

# Develop the CAREC Cross-border E-commerce

-- from the Private Perspective

**CAREC Federation of Carrier and Forwarder Associations(CFCFA)**

**Chairman Capt. Linzhong**



# Key Messages

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How to scientifically and rationally deal with the relationship between the concerned parties to protect their legal rights and profits and transaction safety in “cross-industries” and “crossover-line” ;

How to build a new model of Cross-border E-commerce with the core of "standardization + “;

How to Integrate development of online and offline business to enhance the core competitiveness of Cross-border E-commerce ;

Who will be depended on to achieve "protection", “building” and “integrating “;

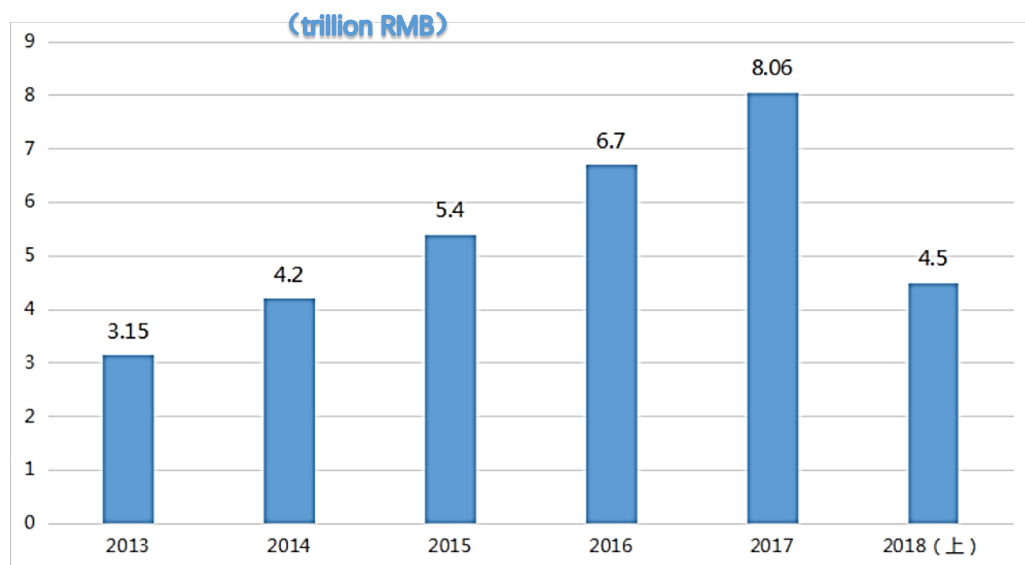
How should CAREC private sector representatives answer the development of Cross-border E-commerce;

How should CAREC promote the development of Cross-border E-commerce.

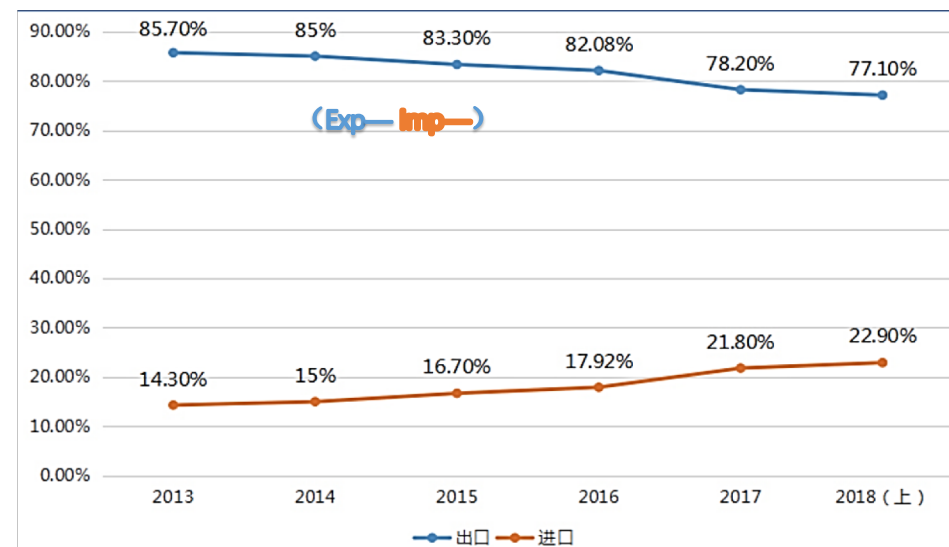
# I. Status-quo of the cross-border e-commerce development in China

- Size of cross-border e-commerce in China

Trade volume in the cross-border e-commerce market, China, 2013-2018



Import/export structure of the trade in the cross-border e-commerce market, China, 2013-2018



图表编制: 电子商务研究中心

数据来源: WWW.100EC.CN

Graphic production: E-commerce Research Center,  
Data source: www.100EC.CN



### III. Promote E-commerce development in the CAREC countries

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**Chinese e-commerce is the largest in size and fastest in pace of development. China made crucial contribution to the Cross-border E-commerce development and explored many new ways to secure a sound development in this regard.**

#### **Sharing China's experience:**

- I. Raised new management concepts. Eg.: inclusive, prudential; innovation and collaboration.
- II. Shared its business models.
- III. Innovated ways of supervision
- IV. Enriched trade facilitation measures.
- V. Explored new statistical methods
- VI. Proactive business participation

## IV. Problems and challenges

There are many Cross-border E-commerce participants, their role changes quickly, and the interests are intertwined. The transaction process is too complicated and requires different delivery methods.

