Cross-border Logistics Risks and the Countermeasures

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Abstract. Cross-border e-commerce has stimulated the growth of foreign trade, optimized the structure of the main bodies, especially increased the opportunities of transformation and upgrading and hence the development opportunity for small and medium-sized enterprises. But cross-border e-commerce could not develop well without the cross-border logistics. With China's cross-border e-commerce boom, cross-border logistics has encountered unprecedented problems and risks in operation, such as environment risk, market risk, customs clearance risk and transportation risk. Finally, the author proposed building cross-border e-commerce business enterprise logistics risk index system and setting up oversea warehouses, which can effectively solve many problems existing in the logistics operation of China's cross-border e-commerce.

Introduction
Cross-border e-commerce has caused the booming growth of foreign trade in China, the rapid rise cross-border e-commerce is the important driving force of foreign trade in our country. But at the same time, as a new thing, its rapid development brings great challenges to regulatory and legal system. Therefore, the author has put forward the corresponding countermeasures concerning cross-border logistics risks, which will help to solve the bottleneck problem of cross-border e-commerce development, hence has practical significance.

Cross-border E-commerce’s Role in China’s Economy
Stimulating the Growth of Foreign Trade in the Country
In the global financial crisis, international orders, against the background of the appreciation of the RMB and less competitive of domestic products, the traditional import and export growth is slowing. China's import and export growth are less than 10%. In 2016 China's cross-border e-commerce exceeded 6.5 trillion Yuan, which reached up to 18.5% of foreign trade in the country. The robust growth in proportion of cross-border e-commerce in foreign trade year by year, and the slow growth of the traditional foreign trade give full play to the cross-border e-commerce pulling function to foreign trade, which is particularly important.

Optimizing Foreign Trade Structure
Cross-border e-commerce is a new form of international trade combined with e-commerce, which is more efficient in terms of business process, larger in the import and export channels. And cross-border e-commerce development will greatly promote the development of trade and services in fields of the financial, transportation, communications and etc. Hence optimize the structure of foreign trade in the country. Cross-border e-commerce platform connects the manufacturers and foreign consumers via the Internet, lowering the position of a large number of traditional trade intermediaries, some trading intermediary organizations will die, the main structure of trade will change a lot.

Increasing the Opportunity for Development and Transformation of Small and Medium-sized Enterprise
Under foreign trade enterprise survival pressure, small and medium-sized enterprises are shut down and stopping business, However, in cross-border e-commerce, small and medium-sized
enterprises own more flexible in production method and organizational form and are able to adjust in time according to the customers’ demand changes, to meet the personalized needs of consumers worldwide. Small and medium-sized enterprises can take advantage of the open, three-dimensional multilateral economic and trade cooperation of cross-border electronic business mode, realize the transformation and upgrading, looking for potential buyer in a wider a range around the world, clinch a deal at zero intermediary costs, expanding profit space and opportunities for development.

**Cross-border Logistics Risk**

Cross-border logistics will produce many legal problems because of the complexity of the logistics links, including the contract signing and performing, goods transportation safety, time and cost, and goods return dispute, information security and protection, etc, especially cross-border transportation and goods return logistics issues are more prominent. Comprehensive analysis of the basic process of cross-border logistics and complex environment, cross-border e-commerce logistics risks include the following aspects:

**Environmental Risk**

Cross-border e-commerce logistics involved in cross-border and larger national differences between countries, according to the PEST model of Porter, destination country's political and social environment factors have deep impact on cross-border logistics. The first is the local special national conditions, for instance, the customs of Germany, Brazil, Australia, Argentina and other countries of have had strikes, causing delay in cross-border package, directly affecting the subsequent logistics distribution efficiency. In addition, the influence of logistics and the extent of natural disasters, nations for cross-border e-commerce package customs clearance policy change; Also in terms of logistics, capital chain and settlement, national macroeconomic fluctuation influence will also to a certain extent, affect the logistics cost.

