

# Research on Countermeasures for the Development of Cross-border E-commerce in Shaoxing Textile Industry under the Background of "Internet Accelerated Speed"

Lingyi Zhang, Heng Zhang

College of Finance and Economics, Shandong University of Science and Technology, Jinan  
250000, China

## Abstract

In recent years, in order to promote the development of Cross-border E-commerce, our government has not only introduced a number of relevant policies, but also introduced trade policies for warehousing, logistics, payment and other supporting services. As the pillar industry of Shaoxing's economy - textile industry, under such a new normal, it needs to continuously adapt to the new development requirements, enhance its international competitiveness and achieve sustainable development. This paper selects Shaoxing, an important textile industry, as the object of study. Through an in-depth analysis of the problems facing the development of Cross-border E-commerce in Shaoxing's textile industry, it further explores how textile enterprises should expand their thinking in the new era and take advantage of the rapid development of Cross-border E-commerce platforms in the context of the "Internet accelerated speed" era to bring Shaoxing's textiles to the global market.

## Keywords

Textile Industry; Cross-border E-commerce; Internet Accelerated Speed; Global Market; Suggestions for Improvement.

## 1. The Current Situation of Cross-border E-commerce Development in Shaoxing Textile Industry under the Background of "Internet Accelerated Speed"

At the end of 2019, China (Shaoxing) Cross-border E-commerce comprehensive pilot zone was approved; in September 2020, the State Council agreed to set up a comprehensive bonded zone in Shaoxing. At the same time, the Ministry of Commerce and seven other departments jointly issued a document to identify the China Textile Industry City in Keqiao, Shaoxing, Zhejiang Province as a pilot market for market procurement trade. With the approval of the three national open platforms, Shaoxing's Cross-border E-commerce has ushered in the best development period in its history. Shaoxing is one of the textile industry centres with the most complete textile industry chain, the largest textile production capacity and the largest professional market in the world. According to statistics, the annual textile trade volume of Shaoxing China Textile City accounts for nearly a quarter of the world's total textile volume. At present, the development of Cross-border E-commerce in Shaoxing's textile industry has the following characteristics.

### 1.1. Gradually Expanding and in a Better Position to Develop

In 2021, the total online retail sales in Shaoxing reached 524.4 billion yuan, up 9.9 % year-on-year. From January to September 2021, the top three industries in terms of online retail sales were apparel, shoes and bags, home furnishings and 3C digital, accounting for 29.3%, 18.4% and 16.4% respectively, equivalent to 64.0% of the industry's online retail sales. The

development of the epidemic has triggered a wave of "online shopping", where people can buy goods from all over the country by sitting at home and moving their fingers. Statistics show that Shaoxing Cross-border E-commerce activities, curtains, tablecloths, chair covers and other home textile products sales increased significantly, Shaoxing City textile industry also with the Cross-border E-commerce trend continues to develop and progress. Among the top 10 companies in sales of textile products on the Amazon platform, Shaoxing textile enterprises reached more than half.

## **1.2. Supporting Policies Continue to be Introduced to Provide a Friendly Development Environment**

In order to support and encourage local enterprises to develop Cross-border E-commerce business and expand and strengthen Cross-border trade, the Shaoxing municipal government has formulated a number of policies to guide traditional industries to share the "new blue sea" of Cross-border E-commerce, some of which are representative of the policies include.

