

# The Impact of the Network Trade Era on the Chinese (Asian) Economy

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## ABSTRACT

With the rapid development of the Internet and information technology, network trade has emerged and broken through the traditional trade boundaries in the rapidly developing information technology. Therefore, with the advent of the information age, network trade has had a series of impacts on China's economy, which has given wings to the take-off of China's economy, but also made the development of China's economy face a new environment and new challenges. Based on this, this paper first analyzes the connotation of network trade, and analyzes the impact of the network trade era on China's economy. Through such a study, it aims to make China better seize the opportunities of the times and meet the challenges of the times in the process of promoting social and economic development, so as to achieve a good and rapid development of the national economy.

## 1. Introduction

With the advent of the Internet era, the pattern of economic globalization has been further established and e-commerce has further developed. Network trade extends the pattern of traditional trade and opens a new situation of commercial trade. The development of network trade has had a huge impact on the growth of the world economy and trade, and under such influence, China's economy is developing rapidly with the help of network trade, which has a significant impact on China's economic development and also brings a series of challenges. Therefore, in response to the new pattern brought by network trade, new methods should be continuously explored in order to better cope with the challenges.

### 2. The Connotation of Network Trade

Network trade is a virtual online trading method based on information technology and Internet platform, which achieves the union between enterprises and enterprises,

customs, commodity inspection, transportation, finance and taxation and other departments with the help of digitalization and information technology, and realizes the automatic processing of transactions, settlement and other businesses, so network trade is an important part of e-commerce<sup>[1]</sup>. Network trade has a broad sense and a narrow sense, and the broad sense of network trade is based on two specific types of network trade and paperless trade; while the narrow sense of network trade is limited to the network trade. Network trade has its own unique characteristics. First, network trade has the characteristics of virtualization, in which the traditional real economy is transformed into network trade, and trade is conducted through the network. Second, network trade has the characteristics of globalization, which further expands the time and space of traditional trade, and gets rid of the limitation of time and space as well as geography to form a huge trade market in the global scope. Therefore, network trade has transformed the traditional marketing

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concept and given rise to a series of new concepts such as the Internet economy.

### **3. The Impact of Network Trade on the Economy of China (Asia)**

(1) Network trade reduces the cost of transactions between buyers and sellers

Through network trade, merchants and consumers can directly use the online trade platform to contact each other, which reduces the intermediate links in the trade activities without going through the traditional trade of offline shopping, and directly saves the cost between buyers and sellers because there are fewer profit-sharers. Moreover, with the help of the Internet and information technology, it greatly saves money and time costs, eliminating the travel and transaction costs of traditional trade activities. And the use of third-party transaction payment mode ensures the safety of consumers' and sellers' funds, which has a protective effect on both merchants' and consumers' funds<sup>[2]</sup>.

Throughout Asia, the global openness of the Internet from country to country has facilitated access to information, reduced the cost of searching the market for each country, and reduced the uncertainty that exists in many transactions. Such a way accelerates the trade between countries and provides the ground for the growth of network trade. The rapid establishment of our country in the Asian capital market through e-commerce and online trade is the key to the emergence of our companies in the international market and the use of the Asian market as a springboard to internationalization.

(2) Network trade breaks the trade restrictions of backward regions

The development of the Internet is characterized by globalization, and with the help of the Internet, every country is able to realize free trade on the network, truly reaching a borderless state. In the Internet shared resources, every country that has access to the Internet is able to use the services provided by the Internet to achieve resource sharing, and under such an information sharing system, it is possible to use the convenient Internet to conduct online transactions, providing unlimited space for trade development<sup>[3]</sup>.

For the development of China's economy, the development of network trade has broken the trade restrictions of backward regions, which enables our enterprises to achieve a wider range of trade with the Internet and also provide more online services after the transaction to do a good job of consumer after-sales protection. It undoubtedly makes the enterprises have a new starting point, and the enterprises have more competitive advantages in the same starting line, which can also better promote the development

of the economy<sup>[4]</sup>.

(3) The development of network trade has intensified the competition among enterprises

While network trade brings positive impacts to China's social and economic development, it is also important to recognize the challenges brought by network trade to economic development. In the process of continuous development of network trade, enterprises have to continuously develop overseas markets in order to further enhance the profitability of their operations and reflect their international competitiveness<sup>[5]</sup>. In this process, because the network trade can provide all-weather transactions and is not limited by time and geography, which allows enterprises to more quickly promote their products to the world. In this process, large enterprises are often able to use their existing heritage to speed up the replication and dissemination of information to enhance the influence of their own enterprises, while for small and medium-sized enterprises, because their own development scale is not large enough, the process of network trade is often affected by their own development scale, and ultimately difficult to emerge in the fiercely competitive market environment.

(4) The development of network trade faces challenges in terms of security

The Internet has the characteristic of invisibility, and the network trade developed based on the Internet also faces the security challenges. Network security is always a common problem faced by all kinds of network economic activities. For enterprises, conducting online trade can have a profound impact on their capital or the development of the enterprise if they suffer from security problems<sup>[6]</sup>. In the process of network trade, the lack of laws and regulations on security has led to the lack of fundamental protection for network trade, and such a real problem has affected the enthusiasm of enterprises to participate in network trade. Especially for SMEs, SMEs lack the ability to deal with network risks, so they will suffer a considerable blow once they encounter network security problems, thus bringing adverse effects to the development of enterprises.

(5) The development of network trade has higher requirements for talents

In the process of promoting the continuous development of network trade, the positive impact of network trade on China's economy deserves recognition. And to further play the role of network trade in promoting China's economy, it is necessary to pay attention to the value of talent. Currently, the shortage of talent resources in the process of network trade development is increasingly becoming the key to restrict the development

of enterprises <sup>[7]</sup>. In the process of network trade, the existing personnel have problems in professional aspects and comprehensive quality, which are difficult to adapt to the development needs of the current international trade environment. From this aspect, the development of network trade for the development of China's economy has also brought a certain negative impact. Only from the root of the problem of talent to further promote the development of our economy, can it better cope with the international trade environment <sup>[8]</sup>.

#### 4. Conclusions

In summary, the rapid development of the Internet and information technology has given birth to network trade, and network trade has broken the time and space restrictions and expanded the scope and area of transactions, which makes various countries and regions have the opportunity to participate in trade activities, thus promoting economic development. Network trade plays an obvious role in promoting China's economic development and has a positive impact on China's economy, but network trade is like a double-edged sword that brings positive impact while also making China's economic development face a series of challenges. Therefore, only by discussing the impact of network trade on China's economic development, can we better seize the opportunity of the times and achieve another economic

takeoff with the help of network trade.

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