reached 282.8 billion yuan; From these data, the development of cross-border e-commerce between China and Russia is very rapid, China comprehensively strengthens its trade with Russia and cross-border e-commerce, the overall trend is stable and rapid development, and the scale of cross-border e-commerce transactions between China and Russia continues to grow.

Russian consumers have a strong interest in overseas products, and the scale of online shopping in some remote areas of Russia also shows an increasing trend year by year. According to the data of the market survey of the Association of Russian E-commerce (AITC), in 2020, the number of Chinese merchants in the Russian e-commerce platform accounted for 54.7%, and the share of Chinese enterprises in the Russian cross-border e-commerce market continues to increase, and the trade platform is diversified and rich. Among them, the Russian cross-border e-commerce platform ranked first is Aliexpress under Alibaba, according to Ali Cloud survey, in the view of Russian consumers, Russian goods are more single and expensive, compared with China, China's product variety is rich and diversified, there are many types of products to choose from and the price is cheap.

Russia's local cross-border e-commerce platform market share OZON market share of 62%, the market share of more than half, is the largest and most comprehensive Russian cross-border e-commerce platform; Followed by JOOM, YANDEX.MARKET, ULMART and other cross-border e-commerce platforms with 18%, 7.40%, 3.60% and 9.00% market share respectively. Due to the dominant cross-border e-commerce platform OZON in Russia, its trade groups are concentrated and not dispersed, resulting in a low market share of other small and medium-sized e-commerce platforms. In order to change this phenomenon, it is necessary to develop multiple local cross-border e-commerce platforms and promote the distribution of market share of each local cross-border e-commerce platform.

In the past two years, the development of cross-border e-commerce in Russia has shown a precipice decline. Before 2022, Russia will be one of the fastest growing e-commerce markets in the world. In 2021, the scale of cross-border e-commerce in Russia will reach 42.5 billion U.S. dollars. The average spending of Russian residents on cross-border shopping will be twice that of 2020 and three times that of 2019. In 2022, the growth rate of cross-border e-commerce in Russia slowed down significantly; Because of Russia's large land area and more than 80% of Russian e-commerce buyers scattered in the central and western regions, many express logistics companies can not deliver within the specified time; As well as the impact of the market depression in recent years, many physical stores and cross-border e-commerce companies have closed down due to lack of funds and other reasons; In addition, the credit problems of Russian residents also affect the development of cross-border e-commerce between China and Russia, and many buyers can not use bank cards and credit cards to complete online payments due to credit problems.

II. The problems in cross-border e-commerce between China and Russia

1. China and Russia have single logistics channels, long cross-border logistics delivery time and high cost

Due to certain defects in the logistics system between China and Russia, most of the logistics are transported by railway, and China Post is the main logistics company for China's distribution to Russia. Although the efficiency level of China Post and its professional service ability have developed, they still cannot keep up with the pace of the development of e-commerce. Therefore, no matter it is railway transportation or air transportation, it is not the best logistics transportation mode in terms of time cost and profit cost.

2. The relevant legal system of cross-border e-commerce trade between China and Russia is not perfect

There are some differences in the development of cross-border e-commerce between China and Russia, as well as differences in

ideology and law. The traditional commerce between China and Russia is based on one set of regulations, but internationally, the way and scale of such transactions are completely different. Compared with the traditional trade system, cross-border e-commerce trade is more flexible and free. At present, China's laws and regulations on cross-border e-commerce transaction with Russia are not very perfect. The current trade regulations of China and Russia have failed to effectively safeguard and restrict transnational e-commerce companies.

3. China and Russia lack of cross-border e-commerce professionals

The third problem facing the development of cross-border e-commerce between China and Russia is the lack and lack of Chinese and Russian e-commerce professionals. It is estimated that by 2025, the gap of cross-border e-commerce professionals in China will reach 9.85 million. The lack of cross-border e-commerce talents is mainly reflected in two aspects. On the one hand, there is a large shortage of teachers in China; The second aspect is that some cross-border e-commerce enterprises do not want college graduates, instead to those engaged in the field of foreign trade, foreign trade experience talents, the advantage of this is to be able to immediately on the job, can be used directly for the enterprise, and those new graduates of colleges and universities, need to go through the internship period, observation period, assessment period to be used for the enterprise.

4. The Sino-Russian cross-border e-commerce payment system needs to be improved

First of all, the popularity of mobile payment in Russia is poor. TNS, an internationally renowned research institution, conducted a survey on the popularity of online payment in Russia, showing that at present, only 38% of users in Russia pay electronically by mobile phone, 47% pay by SMS, 55% pay by bank card, and the main purpose of online payment is to buy train tickets, air tickets, online loans and purchase music materials, movies, games and so on. Few people in the e-commerce platform to buy goods. So it can be seen that most Russians are reluctant to use online banking, and those who want to do so are put off by cumbersome security verification procedures. Therefore, Russia is still mainly in the form of cash on delivery settlement, not only time-consuming, and the turnover cycle is too long, so it is difficult to use RMB to pay for goods.

