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Department of Economic Theory and
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International Economics

GRADUATION THESIS

on

Development of e-commerce between Russia and China

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Institute of Economics and Administration
Department of Economic Theory and International Relations
Field of study 38.04.01 Economics,
Master's degree programme International Economics

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«_____» _____ 20__

ASSIGNMENT
FOR THE GRADUATION THESIS OF

Master's degree student Du Yumei, group 19ЭЭМ2(a), full-time mode of study

1 The topic of the graduation thesis: “Development of e-commerce between Russia and China”

was approved by the university order
dated «___» _____ 20__ no. _____

2 The deadline for the Master's degree student to complete the graduation thesis is 11.06.2021.

3 The input data for the graduation thesis is the regulatory and legal framework, scientific literature and reference books, and Internet data.

4 The list of issues to be studied includes current situation of e-commerce development in China and Russia, problems and countermeasures in development of Chinese and Russian e-commerce, analysis on development potential of e-commerce between China and Russia.

5 The list of visuals contains tables and figures.

6 The date of setting the assignment is 29.11.2019.

Academic adviser _____ / Rozhkova L.V. /
(signature) (full name)

The assignment was accepted by Master's degree student _____ / Du Yumei /
(signature) (full name)

Schedule for completing the graduation thesis

No.	Content of the thesis	Deadline for completion	Due date, signature of the academic adviser
First year of study			
1	Analysis of scientific literature, choice and updating of the research topic	01.09.2019 – 28.11.2019	
2	Framing the scientific concept of research	29.11.2019 – 12.01.2020	
3	Devising the detailed plan of the first chapter and draft of the thesis	13.01.2020 – 23.02.2020	
4	Conducting theoretical research within the first chapter of the thesis	24.02.2020– 30.04.2020	
5	Preparing the first chapter of the thesis	1.05.2020– 30.06.2020	
Second year of study			
6	Collection of statistical data and material for the thesis	01.09.2020 – 30.09.2020	
7	Studying new literature sources within the topic of the thesis	01.10.2020 – 31.10.2020	
8	Conducting research within the first and the second chapters of the thesis	01.11.2020 – 31.12.2020	
9	Preparing the second chapter of the thesis	1.01.2021 – 1.03.2021	
10	Preparing the third chapter of the thesis	2.03.2021 – 2.05.2021	
11	Preparing the introduction and conclusion	3.05.2021 – 16.05.2021	
12	Completing the graduation thesis	17.05.2021 – 30.05.2021	
13	Handing in the thesis for compliance control and antiplagiat	31.05.2021 – 9.06.2021	
14	Getting acquainted with the feedback and review	10.06.2021	
15	Presenting the written thesis	11.06.2021	

Academic adviser _____ / Rozhkova L.V. /
(signature) (full name)

The assignment was accepted by Master's degree student _____ / Du Yumei /
(signature) (full name)

Summary

The graduation thesis comprises 71 pages, 3 chapters, 10 figures, 3 tables, 63 sources. E-COMMERCE, CHINA, RUSSIA, EXPORT, IMPORT, SWOT-ANALYSIS OF E-COMMERCE, POTENTIAL OF E-COMMERCE.

The target of research is to analyze the current situation and future development of cross-border e-commerce between China and Russia.

The goal of work is to study through the analysis of various cross-border e-commerce transaction modes and characteristics explore the development mode of Sino Russian cross-border e-commerce, the development experience of cross-border e-commerce in foreign developed countries and domestic pilot areas, based on the actual one of "one belt, one road" and the development of cross-border e-commerce between China and Russia.

The methodological framework of the paper is formed by the complex of theoretical and practical methods such as theoretical and empirical research, analysis and synthesis, statistical processing of information, as well as special research methods - dynamic and structural analysis, comparative legal method.

The results of research include: current situation of cross-border e-commerce development and the advanced experience of cross-border e-commerce development at home and abroad, and puts forward targeted and feasible measures for the development of cross-border e-commerce between China and Russia; compares and analyzes the current situation and trend of e-commerce at home and abroad, and puts forward feasible suggestions for the development of e-commerce between China and Russia.

The novelty of the work is analysis and research of e-commerce and cross-border e-commerce according to the latest authoritative data, the latest research reports, the latest national policies, the latest cross-border e-commerce model, and the latest topics and changes of e-commerce, it has a strong timeliness and is the most cutting-edge research report; supplement a series of aspects of cross-border e-commerce, such as market mode, operation mode, customs clearance, payment method and logistics

The theoretical relevance of the thesis is established by collection, sorting and analysis of relevant documents, we can master the research trend of cross-border e-commerce as a whole, classify and summarize the related literature fields, extract the research focus, and find the research direction of this paper as a whole.

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Introduction

Under the background of economic globalization, the exchanges and cooperation between countries are becoming more and more frequent, and the economic interaction is becoming more and more Omni-directional, multi field and deep-seated. With the support and development of Internet big data technology, cross-border e-commerce trade is no longer limited to the national level of business interaction, but is accepted by the general public and becomes a part of lifestyle. In 2013, China silk Xi Jinping's president proposed the proposal to build the new Silk Road Economic Belt and the maritime Silk Road twenty-first Century, which is aimed at benefiting all mankind. In 2015, under the joint testimony of general secretary Xi Jinping and President Putin, China and Russia signed and published the joint statement on the docking and cooperation of the construction of the Silk Road Economic Belt and the Eurasian Economic Union. The "one belt, one road" has risen to a strategic height of its own height, leading to the same economic and trade alliance. This milepost initiative has helped to build a great leap forward development of Sino Russian trade infrastructure, and also made full preparations for the upgrading of cross-border electronic trade between the two countries.

Sino-Russian cross-border e-commerce cooperation has a history of more than 20 years. It has become a new topic of Sino-Russian economic and trade cooperation to analyze the characteristics and laws of Sino Russian cross-border e-commerce cooperation, study the advantages and conditions of Sino Russian cross-border e-commerce, develop the trade potential of Sino-Russian cross-border e-commerce, and maximize the promotion of Sino-Russian trade to a new height.

The research objects of this paper are China and Russia. It mainly studies and analyzes the e-commerce trade between China and Russia.

The research purpose of this paper are: First, by analyzing the current situation of the development of cross-border e-commerce between China and Russia, this paper finds out the problems and shortcomings of the current development of cross-border e-commerce between China and Russia. Second, through the analysis of various cross-border e-commerce transaction modes and characteristics, this paper explores the development mode

of Sino Russian cross-border e-commerce. Third, by studying the development experience of cross-border e-commerce in foreign developed countries and domestic pilot areas, based on the actual one of "one belt, one road" and the development of cross-border e-commerce between China and Russia, relevant countermeasures are put forward to facilitate the development of cross-border e-commerce in China and Russia. Last, through one belt, one road, the analysis of cross-border electricity suppliers between China and Russia will produce pertinent series of research results, which will provide a theoretical basis for the better development of Sino Russian cross-border electricity providers. And provide decision-making basis for Chinese governments at all levels.

The theoretical significance of this paper is as follows: firstly, comparative analysis of the cross-border e-commerce environment between the two countries is carried out with reference data and relevant theories, which provides a solid theoretical basis for the study of the market environment in this paper. Second, based on the development situation of the two countries, the One Belt And One Road initiative will objectively review several positive aspects of cross-border e-commerce between China and Russia. Thirdly, combining with the current situation and problems of cross-border e-commerce in the two countries, the current bottleneck of the two countries is analyzed to lay a foundation for the following countermeasures. Fourthly, in view of these dilemmas, it puts forward new ideas on how to break through the dilemmas, and puts forward development modes and countermeasures that are in line with the national conditions according to the current situation and existing problems of the development of China-Russia cross-border e-commerce, so as to enrich its theoretical system to a certain extent. Practical significance: First, the spirit and "One Belt And One Road" requirements of the 19th National Congress of the Communist Party of China have been fully considered, and the policies and measures in the field of e-commerce have been reviewed, so as to provide reference and basis for the formulation of major cross-border e-commerce policies by the National Development and Reform Commission and the competent commercial authorities, and to provide theoretical support for the reform and innovation of the development model of China-Russia cross-border e-commerce. Second, it can provide a basis for e-commerce, cross-border e-commerce, logistics and financial services and other related enterprises, so that relevant enterprises can better understand the

current situation and existing problems of the development of China-Russia cross-border e-commerce, and establish a legal, efficient and convenient business cooperation model. Third, it can provide a new way of thinking for strategic repositioning, industrial layout and business strategy of China-Russia cross-border e-commerce, and break through the bottleneck of imperfect policies and systems in the development of cross-border e-commerce.

This paper takes China-Russia cross-border e-commerce as the research object. In view of the strategic problems of the development of China-Russia e-commerce, this paper analyzes the current situation of the development of China-Russia e-commerce by using the relevant parameters of China-Russia e-commerce, summarizes the existing problems in the development of China-Russia cross-border e-commerce, and puts forward the countermeasures for the development of China-Russia cross-border e-commerce. And potential analysis of the future of e-commerce. Through cross-border e-commerce at the national level, further accelerate the development of China-Russia trade, realize the complementary advantages of resources between China and Russia, and promote the economic development of China and Russia; Promote the economic development of port areas, and promote the economic development of China and Russia. At the regional level, it provides strong guidance for Chinese SMEs to develop cross-border e-commerce between China and Russia.

The main research methods: through the collection, sorting and analysis of relevant documents, we can master the research trend of cross-border e-commerce as a whole, classify and summarize the related literature fields, extract the research focus, and find the research direction of this paper as a whole; through the summary of the information, the paper summarizes the current situation of cross-border e-commerce development and the advanced experience of cross-border e-commerce development at home and abroad, and puts forward targeted and feasible measures for the development of cross-border e-commerce between China and Russia; the paper compares and analyzes the current situation and trend of e-commerce at home and abroad, and puts forward feasible suggestions for the development of e-commerce between China and Russia.

The novelty of the work are: first, this paper focuses on the analysis and research of e-commerce and cross-border e-commerce according to the latest authoritative data, the latest research reports, the latest national policies, the latest cross-border e-commerce model, and the latest topics and changes of e-commerce, it has a strong timeliness and is the most cutting-edge research report; second, this paper studies and supplements a series of aspects of cross-border e-commerce, such as market mode, operation mode, customs clearance, payment method and logistics. It makes up for the lack of previous scholars' research, systematically analyzes, summarizes and summarizes the problems involved, and puts forward specific countermeasures for the problems. The content is relatively comprehensive and complete, with operability; third, it is forward-looking to forecast and prospect the future development trend of e-commerce trade between China and Russia. It has a certain guiding significance for the development policy formulation and strategic research of e-commerce trade between China and Russia.

Chapter 1 Current situation of e-commerce development in China and Russia

1.1 The research status of e-commerce in China and Russia

Through CNKI, there are 127 results on the keywords of "Sino Russian cross border e-commerce", among which 101 are academic journals. The research in this field began in 2014, and these articles were first published in 2015, most of which were journals, with only 11 master's theses. Yandex, Russia's largest search website, queries the keywords of "cross border e-commerce cooperation between China and Russia", and can display less than 50 papers. Thus, under the one belt, one road, the development of cross-border electric business between two countries is not thorough, and the depth of research needs to be further expanded.

Research on cross border e-commerce cooperation between China and Russia: Although the cross-border e-commerce between China and Russia started soon, it has been favored by economists, so there are relatively more cooperative researches between the two countries. Scholar Karpov (2015) analyzed from the perspective of competitors that the market share of cross-border e-commerce in China and Russia will continue to grow, and well-known brand stores will benefit from the competition between traditional trade and online e-commerce platforms. The network creates a mixed business model, which helps the sales of the two countries through online and offline technology. Therefore, the key way to speed up the development lies in the improvement of talent training, the enhancement of translation tools, and the multilingual development of payment tools. Kharitonov A. (2016) believes that Russia's economic structure is unbalanced, and China's manufacturing export potential has an advantage over Russia. Therefore, under the guidance of comparative advantage, more large-scale electronic platforms should be established for commodity exchange [27, p. 32].

A similar scholar Dimitrov (2017) believes that the complementary economy and resources between China and Russia have laid the foundation for the development of cross-border e-commerce and promoted the cooperation between China and Russia. It is

necessary to overcome trade barriers and strengthen cooperation between China and Russia in infrastructure, so that consumers can obtain low-cost and high-quality goods and services.

Research on the disadvantages of Chinese and Russian E-commerce: Due to the particularity of the two countries' environment, the dilemma of e-commerce cooperation has always existed and attracted much attention. The scholar Olennikova A. (2017) highlighted that one of the characteristics of cross-border e-commerce is virtuality, so relevant laws and regulations need to regulate and guide the phenomenon of information asymmetry, eliminate ODR, and promote the development of e-commerce in the two countries [34, p. 29]. According to Geshelev (2015), since 2012, Russian consumers have bought Chinese goods, including food, luxury goods and electronic products. Russia has no large-scale network platform to promote the internationalization of Russian brands. The retail products exported to foreign countries have complex procedures, high customs clearance costs, high document costs, and lack of unified data collection and processing methods, and strict and complete supervision. Agyev (2017) believes that it is necessary to promote Yandel's online payment platform and third-party payment in China. In addition, Chinese enterprises are encouraged to cooperate with Russian banks to realize online real-time payment and improve trade efficiency. This kind of literature makes a detailed introduction to the dilemma of the two countries. In the context of one belt, one road brings new ideas to the problem.

The one hand "one belt, one road" background, the impact of cross-border electricity supplier between China and Russia:

One belt, one road, is a strategic dividend of the "Internet plus" framework signed by the Russian and Chinese postal companies, according to Decker R (2015). And strengthening the logistics cooperation between the two countries can achieve the purpose of consumers tracking express routes online [17, p. 212]; China has also analyzed one belt, one road, the other factors that influence cross-border electricity providers, and provided the Chinese government with strategies and suggestions to accelerate the development of cross-border e-commerce in China and Russia. This kind of article mainly analyzes the cooperation between the two countries in logistics, but less on the current situation and environment of cross-border e-commerce between the two countries. With the further

expansion of the impact of the initiative, the promotion of the two countries is reflected in all aspects.

Research on Influencing Factors of cross border E-commerce: Cross border e-commerce has developed for a long time, and there are many literatures in this field. Most of them adopt empirical analysis methods to demonstrate the influencing factors of cross-border e-commerce. One belt, one road, was analyzed by scholars Wang (2018). Scholar Li Yan (2018) selected 6 indicators one by one to analyze one cross-border trade in one belt, one road along the border. The results showed that government policy transparency and Internet penetration had positive effects on the scale of transactions in the countries along the border [30, p. 2]. The scholar Liu Yu (2018) used the grey correlation analysis method for empirical analysis, and concluded that there are five major factors influencing the development of cross-border e-commerce between China and Russia. But these factors are playing a positive role, so the development of cross-border e-commerce in the two countries is also in a good situation. Similarly, some scholar Huang Waojing (2018) used SWOT analysis method to analyze cross-border e-commerce between China and Russia. The analysis of the influencing factors of cross-border e-commerce, especially the cross-border e-commerce between China and Russia, provides ideas for the text to elaborate the current situation and environmental analysis of cross-border e-commerce between the two countries. Most of the previous scholars focused on the empirical analysis of various factors, lack of in-depth study of countermeasures and suggestions [22, p. 107].

One belt, one road policy dividend study: Because the "one belt, one road" initiative has not been put forward for a long time, there are relatively few studies in this area. One belt, one road, is Wang Chao (2017) taking Alibaba enterprises as an example. The SWOT analyzed the internal and external impacts of the "one belt and one road" environment for cross-border trade facilitation [51, p. 2]. Scholar Wei Feiqiong (2017) elaborated the one belt, one road initiative of China, which has brought about three advantages to cross-border electricity providers in China: policy support, logistics construction and market development. It also analyzes the existing constraints of the countries along the line, such as short board of infrastructure, limited market scale and regional differences. Finally, we

use quantitative analysis of the impact of policy dividend on cross-border e-commerce and put forward suggestions [52, p. 34].