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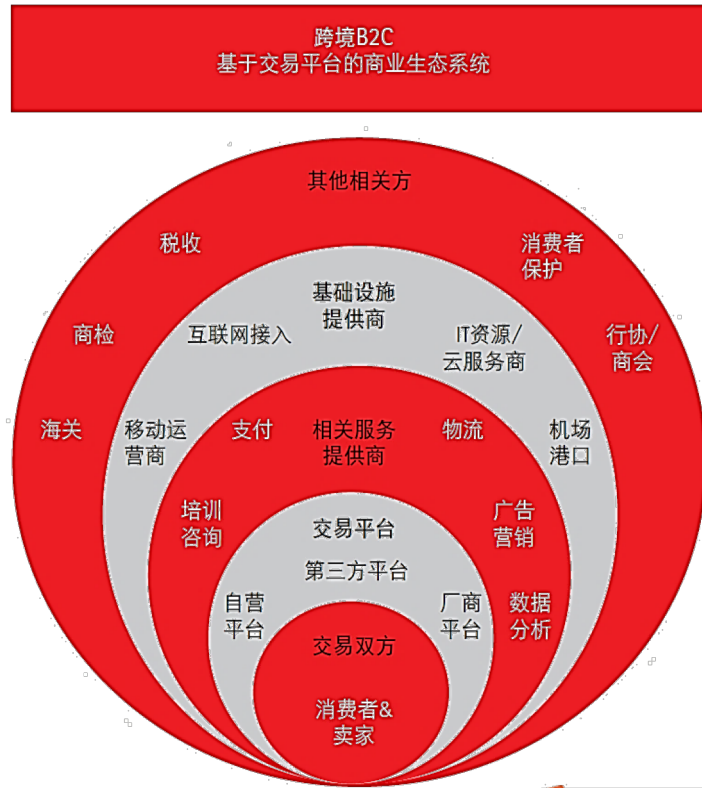
### Procurement and supply-limited and instable channels

The cross-border sources of goods are limited and instable. Because of the weak control over them, the quality and timeliness of commodities is hard to secure, and may even incur counterfeit product issues.

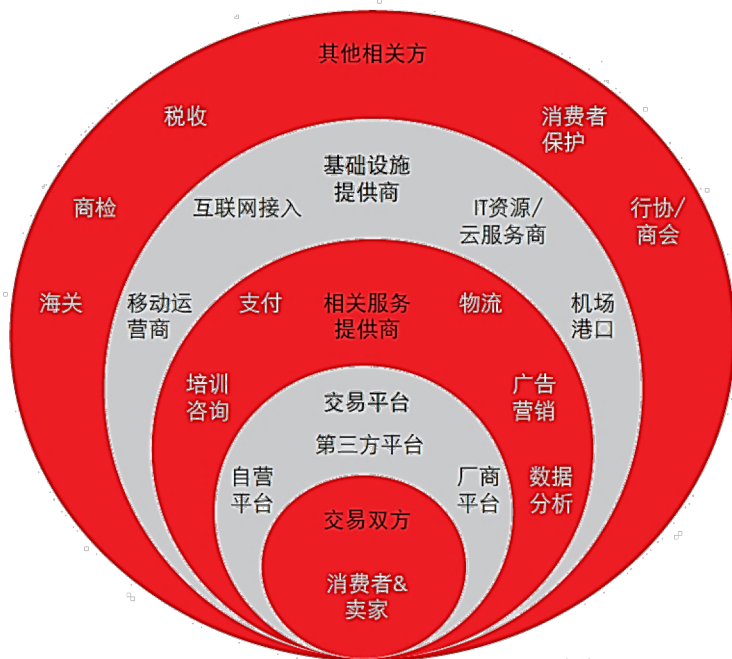
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### Logistics and delivery-more issues in the overseas warehouses

Main issues: low inventory turnover and high operation cost. Sometimes also include: incomplete service system, cargo missing, customer information leakage, disconnect between warehouses and customer service information unit.



## IV. Problems and challenges



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### E-payment-high institutional and technological risks

Cross-border ecommerce involves intl trade, forex and therefore is highly complex. In a context without a uniform legal and regulatory system, there are high risks regarding payment credit security and identification of overseas consumers and retailers.