Support enterprises to carry out Cross-border E-commerce business. A one-off support of 10,000 yuan will be given to enterprises that have newly opened and reached a total of 100 online transactions for the first time on the same platform of Cross-border B2C single shop in the same year and the transaction amount of the enterprise reaches 30,000 USD, and to enterprises that have newly opened Cross-border B2B shops in the same mainstream platform in the same year; support Cross-border E-commerce retail to become bigger and stronger. To the whole year Cross-border E-commerce B2C online transactions reached 3 million, 5 million, 10 million, 30 million U.S. dollars of enterprises, respectively, not more than 50,000, 100,000, 150,000, 200,000 yuan incentives; support Cross-border E-commerce 9610 business development. For enterprises exporting through the Cross-border E-commerce export customs clearance service platform of Light Textile City in the way of 9610, an award of 0.03 yuan per US\$1 will be given, with a single enterprise not exceeding 1.5 million yuan. For logistics enterprises that deposit data in the export customs clearance service platform, a subsidy of RMB 3 per 1 kilogram is given, with a single enterprise not exceeding RMB 1 million; support social institutions to carry out professional training in Cross-border E-commerce. Support social training institutions (including colleges and universities) to open Cross-border E-commerce training programs, each training period of not less than 3 days or 24 class hours, and each class of not less than 15 people, the training program after the district business bureau identified, according to the standard of 100 yuan / person - day (or 8 class hours) to support, each training institution support funds not more than 240,000 yuan; support the construction of Cross-border E-commerce industrial park. For those parks that have been identified and have 20, 40 or 60 Cross-border E-commerce enterprises with solid performance, and whose total annual online transactions reach 200 million, 400 million or 600 million yuan, a one-time subsidy of no more than 500,000, 1 million or 1.5 million yuan will be given to the park organizers respectively.

## **2. Competitive Analysis of Cross-border E-commerce Development in Shaoxing Textile Industry under the Background of "Internet Accelerated Speed"**

### **2.1. Advantages**

Shaoxing is located in the southern wing of the Yangtze River Delta, known as the "hometown of textiles", has the largest cloth distribution centre in Asia. Data show that the scale of Shaoxing's textile industry has accounted for 28% of the city's total industrial economy, accounting for about 1/3 of the total scale of the textile industry in Zhejiang Province. 2019, Shaoxing has a total of nearly 70,000 large and small textile enterprises and cottage industry

units, including 1,862 above-scale textile enterprises, with an output value of nearly 200 billion yuan.

The modern Shaoxing textile industry started in the 1970s with the development of the 1980s, the rise of the 1990s and the mature discipline of the 21st century, is an important textile production base and distribution centre in China, with obvious advantages in terms of agglomeration, equipment, information and markets. Shaoxing modern textile industry cluster is the largest distribution center of light textile products in China and even in the world, and is an important agglomeration of China's textile industry, of which the output of chemical fiber, chemical fiber fabrics and printed and dyed fabrics ranks first in the country. At present, there are nearly 70,000 textile enterprises and cottage industry units in the cluster. Total textile exports amount to 158.597 billion yuan, accounting for 7.5% of the province's total exports and ranking first in the country. There are 20 listed and listed enterprises such as Light Textile City and Zhejiang Fulun, and the regional enterprise cluster has obvious advantages. In 2016, Shaoxing textile industry was selected as one of the first industrial clusters in Zhejiang Province to develop Cross-border E-commerce. After years of development, in July 2020, Shaoxing's modern textile industry cluster was included in the 2020 list of advanced manufacturing clusters by the Ministry of Industry and Information Technology of the People's Republic of China. Currently, the scale and volume of Shaoxing textile industry ranks the first in China, and it is at the forefront of innovation capability and digital intelligence to empower industrial development, striving to build a community of modern textile industry chain in Shaoxing, linking all elements of the industry chain upstream, midstream and downstream, enhancing the industry's ability to resist risks, and exploring an innovative path out of synergistic development of the industry chain.

## **2.2. Disadvantages**

However, in recent years, the textile industry internal and external contradictions coexist, under the pressure of international trade conflicts and market competition, but also by the constraints of resources, the environment and other factors, the development of Cross-border E-commerce in the textile industry in Shaoxing is faced with the following real problems.