Obstacles and Countermeasures of cross border e-commerce between China and Russia: Scholar Liu Yi (2018) in one of the "one belt, one road" environment, we analyzed the logistics of China and Russia in the context of logistics dilemma. Logistics between the two countries has always been a bottleneck for cross-border e-commerce. Scholar Zhu Guoyin (2016) proposed building one belt, one road, to ease the payment dilemma. Similarly, one belt, one road scholar Zou Feng (2016) proposed the three major predicaments of "one belt and one road", including logistics, payment and fake goods, and made recommendations for them. From one belt, one road, five other aspects, railway facilities, aviation facilities, freight trains, pipeline facilities and port construction have been summed up. Under the initiative of "one belt and one road", all countries are committed to building and improving logistics and hardware and software facilities, and promoting the construction of cross border logistics system. One belt, one road environment, which provides a new solution to the dilemma. This paper has a strong guiding role in the development of cross-border e-commerce between China and Russia. [36, p. 36]

Experience of cross-border e-commerce development: Scholar Yang Ying (2018) selected the successful experience of foreign countries such as the United States, the European Union and Japan, joined the development examples of Hangzhou and Guangzhou in her country, and summarized the successful experience, which played an enlightening role for the future development of China-Russia cross-border e-commerce. Foreign literature focuses on the comparison and cooperation between the two countries, and analyzes the prospect, contradiction and future direction of e-commerce between China and Russia in segments. Domestic scholars focus on the combination of China's cross-border e-commerce and China's policies. There are few comprehensive articles that compare the environment of the two countries and make up for the disadvantages in combination with the advantages of China's policies. There are few articles that make in-depth analysis in combination with the actual development. There is a lack of systematic literature and monographs, and a complete theoretical system suitable for the large-scale promotion of China-Russia cross-border e-commerce has not yet been formed. This paper summarizes

previous researches on relevant fields by scholars, lists the positive aspects brought by the "One Belt And One Road" initiative to cross-border e-commerce of the two countries, makes a comprehensive analysis of its disadvantages after comparing the market environment of the two countries, and then puts forward suggestions based on its advantages and disadvantages. Both domestic and foreign literatures have some studies on the difficulties of cross-border e-commerce cooperation between the two countries. However, with the introduction of the "One Belt And One Road" initiative, cross-border e-commerce continues to improve, and the research on this will gradually be enriched. The two countries are faced with many new opportunities and new ideas on the difficulties. There is relatively little literature on the subject.

The development status of e-commerce in China: Currently, the world's largest Internet company is Hangzhou-based Alibaba Group. At the time of its initial public offering on the New York Stock Exchange on September 22, 2014, Alibaba was valued at 25 billion dollars [2].

According to statistics from the China Internet Network Information Center, In 2015, China had 689 million Internet users, and the Internet penetration rate was 50.3 %. After five years of development, the number of Internet users in China reached 989 million by December 2020, an increase of 85.4 million compared with March 2020, and the Internet penetration rate reached 70.4 %. 5.9 percentage points higher than that in March 2020 [8].

Among them, the number of rural Internet users was 309 million, an increase of 54.71 million compared with March 2020. The Internet penetration rate in rural areas was 55.9 %, 9.7 percentage points higher than in March 2020. As a result, more than half of China's population is using the Internet, including children and the elderly as well as residents in remote rural areas.

Online retail ranked first in the world for eight years in a row, vigorously promoting the "double cycle" of consumption. Since 2013, China has become the world's largest online retail market for eight consecutive years. China's online retail sales reached 11.76 trillion yuan in 2020, up 10.9 % from 2019. Among them, online retail sales of physical goods reached 9.76 trillion yuan, accounting for 24.9 % of total retail sales of consumer goods.

By December 2020, China's online shopping users had reached 782 million, an increase of 72.15 million compared with March 2020, accounting for 79.1 % of the total Internet users.

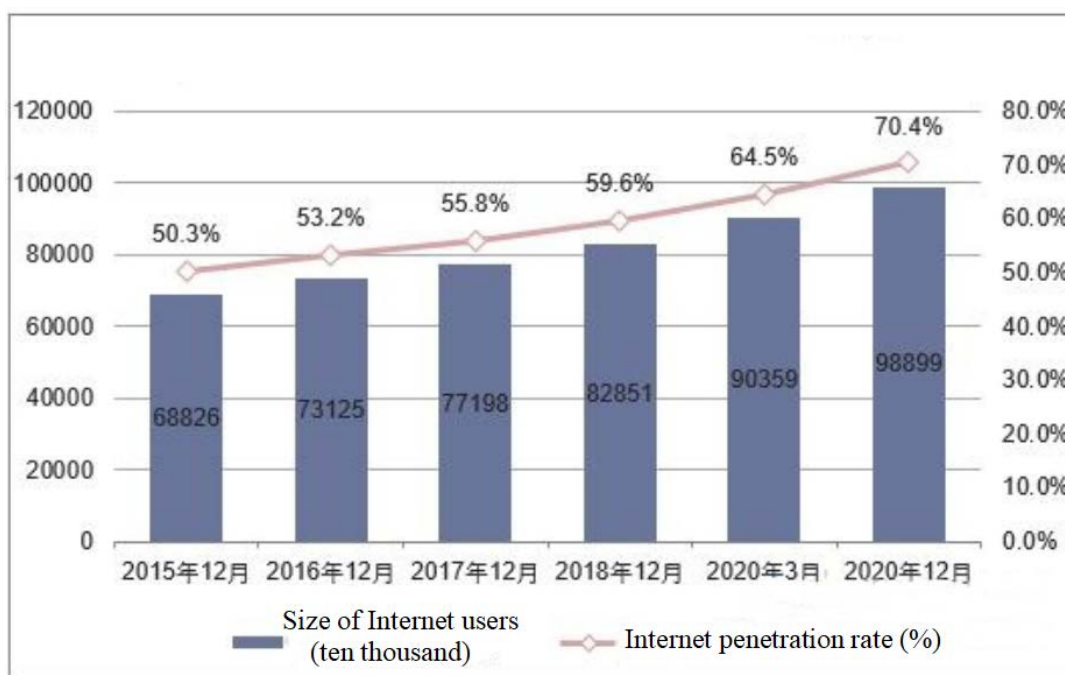


Figure 1.1 – Size of China's Internet users and Internet penetration rate in 2015– 2020 [14]



Figure 1.2 – Ratio of Urban and Rural Internet Users in China in 2016–2020 [15]

With the development pattern of domestic cycle as the main body and domestic and international double cycle taking shape at a faster pace, online retail continues to foster new

drivers of the consumer market and promote the "double cycle" of consumption by helping to upgrade the "quality" and "quantity" of consumption. In terms of domestic consumption cycle, online retail activates urban and rural consumption cycle; Cross-border e-commerce has played an important role in stabilizing foreign trade. In addition, network live broadcasting has become a new digital economy model of "online drainage + physical consumption" and achieved vigorous development. Live streaming e-commerce has become a popular shopping method among users, with 66.2 % of users purchasing live streaming products.

The use of online payments has reached nearly 90 %, and the pilot process of digital currencies has led the world. By December 2020, China's online payment users had reached 854 million, an increase of 86.36 million compared with March 2020, accounting for 86.4 % of the total Internet users. By integrating supply chain services, online payment assists merchants to accurately push information, facilitates the digital transformation of small and medium-sized enterprises in China and promotes the development of digital economy. Mobile payment is deeply integrated with inclusive finance, and the gap between east and west of China and between urban and rural areas is narrowed through universal application, so as to promote the universal benefit of digital dividend and improve the availability of financial services. In 2020, the digital currency of the central bank has been tested in Shenzhen, Suzhou and other pilot cities, and achieved initial results. In the future, digital currency will further optimize its functions, cover more consumption scenarios, and provide more digital life convenience for netizens.

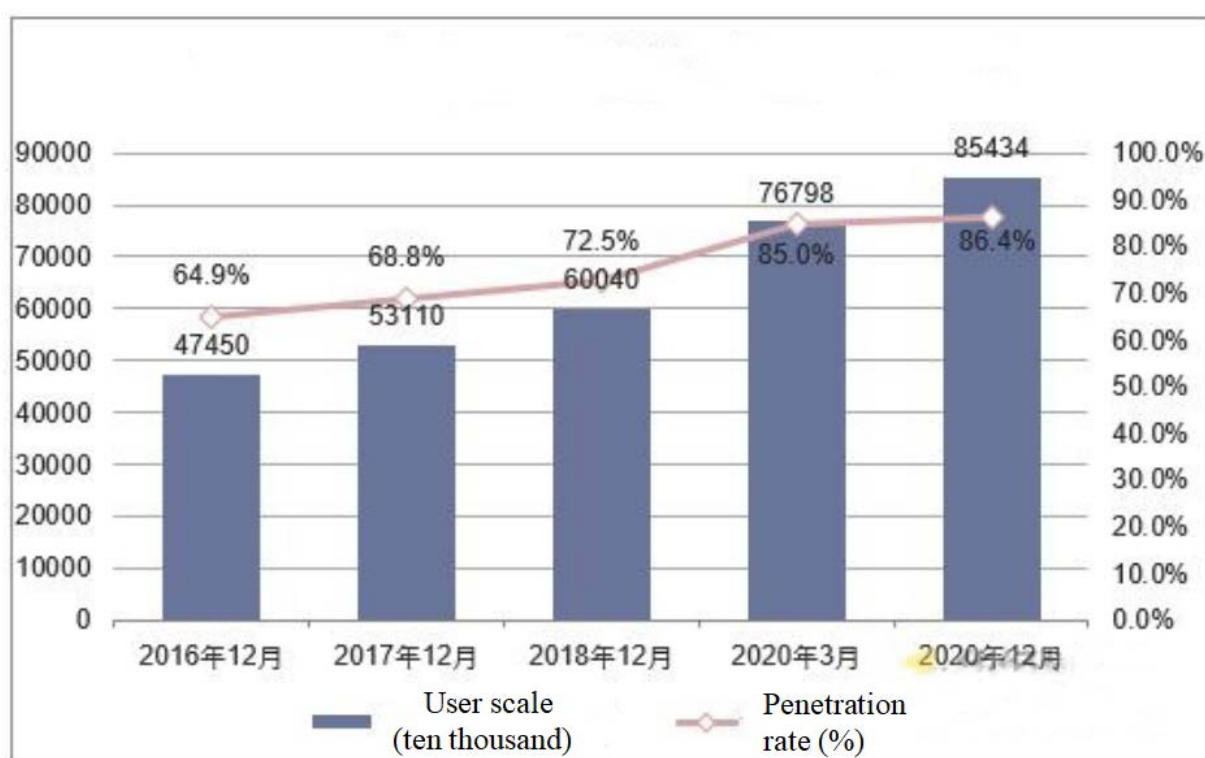


Figure 1.3 – Scale and penetration rate of online payment users in China during 2016–2020 [16]

The market value of listed enterprises hit a new high, and the trend of cluster development is obvious. As of December 2020, the total market value of China's listed Internet companies at home and abroad reached 16.80 trillion yuan, an increase of 51.2 % compared with the end of 2019 and a new record high. China's Internet and information unicorns totaled 207, an increase of 20 from the end of 2019. Clusters of Internet companies are taking shape. In terms of the concentration of enterprise market value, the market value of the top 10 Internet companies accounted for 86.9 % of the total, up 2.3 percentage points from the end of 2019. In terms of city distribution, Beijing, Shanghai, Guangdong, Zhejiang and other places are home to about 80 % of listed Internet companies and Internet unicorns. At present, China's capital market system is gradually improving, market inclusiveness and coverage are increasing, and more local governments are also actively cultivating local innovative startups and unicorns, which is expected to eventually form a "4+N" development pattern.

Under the influence of the epidemic, the "house economy" has risen, and the sales of stores have been impacted. Live broadcasting with goods has become the first choice for

brand marketing and return to work. According to the Statistical Report on China's Internet Development, the number of live streaming users of e-commerce in 2020 is 388 million, and users who have purchased goods account for 66.2 % of the total users. Data from KPMG and Alibaba Research Institute also show that the overall scale of live streaming e-commerce will exceed one trillion yuan in 2020 and is expected to approach 2 trillion yuan in 2021.

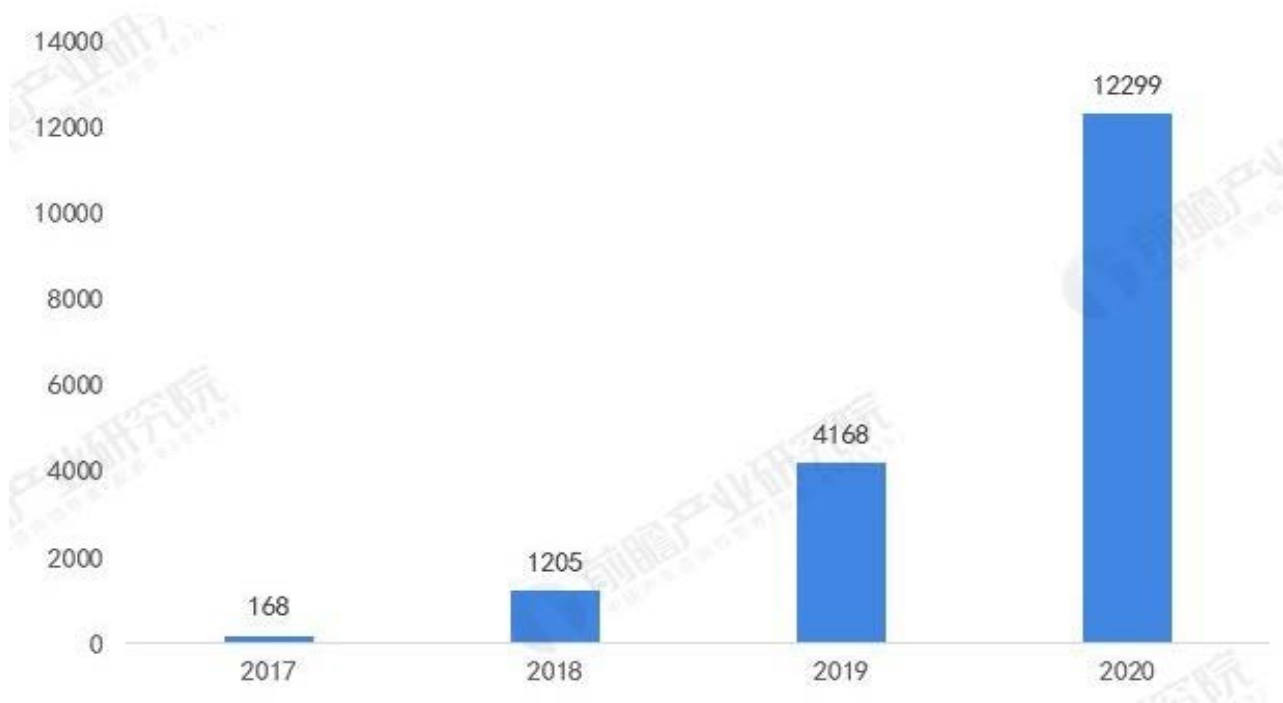


Figure 1.4 – Market Size of China's E-commerce Live Broadcast Industry from 2016 to 2020, 100 million Yuan [26]

In recent years, China's e-commerce industry has developed rapidly. The data show that from 2010 to 2019, the scale of e-commerce transactions has increased from 4.8 trillion yuan to 34.81 trillion yuan, with an average annual compound growth rate of 25 %. In 2020, the national e-commerce turnover reached 37.21 trillion yuan, up 4.5 % [8].

To sum up, China has a leading edge in computer and telecommunication equipment as well as e-commerce.