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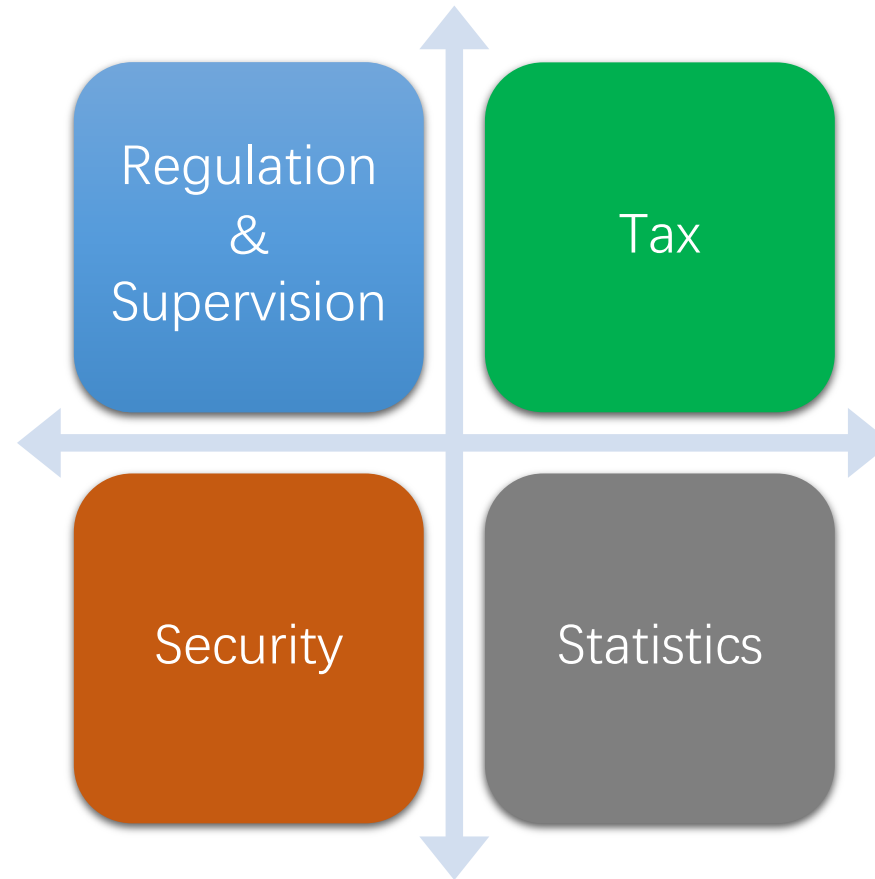
### Aftersales services-high cost in filing claims and self-protection

It is hugely time and cost consuming if a customer wants to file a complaint, reports and claims for compensation for a missing product, and applies for aftersales services.

## IV. Issues and challenges

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### Main challenges





## V. Countermeasures

Develop the standard trading conditions for cross-border e-commerce and protect rights and interests of all stakeholders

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- **Benefit protection modes between participants in Traditional Cross-border Trade and logistics**

Rights, obligations, responsibilities and interests are defined through a contract.

Rights, obligations, responsibilities and interests are honored through issuance of trade and transportation documents such as B/L, waybill, certificate of receipt of goods

Settlement is done by trade and transport documents

Different transportation modalities are disciplined by different international conventions, laws, regulations and practices, e.g., by air, land, sea transport or national post.

Different actors are disciplined by different international conventions, laws, regulations and practices, e.g., express delivery, forwarding agents, logistics companies

Different certificates/documents are subject to being issued by different competent authorities.

Develop the standard trading conditions for Cross-border E-commerce and protect rights and interests of all stakeholders

**Role :** It plays the role of **an integrated service provider** in the whole process of Cross-border E-commerce trade.

Who am I? I am for whom? I am to whom?

**Challenges in challenge:** Responsibility and liability limitations arising from new technology application in trade delivery (such as drones, robotic distribution, etc.)

