

China-Malaysia E-Commerce Co-operation under the “Five-Pronged Approach”

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Abstract

Southeast Asia plays a crucial role in the "Belt and Road" initiative (BRI). With ASEAN becoming China's largest trading partner in 2020, the cross-border e-commerce cooperation model creates opportunities for economic and trade collaboration between ASEAN and China. Malaysia, a key country in Southeast Asia within the framework of the BRI, established a comprehensive strategic partnership with China after the visit of Chinese President Xi Jinping in 2013. In recent years, Malaysia has witnessed significant growth in e-commerce development, yet there is still space for enhancing the e-commerce infrastructure. The potential for the advancement of cross-border e-commerce between Malaysia and China remains high.

This paper adopts a combination of textual analysis method, case study and questionnaire surveys to analyse the current status, challenges, and opportunities in the field of cross-border e-commerce cooperation between Malaysia and China. Representative cases such as Lazada and Shopee were selected for in-depth analysis to reveal the key problems and solution strategies in cross-border electronic commerce cooperation. An online questionnaire survey for Chinese and Malaysian cross-border e-commerce vendors and consumers was designed to collect feedback from the respondents in terms of their perceptions and experience of cross-border electronic commerce, so that the influencing factors and effects of cross-border e-commerce cooperation between Malaysia and China could be better understood and interpreted. Building upon the Five-Pronged Approach of the BRI, targeted solutions are proposed, with the aim of promoting bilateral trade facilitation between Malaysia and China. Additionally, this paper also provides insights and recommendations for the development of cross-border e-commerce between other ASEAN countries and China.

Keywords: China-Malaysia, "the Belt and Road" (BRI), Cross-border E-Commerce, Trade Cooperation

Introduction

Cross-border e-commerce provides the transaction process for buyers and sellers to use modern information and communication technologies to partially or fully complete international trade. Through the application of e-commerce in international trade, foreign trade by enterprises could be reorganised in the way which can effectively decrease the trade cost of enterprises, improve the transaction efficiency and the probability of transaction, so as to improve enterprises' competitiveness in the international market.

"The Belt and Road Initiative" (BRI) is an initiative put forward by the Chinese government in 2013, which is an amalgamated short name for the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road". The initiative aims to strengthen international cooperation and promote connectivity, business trade, and capital investment between countries located along the two routes, while promoting regional economic development. Geographically, the BRI runs through Asia, Europe, and Africa. It is also centred on policy communication, facility connectivity, trade facilitation, financial integration, and people-to-people communication; referred to as the Five-Pronged Approach.

As a result, the BRI has established a conducive environment for cross-border e-commerce cooperation between China and Malaysia, by providing facilities such as policies, capital, trade, and people-to-people communication. The BRI advocates policy communication and coordination between governments, providing policy support and safeguards for the development of cross-border e-commerce. With the various governments' policy cooperation in customs clearance, tax policies, and electronic payments, trade process could be simplified and lower the trade costs of cross-border e-commerce. Infrastructure construction under the BRI such as ports, railroads, highways, aviation and other transportation facilities provides a solid logistics foundation for the development of cross-border e-commerce. An efficient and convenient transportation network can shorten transportation time and lower the cost of cross-border goods while improving the logistical efficiency of cross-border e-commerce. The BRI also increases local consumers' awareness and acceptance of cross-border e-commerce, fostering a favourable market environment for the development of the trade system. The development of cross-border e-commerce requires professional experts, and the BRI provides an opportunity for the exchange and cultivation of experts between China and the countries along the route. Countries can now work together to cultivate professionals in this field, improve the quality and ability of vendors, and provide support for the development of cross-border e-commerce. The successful development of cross-border e-commerce cooperation between China and Malaysia can provide a strong impetus for the smooth implementation of the BRI. Therefore, the two are complementary to each other.

Among the ASEAN countries, Malaysia is the earliest and most active country to provide

feedback to China's BRI. By analysing the e-commerce market size, policy environment, logistical infrastructure, network platform construction, digital payment, and other key factors of the two countries, this paper presents strategies and recommendations to promote cross-border e-commerce development between the two countries. The study has important theoretical significance as it helps uncover its underlying mechanism, development law, challenges and problems, and provides scientific basis and suggestions for the formulation and implementation of the policies concerned. Besides that, this study is also of great practical significance as it provides guidance for Chinese and Malaysian enterprises to enter each other's markets and helps them adapt to the local business environment and laws and regulations from the Five-Pronged Approach perspective. This study provides business opportunities for enterprises in both countries. Furthermore, it promotes communication and understanding between the people of China and Malaysia, and enhance friendship and cooperation.