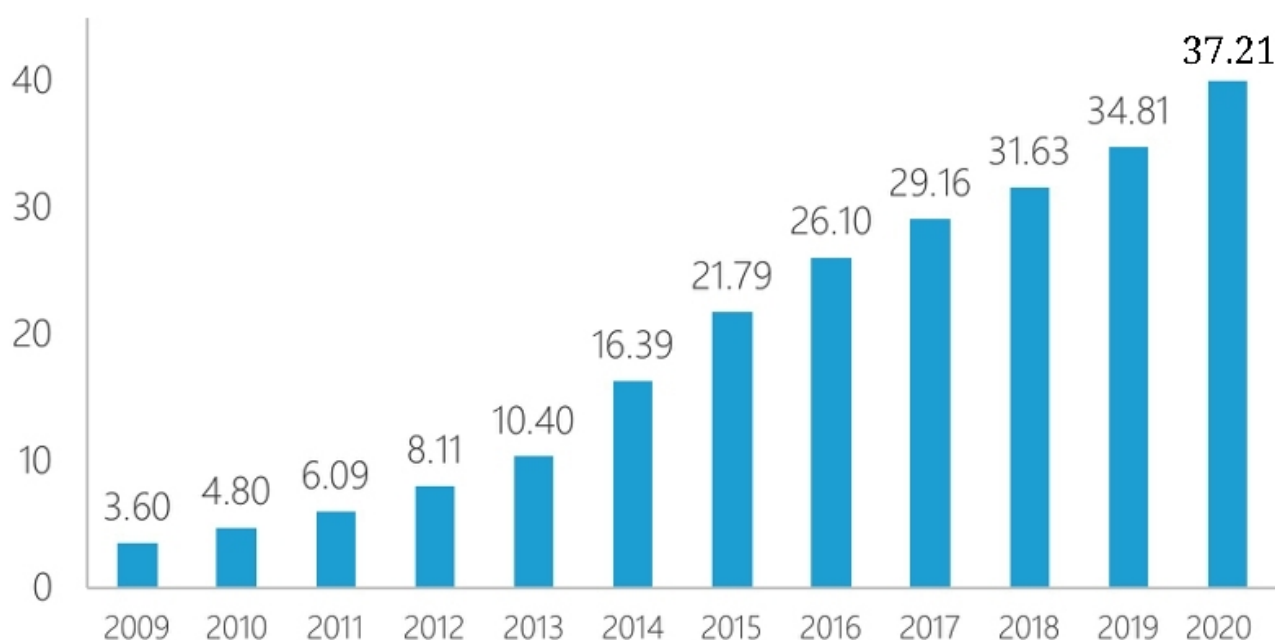


Figure 1.5 - China's e-commerce transactions [20]

In order to promote the development of cross-border e-commerce between China and Russia, the customs of China and Russia have actively cooperated. On August 8, 2014, the pilot of mutual recognition of regulatory results was launched at Suifenhe-Boggranichny and Dongning-Poltafka ports, which greatly saved the time of customs clearance and enhanced the level of trade facilitation. In September of the same year, China and Russia decided on the "Green Channel" project, offering preferential customs clearance measures to enterprises and greatly reducing the time for customs clearance and cargo inspection. In April 2015, the China-Russia cross-border e-commerce customs clearance service platform was officially opened in Suifenhe, marking the comprehensive upgrade of the China-Russia cross-border e-commerce service platform. In the same year on September 3, customs between China and Russia signed the General Administration of Customs of the People's Republic of China and the Russian federation of customs about the container shipping trade in goods supply chain security and convenience of the protocol, aimed at by the two sides in logistics information resource sharing and exchange, improve the operational efficiency of the customs, to speed up the goods the customs clearance time [54, p. 43].

In the first half of 2015, Russia Post handled 49 million international parcels, a year-on-year increase of 0.5 times. About 80 % of its international business comes from China. In 2015, the Russian cross-border e-commerce market was worth about \$7 billion, of which 4.4 billion dollars was from China to Russia [22, p. 108]. According to the statistics of the Russian E-commerce Association, overseas orders of cross-border online shopping in Russia increased to about 245 million in 2016, with 90 % of the orders coming from China. On average, more than 500,000 parcels are sent from China to Russia every day. According to a report on the development of cross-border e-commerce between China and Russia, Chinese online stores accounted for more than 90 % of inbound parcels from 2013 to 2016, up from 60 %. According to the statistics of Yandex Pay, Russia's largest electronic payment service provider, the number of goods ordered by Russian netizens from China in 2016 was 78 % higher than that of 2015, the total amount of consumption on Chinese online stores increased by 1.8 times, and the number of Chinese online store customers in Russia increased by 38 %. In addition, during the "Singles' Day" in 2016, Russian users spent 2.5 times more money on cross-border e-commerce platforms than in the same period in 2015. At present, Chinese online stores have become the most popular foreign online stores among Russian consumers, and the cross-border e-commerce between China and Russia is increasing by 50 % every year.

According to the Russian E-commerce Association, the volume of transactions in the Russian e-commerce market reached 1 trillion rubles in 2017, of which 374.3 billion rubles were purchased from foreign e-commerce companies, and goods from Chinese e-commerce companies accounted for nearly 90 %. According to a survey by Yandex Payment of Russia (Russian E-commerce Association), on November 11, 2017, the consumption amount of Russian people in China's online stores increased by 4 times compared with the same period last year, and the number of buyers was 4.5 times that of 2016. The average single payment amount increased by 23 % compared with the same period last year, which shows that Russians have a high acceptance of the e-commerce festival. In the first half of 2017, orders from Russians shopping online for Chinese goods increased fivefold compared with 2016, according to data released by Yandex. Chinese online retailers collecting money through Yandex increased their revenues by 94 %. According to Statista, Russia's e-commerce

market reached 18 billion dollars in revenue in 2018 and is expected to reach at least \$23 billion in market transaction volume by 2021.

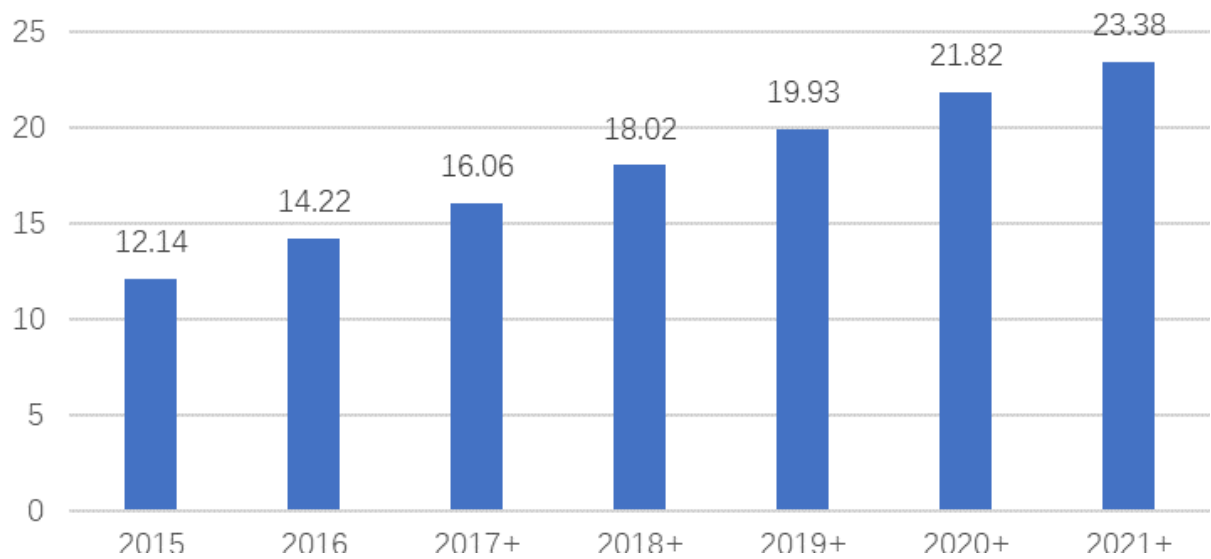


Figure 1.6 – B2C e-commerce sales in Russia from 2015 to 2021, billion dollars [43]

According to Eshopworld, Russia's e-commerce user penetration reached 56.12 % in 2018.

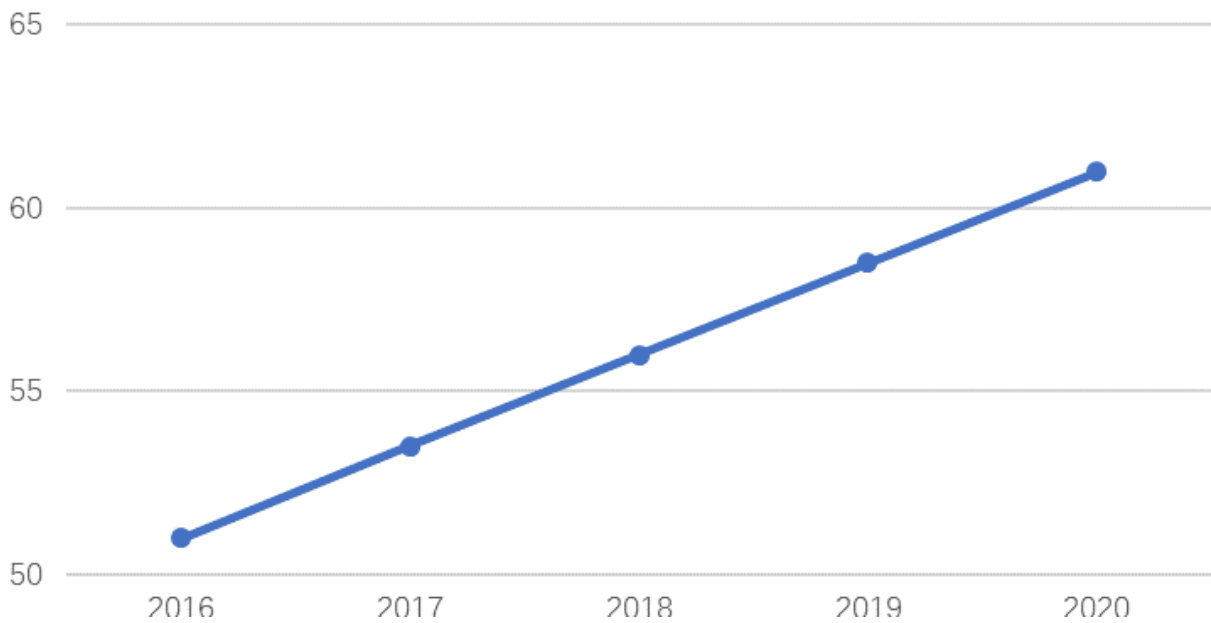


Figure 1.7 – e-Commerce User Penetration, % [49]

Before the "Double 11" in 2019, the national flagship store of Russian Food was the first to enter Tmall. On this exhibition, Russia also launched a "national gift box" for Chinese consumers, as the "token" of bilateral exchanges. The latest research report shows that in 2019, the proportion of Russian online shopping people increased by 10 %. Forty-two % of Russians regularly shop online, double the number five years ago. Sergei Ovzhnikov, a partner at analytics firm PivotPerspective, said the Russian ecommerce market was "exploding". Russian online shopping platform "Aosong" CEO Shulkin analysis said that the Russian Internet users have reached 95 million, and the e-commerce market only accounted for 6 % of the national retail industry, there is a huge potential for development[9]. Influenced by the epidemic in 2020, the "house economy" will also promote the rapid growth of electronic products' export to Russia. Data from the Ministry of Commerce showed that exports of Chinese-made laptops and tablets to Russia increased by 39 % and 29 %, respectively, last year, and Chinese-branded smartphones topped the Russian market by sales [25]. AliExpress entered the Russian market in 2012 and has become one of the most popular e-commerce platforms there. According to AliExpress general manager Wang Mingqiang, AliExpress generates more than 700,000 parcels sent to Russia on average every day, and one in six Russians uses AliExpress.

In terms of trade structure, in China's imports from Russia in 2020, petroleum, natural gas, iron ore and other mineral products accounted for 64.5 %, with a scale of 36.91 billion dollars, followed by base metals and products accounting for 11.6 %, wood and products accounting for 6.5 %, and animal products accounting for 3.9 % [10].

In China's export trade to Russia, mechanical and electrical products accounted for the most, reaching 20.94 billion dollars, 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 %.

On the whole, energy, agricultural products, medical devices, light industrial products and machinery and equipment still occupy an important position in China-Russia trade, and the bilateral trade structure has certain characteristics of complementarity.

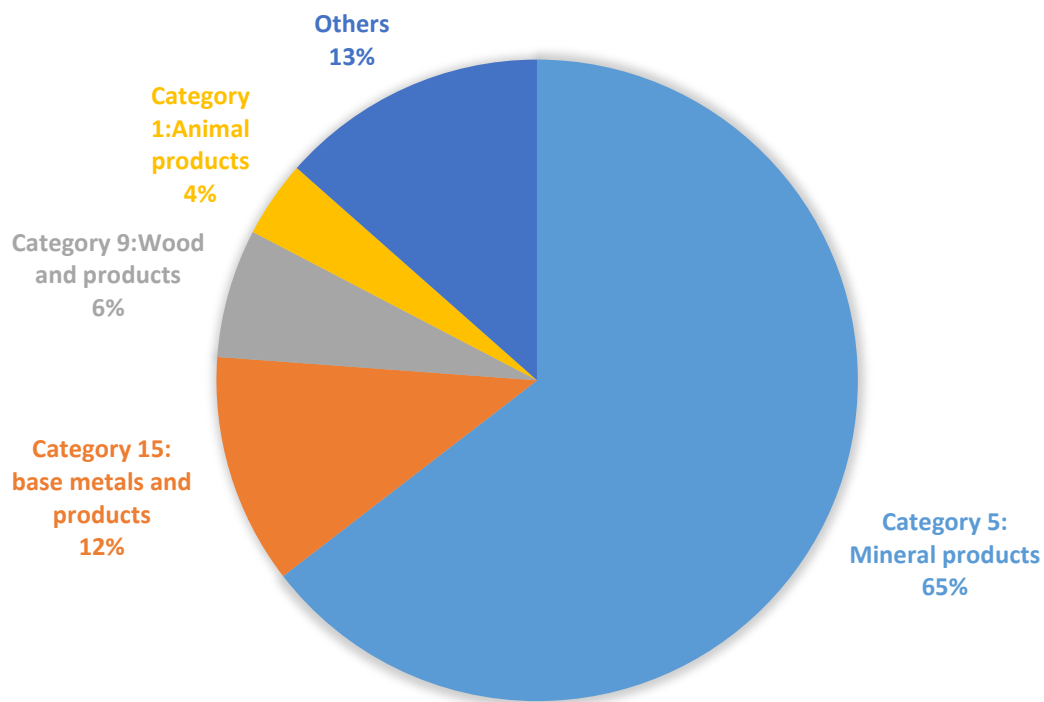


Figure 1.8 – Structure of China's Import Trade with Russia in 2020, %)
[Collated by the author]

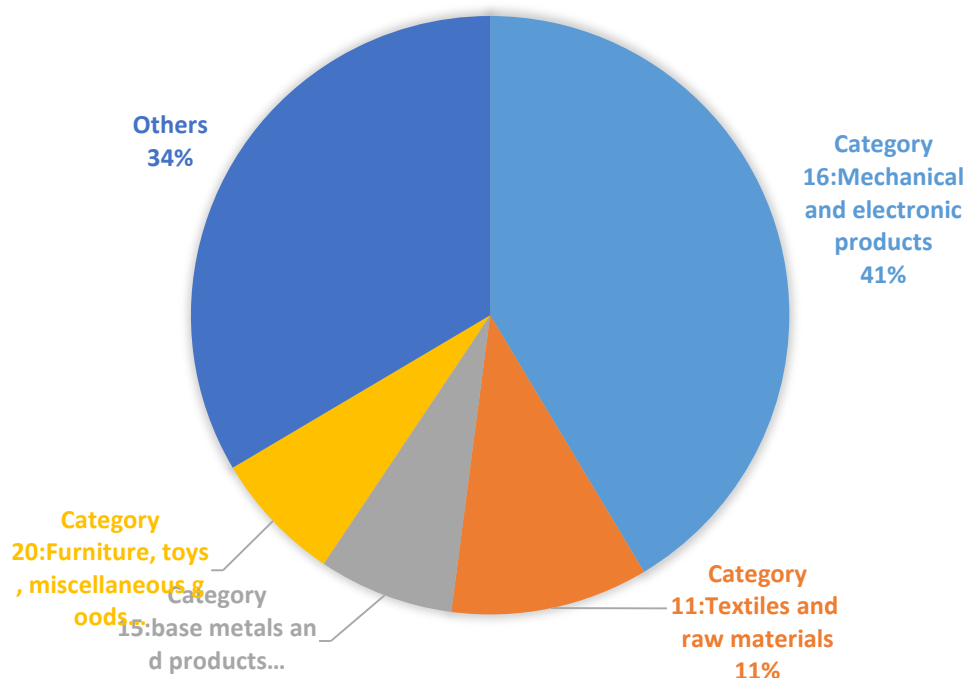


Figure 1.9 – Structure of China's Export Trade to Russia in 2020, %
[Collated by the author]

Common patterns of e-commerce: The common types of e-commerce are as follows: B2C, B2B, C2C, C2B, O2O, BOB, B2Q, B2G.