## What are the standard trading conditions ?

有关国际公约/惯例对承运人责任等方面规定一览表										
公约或法律名称	责任基础	责任形式	责任期间	负责赔偿责任范围		赔偿交付损失		索赔诉讼时效		
				22S/件 <sup>a</sup>	22S/公斤 <sup>b</sup>	责任限额	赔偿货币	显而易见	非显而易见	诉讼时效
海牙规则 <sup>c</sup>	不完全过失责任 <sup>d</sup>	船/船 <sup>e</sup>	100 条桶 <sup>f</sup>	<sup>g</sup>				交付之前 或当时 <sup>h</sup>	1年 <sup>i</sup>	
维斯比规则 <sup>j</sup>	不完全过失责任 <sup>k</sup>	船/船 <sup>l</sup>	668.67 <sup>m</sup>	2 <sup>n</sup>		表见推定 <sup>o</sup>		3个连续日 <sup>p</sup>	1年、3月连续期 <sup>q</sup>	
汉堡规则 <sup>r</sup>	完全过失责任 <sup>s</sup>	港/港 <sup>t</sup>	835 <sup>u</sup>	2.5 <sup>v</sup>	故意或 2.5倍 过失费，不得超 过总运费 <sup>w</sup>	60天 <sup>x</sup>	1个工作日 <sup>y</sup>	15个连续日 <sup>z</sup>	2年、3月连续期； 故意交付：60天 <sup>aa</sup>	
国际铁路联运公约 <sup>ab</sup>	严格责任 <sup>ac</sup>	站/站 <sup>ad</sup>	<sup>ae</sup>	16.64 <sup>af</sup>	2倍运费 <sup>ag</sup>	30天 <sup>ah</sup>	未作规定 <sup>ai</sup>	<sup>aj</sup>	1年；故意或严重过失为2年 <sup>ak</sup>	
国际公路联运公约 <sup>al</sup>	严格责任 <sup>am</sup>	站/站 <sup>an</sup>	<sup>ao</sup>	8.33 <sup>ap</sup>	不超过运费 <sup>aq</sup>	约定定期限：30天； 未约定期限： 60天 <sup>ar</sup>	交付之前 或当时 <sup>as</sup>	7个工作日 <sup>at</sup>	1年；故意或严重过失为3年。 故意交付：21天 <sup>au</sup>	
华沙：华沙公约、海牙议定书、蒙特利尔公约 <sup>av</sup>	华沙公约：不完全过失责任； 海牙议定书：完全过失责任； 蒙特利尔公约：严格责任 <sup>aw</sup>	场/场 <sup>ax</sup>	<sup>ay</sup>	17 <sup>az</sup>		未规定 <sup>ba</sup>	7天 <sup>bb</sup>	华沙议定书无规定； 蒙特利尔：14天 <sup>bc</sup>	2年 <sup>bd</sup>	
联合国 多式联 运公约 <sup>be</sup>	含水陆 <sup>bf</sup>	不完全过失责任 <sup>bg</sup>	修正统一责任制 <sup>bh</sup>	特殊/文卷 <sup>bi</sup>	820 <sup>bj</sup> <sup>bk</sup> 8.33 <sup>bl</sup> 如区段适用法定限额 则取最高法 <sup>bm</sup>	故意或 2.5倍 过失费，不得超 过总运费 <sup>bn</sup>	90天 <sup>bo</sup>	1个工作日 <sup>bp</sup>	4个连续日 <sup>bq</sup>	2年、3月连续期； 故意交付：60天 <sup>br</sup>

## V. Countermeasures

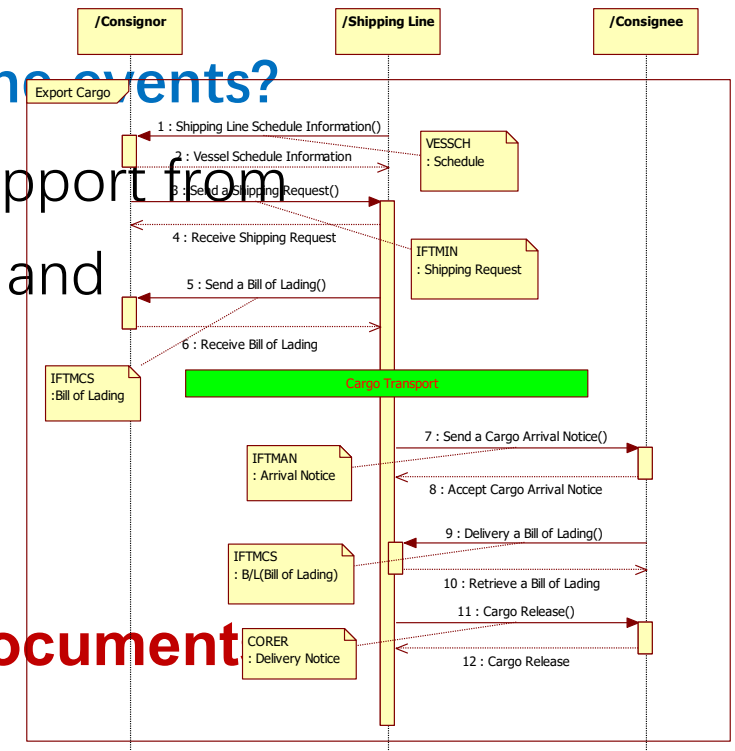
Online/offline integration to enhance competitive edge of Cross-border E-commerce

Cross-border E-com refers to a form of international commerce between buyers and sellers in different national territories who reach a transaction deal and make payment/settlement through the E-commerce platforms and deliver goods and complete the transaction via Cross-border logistics.