Literature Review

The BRI covers a wide range of areas and various scholars have offered different views on the BRI. Cheah et al. (2023) mentioned that, Chinese scholar Hu Biliang (Director of the "Belt and Road" Institute at Beijing Normal University) stated that if the BRI is well implemented, it will directly contribute to solving many global problems while promoting the economic and social development of the participating countries, including China. Overholt (2015) discussed relationship between China and US along with the BRI. I believe that China's BRI will very likely lead to military competition between China and the US. He and Ding (2020) lists the changing attitudes of Malaysian officials and the business toward the BRI, and analysed the misgivings of various levels of Malaysian society toward the BRI from various aspects. In general, Malaysia treats the BRI with expectation, prudence, and pragmatism. It also analyses the initial results and future challenges of China-ASEAN's Co-Construction of BRI in terms of the Five-Pronged Approach.

China and ASEAN encounter both opportunities and challenges in cross-border e-commerce cooperation under the BRI. Cui (2018) studied the potential of electronic commerce cooperation between the BRI countries and China through the Five-Pronged Approach, and found that the level of connectivity between them to be low and uneven. A series of recommendations was made to address these issues and challenges in terms of laws and regulations, infrastructure development, cross-border logistics and financial supervision. Lu and Lin (2021) analysed the cross-border electronic commerce development between ASEAN and China, and also put forward many problems faced by these countries in carrying out cross-border electronic commerce cooperation, i.e. mismatch of payment methods, underdeveloped logistics facilities, lack of advanced technology support, lack of cross-border electronic commerce experts, etc. Accordingly, they proposed strategic

solutions to resolve these issues. The development of online and offline operation mechanisms is an important measure to cope with these problems. More measures could be taken in regulating the market order, innovating the logistics mode, improving the payment and credit system, and strengthening the training of cross-border electronic commerce experts to promote China-ASEAN electronic commerce development.

The relationship between China and Malaysia is long and historic. The two countries have long maintained close political, economic and cultural ties and co-operation. Ning (2018) stated as early as the 2nd century BC, Chinese merchants had travelled to the Malay Peninsula for commerce and trade. With the development of the ASEAN Economic Community and the Regional Comprehensive Economic Partnership in recent years, China-Malaysia trade relations have developed rapidly. The trade relations played an important role in the economic and social development of the two countries (Ning, 2018; p. 28). Lai & Huo (2019) stated on 31 May 1974, Malaysia and China established formal diplomatic ties, and Malaysia became the first country in ASEAN to do so. In 1999, the two countries signed a joint statement on the future framework for bilateral cooperation. In 2004, leaders of the two countries reached consensus on developing China-Malaysia strategic cooperation. In 2013, the two countries established a comprehensive strategic partnership (Lai & Huo, 2019; p. 62). Cheah et al. (2023) mentioned that in an era of globalisation, it has become difficult for the manufacturing industry to complete the entire manufacturing process in a single country. If Malaysia can work more closely with China in trade through participation in the BRI initiative, it will have a positive catalytic effect on the value-added capacity of Malaysian enterprises. Meanwhile, closer trade will also enhance China's dependence on Malaysia's raw materials, which will in turn benefit the people in the rural areas and Malaysian SMEs engaged in the relevant industries (Cheah et al., 2023; pp. 283-284). The good relationship between the two countries is solid foundation for mutual e-commerce cooperation.

Cross-border e-commerce is different from traditional trade, and the study of consumer behaviour supports the development of cross-border e-commerce. The development of cross-border e-commerce is also influenced by political relations between countries. Ng (2021) analysed the operation of major e-commerce platforms in Malaysia from the perspective of consumer behaviour, with reference to the three dimensions of informative influence, normative influence, and value expression influence. The findings show external and cognitive variables of consumer behaviour have a positive effect on the cross-border electronic commerce development in Malaysia, and they both have a significant positive effect on purchase intention. Wang and Sun (2021) constructed an analytical framework to explain Malaysia's policy toward China based on the perspective of "state-society" interaction, attempting to explain the internal logic of its policy adjustment toward China from the perspective of Malaysia's domestic electoral and ethnic politics.

As can be seen from the above related literature, scholars have studied the BRI and the

development of cross-border e-commerce between ASEAN and China from different angles through qualitative analysis and quantitative empirical methods. However, there are few scholars who have analysed the cooperation of cross-border e-commerce between individual ASEAN countries and China under the BRI. Therefore, it is necessary to specifically explore how China and individual ASEAN countries such as Malaysia deepen cross-border e-commerce cooperation under the BRI and put forward specific and feasible countermeasures to solve existing problems while promoting sustained and healthy development of cross-border e-commerce between China and Malaysia. This study could also provide a reference for the electronic commerce cooperation between China and other ASEAN countries.