B2C: Electronic commerce between businesses and consumers (Business to Customer, namely B2C). This is a form of direct participation in economic activities by consumers using the Internet, similar to the electronic retail commerce. With the advent of the Internet, online sales have developed rapidly.

B2B: Between enterprises and enterprises of electronic commerce (Business to Business, or B2B). B2B is the most widely used form of e-commerce and the most valued by enterprises. Enterprises can use the Internet or other networks to find the best partner for each transaction and complete the whole transaction behavior from ordering to settlement.

C2C: Between consumers and Consumer e-commerce (Consumer to Consumer, the C2C). C2C business platform is to provide an online trading platform for both buyers and sellers, so that sellers can take the initiative to offer commodities online auction, and buyers can choose their own commodities for bidding.

C2B: Between consumers and enterprises of electronic commerce (Consumer to Business, namely C2B). Usually, consumers customize products and prices according to their own needs, or actively participate in product design, production and pricing. Products and prices reflect consumers' personalized needs, and manufacturers carry out customized production.

O2O: The combination of Online and Offline e-commerce (Online to Offline, namely O2O). O2O through online shopping guide machine, the Internet and the ground store perfect docking, to achieve the Internet landing. Let consumers enjoy online preferential prices at the same time, but also enjoy offline intimate services.

BOB: An electronic commerce model in which an Operator transacts goods or services between a supplier and a purchaser. The core purpose is to help those who have a brand awareness of small and medium-sized enterprises or channels who can have the opportunity to build their own brand, to achieve their own transformation and upgrading.

B2Q: B2Q (enterprise online shopping to introduce quality control), the two sides of the transaction online to sign the intention of the transaction contract first, after signing the bill according to the buyer's need to introduce a fair third party (inspection, factory

inspection, equipment debugging engineers) for quality inspection and after-sales service [62].

B2G: B2G (Business-to-Government, E-commerce between enterprises and government agencies). B2G mode refers to the operation mode of transaction activities between enterprises and government through the network, such as electronic customs clearance, electronic tax declaration, etc. [60].

B2G is a newly emerging e-commerce model known as "business-to-government." The concept is that businesses and government agencies can use a central website to exchange data and do business with each other more efficiently than they would normally do off the Web.

China's e-commerce development has achieved fruitful results, and the competition among domestic e-commerce enterprises is gradually leveling off. The representative enterprises of various types of e-commerce have acquired relatively stable user groups, and their business direction is gradually turning to fine differentiation and specialization. On the one hand, China's complete e-commerce infrastructure construction provides a boost to the development of e-commerce. China has a complete railway and highway network, so the logistics cost is relatively low, and the developed logistics industry ensures the foundation of online shopping experience. + "on the other hand," the Internet "public entrepreneurship, peoples innovation" policy, provide a good policy for the development of e-commerce opportunities, "Internet +", a large number of traditional businesses involved in e-commerce, through coupling with taobao, jingdong platform, established the system of e-commerce sales, at the same time of benefit consumers, Enriched the number of products on e-commerce websites. The initiative of "mass entrepreneurship and innovation" encourages a large number of entrepreneurs with entrepreneurial ability to join the ranks of e-commerce, which enhances the activity of e-commerce platform through online shop operation and provides a talent base for the development of e-commerce.

In general, B2C business models represented by Taobao, Tmall and Jingdong are standardized and well-known. Xianyu as the representative of the C2C business model extensive transactions, high participation; The new O2O model represented by Xiaomi Mall and net ease Yanxuan develops rapidly and enjoys good experience. Pinduoduo platform, a

"social e-commerce" that diverts from traditional B2C, has gradually become a force that cannot be ignored in China's e-commerce market [53, p. 145].

Russia has a vast territory and it is difficult to establish a national e-commerce website. Therefore, large e-commerce websites in Russia aim at serving regions and provide sufficient support to large and medium-sized cities, but the support to remote areas is relatively backward. Secondly, Russia's e-commerce platform is dominated by B2C model, and the development of C2C model is relatively slow. The core reason is that Russia strictly cracks down on the sale of inferior products that may be mixed with C2C model, resulting in high transaction costs of C2C websites in the operation process. At the same time, Russia's B2C e-commerce sites have yet to form a "single dominant" situation. At present, the top five B2C websites have little difference in volume, sales volume and popularity. With the entry of Chinese and Russian cross-border e-commerce (such as AliExpress), the competition in Russia's e-commerce market is becoming increasingly fierce.

The top five B2C e-commerce sites in Russia include Ulmart, MVideo, DNS-Shop, Wilderberries and Ozon. The above five websites are all self-operated websites. Through direct contact with manufacturers, they focus on the development of high-quality goods under various categories and establish their own logistics system for sales. Their operation mode is relatively similar to that of "Jingdong" and "Tmall" in China. For remote parts of Russia, the sites mainly rely on Russian Post for delivery. In addition to the local B2C e-commerce in Russia, cross-border e-commerce occupies about 25 % of the market share of the Russian e-commerce market, mainly including AliExpress, Amazon and eBay. AliExpress is the global e-commerce website of Alibaba, also known as the international version of Taobao. As of June 2020, more than 3 million users have registered in Russia, accounting for more than 80 % of the overall cross-border e-commerce market in Russia, and its scale even exceeds some local e-commerce enterprises in Russia. In the early operation process, Aliexpress established the initial impression of "high quality and low price" with the help of the extremely low purchase cost in the domestic small commodity market, and quickly gained the recognition of Russian consumers. Its "franchise-style" B2C operation model also prompted a large number of Russian merchants to settle in and open stores. In contrast, e-commerce brands such as Amazon and e Bay do not attach much

importance to the Russian market, and are affected by political and economic factors, so they do not develop well in Russia. In general, the development of cross-border e-commerce between China and Russia is flourishing. Chinese and Russian cross-border e-commerce enterprises, represented by AliExpress, are gradually entering into the life of Russian online consumers and becoming one of their main choices for online shopping [54, p. 144].

B2B is the main mode of bilateral trade between China and Russia. According to 2019 statistics, China's cross-border e-commerce transactions reached 5.4 trillion yuan, of which the export volume was 4.49 trillion yuan. In China's cross-border e-commerce export transactions, exports to Russia account for 4.2 %, and B2B accounts for 83.2 %. In terms of large enterprises, more than 100 3C electronic product manufacturers in China have secured an order amount of 400 million roubles with Russian buyers through cross-border e-commerce channels. In terms of small and medium-sized enterprises, the platform "Russia Preferred", which has been online since 2016, is a cross-border B2B trading platform connecting small enterprises and small wholesalers in Russia and China. The platform helps Chinese brand manufacturers such as Xiaomi, LeHong and Vivo set up distribution channels in Russia, with about 5,000 Russian retailers on the platform. With the continuous deepening of B2B model, diversified payment is also accelerating development. According to a 2018 survey by research firm Mediascope, 71 % of urban Russians between the ages of 18 and 55 use digital wallets to shop online. Popular e-wallets in Russia include Yandex.Money, WebMoney, Qiwi and PayPal, in that order [31, p. 143].

The second is the B2C model. The first comprehensive service platform for cross-border e-commerce between China and Russia was launched in August 2015. Mozido is a global enterprise providing e-commerce payment solutions. The TradeEase platform launched by its subsidiary, PayEase, is the first cross-border B2C e-commerce payment platform between China and Russia. The Russian e-commerce market has attracted the attention of many Chinese e-commerce companies. Alibaba AliExpress, JD.com and other Chinese e-commerce giants are scrambling to dig into the Russian e-commerce market. Many small and medium-sized domestic sellers enter Russia through AliExpress, its official website or third-party platforms. At its peak, Taobao was shipping \$4 million a day to Russia. Chinese e-commerce platform AliExpress is popular among Russian consumers

because of its wide range of products, high quality and low prices, while local e-commerce players such as Wildberries, Lamoda, Eldorado and MVideo are also seeing sales growth rates that are higher than the market average. With the penetration of the Internet, the number of online shoppers is increasing, and the price of online and offline retail is also increasing. Driven by mobile and cross-border e-commerce, Russia's B2C e-commerce market remains strong, with young consumers embracing online shopping as a means and emerging consumers in rural areas rising.

The cross-border e-commerce project actively responds to and implements the national "One Belt And One Road" strategy, aiming to promote the construction of "China-Mongolia-Russia Economic Corridor" through information and intelligent technology, explore the characteristic development path of cross-border electronic transactions with Russia and innovate the cooperation mode.

1.2 Characteristics of e-commerce development between China and Russia and SWOT analysis

China-Russia cross-border e-commerce enjoys a favorable development environment. The Belt and Road Initiative and the WTO are promoting cross-border e-commerce cooperation between China and Russia. Against the background of the resurgence of the anti-globalization trend, the political and economic relations between the two countries are generally stable. Russia is one of the first countries to support and join the "One Belt And One Road" initiative of China. In 2015, China and Russia signed the Joint Statement on Cooperation between the Building of the Silk Road Economic Belt and the Building of the Eurasian Economic Union. The two countries have entered a new stage of comprehensive strategic partnership of coordination. The 2018 China-Russia Joint Statement highlighted the development of cross-border e-commerce between China and Russia as the first priority. Explore new highlights of China-Russia cooperation through cross-border e-commerce trade. The Qingdao Declaration of the Council of Heads of State of the Shanghai Cooperation Organization (SCO) in 2018 emphasized the strengthening of cooperation among all SCO members on cross-border e-commerce. In 2019, the WTO's 76

members, including China and Russia on the basis of the existing WTO agreements, signed with the joint statement about electronic commerce, engage in trade related electronic commerce negotiation and coordination, common for enterprises, consumers and the global economy to create more interests, economy and enterprise cooperation and exchanges between China and Russia have positive external environment [62, p. 212].

The industry structure is mainly platform type. At present, China and Russia there are two main types of cross-border electricity mode, one is the local government to build e-commerce service platform, such as cross-border e-commerce integrated services platform between China and Russia, sino-russian cross-border e-commerce customs clearance service platform, the sino-russian cross-border electricity public service platform, etc., this kind of platform to provide customs clearance policy, business information consulting services, such as less specific trade business activities. The other is based on AliExpress, Alibaba, Jingdong, Dunhuang and other platformer e-commerce enterprises, which provide a series of services such as sales, payment and logistics. In recent years, more types of e-commerce platforms are gradually online, such as Russian products, Russian first-class, but because it is still in the initial stage of development, so the market size is relatively small.

The trade structure is dominated by daily necessities and consumer electronics products. Because of their different economic and resource structures, cooperation between China and Russia can complement each other. Moreover, the cross-border e-commerce between China and Russia maintains the characteristics of traditional trade, mainly focusing on clothing, mobile phones, computers and other products, which account for a large proportion in the cross-border e-commerce trade between China and Russia.

With the rapid development of cross-border e-commerce between China and Russia, the cooperation between companies is getting deeper and deeper. The areas of cooperation have gradually expanded to logistics and payment. In order to achieve a better development of cross-border e-commerce between China and Russia, China and Russia have carried out in-depth exchanges in key parts of cross-border e-commerce development, so as to deepen their cooperation, especially in the logistics of cross-border e-commerce. In 2013, the development of China-Russia cross-border e-commerce established the "Russian Express" logistics platform, which effectively shortened the time limit of China-Russia cross-border

e-commerce logistics. In addition, Chinese e-commerce companies are also actively catering to local people's consumption habits, such as the cooperation with Yandex Pay. In 2018, the total amount of trade between China and Russia has exceeded \$100 billion □ Russia's GDP growth rate has also increased to 2.3 %. Alibaba Group AliExpress has become Russia's largest cross-border e-commerce platform. In 2012, Ali successfully promoted AliExpress in Russia, and in 2018, Ali established AliExpressRussia with RD I F Russian Direct Investment Fund, mobile operator MegaFon and Internet company Mai L.ru. The cooperation between Chinese and Russian companies has developed to the joint venture company with shareholding. The cooperation and penetration between companies has not only promoted the development speed of China-Russia cross-border e-commerce, but also enhanced the stability of cross-border e-commerce development. Therefore, the in-depth cooperation in the field of logistics and payment in the development of cross-border e-commerce between China and Russia has brought the development of cross-border e-commerce between China and Russia to a new level [56, p. 43].

China's manufacturing industry is relatively perfect and developed, with low prices and a wide range of products. Russia's light industry development is relatively backward, while China has a complete manufacturing industry chain and product categories, has a comparative advantage over Russia. Compared with western countries, Chinese products have the advantage of low price and high cost performance. Russian consumers mainly pay attention to lower prices and more diversified categories of goods when shopping on cross-border e-commerce platforms. With such advantages, Chinese products are very attractive to Russian consumers.

The cross-border electronic business model of Chinese e-commerce enterprises is mature. In recent years, cross-border e-commerce model has emerged like a sudden force. According to the monitoring data of China E-commerce Research Center, in 2015, China's cross-border e-commerce transaction scale reached 5.4 trillion, with a year-on-year growth of 28.6 %. A number of well-known cross-border e-commerce enterprises emerged, including AliExpress and Jingdong Mall Global. At the same time, a number of emerging cross-border e-commerce companies such as Lanting, Milan.com and Dalong have risen rapidly. These cross-border e-commerce enterprises carry out external B2B and B2C

business by providing information services, online trading platforms and other forms, and carry out a variety of cross-border trade methods by using mobile APP and other information technologies, thus becoming strong competitors in the cross-border e-commerce market. At the same time, China's e-commerce model has become mature, with Taobao as the representative of the third party platform e-commerce model, the self-operated e-commerce model represented by Jingdong, and the mobile social e-commerce model represented by Pinduoduo can all be used for reference by Chinese and Russian cross-border e-commerce.

Chinese e-commerce has a mature electronic payment system. China's e-commerce electronic payment system is mature, including Alipay, WeChat payment and other electronic payment enterprises, can provide online shopping, life payment, credit card repayment, financial consumption and other multi-scene services, so it is closer to daily life [56, p. 40].

China's e-commerce enterprises face serious competition of low price and homogeneity. In order to cope with the fierce market competition and gain more market share, most Chinese e-commerce enterprises, including AliExpress, adopt the low-price competition strategy. For example, at the end of 2013, AliExpress launched a group buying activity in Russia. Many sellers pointed out that the participation rules of the activity were very strict and the discount requirements were very high, which could be described as a "losing money call". Simply relying on low price strategy to compete for customers is not sustainable, and will eventually lead to the decline of enterprise competitiveness. In addition, the current sales model of most cross-border e-commerce companies in China is typical of "selling products". Since most products are highly similar in style, function, appearance and even price, users have a large choice, which is difficult to cultivate customer loyalty and is not conducive to the long-term development of enterprises.

The logistics distribution in Russia is difficult and inefficient. Russia is a vast country that spans Europe and Asia, and the market is very fragmented. Logistics and distribution are difficult and time-consuming. It takes only three days to deliver goods to Russia from China to the Russian border and 10 days to clear customs, but the delivery time in Russia can be as long as 15 days, and it takes about 28 days before and after delivery. Russian

customs clearance procedures are cumbersome, customs confusion, and even customs clearance needs a special customs clearance company to do. In addition, Russia's infrastructure, logistics network and postal inspection, delivery and so on mostly stay at the level of many years ago, in the face of the explosion of e-commerce packages, processing capacity and experience is seriously insufficient, resulting in a large backlog of goods. Sino-russian cross-border logistics cost is too high, although the connection between the core cities between China and Russia is more closely, but in remote areas of the Russian logistics work is still inadequate, solve the problem, need the sino-russian cross-border electricity as far as possible opened air transport routes, expanding of the amount of goods transport, through economies of scale to reduce logistics costs, or by setting up "outside the warehouse" border, Reduce the distribution distance as much as possible.