### How to make online arrows more closely related to offline events?

This kind of transaction cannot be developed without the support from traditional transport modalities such as distribution、 allocation and warehousing. Moreover, it involves in picking up and taking over goods (physical), the transfer of documents (handover of responsibilities, division of risks / costs ), delivery position.

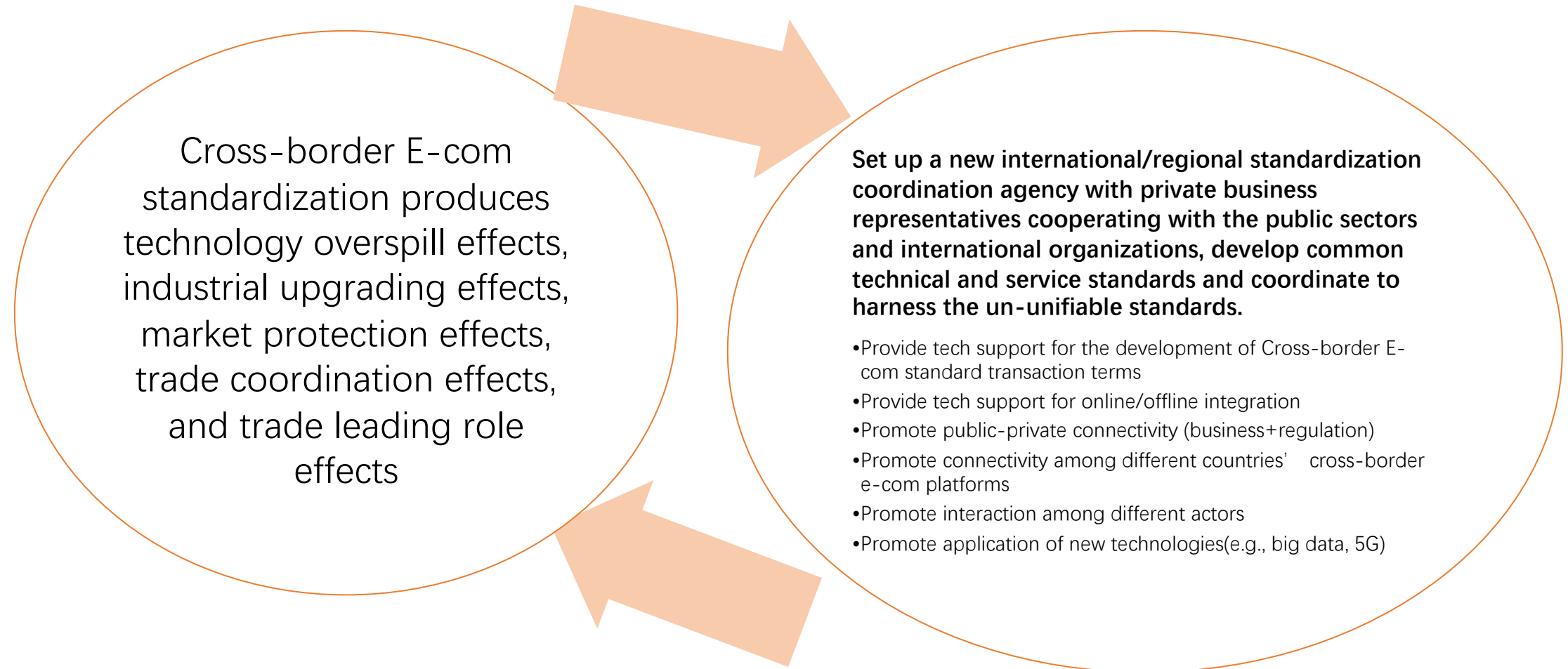
### How to applies advanced trade delivery models and document



## V. Countermeasures

Build a new Cross-border E-commerce model with “standardization+” as the core

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## V. Countermeasures

Public-private cooperation and build an international/regional cooperation platform