Cross-border E-commerce Development between China and Malaysia

In the area of e-commerce, China and Malaysia's co-operation involves digital platforms, digital payments, and cross-border logistics. In terms of digital platform co-operation, Malaysia became the first overseas co-construction partner of the Electronic World Trade Platform (eWTP), pioneered by China's Alibaba Group in 2017, kicking off e-commerce co-operation between the two sides. The platform promotes the facilitation of digital trade between the two sides through the creation of an E-fulfilment Hub, an E-service Platform and a Satellite Services Hub. It also helps to remove the growing barriers to digital trade for SMEs in both countries, such as high tax rates, foreign goods inspection, customs clearance, etc. In November 2018, Tianjin Bohai Commodity Exchange and Malaysia Commodities Global Trading Sdn Bhd signed the International Regional Cross-border E-commerce Service Cooperation Agreement, and in May 2019 officially opened the Bohai Commodity Exchange Malaysia/ASEAN Bulk Industry E-commerce Platform. The platform provides cross-border enterprises from both countries with one-stop services for registration, bidding and document preparation. In 2019, Alibaba Group added the Augmented Reality Mirror function to Malaysia's Lazada online shopping platform, aiming to provide local users with a better online shopping experience. In terms of digital payment, in May 2017, more than 2,100 7-Eleven convenience stores in Malaysia started to provide Alipay mobile payment service. In 2018, Malaysia was selected by Tencent as the first pilot country for WeChat Pay overseas. Local users can use the Malaysian currency ringgit to complete online transfers and payments within the WeChat app. In 2020, China Construction Bank (Malaysia) Berhad and China Construction Bank Labuan Branch signed a memorandum of cooperation on digital banking with a number of Malaysian companies to facilitate digital payments for local consumers. In terms of cross-border logistics, Best Express and Cainiao Intelligent Logistics Network joined hands in September 2020 to launch an end-to-end logistics service between China and Malaysia. The logistics service covers ocean freight forwarding, overseas warehousing, customs clearance and last-mile delivery. As of

September 2020, Best Express has set up more than 100 last-mile service stations in Malaysia, and expects to operate 270 service stations and 7 intelligent sorting centres by 2023 (Su et al., 2023; p. 237).

China-Malaysia Cross-border E-Commerce Cooperation Websites

Lazada

Lazada was founded by the Sandwell brothers of RocketInternet, a German startup incubator and it entered the ASEAN countries in 2012. With the first-mover advantage, Lazada quickly expanded its business to 6 countries, namely Malaysia, Indonesia, Philippines, Singapore, Thailand and Vietnam. Li and Zheng (2018) stipulated that in April 2016, Alibaba took a controlling stake in Southeast Asia's No. 1 e-commerce company Lazada by US\$1 billion. On June 2017, Alibaba invested a further US\$1 billion in Southeast Asian e-commerce platform Lazada, boosting its shareholding to 83% from the original 51% to ensure it gained control of the fast-growing startup. Alibaba's two rounds of investment have contributed significantly to Lazada's rapid growth.

Lazada has become the largest online shopping website in Southeast Asia, with over 21,000,000 Stock Keeping Units (SKUs) in 12 categories. The hot categories and hot brands on Lazada's Malaysia site cover mobile phones and tablets, computers and laptops, games and accessories, home appliances, fashion, etc. Despite the rapid development of the Lazada platform at this stage, there are still many small and medium sized enterprises (SMEs) that are unable to carry out cross-border business smoothly. SMEs have little influence in the industry, and lack the ability to control and operate the market. They can only adjust the production, inventory and sales of their products according to the market information they have, which in turn adjusts their own marketing and operation strategies. SMEs lack product characteristics and product irreplaceability compared to large enterprises, resulting in serious products homogenization in the market. Against this backdrop, operation strategy has become the most important means for enterprises to compete in the market (Li & Zheng, 2018).

Shopee

Shopee is the e-commerce platform of Singapore-listed Sea Limited. Since its inception in Singapore in 2015, Shopee's business has spread to Southeast Asia and South America, with a wide range of products including consumer electronics, home, beauty and health care, mother and baby products, etc. Shopee's six main sites in Southeast Asia are Singapore, Philippines, Indonesia, Malaysia, Thailand and Vietnam. Shopee focuses more on C2C business, with more low-priced products and promotional discounts to highlight its cost-effective advantages. Xie (2023) stipulated

that Shopee attracts many small and medium-sized merchants as well as low and mid-consumers, and focuses on the long-tail market as a whole. In comparison, Lazada focuses more on B2C business, taking the high-end route, with relatively high unit prices and more emphasis on brand quality. Given that the overall consumption level in Southeast Asia is not high, and users pay more attention to the regional characteristics of cost-effectiveness, the current Shopee model is able to reach a wider user base.

For newcomers, the following problems are common when operating a Shopee store. Operators do not have a clear idea on how to select and optimize products. They ignore the differences between local and overseas shops. As a result, the problem of product homogenization is serious. Due to the low threshold for joining the platform, new merchants tend to adopt the model of small stores imitating medium stores and medium stores copying large stores. In addition, Shopee's logistics system in Southeast Asia is relatively weak. Although Shopee chooses to build its own logistics facilities with targeted Shopee Logistics Service and actively cooperates with third-party logistics and distribution providers, the user's experience of logistics services is still poor. There is still a lot of room for improvement in terms of consumer satisfaction.