The penetration rate of electronic payment in Russia is low and the efficiency of payment link is low. Although online payment methods such as Yandex. Money have grown rapidly in Russia in recent years, there is still distrust of online payments and cash on delivery remains the dominant payment method. The drawback is that it takes 2–3 months for the buyer to place the order until the partner finally transfers the cash to the Chinese enterprise. The cycle of capital recovery is too long, which increases the difficulty for the operation of e-commerce enterprises. The local electronic payment system in Russia is relatively strictly regulated, and the function of electronic wallet is not perfect. International electronic wallet enterprises (such as PayPal) even find it difficult to enter the Russian market. How to open the electronic payment node will become the future development of China-Russia cross-border e-commerce Important work [59, p. 7].

The cross-border e-commerce model between China and Russia focuses on the B2B market. The consumer-oriented B2C market is not fully tapped, and the marginal revenue of B2B market is relatively low. The sustainable development of business has an impact. B2C prices tend to be lower than B2B prices, and because of the lower prices, B2C sales cycles are usually much shorter than B2B sales cycles. It has the characteristics of wide business scope, large coverage and high degree of freedom, and has a good development prospect. It allows businesses and consumers to trade directly, with more flexible habits [47, p.149].

The economic and trade cooperation between China and Russia continues to deepen, and China's favorable policies on cross-border e-commerce appear frequently. With the implementation of China's "One Belt And One Road" and "International Production Capacity Cooperation" strategies, especially the conclusion of the China-Russia Comprehensive Strategic Partnership of Coordination, the economic and trade cooperation between the two countries has been further deepened. In order to promote the regional coordinated development of cross-border e-commerce, China and Russia signed a memorandum of understanding to promote cross-border e-commerce cooperation and actively promote the "Internet plus foreign trade" strategy. At the same time, the Chinese government has issued policies one after another to encourage the development of cross-border e-commerce. Under the favorable policy environment, cross-border e-commerce is expected to see explosive growth. The "One Belt And One Road" initiative provides potential policy dividends and development potential energy for the development of China-Russia cross-border e-commerce. Enterprises need to find a correct position in the deepening of policies, take advantage of policy opportunities to reduce customs clearance costs, and use funds for platform construction as much as possible.

China's cross-border e-commerce entered Russia early and its manufacturing capacity is sufficient. China's cross-border e-commerce entered the Russian market earlier, so it has the "first-mover advantage" of competitive development. The high level of awareness of AliExpress and other platforms in Russia also helps strengthen the brand effect and achieve rapid development. And China is known as the "factory of the world", thanks to its mature and comprehensive manufacturing system, which can grow rapidly. The full production capacity and product system complement each other to produce products that meet consumer needs, and provide support for the development of e-commerce [47, p. 152].

Cross-border online shopping users in Russia continue to increase and cross-border e-commerce develops rapidly. Russia has more than 90 million Internet users out of a population of 146 million, the largest Internet user base in Europe. According to Data Insight, the total number of online shoppers in Russia reached 40 million in 2015, and at least 15 million people spent money on foreign e-commerce sites. According to the research of the Russian E-commerce Association, in the first quarter of 2016, the cross-border online

shopping consumption of Russian residents reached 70 billion rubles, a year-on-year increase of two times; The number of cross-border online shopping parcels by Russian residents reached 48 million, 1.82 times that of the same period in 2015. About 90 % of cross-border online shopping goods in Russia came from China, and the transaction amount accounted for 49 % of all foreign online retailers. Chinese e-commerce platforms have become the favorite online stores of Russians. With the booming development of the Russian e-commerce market and the policy support of the Chinese government for cross-border e-commerce, more and more domestic enterprises are entering the Russian market, which will bring strong impetus to the development of China-Russia cross-border e-commerce. The Internet coverage and penetration rate in Russia are constantly improving, and the development of local e-commerce enterprises also plays the role of "education market". The acceptance of online shopping by Russian consumers is gradually increasing, which is also a good opportunity for the development of China-Russia cross-border e-commerce.

Russia's currency has depreciated and its economic outlook is uncertain. In 2015, influenced by the deterioration of Russian economy, devaluation of ruble and the decline of commodity prices, the total volume of bilateral trade between China and Russia decreased by 27.8 % compared with the previous year, and China's export volume to Russia decreased by 34.4 % compared with the previous year. In 2016, the Russian economy has not improved significantly, and some foreign trade enterprises are still not optimistic about the Russian market. The devaluation of the ruble has a direct impact on the online retail of Chinese cross-border e-commerce enterprises to Russia. Some cross-border e-commerce enterprises to Russia cannot bear the pressure brought by the depreciation of the ruble and start to raise the price of sales, resulting in the loss of many customers and a sharp decline in the order conversion rate of the website.

Fierce competition from Europe, the United States and Russia. With the rise of the Russian e-commerce market, more and more foreign e-commerce enterprises enter the Russian market. Global famous e-commerce companies such as Amazon and eBay actively carry out cross-border online shopping with Russia. In 2012, more than 400 million US dollars of goods were sold to Russia through eBay. In addition, Russia's local e-commerce

websites are developing rapidly. The largest e-commerce platform in Russia, ULMART, achieved a turnover of 62.7 billion rubles in 2015, with a year-on-year growth of 11 %, and its business scope expanded to 240 cities in Russia. Ozon, a veteran Russian e-commerce company, is mainly engaged in books and electronic products, etc. Since its launch in 1998, it has been occupying the first place in the B2C field in Russia. Founded in 2004, Wildberries is a Russian online retailer of shoes, clothing and accessories. It sells about 100,000 shoes, clothing and branded accessories. These local Russian e-commerce enterprises have become strong competitors of Chinese cross-border e-commerce enterprises [50, p. 45].

Russia's indigenous protection policy. In order to protect the domestic e-commerce industry, the Russian government has formulated and introduced a number of trade protection policies, such as adjusting the tax on inbound parcels, strengthening the inspection process for individuals to buy imported goods, etc., which, to a certain extent, has restrained the development of China-Russia cross-border e-commerce trade. Specifically, as early as July 2014, the Russian Ministry of Finance reissued its policy on the entry of foreign parcels, including starting to charge a 30 % tariff on incoming parcels exceeding 150 euros or 10 kilograms; In September of the same year, Russia Post issued a global notice to prohibit the acceptance of international surface mail packages [54, p. 43].

And by February 16, 2016, the General Administration of Customs of Russian federation issued "the use of risk management system to improve the effectiveness of the regulation of the customs value" of the 280 call to arms, which made clear that import goods to Russia, if the price is lower than the minimum price of customs, customs declaration after importers shall fill the relevant customs duties and VAT to enter. The implementation of the new customs policy has greatly increased the pressure on Chinese cross-border e-commerce to enter the Russian market.

Chapter 2 Problems and countermeasures in development of Chinese and Russian e-commerce

2.1 Problems in development of e-commerce between China and Russia

The main issues are related to customs clearance and tax rebate, delivery cost, payment system, local protection strategy of Russia, low price and homogeneous competition, devaluation of ruble, transaction mode, professional personnel and so on. The specific issues are as follows.

Table 2.1 – The main problem [Compiled by the author]

	The main problem
1	Difficulty in customs clearance and tax refund
2	High delivery cost
3	The payment system is underdeveloped
4	More protection policies
5	Low price, homogeneous competition
6	The devaluation of the ruble
7	The cross-border e-commerce transaction mode between China and Russia is single
8	Lack of Professionals

Sino-Russian cross-border electricity first difficulty is the customs clearance, because the Russian customs is in accordance with the regular activities through cargo to configure the infrastructure of personnel and customs, in the face of an influx of foreign small package, whether manpower, facilities, or the original package customs clearance process, is not enough to cope with, therefore the consequences of customs clearance for a long time, a lot of parcel backlog in the customs. In addition, there are too many product categories and varieties, resulting in the processing time of most parcels as long as 40-80 days. The second problem with customs clearance is that most of the goods are cleared in a grey manner, with no legal identity and no security guarantee. The third problem is the security of goods, even a large number of goods often lost, the Russian customs lack of cross-border goods security

mechanism and solutions. Fourth, because most export goods are parcels, e-commerce companies cannot normally settle foreign exchange and cannot refund tax, so most of the sales money is returned to China through gray channels, which is not only risky, but also in violation of existing laws and regulations. This situation may not be able to be changed in a short time, and China's cross-border e-commerce enterprises can try to alleviate it by redesigning the operation mode and choosing the customs station method with stronger customs clearance capability.

Russia has decided that on January 1, 2017, the new Russian tax regulations (effective) stipulate that foreign IT companies providing services through the Internet must submit sales information in Russia and pay 18 % value-added tax. Although there is no specific tax plan, all legal persons of Russian companies have been informed by the tax authorities that they must provide services to the Russian government on behalf of any overseas IT companies in Russia. Russian tax authorities declare business (including sales of goods or services). With the improvement of the relevant legal system in Russia, the policy dividend will continue to increase shrink or even disappear.

Online shopping in Russia, the world's largest country and spanning nine time zones, presents more challenges than in any other country. Russia's infrastructure, logistics network, postal inspection and delivery are mostly at the same level as many years ago. In the face of the explosion of e-commerce package processing capacity and experience, there is a large backlog of goods. DHL, UPS, EMS and other large international logistics enterprises cost too much. At present, many logistics service providers are actively responding to the logistics problems in Russia. Strong local online stores in Russia have invested heavily in building agent networks and developing IT systems, such as Wildberries and Ozon, which organize regional delivery by themselves. It can be said that one of the key factors for the success of Russian e-commerce is logistics, which greatly raises the threshold for new businesses to enter the market. Research estimates that at least 30 million dollars to 50 million dollars is currently needed to successfully break into the market, with two-thirds of that money going to establishing and optimizing the logistics of goods from suppliers to buyers [49].

Another big hurdle is payment. Russia lacks a convenient payment system. Except for big cities such as Moscow, customers in other regions are paid first, leaving them completely vulnerable and without any protection. In addition delivery cost is very expensive, inside Moscow urban area limits, product single delivery cost is left and right sides of 60 yuan people, and need and sale party make an appointment to deliver time, if be a suburb, want to add additional cost.

Russia remains a cash-dominated economy, there is still widespread distrust of online payments and, despite predictions of a rapid increase in credit card use, credit card penetration is relatively low. In addition, many Russians use credit cards that do not work online. Even those willing to pay online have to go through the bank's complicated security process. At present, the common method used by Chinese cross-border e-commerce companies to solve the payment problem is to cooperate with the local logistics company in Russia. The local company delivers the goods, collects the payment for goods on behalf of the local company, and then transfers the funds. The disadvantage of this approach is that it takes two to three months from the time the buyer places the order until the partner finally transfers the cash to the Chinese enterprise, which lengthens the cycle of capital recovery and adds great difficulties to the operation of e-commerce. It will take time for this situation to change, but the good news is that the Russian government and related companies are stepping up efforts to promote online payment. With the development of online payment, this problem will be gradually solved. Another solution for China's cross-border ecommerce companies is to change their business model and supply to local ecommerce companies, switch from retail to wholesale, or go deeper into their home market, as domestic ecommerce companies do, which will have a better chance of success [48].

In January 2014, the new Russian customs policy came into effect, beginning to strengthen the inspection of the use of imported goods for personal use, and plans to impose a 10 % tariff on every parcel sent by foreign online stores. Due to Russian customs policy adjustment, business express company delivery process is more complicated in Russia, the Russian commercial Courier league decided to suspend its delivery companies in Russia's personal business, such as DHL, UPS international express delivery giant send express to Russian ordinary residents have been stopped, MPS to Russian residents said the time of

delivery will be delayed. The implementation of these new policies has had a very negative impact on China's cross-border e-commerce. At present, Russian customs only imposes a 30 % duty of at least 4 euro per kilo on parcels weighing more than 31 kg and worth more than 1000 dollars declared. However, if a 10 % tariff is imposed on every parcel sent by foreign online stores, it will inevitably increase consumers' purchasing costs and affect their purchasing power. Such a measure is bound to be a blow to China's foreign trade e-commerce businesses facing the Russian market, while it is extremely beneficial to Russia's domestic e-commerce industry.

According to GlobalTradeAlert (GTA), an independent trade monitoring service, Russia issued the most protectionist policies worldwide in 2013, accounting for 20 % of the world's existing protectionist policies. They range from a reduction in quotas for foreign workers to state support for the rare-earth industry, agriculture and aircraft manufacturers. Russia's aggressive protectionism determines the difficult situation across its border with China. For example, Russia's plan to introduce a comprehensive tax on foreign online shopping will undoubtedly enhance the competitiveness of its domestic e-commerce enterprises and suppress foreign cross-border e-commerce. Russians have their own unique style of doing things, and their vigilance towards foreign businessmen and conscious self-protection make foreign e-commerce not well integrated into the local. Google has fought its way to a 27 % share, far behind local rival Yandex's 61 %, and Amazon has simply disappeared from the country. Avito, which mimics Craigslist's model, is already well ahead of its U.S. rivals in its home market. Both search engines (Yandex) and social media (Vkontakte and Odnoklassniki) are localized [45].

The most direct way to solve this problem is localization. Russia has its unique culture and language system, the implementation of effective Russian local network marketing needs a deeper language and culture foundation, not generally only the daily conversation of the Chinese staff can solve. Whether it's website building, key search marketing, industry site promotion, in-depth professional content marketing, email licensing marketing, mobile Internet marketing, blog and forum marketing, it all requires deep insight and heritage into the unique Russian culture and language, which requires the participation of local Russian talent.

China's e-commerce companies bring the vicious price competition abroad, and there is nothing to profit from except price wars among e-commerce companies. Many Chinese merchants, including Alibaba of China, still compete on low prices. For example, at the end of 2013, AliExpress, Alibaba's foreign trade e-commerce platform, launched a group buying activity in Russia, which will be open to all key categories on the whole platform from December 23 to December 29. In response, many sellers point to strict participation rules and high discounts. Low prices are the main way China's cross-border e-commerce companies compete for customers. Lin Yizhang, CEO of eBay Greater China, said cross-border e-commerce businesses based solely on price advantages will become less and less competitive in the future. He believes there are three main reasons for this. One is that cross-border e-commerce competition has become increasingly fierce, and sellers can earn less and less of the price difference. Second, the advantages of China's world factory gradually disappear, the seller's cost will continue to rise, weaken the price advantage; Third, there is the growth of a small number of cross-border sellers who can rely on the advantages of scale to drive down overall costs and, in particular, to increase profit margins by improving operational efficiency. Cross-border retail is transitioning from individual sellers to corporate sellers, similar to the upgrading of domestic e-commerce platforms from Taobao to Tmall. China's cross-border e-commerce enterprises must transform from low price competition to value competition, and enhance their competitive advantages by means of branding operation, business model innovation and improving consumer experience [24].

At present, the sales model adopted by most of China's cross-border e-commerce is typical of "selling products". Because most of the products are highly similar in style, function, appearance and price, users have a very large choice. To get rid of the homogenized competition, China's cross-border e-commerce must move from selling products to selling services, models, stories and cultures. Take selling service as an example, by providing differentiated services to achieve brand premium, establish a good brand image in the eyes of target consumers. Although the products are similar, the core products can be made up for by strengthening the services. Lamoda, for example, takes the hassle out of its customers by turning couriers into fashion guides with its "door-to-door try-on" service. Lamoda not only delivers the clothes, but also comes with a fashion guide to advise

customers. If you try it on and find it unsatisfactory, you can just return it. The "try-on" model has been well received and has not only attracted users to Lamoda, but also brought back many repeat customers.

Over the past few years, Russia's currency, the ruble, has fallen sharply, and it has accelerated since the crisis in Ukraine erupted. The devaluation of the ruble has directly affected the online retail of Chinese cross-border e-commerce companies to Russia. Some cross-border retail e-commerce companies to Russia have been unable to withstand the pressure brought by the depreciation of the ruble, began to raise the price of sales, resulting in the loss of many customers, and the conversion rate of orders on the website has also dropped sharply.

The devaluation trend of the ruble will continue for a long time, and China's cross-border e-commerce enterprises can take the following countermeasures. One is to reposition consumers and products, organize some cost-effective products that meet the consumption needs of the middle class, and do not always focus on the low consumer groups. As far as we know, the Russian middle class is relatively able to withstand rising prices and has little change in purchasing power, while they are more concerned about quality and consumption experience. Winning their hearts and minds by carefully studying their needs and hobbies and offering products and services that are tailored to their needs. Another method is to implement differentiated marketing activities to improve brand awareness, create a good sales environment, guide customers to buy, and strengthen customer confidence. For example, events and event marketing can attract customers to participate in and improve their popularity, or sales promotion, gifts and other benefits can attract more consumers to buy [37].