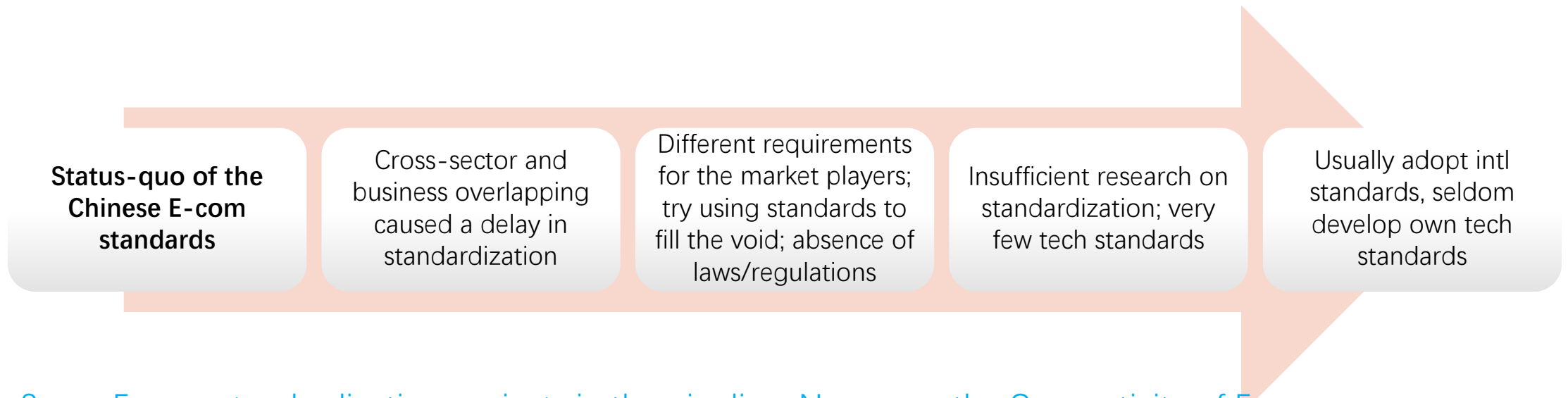
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Enhance public-private cooperation and use the international/regional cooperation framework to build an international/regional demand-oriented cooperation platform that breaks from monopoly and creates innovative service models.

- **Undertake business exchange and collaboration**
- **Foster implementation of policies, measures and practical recommendations**
- **Build a two-way communication channel between the public and private sectors, and lay focus on public-private cooperation in particular**
- **Convey and voice policy claims and recommendations of different interest groups**
- **Coordinate claims of different stakeholders in the commerce and transactions**
- **Coordinate claims of different stakeholders in the standardization process**
- **Coordinate claims of different stakeholders in the application of new technologies**

## VI. Chinese standards and Cross-border E-commerce

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Some E-com standardization projects in the pipeline: Norms on the Connectivity of E-commerce Business Systems, Norms on the Record-keeping of Exporters in Cross-border E-commerce, Normal protecting on the Right Maintenance and Protection Documents used in Cross-border E-commerce, Basic Management Requirements on the Retailers Introduced on the E-commerce Platform, Standards on E-transport bill in Cross-border E-commerce, Commodities Trading Rule in Cross-border E-commerce.

Technical requirements for distribution robots, technical requirements for multi-winged express drones.

## VI. Chinese standards and cross-border e-commerce

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### **An introduction to the standardization committee related to Cross-border logistics and Cross-border E-commerce**

The National Technical Committee 489 of Freight Forwarders logistics of Standardization Administration of China (SAC/TC 489) was set up in 2010, responsible for developing standards of international cargo forwarding and logistics (international logistics). So far it has produced 53 national standards and 11 sector standards.

The National Technical Committee 83 of e Business Standardization Administration of China (SAC/TC83) was set up in 2002 and has revised 223 national standards. It is responsible for national EDI, open-ended EDI, paper-based document format, electronic business in administration, business, transport and industry.(adopted UN/CEFACT and UNECE standard in trade facilitation)

The National Technical Committee 462 of Postal Industry Standardization Administration of China (SAC/TC 462) was set up in 2008, responsible for areas in the post sector such as basis, security, management, service and other technologies (produced and revised standards related to post and express delivery).

# Introduction to CAREC Federation of Carrier and Forwarder Associations(CFCFA)

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Was set up in Almaty in March 2010, and has 23 association members and 14 business members in 11 CAREC countries.

Three work groups underneath: WG1: standardization and adoption of the best international practices;

WG2: cross-border and transport corridor development;

WG3: organization development and financing

Positioning in CAREC 2030, the first private sector institution, which was established under CAREC, will continue to carry out its activities and play its functional role.

The 17th CAREC Ministerial Meeting was held in Ashgabat, Turkmenistan on Nov. 15th, 2018 and expressed explicit support for CFCFA.

Undertakes Corridor Performance Measurement and Monitoring(CPMM) for 6 central Asian transport corridors.

Convenes a meeting with Customs Cooperation Committee (CCC) every year

- The Ministerial Meeting approved of setting up CAREC Regional Trade Group and CFCFA, with leadership of RTG, will initiate to set up the CAREC standardization coordination committee.
- Will cooperate with Chongqing Municipal Government, promote the new transport document and make it well aligned with the international rail transport bill and international highway transport bill and address the previous issue that the old transport document cannot serve as a document accompanying an L/C
- Will develop a liability insurance policy for expedited customs clearance, commit to take the risks caused by clearance first and handling issues later when they occur, or bear the losses caused by the inspections by the customs over the goods or transport vehicles.