Secondly, affected by the current situation, the floating exchange rate of the ruble, the common currency used in Russia, is very unstable. According to the exchange rate data released by the central Bank, the annual average exchange rate of the ruble against the US dollar was 65.84 to 1 in 2017, and it has reached 68 rubles to 1 US dollar in 2020. However, Russia's settlement method coupled with the significant depreciation of the ruble will easily cause losses of transnational trade enterprises, which leads to the two sides pay more attention to the construction and maintenance of the cross-border e-commerce platform, so the Sino-Russian cross-border e-commerce trading platform has always lacked standardized management.

5. The commodity structure of cross-border e-commerce between China and Russia is still unreasonable

According to the statistics of the Russian E-commerce Association, in 2021, China's export trade to Russia, mechanical and electrical products, the largest, reaching 20.94 billion US dollars, accounting for 41.4%, followed by textiles and raw materials accounted for 10.7%, base metals and products accounted for 7.3%, furniture and other miscellaneous products accounted for 7.1%. From the overall point of view, energy, agricultural products, medical equipment, light industrial products and mechanical equipment and other fields still occupy an important position in Sino-Russian trade, but most of the products imported by China to Russia are cheap products, lack of high-end products with high unit added value. The bilateral trade structure between China and Russia has certain complementary characteristics.

III. Countermeasures and suggestions for improving the development of cross-border e-commerce between China and Russia

1. Establish a bilateral logistics cooperation system

To develop cross-border e-commerce between China and Russia, it is necessary to strengthen cooperation between railway, customs, postal and other departments, build a multilateral logistics cooperation system and a multilateral international express delivery cooperation system, which can effectively improve the speed of cross-border logistics between the two countries. Under this cooperation model, local governments can set up storage warehouses and related industrial parks in border areas between China and Russia. Russian e-commerce promotion companies need to strengthen cooperation with major express delivery companies, give full play to the advantages of Russian Post, EMS, DPD, DHL, etc., to speed up international logistics transportation in the China-Russia region. Secondly, through the Internet technology, establish and improve the integration of international logistics and e-commerce services between China and Russia, and realize the integration of logistics information between the two sides; To provide a complete warehousing and logistics platform for transnational e-commerce.

2. Improve the legal system of cross-border e-commerce between China and Russia

On March 1, 2022, China and Russia signed the Memorandum of Understanding on E-commerce Cooperation between the Ministry of Commerce of the People's Republic of China and the Ministry of Economic Development of the Russian Federation in Beijing, according to the Department of E-commerce and Information Technology and the Department of Eurasia of the Ministry of Commerce of China. Through the signing of the memorandum, more legal issues related to the development of cross-border e-commerce between the two countries will be put on the legal level, and the problems of cross-border e-commerce between China and Russia will be restricted by law to promote the smooth development of cross-border trade.

3. Cultivate cross-border e-commerce talents

First, according to the actual situation, make full use of the advantages and advantages of universities in international trade, e-commerce, foreign languages and other fields, and vigorously develop talents in English, cross-border e-commerce and other fields; Focus on cultivating

interdisciplinary cross-border e-commerce talents with professional skills related to international trade and Russian as their mother tongue. Develop and cultivate talents in cross-border e-commerce through school-enterprise cooperation model; Secondly, the state should encourage cross-border e-commerce enterprises to absorb high-quality college graduates to work in e-commerce enterprises and improve their salary. In addition, specialized cross-border e-commerce talents can be appropriately trained in Russia.

4. Improve the construction of China-Russia cross-border e-commerce payment system

In the construction of bilateral cross-border e-commerce platforms, China and Russia will make greater efforts to invest in world-leading mobile payment methods and payment technologies. By filling in the basic information of individual users to verify identity, like the Chinese payment platform, by mobile phone and credit card settlement, reducing the complexity of online shopping and payment for Russian users, simplifying the transaction process.

5. Optimize the operation of China-Russia cross-border e-commerce platforms

First, establish diversified cross-border e-commerce trading platforms; Due to the increasing number of individual consumption in Russia, online shopping presents the characteristics of small batch and multi-frequency, expand the B2C model, through online display and offline interaction, so that customers can better understand the nature of products and improve customers' purchasing experience. The second is to standardize the conditions for settling in, standardize the market competition of merchants, so that enterprises can compete and communicate in an organized and principled way. The third is to strictly according to the requirements of the merchants to enter the level of audit, establish a sound business integrity system, standardize the transnational e-commerce platform credit certification.

6. Optimize the commodity structure of cross-border e-commerce between China and Russia

Russian consumer demand has shifted from cheap items such as Chinese clothing, shoes and accessories to high-quality, high-value Chinese goods, such as jewelry and electrical appliances, which have become two of the most popular categories for Russians. Therefore, Chinese e-commerce companies should increase the added value of their products, such as jewelry, new energy vehicles, home appliances, etc. Platform companies should select targeted categories of products and continuously optimize the product mix of platforms after conducting in-depth surveys of consumers.

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