**Market Risk**

In overseas markets, cross-border e-commerce enterprises face the impact of industry competition, if they adopt overseas warehouse logistics mode, market share directly determines the overseas warehouse inventory risk, wrong demand forecast of the destination country’s market demand caused by the fluctuations of the domestic needs will lead to increasing logistics cost of the enterprise in warehousing, transportation. In addition, overseas customers shopping can also cause the logistics risk, user community of low degree of credit may brings the enterprise logistics in the form of pressure through the dispute. In overseas warehouse management, product return rate increases, the product life cycle and inventory risk will bring some risk in overseas warehouse storage aspects.

**Customs Clearance Risk**

In customs clearance process, the need to focus on the level of efficiency of customs clearance, commodity inspection, customs clearance rate of products, product characteristics influence degree, the customs of different countries will transit logistics risk policy system. Through the process of general trade export, the process specification, inspection strictly. By mail and express delivery channels into the general cargo, affected by shortage of customs line post human resources (comprehensive sampling rate less than 5.5%), although there will be a gray clearance tax breaks, but the overall efficiency is low and there will be a standard settlement, export tax rebates and goods return difficult, increasing the risk of logistics.

**Transportation Risk**

Cross-border goods logistics often involves a variety of modes of transportation and the uncertainty factors in the process of transportation and docking, transport, such as manual sorting error, multilingual operation error, cargo damage, loss and delay delivery, etc. Within the territory of transportation is much higher. Destination country logistics infrastructure construction of
Cross-border electronic business logistics risk is an important factor that many countries' logistics basic condition is bad and can't work for efficient logistics.

**Countermeasures against Cross-border Logistics Risk**

**Building Enterprise Logistics Risk Index System in Cross-border E-commerce**

In cross-border e-commerce, enterprise logistics risk index system should be built to evaluate the simulation example of logistics risk, using extension model in accordance with the actual reasonable risk level. Based on the comparative analysis of existing two typical cross-border electronic business logistics mode, we can help cross-border e-commerce enterprise accurately grasp the weak link and improve it so as to reduce the risk of cross-border logistics and upgrade customer service.

**Setting up Overseas Warehouses**

Overseas warehouses can greatly reduce logistics costs, shorten transport and distribution cycles, avoid exchange rate, political, cultural and other risks, and facilitate the return of goods.

In modern logistics, the warehouse is a key node to connect the buyer and the seller. By setting up an overseas warehouse, China's cross-border electric business will put the node abroad, not only to reduce the cost of logistics, but also to open up the overseas market. The establishment of overseas warehouses can reduce the frequency of transportation, customs clearance, commodity inspection and so on through mass transportation, greatly reducing the cost of the above links, bulk scale, effectively reducing risks in all aspects of logistics, and greatly reduce the cost of cross-border e-commerce logistics. Russian E-delivery data show that overseas warehouses can reduce the cost of cross-border e-commerce logistics by about 60%. The overseas warehouse can provide warehousing, sorting, packing, distribution and other one-stop services for the cross-border e-commerce in China, and greatly shorten the overall logistics time. Through the overseas warehouse, China's cross-border e-commerce can be localized and operate, which is conducive to breaking the local protection barriers. The storage of goods through an overseas warehouse can, to a large extent, reduce such political risks caused by the political crisis in Ukraine. Local warehouses are distributed, easily trusted by buyers, and reduce the risk of local consumption habits and culture. Through the establishment of overseas warehouses, it is not necessary to settle accounts in the short term, and the currency will be used to pay the leasing or operation expenses generated by overseas warehouses, which will make up for the adverse effects caused by exchange rate changes. Overseas warehouses can achieve local returns, avoid goods returning to domestic cross border customs and logistics, reduce logistics time, improve the accuracy of distribution, and reduce the breakage rate of goods in transportation process, which fundamentally reduce the probability of return.

**Summary**

Cross-border e-commerce has stimulated the growth of foreign trade, optimized the structure of the main bodies, especially increased the transformation and upgrading of small and medium-sized enterprises and the development opportunity. But cross-border e-commerce could not develop well without the cross-border logistics. With China's cross-border e-commerce boom, cross-border logistics has encountered unprecedented problems and risks in operation, such as environment risk, market risk, customs clearance and transportation risks, Finally, the author has proposed the countermeasures including building enterprise logistics risk index system in cross-border e-commerce business and setting up overseas warehouse, which can effectively solve many problems existing in the logistics operation of China's cross-border e-commerce.

**References**