AliExpress

A statement from AliExpress (Baidu Encyclopedia, 2023) stated that AliExpress is a member of the Alibaba Group. AliExpress is geared towards overseas buyers and customers and was officially founded in 2010. It is one of China's largest cross-border retail e-commerce platform which has opened sites in 18 languages and covers more than 200 global countries and regions. AliExpress covers a total of 30 first-class industry categories such as 3C (computer, communications, consumer electronics), clothing, home, accessories, etc.

As a sub-site of AliExpress, the AliExpress Malaysia website merchants need to understand local market demand and consumer habits, and determine product positioning and marketing strategies by researching information on local consumer trends, buying preferences, and cultural background. To provide quality customer service, merchants must ensure that the customer service team has good communication skills and service awareness, provide quick response and satisfaction guarantee. Merchants must comply with relevant laws and regulations, pay attention to the protection of intellectual property rights, and avoid infringing on others' trademark rights or other legal rights and interests. It is also important for AliExpress to comply with local tax policies and business ethics to maintain a good corporate image and a sense of social responsibility.

JD.COM

Jingdong Group, as one of China's largest cross-border e-commerce platform, was founded on

18 June 1998. It focuses on B2C business and mainly engages in online retail activities. A statement on JD.COM (Baidu Encyclopedia, 2023) stated that JD.COM is a Jingdong Group brand, mainly engaged in cross-border imported goods business. In terms of general trade imports, JD.COM attracted nearly 20,000 brands with nearly 10 million SKUs, covering product categories such as fashion, mother and baby products, nutrition and health care products, personal and beauty care products, 3C, household goods, imported food, and other products from more than 70 countries and regions such as the U.S., Canada, South Korea, Japan, Australia, New Zealand, France, Germany and other countries and regions.

In Malaysia, Jingdong E-commerce Malaysia utilizes the well-developed local logistics network and experienced courier companies to improve operational efficiency and service quality. Cross-border e-commerce merchants need to understand local market demand, investigate competitors, and identify differentiated competitive strategies. To that end, JD.COM provides high-quality delivery services and establishes efficient warehousing and sorting systems to ensure that goods can be delivered to customers quickly and accurately. In addition, they also provide flexible and diverse delivery methods, such as door-to-door pickup, self-pickup points, and other options to meet the needs of different customers. Besides that, it is important for JD.COM to enhance after-sales service to provide customers with service guarantees such as repairs, returns, and exchanges.

Advantages and Challenges of China-Malaysia Cross-border E-Commerce Cooperation

Adhering to the principles of common business, common development, and common sharing, the BRI promotes the mutual complementarity of development strategies and advantages of the countries along the BRI route. To collect data on responses to the China-Malaysia e-commerce cooperation, an online questionnaire survey on China-Malaysia cross-border e-commerce cooperation was sent out using Questionnaire Star and WeChat. Respondents to the questionnaire include cross-border e-commerce business owners, users, and consumers in China and Malaysia. Feedback from these respondents on their experience of cross-border electronic commerce was collected. The questionnaire was also used to collect suggestions and expectations from these respondents to work out the ways to promote better cross-border e-commerce cooperation between Malaysia and China. The number of people who effectively filled out the questionnaire was 183, and the statistical results are as follows.

Table 1

Challenges in Engaging in Cross-border e-commerce between China and Malaysia (multiple-choice question)

Question	Options(multiple-choice)	Proportions %
Challenges in Engaging in Cross-border e-commerce between China and Malaysia	Low Internet penetration rate	31.15%
	Cumbersome inspection and quarantine procedures	37.7%
	High storage costs	39.34%
	Inadequate dispute resolution mechanism	40.98%
	High return and exchange costs	50.82%
	Lack of trust in online transactions	49.18%
	Complexity of transport and logistics	59.02%
	Customs and import/export regulations	63.93%
	Payment and currency issues	62.3%
	Language and communication barriers	65.57%

Source: Questionnaire

The survey result demonstrates that the problems faced by cross-border e-commerce users and consumers involve infrastructure issues such as logistics and online payment security, as well as inspection and quarantine and customs clearance. In addition, language and communication barriers also exist, which account for the highest percentage. These problems need to be resolved by the government, enterprises, cross-border e-commerce users and all sectors of the community. In engaging in e-commerce cooperation, China and Malaysia face challenges in terms of policy communication, facility connectivity, trade smoothness, financial integration and people-to-people communication. However, these challenges nurture opportunities at the same time.