# CFCFA Promotes Cross Border E-Commence

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## CFCFA International/regional NGO standards

### 20 standards have been promulgated so far

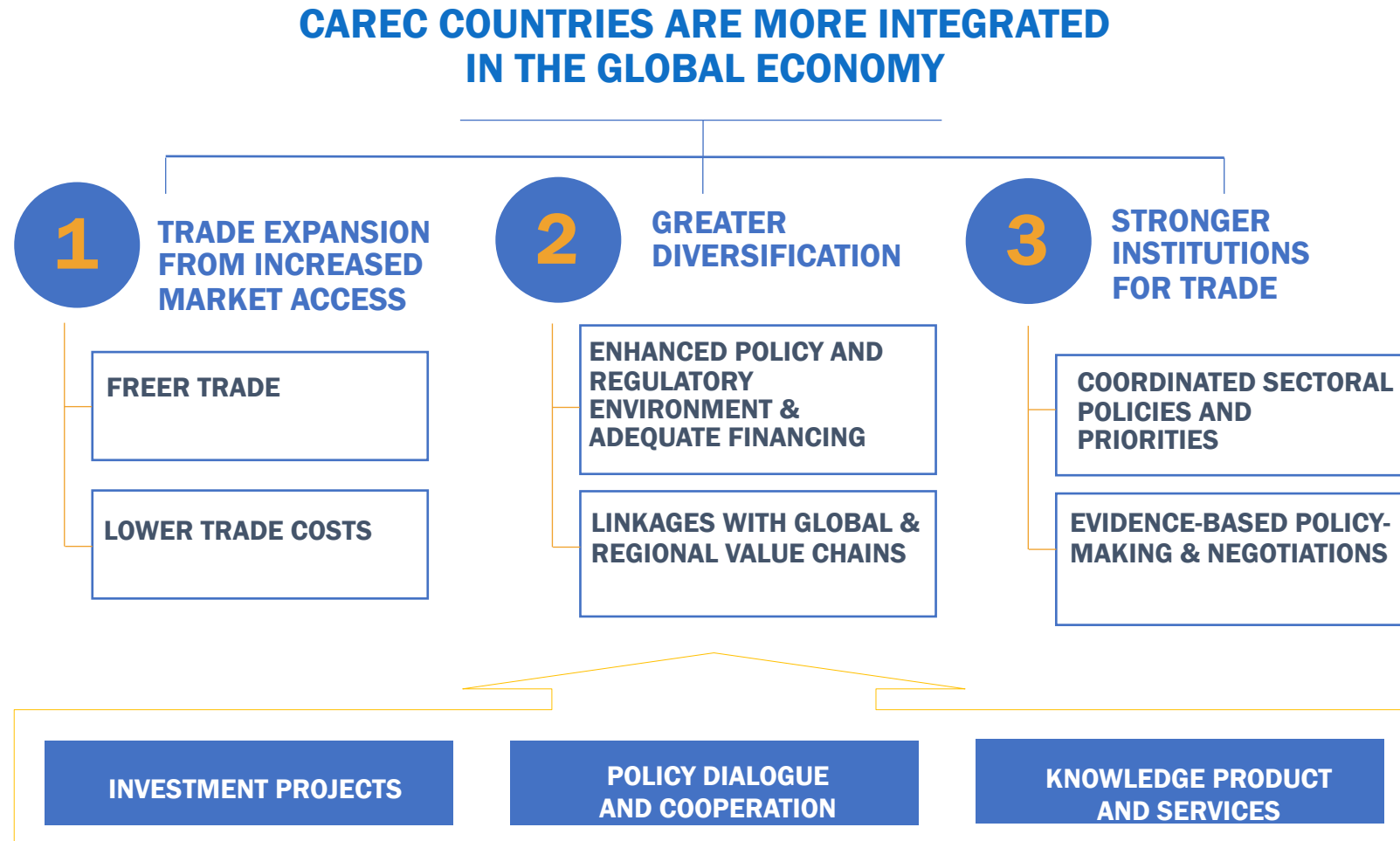
- ebXML-based trade and logistics message, and other standards related to e-commerce such as pallet RFID application norms(related to CAREC customs information exchange platform)
- International logistics liability insurance, and can be used to substitute transit guarantee;(break guarantee monopoly)
- Contract norms and standard transaction terms, and will be used for new transport bill development(break transport monopoly)

### Plan to develop 10 new standards in the near future

CFCFA participated in the China-Kyrgyzstan-Uzbekistan Pilot Project of International Highway Transport Corridor and used tech standards to promote sea-railway-highway multi-modal transportation

Promote international transport documents suited to the needs of cross-border e-commerce, such as Forwarders Certificate of Receipt (FCR), Forwarders Warehouse Receipt (FIATA FWR), Forwarders Certificate of Transport (FST)