Cross-border e-commerce is a new form of business rising with the Internet. At the beginning, the Internet only served as a bridge for cross-border trade, mainly focusing on information release, product display and supply-demand interaction. At the beginning, China-Russia cross-border e-commerce was mainly based on this transaction mode. The China-Russia economic and trade website, the only cross-border website supported by the special funds for e-commerce from the National Development and Reform Commission, was officially launched in June 2006. It is a state-level e-commerce platform providing B2B

cross-border trade services. Shangqi China partner trade network, is the Sino-Russian bilateral economic and trade information, enterprise information, product display, exhibition dynamics, foreign trade forum, interactive translation platform, is a B2B cross-border trade platform, for China and Russia to provide foreign trade opportunities, for the supply and demand of both sides of China and Russia to transmit information, the bridge to reach a deal. AliExpress is the most popular online shopping platform in Russia, as well as a cross-border B2B e-commerce platform between China and Russia. There are about 35 million online shoppers in Russia, and AliExpress has more than 10 million customer groups, ranking the first in terms of traffic.

Sino-Russian cross-border electricity is given priority to with cross-border B2B trading patterns, this pattern aiming at overseas retailers, their large volume, stable order, mass transport, thus accounting for higher in cross-border trade between China and Russia, is the main part of the bilateral cross-border electricity trade, and market share continue to grow, and accounts for only a small percentage of B2C and C2C mode. The bottleneck of single B2B cross-border e-commerce model is prominent, and it is difficult to adapt to the objective requirements and personalized consumption needs of scattered individual consumers for cross-border e-commerce and cross-border goods. Therefore, it is urgent to promote the transaction model of China-Russia cross-border e-commerce and realize the integrated development of multiple cross-border e-commerce development models [57, p.34].

E-commerce in Russian economy is a relatively new industry, lacking IT, marketing, logistics, warehouse management and financing personnel. In the current cross-border e-commerce environment, there is a strong demand for talents for trade with Russia. However, due to the complexity of the business environment, the multi-disciplinary talents who are proficient in Russian, foreign trade, data analysis, platform operation and other aspects become the main support force in the cross-border e-commerce between China and Russia. At the same time, due to its scarcity, it may restrict the development in the future it's an important reason.

In the field of cross-border e-commerce, complex professionals are in short supply, and intermediate e-commerce talents are in great demand. According to the "Research

Report on Cross-border E-commerce Talents in China" by China E-Commerce Research Center, the ideal demand for cross-border e-commerce talents is 65 % complex talents and 35 % professional talents. China's foreign trade in 2020 after the roaring growth, the momentum of development continues to improve. In the first four months of this year, China's exports totaled 6.32 trillion yuan, up 33.8 % year on year, the General Administration of Customs said. Among them, private enterprises exported 3.53 trillion yuan, up 45 %, accounting for 55.9 % of the total export value. Data from Ali.com shows that in the first four months of this year, the number of transactions, orders and sellers on the platform all increased by more than three digits.

The rapid growth of the foreign trade industry has brought a strong demand for cross-border talents. According to the research of National Institute of Human Resources for Service Outsourcing of Tsinghua University, more than 70 % of domestic cross-border e-commerce enterprises believe that the biggest bottleneck restricting their development is the lack of professional talents. According to the forecast of Ali International, the current gap of cross-border e-commerce professionals in China is more than 6 million; In addition to the southeast coastal areas, the central and western regions of small and medium-sized enterprises are particularly short of people. In terms of talent gap, sales/marketing promotion, data operation, customer operation, product selection analysis and other professional positions, the market demand is the strongest [59, p. 9].

Most of the talents required by cross-border e-commerce are compound talents, who need to have professional knowledge reserves such as international trade and e-commerce, as well as the corresponding foreign language level. And China's higher education to teach a foreign language course is given priority to with English education, only in a few schools for the Russian education, lack of Russian professional talent, combined with the theory of Russian learning and enterprise practice, there have Russian professionals do not have electronic commerce knowledge reserves, learning e-commerce professional talents and can't fluent in Russian. At the same time, small and medium-sized e-commerce enterprises are faced with recruitment difficulties. College graduates tend to choose large enterprises, which increases the cost of acquiring cross-border e-commerce talents for small and medium-sized enterprises, and at the same time, they are faced with unstable factors and

risk of brain drain. Fresh graduates have obvious shortcomings, it is difficult to meet the current talent needs of enterprises, must be related to international trade, e-commerce and Russian language ability training, in order to put into the business operation process.

2.2 Countermeasures for development of e-commerce in China and Russia

The countermeasures are put forward from eight aspects: logistics, payment system, business model, talent, relevant laws and regulations, policies, platform construction and localization development. Specific countermeasures are as follows.

Table 2.2 – Concrete countermeasures [Compiled by the author]

	Countermeasures
1	Improve the logistics system
2	Improve the payment system of cross-border e-commerce
3	Improve the business model of China-Russia cross-border e-commerce
4	Strengthen talent training of cross-border e-commerce merchants
5	Improve relevant laws and regulations
6	Strengthen policy support
7	Improve the construction of customs clearance service platform
8	Promote localized operation

Under the background of "One Belt And One Road", three China-Europe freight trains have been opened, and the development of cross-border e-commerce trade between China and Russia is facing new opportunities, but it also faces many challenges. In order to solve the problem of cross-border electronic business logistics between China and Russia, first, the two countries government, electricity enterprises and logistics enterprises should further increase investment, and promote the construction of logistics infrastructure equipment, encourage the development of logistics enterprises of diversified, rich logistics distribution channels, and improve the cross-border logistics distribution system, improve the logistics distribution network covering range, We will solve the problem of the last mile of logistics and distribution. Second, it can promote the construction of overseas

warehouses and border warehouses, which will help improve the speed of logistics distribution. In the construction of overseas warehouse, we should pay attention to reasonable planning and reduce costs by effectively integrating online and offline resources. Third, with the development of intelligent logistics, China and Russia should intensify the building of logistics information and digital, using big data analysis techniques, such as root According to the product information and customer information, carries on the logistics solution of intelligent system, solve the problem of logistics supply and demand imbalance, in a timely manner match send tracking logistics, reduce the transportation cost of logistics distribution, increase the speed of logistics distribution. Fourth, China and Russia should further strengthen cooperation with customs, railways, aviation and logistics enterprises, expand the scope of cooperation among logistics enterprises, establish a multi-party coordination system to support China-Russia cross-border parcel delivery, speed up cross-border parcel clearance and improve the efficiency of cross-border logistics delivery [61, p. 14].

Although China-Russia cross-border e-commerce payment has improved, there are still some problems, such as low transaction efficiency, convenience and security need to be improved. On the one hand, China and Russia both governments and electricity enterprises should further strengthen cross-border investment of the construction of the electrical contractor payment platform, the introduction of advanced mobile payment technology and safety technology, improve the skill level of payment platform, improve payment problem such as efficiency, convenience and payment security, speed up the sino-russian cross-border electricity trade turnover of funds, the good bilateral cross-border electricity payment system; On the other hand, in the cross-border e-commerce trade, according to the national foreign exchange policy, the cross-border e-commerce trade needs to carry out strict customs declaration, and some enterprises' foreign exchange funds can not be returned in time, a large number of stranded in overseas accounts or cross-border payment platforms. In this context, some illegal financial organizations have been derived to engage in cross-border e-commerce capital flow and foreign exchange transactions, etc., which is subject to greater legal risks. On the one hand, China and Russia need to strengthen supervision and avoid risks. On the other hand, bilateral cross-border trade negotiations can

be strengthened, more reasonable foreign exchange control policies and preferential interest rate policies can be formulated, exchanges and cooperation in the financial field can be strengthened, financing costs and financial settlement risks of bilateral cross-border e-commerce enterprises can be reduced, and cross-border e-commerce payment of both sides can be made more convenient, safe and stable [59, p. 8].

On the basis of maintaining the B2B transaction scale, China and Russia's cross-border e-commerce companies should further develop the B2C model with higher added value, so as to simplify the cross-border transaction process and build a more complete cross-border e-commerce business plan based on China's product advantages. In the development of B2C model, M2B2C and B2S2C models can be further implemented according to the enterprise's own positioning.

First, the application of M2B2C mode. Here, M refers to the exporter or manufacturing enterprise, and B refers to the main body of cross-border e-commerce. From the point of function, M part of enterprises focus on the production of Russia's consumer demand goods, part B of cross-border electronic business enterprise can be a Chinese cross-border electricity, can also be a Russian cross-border electrical company, mainly for the production of the enterprise of cross-border business services, needed for the Russian consumer e-commerce platform, directly on the platform to complete the shopping. From the perspective of logistics, part B needs to carry out overall planning, build a complete logistics supply channel based on the "Belt and Road" initiative, and complete the transportation of goods to consumers. To complete the M2B2C mode, the key lies in the central part B, namely the overall coordination of cross-border e-commerce platform. On the one hand, unified logistics and transportation standards at home and abroad should be established as far as possible; on the other hand, the big data system should be used to reasonably plan the long-term demands of Russian consumers so as to arrange the production work. Build a cross-border e-commerce ecosystem integrating production, logistics, sales, payment and storage.

Secondly, the application of B2S2C mode. The S here refers to the Store (Warehouse), namely the professional logistics and warehousing enterprises, which are specialized in coordinating logistics transactions in the process of cross-border e-commerce. By sharing

the warehouse with multiple platforms, the financial pressure can be reduced and the utilization of resources can be improved. Is dedicated to join S part, on the one hand, it is to solve the problem of the system that builds a warehouse overseas, due to the overseas to take positions must be facing local regulations, at the same time can aggravate the burden of current tax management, therefore to take positions in Russia is relatively difficult to directly, directly by several platforms in a joint venture in Russia offshore companies, and construction of the warehouse, it will not only greatly reduce the cost of the system, but also help enterprises to settle wages in the later period.

On the other hand, the establishment of overseas warehouse enterprises can enable cross-border e-commerce enterprises to focus more on user experience and enable cross-border e-commerce enterprises to have similar service management functions as local e-commerce enterprises, while overseas warehouse enterprises undertake logistics management, information feedback, after-sales service and financial support.

In general, under the background of "One Belt And One Road" initiative, cross-border e-commerce enterprises should seize the policy opportunity period, use the policy background to establish joint ventures or offshore companies, shorten the cross-border e-commerce trade chain, reduce logistics costs as much as possible, so as to realize the effective integration of resources and improve the efficiency of e-commerce transactions [47, p. 149].

In the face of fierce market competition, Chinese cross-border e-commerce enterprises need to change their single business model and improve their competitiveness with European, American and Russian local e-commerce enterprises. First, accelerate the implementation of China's cross-border e-commerce localization strategy. This includes hiring local staff, cooperating with local logistics and transportation enterprises in Russia, and overcoming barriers such as language, culture and customs to make the enterprise's operation mode more suitable for Russia's national conditions.

Secondly, strengthen cooperation with Russian e-commerce enterprises and optimize the marketing mechanism. At present, Yandex, a local search engine in Russia, accounts for about 53 % of the market share, much higher than Google's 36 %, and VKontakte, a social networking site, has more than 120 million registered users. Chinese enterprises should

strengthen cooperation with these local Russian enterprises to make full use of the characteristics of the development of the Russian e-commerce market. Develop search engine marketing and social marketing and other diversified business programs to better participate in the competition in the Russian market.

Third, build cross-border e-commerce brand to get rid of low price and homogeneous competition. Accurate positioning of Russian consumer demand, pay attention to product quality and consumption experience, create consumer satisfaction of goods brand, enhance the core competitiveness of the enterprise [54, p. 41].

Professional cross-border e-commerce talents are very important to promote cross-border e-commerce trade between China and Russia. At present, there is a shortage of professional talents in cross-border e-commerce between China and Russia. In order to solve the talent problem, firstly, cross-border e-commerce majors can be set up in relevant colleges and universities to strengthen the systematic training of cross-border e-commerce talents. China and Russia can also strengthen exchanges and cooperation in the training of cross-border e-commerce talents in universities, send students to each other and conduct joint training. Second, there is a certain language threshold for cross-border trade between China and Russia. Relevant universities can set up an interdisciplinary course of e-commerce and Russian language teaching, and offer a series of courses related to cross-border e-commerce, e-commerce Russian, China-Russia cross-border logistics, cross-border e-commerce platform operation and so on, so as to cultivate talents of cross-border e-commerce between China and Russia. Third, the cultivation of the talent need good teacher's well-being, universities should also strengthen their cross-border business faculty building, electricity can introduce talents from the enterprise, can also be appointed teacher credentials the exercise into companies, improve teachers' ability of cross-border electrical business, not broken update cross-border electricity business professional knowledge, teach students to update knowledge and practical skills. Fourth, cooperation with cross-border e-commerce enterprises can also be strengthened to carry out school-enterprise order-type talent training. In the construction of curriculum system, one should be set up based on the job demand of cross-border e-commerce enterprises

A series of practical training courses to improve students' practical operation ability of cross-border e-commerce. Fifth, in order to mobilize the enthusiasm of students, related competitions can be held to organize students to actively participate in cross-border e-commerce competitions. In the competition, students can experience the operation process of cross-border e-commerce, perceive the changes of cross-border e-commerce market and make team operation decisions, so as to improve students' comprehensive ability.

Perfect sino-russian cross-border electricity law is of great significance to promote the development of bilateral trade between China and Russia, the current international trade law for cross border electricity trade rarely involved, the two sides should be based on national trade laws and regulations and the relevant international treaties to further improve cross-border electrical business relevant laws and regulations, clear cross-border electricity trading parties responsibilities and rights and interests, We will strengthen the protection of intellectual property rights of e-commerce practitioners, pay attention to the protection of consumers' rights and interests, and build an appropriate legal environment for both sides. In addition, a credit system of China-Russia cross-border e-commerce can also be established, and relevant mechanisms can be constructed to evaluate and manage the credit situation of e-commerce operators, as well as formulate relevant evaluation standards and dispute settlement mechanisms.

A platform for consumers to complain and protect their rights can be established to facilitate consumers to inquire about credit, consult on laws and regulations, and inquire about the progress of complaint processing, so as to protect consumers' legitimate rights and interests and improve cross-border e-commerce shopping experience for consumers. In short, China and Russia should further improve cross-border e-commerce laws and regulations. On the one hand, bilateral cross-border e-commerce trade activities can be standardized supervision and management, reduce legal risks, reduce disputes, and maintain the steady development of the economy.

On the other hand, it can guarantee the legitimate rights and interests of relevant cross-border e-commerce enterprises and consumers in China and Russia, so that the protection of rights and interests can have laws to follow, effectively solve the trade disputes

between China and Russia cross-border e-commerce, and promote the healthy development of China-Russia cross-border e-commerce [59, p. 8].

Strengthening policy support for cross-border e-commerce between China and Russia is an important foundation for promoting the development of cross-border e-commerce trade between the two countries. First, to establish and perfect the laws and regulations of the trade cooperation between China and Russia, especially for cross-border e-commerce developing may encounter new problems, such as information security, intellectual property rights, taxation, etc., from set out actually, the two countries to integrate with the international trade rules and standards, formulate laws and regulations, to eliminate or reduce the negative impact of the trade protection policy, It lays a good foundation for the long-term development of cross-border e-commerce trade between the two countries. Secondly, in view of the problems existing in specific links in the development of cross-border e-commerce between China and Russia, such as payment and settlement, customs clearance, logistics and other aspects, relevant tax and customs departments of the two countries should strengthen communication and cooperation, revise and supplement relevant laws and regulations, and promote the efficient operation of cross-border e-commerce.

In order to solve the problem of cross-border e-commerce customs clearance service between China and Russia, it is necessary to actively improve the construction of cross-border e-commerce customs clearance service platform. After the opening of the platform, the time limit for cross-border e-commerce package clearance has been reduced from the original 3-5 days to about 15 minutes, effectively solving the regulatory problems caused by the fragmentation of current foreign trade orders. The customs clearance mode of "list verification and release, centralized tax payment, withholding and remitting" for cross-border e-commerce is not only convenient for customs to realize online supervision, but also convenient for enterprises to obtain tax rebates and other preferential policies [22, p. 107].