Policy Communication

Policy communication is one of the key components of the BRI. The further development of cross-border e-commerce can be facilitated through enhanced policy coordination and cooperation between countries. The Malaysian government has been actively seizing opportunities presented by the BRI. In 2017, the Ministry of International Trade and Industry (MITI) established the Belt & Road Initiative National Secretariat Malaysia to coordinate, monitor and promote BRI projects in Malaysia. In the same year, the One Belt One Road Association Malaysia, a non-governmental organization, was established to provide a platform for Malaysian entrepreneurs to engage in economic cooperation with neighbouring countries and China. A number of civil society organizations have sprung up under "the Belt and Road" name, most of which are business and economic platforms. The China Silk Road Chamber of Commerce Malaysia was established in

2016 to build bridges and pave the way for Malaysian companies endeavouring to explore the Chinese market, as well as to advise Chinese companies interested in entering the Malaysian market (Cheah et al., 2023).

On 17 September 2023, Chinese Premier Li Qiang met with Malaysian Prime Minister Anwar bin Ibrahim in Nanning, Guangxi Province, to attend the 20th China-ASEAN Exposition. Li Qiang pointed out that China is willing to strengthen the docking of development strategies with the Malaysian side, continue to build the BRI in high quality, jointly implement the RCEP Agreement, implement the "two countries double park", the East Coast Railway and other flagship projects of China-Malaysia cooperation. Anwar said that the Malaysian side is willing to work with China to strengthen cooperation in various fields such as infrastructure, digital economy, green development, and enhance coordination and cooperation in international and regional affairs, so as to build a stronger Malaysia-China relationship (Ministry of Foreign Affairs Chinese Embassy in Malaysia, 2023).

Facility Connectivity

Infrastructure connectivity is a priority area of the BRI. The main objective of infrastructure connectivity is to remove bottlenecks in the development of countries participating in the BRI through transportation. Logistics infrastructure development is a prerequisite for cross-border e-commerce development. The two countries can improve their respective logistics efficiency and service level through infrastructure development cooperation, so as to better meet the needs of cross-border e-commerce.

The emergence of cross-border e-commerce provides countries along the BRI route and China a new pipeline into a larger consumer market, and the new source of customers can also diversify the risk of over-reliance on a single market. Moreover, the Chinese people's demand for unique products from Southeast Asia is growing. Nanyang Siang Pau (2019) noted that Malaysia's most popular products for online retailing in China are bird's nest and instant coffee. In order to increase the volume of cross-border e-commerce retail imports, China has been improving its tax, customs and regulatory mechanisms, while also opening up comprehensive pilot zones for cross-border e-commerce. There are currently 105 pilot zones in operation. In Malaysia, the government has also set up a Digital Free Trade Zone (DFTZ). This free trade zone provides merchants with the services and advice they need to conduct export activities such as transportation and insurance. In addition, the KLIA-ASEAN e-commerce hub has raised Malaysia's profile in the ASEAN cross-border e-commerce business. The main objective of this scheme, which was set up jointly by Malaysia Airports Corporation (MAC) and Alibaba's transport company, is to establish a regional e-trade and transport hub. From this programme, the Malaysian government believes that the country's

economy, cargo volume and job opportunities will grow. In addition, the success of this programme will definitely enhance Malaysia's position as a regional air transport hub and will also boost the aviation related industries such as maintenance (Cheah et al., 2023, pp. 284-285).

Under the Maritime Silk Road Ports Project, Malaysia and China are engaged in a cooperative arrangement in 11 Chinese and 6 Malaysian ports. As part of the port project, the two countries are working on the port of Melaka Gateway in the state of Melaka, which is a major development project in the Straits of Melaka. The Straits of Melaka is strategically critical in East Asia and serves as a gateway to the ASEAN markets. The development of the Melaka Gateway, especially the logistics of a deep-sea port, could create significant benefits for Malaysia. At a total cost of RM43 billion, the Melaka Gateway is a large-scale reclaimed integrated development project, occupying about 617 acres of land and covering three artificial islands, and is part of Malaysia's National Project No. 2, which is estimated to be completed in 2025 by a joint venture between local companies from Malaysia and China. By then, it is expected to surpass the Port of Singapore as the largest port in the Straits of Melaka. The Melaka Gateway project was launched in February 2014 by former Malaysian Prime Minister Najib and the implementation contract between Malaysia and China started in October 2017. However, works have not progressed as well as expected, and it has failed to meet the 3 October 2020 deadline to complete the reclamation project. In response, the Melaka state government unilaterally issued a suspension of the reclamation licence to the Chinese party (KAJ Development Sdn Bhd) in November. A World Bank study commissioned by the new Malaysian government showed that Malaysia does not need to build a new port in the Straits of Melaka as the capacity of the existing Port Klang facility has not yet reached its limit and its operators (Westports Holdings and MMC) have also proposed an expansion plan to increase the capacity of Port Klang, making the progress of the project and the future direction of the Melaka Gateway uncertain (Cheah et al., 2023, p. 276).