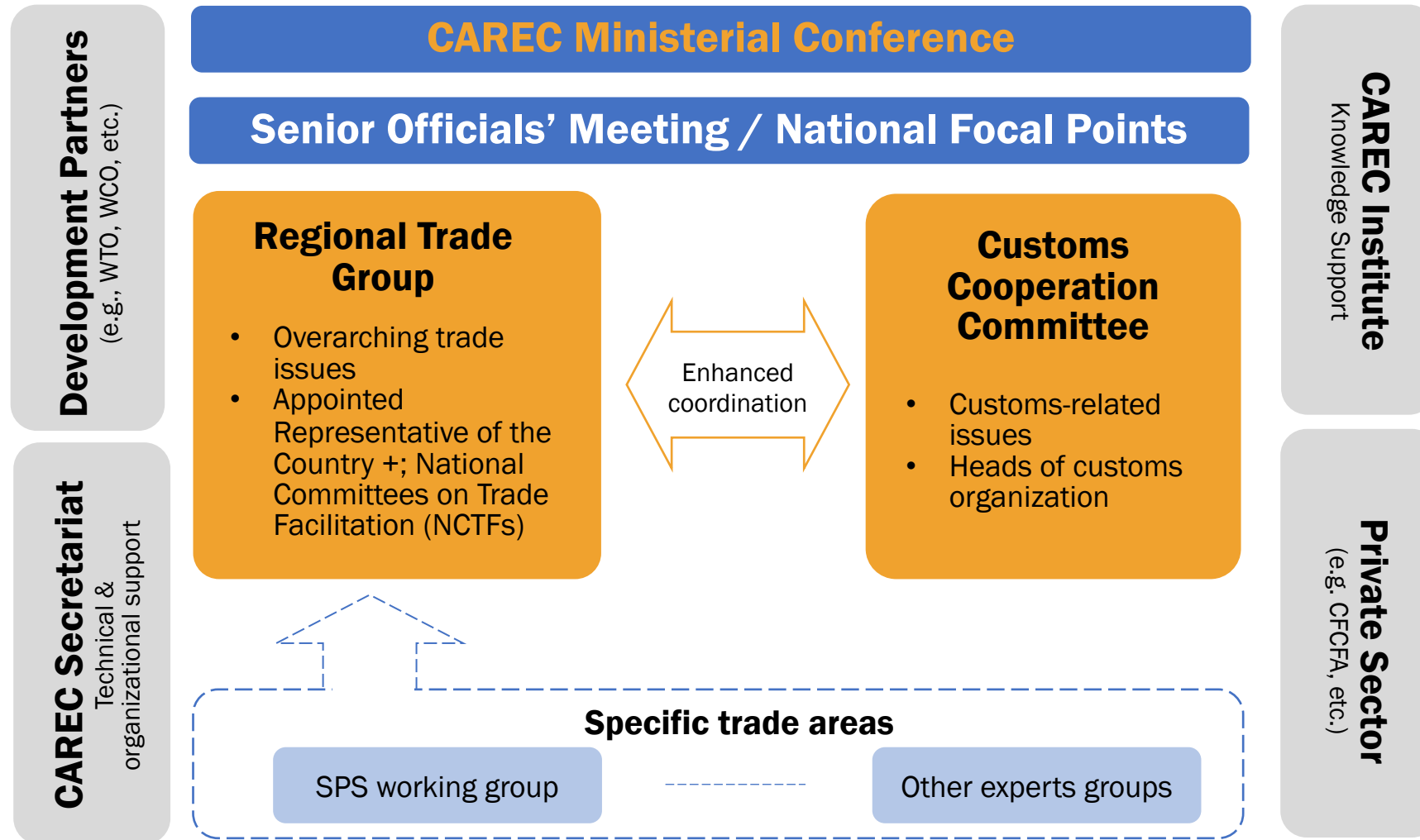
# CAREC Integrated Trade Agenda 2030



# Rolling Strategic Action Plan (RSAP) 2018-2020

Project/Activity		Description/Objectives	Type of Input	Participating Countries	Implementation Period
<b>Pillar 2: Greater Diversification</b>					
1	Promotion of e-commerce and innovation (Industry 4.0)	Scoping study to look into adoption of e-commerce or other innovation such as use of blockchain technology, internet of things, and big data in government services related to trade	Investment Project (Scoping)	REG	2019-2020
		Pilot initiative on new WCO framework of standards in cross-border e-commerce and potential partnership with existing programs initiated by private sector or international entities	Knowledge-Sharing Products and Services	REG	2019-2022
		Seminar on best practices or field visits to promote digital trade including duty-free electronic transmissions of information technology (IT) products	Knowledge-Sharing Products and Services	REG	2018-2020

# Institutional Structure



**Welcome to CFCFA!**  
**Thank you for your attention!**



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