Localization can reduce the resistance to entering the Russian e-commerce market, effectively overcome trade protectionism and trade barriers, reduce customs clearance obstacles, reduce the risk of cross-border payment, and improve the logistics and after-sales

service system. Cross-border e-commerce enterprises should be encouraged to build overseas warehouses, overseas service outlets and physical experience stores in major cities of Russia, explore joint ventures and cooperation with Russian logistics enterprises to establish logistics centers covering the whole territory of Russia, and provide systematic services such as service, storage, distribution and after-sales service. Localization management for the development of the Russian market, reduce business risks, improve efficiency and so will play a good effect.

Chapter 3 Analysis on development potential of e-commerce between China and Russia

3.1 Current market situation

The economic rationale for closer Russian-Chinese ties bring to the forefront Russia's intention to develop its far-eastern regions through increased economic cooperation with regional heavy-weights. In part, US and EU sanctions forced Russia to activate a rebalancing of the geographical patterns of Russian trade, which since the fall of the Soviet Union were mostly focused on Europe. Russia considers China as a large market for Russian agricultural goods, manufactured products in addition to the vast natural resources of Siberia and the Russian Far East, consisting of oil, gas, coal, metals, timber amongst other commodities. Russia's oft-forgotten proximity to Asian countries are the most obvious – and for the time being Russia's most important new markets. Also, Chinese investors are beginning to play an important role in Russia's economy against the backdrop of sharply lower investment flows from the West.

In 2020, Russia's largest trade partner was China, as the volume of export and import trade between the two countries reached nearly US\$108 billion and aspires to double their mutual trade to 200 billion dollars in the coming four years. China was both Russia's leading import origin and export destination. In the first 10 months of 2020, the share of Russian-Chinese trade turnover in total amounted to 18.4 %, which is 2 % higher than a year earlier. Germany, the Netherlands, Belarus, and the United Kingdom completed the list of top five partners.

Trade turnover between China and Russia decreased by 2.9 % compared to the same indicator in 2019 – which is acceptable since analysts predicted an approximately 20 % decline in Sino- Russia trade – to 80–90 billion at the beginning of the Covid-19 pandemic in 2020. However, such a gloomy forecast did not materialize, and the bilateral trade figure remained at 108 billion dollars. Exports from China to Russia increased by 1.7 % and reached 50.585 billion dollars, Russian exports to China, on the contrary, decreased by 6.6 % to 57.18 billion dollars [21].

Russia's main exports to China have included non-edible raw materials, fossil fuels and lubricants. China's exports to Russia include finished products classified by raw materials, machinery and transportation equipment, and miscellaneous finished products, including food, textiles, steel, and machinery.

At the same time, the decrease in Russian supplies to China occurred only in value terms and was mainly due to a significant drop in prices for hydrocarbon raw materials, while in real physical terms this indicator actually increased.

In the opposite direction, there was an increase in the supply of medical goods, electronics and textiles from China to Russia. China came out on top among the importers of Russian agricultural products. In January-October 2020, imports of agricultural products from Russia to China were stable and maintained double-digit growth, and especially with an increase in soybean imports. In addition, China opened its doors to Russian chilled and frozen beef.

Cross-border e-commerce between China and Russia also began to develop. At present, over 10,000 Russian enterprises are registered on the Aliexpress platform alone.

For those who want to "test" the market without heavy investment, there is a great variety of international platforms such as Tmall Global, JD Global etc. The company can be enrolled on the platform with the company and trademark registered overseas. This is a useful and inexpensive model to allow traders to understand if there is the demand for their product on the market.

The ultimate goal in e-commerce trade for the international brands lies in entering the domestic platforms like Tmall China or JD China. Due to the high traffic on Chinese platforms (comparing to its international version), the platforms can be selective and want to see those brands with high demand in China – regardless of the international exposure of the brand. If China is not "hungry" for your product, all the medals won on other markets will not matter. Many Russian brands already succeeded in conquering Chinese market, for instance, Splat, chocolate "Alenka", Lukoil are among the others with flagship shores on the platforms [20].

Entering Chinese domestic platforms requires Russian businesses to incorporate a local company in China and register their trademark in China (TM registrations in other

countries do not apply in practice). The exposure to the largest consumer market through the e-commerce provides huge opportunities for Russian brands to significantly increase sales.

While the registration process itself has been simplified further with the new Foreign Investment law that came into effect at the beginning of 2019, and aimed to provide equal rights to the domestic and foreign invested companies, the major pitfall for the Russian investors lies in opening of the bank accounts.

This typically creates difficulties and requires additional due diligence processes in China and other Asia countries to satisfy local banks 'know your client' protocols. Continuing sanctions imposed on Russia have added the countries businesses to high risk (although the lighter category) status, and this increases pressure on local banks to complete detailed due diligence. It is not uncommon for banks to reject account opening applications without any official explanation, and after the company provided all the information required. Additionally, cross-border transactions with Russian banks can be also difficult due to the OFAC sanctions list where certain Russian State banks are included, and this includes Sberbank, Russia's largest. It is at the discretion of the local bank to make a final decision and take the risk. Therefore, it is useful to consider banks that already have a history with your Russian business overseas and can introduce local contacts. Investment flow is also critical from both perspectives, both in opening the bank accounts and the subsequent repatriation of profits [37].

Several important initiatives have subsequently emerged in China-Russian relations, including a currently non-preferential trade agreement between China and the Eurasian Economic Union (signed in 2018) as well as cooperation within BRICS to promote settlements in Russia's strategy in the Far East.

This will likely be directed at diversifying its ties with the main players in the region, rather than concentrating solely on developing ties with China. To some degree Russia will be seeking to promote greater competition among the dynamic powers of the Asian Pacific for greater access to its large domestic markets as well as to its natural-resource wealth in the regions, including Japan, South Korea and the ASEAN countries, as well as with India in the Indo-Pacific region.

Earlier 2021 year, Russia also launched talks on trade liberalization in services and investment with South Korea. And while tensions do exist in the East Asian region among key players for geopolitical dominance and involve disputed territories, the emergence of regional integration projects are now approaching the mega-regional scale. This is bringing together the largest heavyweights in Eurasia, such as the Shanghai Cooperation Organization, Trans-Pacific Partnership, Regional Comprehensive Economic Partnership, and so on and is encouraging Russian brands to look for new trading opportunities. The opportunities are there and are gradually becoming more apparent as Russia turns once again to the East.

According to official statistics from China's Ministry of Commerce, the bilateral trade volume between China and Russia reached 107.77 billion dollars in 2020, exceeding the 100 billion dollars mark for three consecutive years, making China Russia's largest trading partner for 10 consecutive years [21]. To this end, Chinese representatives also commented that China-Russia trade withstood the test of the epidemic by virtue of strong resilience. During the epidemic prevention and control period, there is a strong demand for online work, study and entertainment. The "home economy" drives the sales of electronic products in Russia. In 2020, Chinese-made smartphones topped the Russian market in terms of sales. Exports of other Chinese electronic products to Russia also saw rapid growth, with exports of notebook computers and tablet computers up 39 % and 29 % respectively [39]. Comprehensive pilot zones for cross-border e-commerce facing Russia have been set up in Suifenhe, Heihe and other cities to further promote cross-border trade between China and Russia, and e-commerce companies have developed rapidly based on their geographical advantages. By the end of last year, the sales volume of "Opindo", an e-commerce enterprise in Heihe, reached nearly 70 million RMB by means of marketing methods such as short videos and live broadcasting with goods [41]. Russia's low population density and lack of large offline retailers make the cost of procurement and distribution high, which provides opportunities for the development of e-commerce in Russia.

According to the Russian E-commerce Association, Russian consumers' spending on e-commerce sites in 2020 increased 58.5 % from last year to 3.221 trillion rubles. The turnover of Russia's domestic e-commerce market almost doubled compared to 2019,

reaching 2.781 trillion rubles. Data show that in 2020, Russian e-commerce logistics freight volume increased by 35 % year on year. According to the forecast, by 2021, the total volume of Russia's e-commerce market may reach 3.745 trillion rubles [21]. During Tmall Double 11 in 2020, Russians are enthusiastic about online shopping. AliExpress and Cainiao sent over 130 charter flights and delivered more than 16 million parcels from China to Russia. Meanwhile, Aliexpress's overseas warehouses deployed in Russia have greatly improved the logistics efficiency and are favored by Russian consumers. The transaction volume of goods from overseas warehouses has reached a record in the past years in the total GMV [49].

Increasingly improved transportation and logistics facilities have also created conditions for the economic and trade upgrading between China and Russia. In 2020, the Berrelast Logistics Center, the first China-Europe freight train station jointly built by the two countries, will be put into operation in Moscow. Thanks to its geographical advantages, Russia, as a transport corridor, has become the route and transit point for many freight trains between China and Europe. The China-Europe freight trains have strongly supported the development of bilateral trade between China and Russia. According to the news released by the Russian Railway Logistics Company, the volume of container rail transit traffic from China to the EU via Russia will increase by 55 % in 2020. Dmitry Murlev, president of Russia Railway Logistics, said: "Considering the development trend of the transport logistics services market, traffic volume will continue to grow in 2021 [45].

China-Russia e-commerce has formed a relatively stable trade structure. According to data from China's Ministry of Commerce, the trade volume of agricultural products between China and Russia in 2020 reached a record high of 5.55 billion dollars, among which China's import reached 4.09 billion dollars, up 13.7 %, making it the largest export market of Russian agricultural products and meat [11]. According to a survey, Russian products that are popular with Chinese people include candies, sausages, meat, barley, wheat, vegetable oil and seafood [41]. Energy trade is also a very important bright spot. Bilateral trade between China and Russia will pick up gradually from the second half of 2020, and China's share in Russia's foreign trade will further increase, which is inseparable from the cooperation between the two countries on major projects in energy, chemical

industry and nuclear energy. According to the press office of AliExpress Russia, in the three months of winter (December 1, 2020, February 28, 2021), Russians placed more than 90 million orders on AliExpress, which includes both domestic and international orders. The most popular categories for buyers were mobile phones and accessories, electronics, computers, office supplies, automotive supplies and home and garden supplies, the data showed. The most popular products are Xiaomi smartphones [42]. According to Russian media, by the end of 2020, the number of Russian sellers on AliExpress reached 35,000, and Russian sellers accounted for 25 % of the platform's turnover, 80 % of which were small and medium-sized enterprises, and the categories of goods of Russian sellers reached 5.5 million [20]. In terms of non-agricultural products, China mainly values Russian gem products, amber and so on. Russia historically attaches more importance to heavy industry, light industry is underdeveloped. Russia mainly imports light industrial products from China, mainly small commodities, household articles, clothing and apparel.

In the first four months of 2021, the volume of trade between China and Russia hit a record high. According to Chinese statistics, from January to April, the bilateral trade volume between China and Russia reached 40.21 billion US dollars, up 19.8 % year on year, and exceeded 40 billion dollars in the first four months for the first time in history. An increase of 21.2 % compared with the same period in 2019; That's more than double the same period five years ago in 2016. Imports from Russia resumed growth. From January to April, China's imports grew by 7.7 %, the first time since May 2020 that China's imports turned from negative to positive. The trade structure between China and Russia has improved. In the first quarter of this year, the import and export of mechanical and electrical products and high-tech products between China and Russia both increased by more than 50 %, much higher than the growth of bilateral trade in the same period [43].

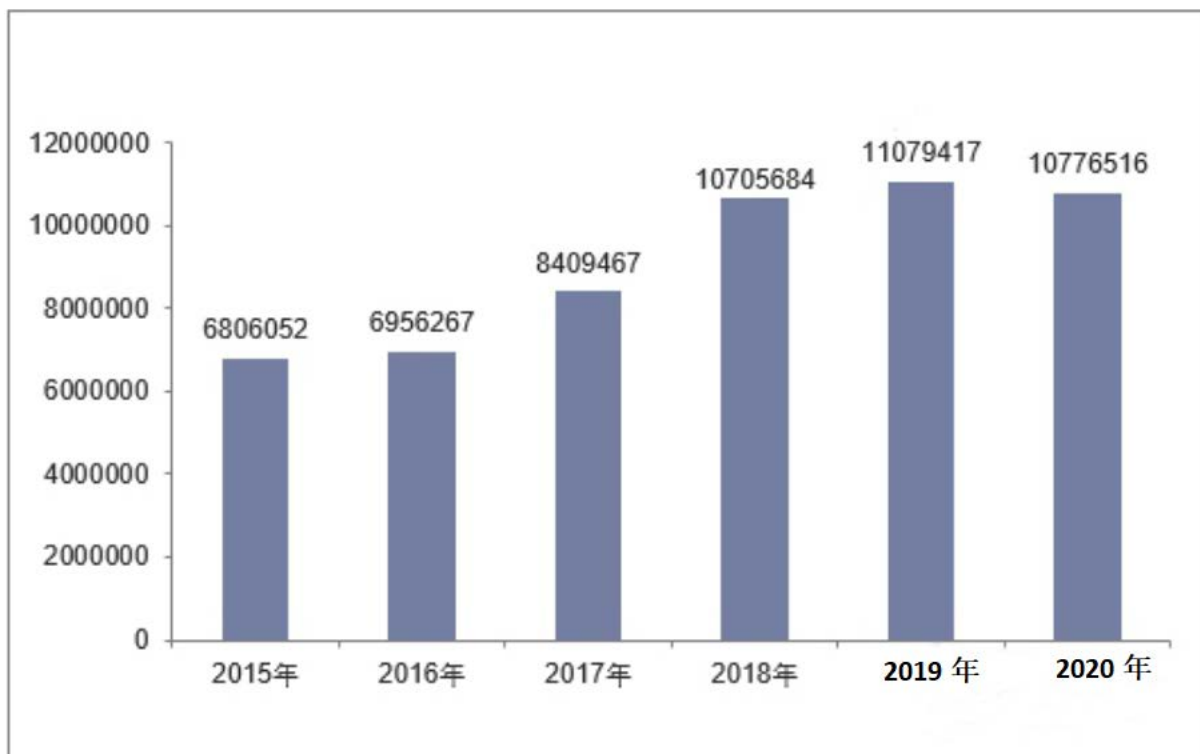


Figure 3.1 – China and the Russian Federation Bilateral Import and Export of Goods in 2015–2020, in 10,000 dollars [11]

The reason for the rapid development of cross-border e-commerce between China and Russia lies in the high cost performance of Chinese goods. The quality of Chinese goods has improved in recent years and the prices are relatively low. Secondly, the B2B model is transformed into B2C, so that Chinese products can be directly provided to Russian users. Thirdly, high-speed freight reduces the transportation cost, and the condition guarantee problem of logistics, banking and other infrastructure is partially solved.

3.2 Prediction of future development potential

According to the above analysis, we know that the development of China-Russia cross-border e-commerce has laid a very good foundation for the subsequent development and created a very broad space for cooperation, which makes it possible for the cross-border e-commerce between China and Russia to fully tap and develop their potential. Although there are still many problems, as long as they are actively solved, it can be predicted that the future development prospect of cross-border e-commerce trade between China and

Russia will be more favorable. The cross-border e-commerce between China and Russia is developing rapidly, but the road of development is not plain sailing. Logistics, talents and national policies all play a crucial role in its development direction and scale. In short, opportunities and challenges coexist.

The following forecasts are made in terms of the number of shoppers, trade scale, logistics construction and relevant policies, and the detailed analysis is as follows.

Table 3.1 – Concrete countermeasures [Compiled by the author]

	Prediction of future development potential
1	Cross-border online shopping users between China and Russia will continue to increase.
2	Cross-border e-commerce trade between China and Russia will continue to grow rapidly.
3	China-Russia cross-border e-commerce trade will develop in tandem with the construction of logistics channels.
4	Relevant policies will promote the development of China-Russia cross-border e-commerce to a high level.