Trade Connectivity

Trade facilitation is one of the core objectives of the BRI initiative, focusing on increasing the level of trade between countries along the route. Network services are an important part of the new age economy and are also closely related to cross-border e-commerce trade. Under the BRI framework, China promotes the Digital Silk Road. The use of digital technology can give new impetus to the Malaysian economy. In Malaysia, Alibaba Cloud has been providing services and support to Malaysian enterprises in the areas of cloud services and e-finance (Zulhusni, 2021). In addition, Aliyun has also collaborated with Malaysian companies to develop systems that utilize cloud-based smart technologies to improve traffic congestion in Malaysian cities (Sin Chew Daily, 2019).

Compared to trade in goods, cooperation between China and ASEAN in trade in services is relatively small and late. Trade in services generally covers transport, telecommunications, finance, retail and professional services. Service trade cooperation under the BRI framework includes the digital economy, the cultural sector, the defence of intellectual property rights, and cooperation in the financial system. In the area of trade in services, Malaysia's strength is in Takaful financial services. Malaysia's banking sector can introduce Takaful finance to China and even East Asian countries under the BRI framework. At the same time, Malaysia's financial supervisory system is in line with international standards, and its banking sector is one of the most developed in the region (see Table 2). This advantage allows Chinese financial companies interested in entering the ASEAN financial sector to provide a guarantee and a certain market. Cooperation in the financial system allows the countries involved in the BRI to support each other in the event of significant risks in the financial markets. A strong financial system could reduce the impact of financial and economic crises on the real economy and safeguard investment and consumption efforts.

Table 2

Degree of Banking Development in ASEAN-5 (Private Loans from Depository Banks and Other Financial Institutions, percent of GDP)

Nations	2014	2015	2016	2017
Indonesia	34.04	35.98	37.73	37.4
Malaysia	115.5	119.5	119.99	116.37
Philippine	36.14	39.42	41.41	44.3
Singaporean	128.42	126.14	126.86	127.85
Thailand	143.48	160.12	164.18	160.68

Source: Global Financial Development Database

Note: Larger numbers represent higher levels of development in the banking sector

Capital Integration

Financing is an important support for the development of the BRI. Cross-border e-commerce involves the flow of funds and payment issues, which require the support of financial institutions. Both China and Malaysia can make use of their respective advantages to provide financial support and financing services for cross-border e-commerce.

Since 2012, Chinese inward FDI in Malaysia has more than doubled. At the same time, Malaysia's inward FDI in China has seen a similar increase (see Table 3). The data in Table 3 also shows that since Chinese inward FDI in Malaysia is larger than Malaysian FDI in China, this surplus represents an opportunity for Malaysia to benefit more from this mutually beneficial investment. The BRI has also increased the interest of Chinese investors in Malaysia, leading to a significant

increase in inward FDI from China in 2016 and 2017. Nonetheless, the trade war between the US and China and the COVID-19 outbreak have impacted the Chinese economy to some extent, which has also led to a decrease and slowdown in inward FDI from China to Malaysia since 2018 (Cheah et al. , 2023).

Table 3

China's (Malaysia's) Inward FDI in Malaysia (China), Volume and Net Value

Year	Chinese outsiders in Malaysia	Malaysia's foreign direct investment in China	Net worth (RM million)
	Direct investment (RM million)	Funding (RM million)	(JI)
2008	1,116	914	201
2009	793	1,217	-424
2010	920	1,016	-95
2011	962	937	25
2012	2,354	2,258	96
2013	2,257	1,933	324
2014	2,326	1,351	975
2015	3,836	2,520	1,315
2016	8,830	2,927	5,902
2017	9,906	3020	6,886
2018	3,901	3,339	562
2019	4,019	3551	468
2020 (third quarter)	4,080	2466	1613

Source: Bank Negara Malaysia

The Malaysia-China Kuantan Industrial Park, a model of Malaysia-China economic cooperation, is a joint venture economic park between Malaysia and China, which welcomed its first entry project in 2017. This park can increase the utilization of Kuantan port and activate the economy of the east coast. At the same time, the China-Malaysia Qinzhou Industrial Park is located in Qinnan District, Qinzhou City, Guangxi Zhuang Autonomous Region, China. The park was established in April 2011 after the Chinese and Malaysian Prime Ministers reached a consensus. It focuses on the development of biomedicine, electronic information, equipment manufacturing, new energy and new materials, modern service industry and traditional ASEAN advantageous industries. The "two parks in two countries" model has produced good economic benefits and promoted the effective

development of trade between the two countries. They are major projects under the BRI plan and a demonstration for cross-border international production capacity cooperation.