### **2.2.1. Barriers to Export Trade**

International green barriers to trade emerged in the late 1980s and began to grow in popularity in the 1990s. The establishment of the International Association of Environmental Protection Organisations (IEPA) not only strengthened people's awareness of environmental protection and the importance of harmonising environmental protection with economic development, but also led to a wave of greening of national economies, resulting in the creation of green barriers to trade. With the advancement of economic globalisation, the economies of China and other countries are closely linked through trade channels, but green trade barriers have to some extent hindered the economic and trade development of developing countries such as China. At present, although the relevant government has taken measures to a certain extent, there is a lag in the formulation of relevant laws and regulations, technical inspection and the development of green alternatives.

### **2.2.2. Shortage of Labour Resources**

Shaoxing City is currently facing a serious problem of labour shortage, which is particularly evident in the textile and garment industry. According to statistics, among the 160,000 workers in Shaoxing City, there is a shortage of about 100,000 workers belonging to the textile and garment industry. Not only is it difficult to recruit skilled workers for these textile and garment enterprises due to the low added value of their products, high work intensity and low wages. And because of their development of Cross-border E-commerce business processes are extremely complex, especially need to be able to master the various fields of composite talent, the talent conditions are also relatively large restrictions. Although Shaoxing is located in the

middle of large Cross-border E-commerce cities such as Hangzhou, Ningbo and Yiwu, its unique regional location makes the labour force flow to the surrounding areas in large numbers, and Cross-border E-commerce talents and enterprises are reluctant to take root in Shaoxing, making it difficult to form a large scale economy and provide a good development atmosphere.

### **3. Shaoxing Textile Industry Cross-border E-commerce Development Strategy under the Background of "Internet Accelerated Speed"**

#### **3.1. Changing Forms of Trade and Making Industrial Structural Changes**

In the traditional trade model in the past, as larger orders often brought higher profits, some enterprises would in turn reduce or even ignore small orders, resulting in an imbalance between supply and demand in the market. Under the background of "Internet accelerated speed", Cross-border E-commerce trade has gradually emerged, in which the trade orders of E-commerce enterprises are no longer limited to large orders and no longer maintain a single production model of the textile industry, but through some advantages brought by the textile industry, the development of peripheral, upstream and downstream industries, forming a new production and supply chain, which to a certain extent promotes The balance between supply and demand in the market.

#### **3.2. Construction of a Cross-border E-commerce Industrial Park**

In order to bring the agglomeration effect into play, the establishment of an efficient Cross-border E-commerce industrial park is an important part of promoting the agglomeration and development of Cross-border E-commerce enterprises and their service providers in the region. Shaoxing's Cross-border E-commerce industrial park can learn from the development model of Hangzhou's Cross-border trade E-commerce park, which not only brings together Cross-border E-commerce service providers and enterprises, but also provides preferential services to attract Cross-border E-commerce payment enterprises and Cross-border E-commerce logistics and supply chain enterprises. These enterprises can also react to the Cross-border E-commerce industrial park, which can provide basic Cross-border E-commerce logistics, customs clearance, finance and other one-stop services for enterprises in the park, promoting Cross-border E-commerce as a fast track for the development of textile enterprises in Shaoxing.

#### **3.3. Leveraging Market Opportunities and Focusing on Countries Along "The Belt and Road Initiative"**

In recent years, the development of textile trade in the countries along "The Belt and Road Initiative" has shown increasingly fierce competition in the industry. It will also help to optimise the infrastructure of many countries along the route, thereby expanding the scale of trade between China and these countries. Most of the countries along "The Belt and Road Initiative" are emerging economies and developing countries, and there is a strong demand for textile products such as garments and fabrics produced in Shaoxing. Shaoxing textile enterprises should pay more attention to these countries, increase the export volume of Cross-border E-commerce to these countries, to seize the first opportunity of E-commerce market. China's textile industry can only seize the opportunity, meet the challenge and strive to enhance the strength of participation in international competition, in order to better achieve the healthy and orderly development of the country's textile trade work.

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