The Russian online shopping user research report points out that the number of online shopping users in Russia is growing. The number of online shoppers in Russia increased by 10 % in 2019, according to a Russian study. Forty-two % of Russians regularly shop online, double the number five years ago. Dmitriyenko, the first deputy chairman of the Federation of Russian Enterprises, predicted that the Russian e-commerce market will grow by more than 30 % in 2019. Shulkin, CEO of Russian online shopping platform "Oson", also said that the number of Internet users in Russia has reached 95 million, but the e-commerce market only accounts for 6 % of the country's retail industry. This shows that a considerable part of Chinese and Russian Internet users can be developed into online shopping users [12]. Between 2019 and 2020, Russia's e-commerce market will grow by 44 %, with more than 10 million new shoppers. Meanwhile, Russia's e-commerce market is also one of the world's five fastest growing markets: online transactions in Russia grew 26 % in the first half of 2019 compared with the same period last year, according to analysis by Data Insight. During the same period, Russian consumers made 191 million online purchases, up 44 % from the

same period last year. According to Mediascope, 95.8 % of Russian Internet users have bought products online [10].

The number of network users and network penetration rate in Russia are increasing year by year, and the large number of network users provide great development potential for the development of e-commerce in Russia. China's Internet users have been on the rise, and their rising speed and number far exceed that of Russia, which provides necessary conditions for the development of cross-border e-commerce trade between China and Russia. The development of China-Russia cross-border e-commerce cannot be separated from the e-commerce environment, and a large number of Chinese and Russian Internet users are the solid foundation and reliable guarantee for the development of China-Russia cross-border e-commerce.

Russia has become a major market for China's cross-border e-commerce, and the number of professional websites for cross-border e-commerce between China and Russia is increasing, making it highly competitive. In Russia, 72 % of the e-commerce market belongs to local e-commerce and 28 % to cross-border e-commerce. Chinese e-commerce companies account for 51 % of Russia's cross-border e-commerce, and AliExpress accounts for 70 % of China's cross-border e-commerce [44]. In 2015, the first professional Russian e-commerce platform "Suiyitong" was officially launched, facing consumers in Russia to carry out localized services, the implementation of customer loyalty management plan, in order to achieve for Russian consumers to provide high-quality goods and shopping carefree consumption experience [39]. In 2016, Russia Preferred officially went online, which is a link between Russia and China's end small businesses and small wholesalers of Russia's cross-border e-commerce platform. Russian Optimal helps Chinese brands like Xiaomi and Vivo to establish distribution channels in Russia. There are about 5,000 Russian retailers on the platform [39]. The fact that more than 90 % of the cross-border orders in Russia in the first half of 2016 belonged to Chinese online stores also proves the rapid growth of China-Russia e-commerce trade and the increasing recognition of Chinese goods in Russia [1]. In 2017, the e-commerce trade between China and Russia developed rapidly, accounting for 80 % of the sales volume of Russia's e-commerce market. As much as 90 % of goods purchased across the border in Russia come from China, and even about half of cross-border

e-commerce transactions are accounted for by China. In 2018, Russia's online imports increased 29 % to 4.75 billion euros [12]. The total value of goods exported by cross-border e-commerce surged 36 per cent to \$746m. According to Data Insight, Russia's e-commerce market will be worth around 33 billion dollars in 2020, up from 29 billion dollars predicted before the outbreak. Between 2019 and 2020, Russia's e-commerce market will grow by 44 %, with more than 10 million new shoppers. The latest forecasts from Data Insight suggest that the Russian e-commerce market will grow further in the wake of the outbreak. Predicts 2021, the Russian dealer market scale will reach 44.5 billion dollars, higher than the previous estimate of 37.8 billion dollars [9]. With the continuous improvement of cross-border e-commerce technology and the enhancement of the degree of specialization of e-commerce websites, the development momentum of e-commerce trade has become an important support and component of Sino-Russian international trade.

China-Russia economic and trade cooperation has been developing smoothly in recent years. Bilateral trade volume rose from 55.45 billion dollars in 2010 to 95.35 billion in 2014 dollars. Under normal circumstances, there should be no problem in reaching the target of 100 billion dollars in 2015. However, due to changes in the international political and economic situation, the bilateral trade volume only reached 68.7 billion dollars in 2015, remained at 69.10 billion dollars in 2016 [26], and exceeded 80 billion dollars in 2017. Bilateral trade reached 107.06 billion dollars in 2018, exceeding 100 billion dollars for the first time, with an increase of 27.1 % [13]. In 2019, trade between China and Russia hit a record high again, exceeding 110 billion dollars. The two sides also pledged to work toward the trade target of 200 billion dollars [14]. Bilateral trade reached 107.77 billion dollars in 2020, surpassing the 100 billion dollars mark for three consecutive years, and China has remained Russia's largest trading partner for 10 consecutive years [24]. Trade between China and Russia has also been affected by the epidemic, but the overall momentum is good. The cross-border e-commerce between China and Russia has emerged as a new force in international trade, taking on the historical mission of small trade between China and Russia, and opening up the market of small trade between China and Russia. The development of cross-border e-commerce between China and Russia is in line with the trade reality of the two countries, and also gives play to the geographical advantages of the two countries.

In 2015, the trade volume of China-Russia e-commerce was 2.72 billion dollars, accounting for 4 % of the total trade volume between China and Russia. In 2016, it was 2.5 billion dollars, accounting for 3.5 % of the total trade volume between China and Russia [35]. In 2017, China-Russia e-commerce trade was \$3.5 billion, accounting for 4.1 % of the total. In 2018, China-Russia e-commerce trade exceeded 4 billion US dollars, accounting for 3.7 % of the total. In 2019, China-Russia e-commerce trade was 5 billion dollars, accounting for 4.5 % of the total. Chinese and Russian experts agree that Russia's e-commerce market has huge potential and there is still much to be done in China-Russia e-commerce cooperation [18].

China and Russia share a border of more than 4,000 kilometers, of which Heilongjiang Province has 3,400 kilometers with Russia, bordering Siberia and the Far East. China and Russia have absolute geographical advantages in the development of cross-border e-commerce, which can expand multiple types and multi-level logistics channels. China and Russia have opened more than 30 border crossings, including Manzhouli, Suifenhe and Heihe, through which road logistics channels can be developed through automobile and railway transportation. We can also make use of the new air routes gradually opening up between China and Russia to develop air logistics channels. In 2016, Russia announced its intention to build two promising international transportation corridors, Binhai Line 1 and Binhai Line 2, within the free port. It is estimated that China will transport 80 million tons of goods through Binhai Line 1 in 2025. The volume of goods transported through Binhai Line 2 will reach 90 million tons. At the end of 2017, Russia announced that China and Russia will jointly build a high-speed railway from Harbin to Vladivostok.

Since 2020, a large number of retail goods such as clothing, accessories and daily necessities, which are purchased online for European consumers, have been transported to several European countries along the way, following the successful departure of the first China-Europe freight train carrying cross-border e-commerce retail goods from Manzhouli port. In 2020, the first "Suzhou-Manchuku-Europe" cross-border e-commerce train will be opened at this port. Compared with the traditional air transport mode, the logistics cost can be reduced by 4/5, and the transportation time can be shortened by 2/3 compared with the traditional sea transport mode. According to the statistics of Manzhouli Customs, in the first

two months of 2021, a total of 497 China-Europe freight trains entered and left Manzhouli port, with a year-on-year growth of 75.62 %, and 40,300 TEU of containers, with a year-on-year growth of 77.74 %. Among them, the number of return freight trains and containers both doubled, and all the data reached a record high. It is worth mentioning that since the traditional foreign trade mode is greatly affected by the epidemic, the customs has launched new business development modes such as "China-Europe freight train + cross-border e-commerce", which greatly reduces the time of freight train at the port [19].

In addition, China and Russia have a number of maritime transport routes available, and the strategic initiative of jointly building the "Ice Silk Road" between China and Russia will play a key role in promoting China-Russia e-commerce trade. The "Ice Silk Road" refers to the Northeast Passage in Russia's Arctic Passage. The route starts from the northern waters of Northwest Europe in the west and ends at Vladivostok (Vladivostok) in the east, passing through the Barents Sea, Kara Sea, Laptev Sea, Novosibirsk Sea and Bering Strait. It is the shortest sea route connecting Northeast Asia and Western Europe. The construction of the Ice Silk Road not only provides a more convenient and efficient channel for the transportation of products of China-Russia electronic trade, but also, more importantly, promotes the pattern of global cargo transportation. The rapid development of the China-Russia logistics channel not only ensures the smooth development of China-Russia cross-border e-commerce, but also provides a broader space for the development of China-Russia cross-border e-commerce. Logistics and e-commerce support each other and depend on each other, and promote common development in mutual linkage.

Both China and Russia are very concerned about the development of cross-border e-commerce trade, and constantly introduce new policies on cross-border e-commerce, aiming to promote the healthy development of cross-border e-commerce, so that China-Russia e-commerce will continue to move to a higher level of development. Judging from the existing policies, the two sides mainly aim to solve some problems in the operation of China-Russia e-commerce and make every effort to promote China-Russia e-commerce trade. It lays the foundation and creates necessary conditions for the rapid development of China-Russia e-commerce, and at the same time sets a clear direction for the development of cross-border e-commerce. Such as Russian customs regulation overseas shopping tariffs

threshold is 1000 euros, namely each month from overseas purchases to 1000 euros to tariffs, more advantages compared to the most developed countries, the latter under the preferential tax is usually limited to 200 euros, institutional strengths will undoubtedly promote the advantages of the industry in Russia. Again, for example, to shorten the transport time of cross-border goods between China and Russia, in 2015 China and Russia signed the agreement about to establish international warehousing bases, after the completion of storage base, from the delivery of goods to China more than 20 days before sent to the hands of consumers from reduced to 2 ~ 7 days, for more than 4, 000 Russian online consumers is really good [25].

Customs co-operation between China and Russia during the meeting, for the seventh time on both sides actively studying cross-border e-commerce trade within the framework of international mail regulation of customs clearance, between the two countries on strengthening cooperation between the customs, postal service and railway departments, research to establish three parties contact cooperate mechanism, support through passenger trains and freight trains transport in central Europe between China and Russia international mail, Consensus was reached on facilitating customs clearance for international mail transit.

In 2013, the General Office of the State Council forwarded the Opinions of the Ministry of Commerce and other departments on implementing policies supporting cross-border e-commerce retail, and explored the development of cross-border e-commerce business-to-business (B2B) import and export and individual retail import from overseas enterprises (B2C). We will accelerate the construction of supporting systems for cross-border e-commerce, including logistics, payment, supervision and credit. In 2016, relevant departments of the Chinese government put forward clear policy guidance for the future development of cross-border e-commerce, encouraging both exports and imports. We should not only encourage the development of online retail B2C, but also encourage the development of B2B online shopping. We should make great efforts to improve the facilitation of payment, customs clearance and other links, guide cross-border e-commerce to develop into a brand, and achieve "better import and better export", so as to take China-Russia e-commerce trade to a new stage [35, p. 71].

To objectively analyze the relationship between the development of cross-border e-commerce between China and Russia and its policies, we must pay attention to two points: on the one hand, there is still path dependence on the traditional trade supervision mode, and no new trade supervision system has been established. The cross-border e-commerce between China and Russia is basically not subject to systematic supervision, so there has been a "barbaric" growth. Cross-border electricity imported pilot cities, on the other hand, can carry out online bonded import business, namely "cross-border retail import direct mail mode" and "cross-border retail imported bonded goods model", taxes on cross-border electricity retail line post tax levied on imports, rather than general trade tariff, value-added tax, etc., also for cross-border electricity trade development between China and Russia has played a positive role in promoting. In the future, with the continuous improvement of e-commerce regulatory system and new tax policies, it will play a certain role in the standardization of the development of China-Russia e-commerce, and also promote the healthy and stable development of China-Russia cross-border e-commerce.

Cross-border e-commerce between China and Russia has made remarkable achievements. From the perspective of development prospects, there is huge cooperation potential, but there are also many constraints, which need to be comprehensively analyzed and taken seriously. For example, the after-sale service cannot be effectively guaranteed; Low cross-border logistics efficiency; Clearance efficiency is low; The cross-border payment system is not perfect; Protectionism is on the rise in Russia; The depreciation of the ruble affects China's profitability; Russia's changing policy on cross-border e-commerce trade; In addition, there are differences in cultural backgrounds such as global languages, customs and geographical environment. It will take a long time to solve these problems. Therefore, in the development of cross-border e-commerce, China and Russia should constantly improve the basic conditions, constantly adjust the operation process of the transaction, and constantly explore new ways of cooperation, so as to promote the smooth development of cross-border e-commerce trade between China and Russia to a new height and a new scale.

Conclusion

In the context of unstable global economic development trend, cross-border e-commerce provides new economic development opportunities and becomes an important driving force for China's foreign trade. China and Russia, as close trading partners, have suffered from the deterioration of external economic environment since Russia, but the cross-border e-commerce between China and Russia has bucked the trend and expanded in scale. At present, China and Russia cross - e-commerce development is good, but there are still many problems. In view of the problems in the development of China-Russia cross-border e-commerce, countermeasures should be provided according to the problems. This paper first starts with the mode and characteristics of China-Russia e-commerce, connects the reality and theory of cross-border e-commerce, analyzes the current situation of China-Russia cross-border e-commerce, finds out the corresponding problems under the current situation, and finally gives suggestions and measures to optimize the development of China-Russia cross-border e-commerce based on the characteristics of the problems.

The main problems in the development of China-Russia cross-border e-commerce include: difficulty in customs clearance and tax refund. Long customs clearance time, a large number of parcels in the customs backlog, product categories and varieties are too many, resulting in a long processing time for most parcels. And most of them adopt the way of grey customs clearance, the security of goods is lack of guarantee, easy to lose. Because most of the export goods are parcels, e-commerce companies can not normally settle foreign exchange, can not refund; Russia has a large land area, underdeveloped infrastructure and high delivery cost. The payment system is not sound; Russian customs to protect the local policy more; Low price, homogenization competition is serious; The devaluation of the ruble; Cross-border e-commerce between China and Russia has a single transaction mode, mainly cross-border B2B. Lack of professional talents.

Based on the analysis of the characteristics of China-Russia cross-border e-commerce, the corresponding optimization measures are given according to the pointed problems: improving the logistics system. The Chinese and Russian governments, e-commerce enterprises and logistics enterprises will increase investment, promote the construction of

logistics infrastructure and equipment, promote the construction of overseas warehouses, and further strengthen cooperation with customs, railway, aviation and logistics enterprises. We will improve the payment system for cross-border e-commerce. Increase investment, strengthen coordination, and formulate policies; We will improve the business model of China-Russia cross-border e-commerce. On the basis of B2B transaction scale, develop B2C model; Strengthen talent training of cross-border e-commerce merchants; Improve relevant laws and regulations; Increase policy support; Improve the construction of customs clearance service platform; Promote localized operation.

Only by correctly recognizing the problems in the development of China-Russia cross-border e-commerce and constantly innovating solutions to the problems, can China-Russia cross-border e-commerce develop better and better in the face of many problems, so as to drive the overall level of China's foreign trade.

Cross-border e-commerce trade between China and Russia is a new way of international trade. After nearly a decade of cooperation, China and Russia have made great achievements. In particular, in the past five years, China-Russia cross-border e-commerce trade has developed at an astonishing speed. China has become the largest country in Russia's cross-border e-commerce trade, and Russia has also become China's most important target country for e-commerce trade cooperation, which shows that China-Russia cross-border e-commerce cooperation has a solid foundation and huge potential. With the continuous improvement of the basic conditions for the development of cross-border e-commerce between China and Russia, the potential of cross-border e-commerce trade between China and Russia will continue to be explored. It will inject new impetus into the improvement of China-Russia economic and trade relations in new ways and efficiency, and provide important support for the smooth realization of the trade goals set by the two governments.

The development of cross-border e-commerce between China and Russia will improve the efficiency of bilateral trade, reduce transaction costs, promote technological innovation, improve the quality of products and services, establish a regulatory system in line with the economic interests of both sides, and promote the connectivity and practical cooperation in the field of economic and trade cooperation between the two countries. This

will have a positive impact on the implementation of projects such as the "One Belt And One Road" and the Eurasian Economic Union. In particular, strengthening the economic and trade relations between Northeast China and Russia's Far East will help increase the export of small and medium-sized enterprises in these regions, promote local industrial development and innovation, and increase social employment.

With the continuous implementation of the new national policies, the cross-border e-commerce industry between China and Russia will develop to scale, standardization and clustering. The development of the e-commerce ecosystem will be the driving force for the overall growth of Sino-Russian trade.

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