People-to-People Communication

People-to-People communication is the social foundation of the development of the BRI. Measures taken includes extensive cultural, academic, expert exchanges and cooperation, enhanced tourism cooperation, etc. They lay a solid foundation of positive public opinion for deepening bilateral cooperation between China and Malaysia.

A statement concerning Xiamen University Malaysia (360 Encyclopaedia, 2023) revealed that on 21 January 2013, the Malaysian government officially invited Xiamen University to establish a branch campus in Malaysia. On 4 October of the same year, in the presence of Chinese President Xi Jinping, the agreement on the construction of Xiamen University Malaysia was signed. In 2018, at the 13th National People's Congress of China, Zhang Rong, President of Xiamen University, said that the establishment of Xiamen University Malaysia contributes to provide more high-quality nationalized experts for the implementation of the BRI initiative. Xiamen University Malaysia is of great benefit to promote communication between Chinese and Malaysian students, to broaden their horizons, and to understand the diversity and inclusiveness of cultures.

The BRI encompasses many of the world's cultural heritages around the globe. BRI member countries can work together to develop tourism-related industries and facilities and create sources of revenue. A government report (Ministry of Culture and Tourism of the People's Republic of China, 2020) revealed that in 2018, Malaysia received 2.9 million Chinese tourists, up 29 percent year-on-year. From January to September 2019, Chinese tourists reached 2.4 million, up 5.7 percent year-on-year. Both Malaysia and China are rich in culture, arts, and heritage, and through effective planning, development, and promotion the two countries are sure to maximize the benefits from close cultural and tourism cooperation.

Countermeasures for China-Malaysia Cross-Border E-Commerce Cooperation under the "Belt and Road" Initiative

Under the BRI, China-Malaysia e-commerce cooperation requires the joint efforts of governments, enterprises, private institutions, academic research institutes, and other social institutions. The sustainable development of e-commerce cooperation can only be achieved by continuously strengthening policy communication, market opening, technology exchange, expert cultivation and support for SMEs.

Strengthening Policy Communication and Cooperation

In response to the evaluation of the effect of the government's past policy support and how the government should continue to play a facilitating role in the future, the statistical results are as follows:

Table 4

Policy Perceptions and Recommendations of Both Governments to Promote Cross-Border E-Commerce Development

Question	Answer(multiple-answer)	Proportions %
How do you think of the current policies formulated by the two governments to promote the development of cross-border e-commerce?	Satisfied, looking forward to good policies to be implemented	39.30%
	Strengthening e-commerce trade and promoting business and cultural exchanges between the two countries	33.30%
	Formulation of favourable policies	57.20%
	Strengthening meetings between leaders of the two countries. Favourable Policies for Better Landing	49.34%
	Hoping for more policies favourable to cross-border e-commerce trade	59.66%
	It's great to the growth of economy in both countries	36.00%
	All-round cooperation is gradually expanding, which is very favourable to the development of cross-border e-commerce	25.72%
	Enhancing cooperation in cross-border data flows and related laws, clarify property rights	30.16%
	Easy customs clearance and low tax burden.	45.80%
	No, I supposed it is great.	10.01%

Source: Questionnaire

Table 4 show that the respondents expect the two governments to formulate and implement favourable policies to promote e-commerce cooperation, strengthen meetings between the leaders of the two countries, reduce the tax burden, promote the facilitation of customs clearance, and strengthen the affirmation of rights in the process of data flow, and clarify property rights.

Malaysia and China should strengthen high-level interaction between the Chinese and Malaysian governments. Ning (2018) pointed out that the trade development between China and Malaysia depends to a large extent on the cooperation between the governments. Specifically, the

Chinese and Malaysian governments should continue to strengthen high-level leadership meetings. Through the convening of ministerial meetings and mutual visits of government officials, political cooperation and thereby bilateral trade including the cross-border e-commerce cooperation could be promoted. China and Malaysia governments should strengthen the customs coordination mechanism. Specifically, the differences in tax systems between different countries should be analysed in depth to facilitate future development. China and Malaysia governments should establish a sound legal system for cross-border e-commerce. Meanwhile, they should strengthen the supervision and management of the cross-border e-commerce market, crack down on counterfeit and shoddy goods and illegal trading behaviour, while maintaining a fair and competitive market order.

Integrate Resources and Capabilities to Promote Infrastructure Development in Malaysia

Although the digital economy cooperation between China and Malaysia has achieved fruitful results and strong momentum, there are still a series of factors that hinder the deepening of the cooperation between the two sides. Su et al. (2023) stated that the imperfect development of digital platforms has been a long-standing sticking point in Malaysia, hindering the in-depth development of China-Malaysia digital economy cooperation. The high cost of using Malaysia's digital platforms has raised the entry barriers for e-commerce companies from both sides. Besides that, Malaysia's domestic digital platforms have insufficient protection of users' privacy, and there are also a series of security problems due to poor supervision. This situation affects users' online shopping experience and discourages them from using digital financial services. Aside from that, it affects the in-depth development of digital financial services between the two sides.

Therefore, it is necessary for China to assist Malaysia to speed up the construction of network infrastructure to support the rapid development of cross-border e-commerce. This includes establishing high-speed and stable Internet connections, improving network coverage, enhancing data transmission speed and stability, and improving the logistics and distribution system. An integrated cross-border network platform should be jointly constructed to facilitate cross-border trade between enterprises of the two countries. This platform should have the following features: firstly, it should support a variety of payment methods, including RMB settlement, credit card payment, Alipay, etc. Secondly, it should provide a safe and reliable cross-border payment system. Thirdly, it should provide convenient cargo tracking and logistics management functions. Fourthly, it can support a multi-language and multi-currency operating interface for the convenience of users. Furthermore, the platform should also have good user experience and security measures to ensure trust and cooperation between the two parties.

Improve Cross-border Logistics Model

In terms of cross-border logistics, Best Express and Cainiao Intelligent Logistics Network jointly launched an end-to-end logistics service in September 2020 between China and Malaysia (Su et al., 2023). However, there are still several problems with cross-border logistics between China and Malaysia. The long distance between the two countries, coupled with the complexity of customs, commodity inspection and other complications, results in high logistics costs. Cross-border e-commerce involves a wide variety of items, including food, medicine, and many other sensitive categories, which is prone to safety hazards such as counterfeit goods, theft and other problems.

A series of measures need to be taken to improve the cross-border logistics model. First, establishing an efficient cross-border logistics network is critical. This includes building land, sea and air transport corridors between China and Malaysia to improve transport efficiency and reduce costs. Second, Malaysia and China should improve customs clearance conditions at border crossings. By optimizing the facilities and management of border crossings, the two countries can improve customs clearance efficiency and reduce logistics costs. Third, Malaysia and China should support multi-modal transport, which can also improve logistics efficiency and reduce transport costs. Fourth, Malaysia and China should pay attention to the development of intelligent logistics technology. China can use its technological advantages to provide Malaysia with support for advanced technologies such as Internet of Things (IoT), artificial intelligence and big data analysis. Malaysia and China should adopt modern technology to improve the efficiency and reliability of cross-border e-commerce, such as taking the blockchain technology to ensure the traceability and authenticity of the origin of goods, as well as adopting artificial intelligence and big data analytics and other technologies to achieve intelligent logistics management and forecasting.

Promoting the Development of RMB Cross-border Payment System

Digital payment refers to the process of transferring and settling monetary payments through electronic means, including but not limited to, the use of bank cards, mobile payments, and Internet payments. Digital payment on cross-border e-commerce platforms is one of the key aspects of facilitating trade between the two countries. Consumers can now complete payment and settlement directly through electronic channels, reducing intermediate links and thus improving transaction efficiency and accuracy.

In order to facilitate trade flows and digital transformation between the two countries, the following measures can be taken to enhance the digital payment capacity of cross-border e-commerce platforms. First, Malaysia and China should establish a safe and efficient cross-border e-commerce payment system to provide convenient and safe digital payment services for

enterprises and individuals in both countries. The system should be able to support payments in multiple currencies, with functions such as cross-border transfers and real-time arrivals, and support a variety of payment methods, such as credit cards, debit cards, Alipay, WeChat Wallet and so on. Second, Malaysia and China should strengthen payment risk management and payment technology research and development. This can be achieved by adopting multi-factor authentication, encryption technology and so on. Third, China and Malaysia can work together to promote the development of digital financial payment technology. This includes establishing a data-sharing mechanism, conducting joint R&D projects, and providing training and technical support. In this way, the efficiency and reliability of cross-border payments can be improved and transaction costs can be reduced. Meanwhile, it can also provide consumers with more diversified payment options and enhance the consumption experience.

Enhance Trade Strength and Level of Cross-Border E-Commerce Enterprises

The digital economy refers to an economic form supported by technologies such as the Internet, big data and artificial intelligence, etc. The digital economy could realize information sharing, resource integration, and social synergy, and promote industrial upgrading and economic transformation. The digital economy is characterized by digitization, networking, intelligence and servitisation. In the context of globalization, the digital economy has become an important force driving economic growth. Cross-border e-commerce, as a representative and important part of the digital economy, has become a new trend in international trade.

In September 2021, the 12th Malaysia Plan (2021-2025) introduced sustainable development goals. In its new vision of "Shared Prosperity 2030", the Malaysian Government states that with the emergence of Industry 4.0, big data, artificial intelligence, and the Internet of things (IoT), traditional economic structures are being rapidly disrupted. In February 2021, the Malaysian Digital Economy Blueprint was proposed by the Malaysian government. In July 2021, the National Policy for the Fourth Industrial Revolution (N4IRP) was raised. The digital economy has been identified as one of the key growth areas for realizing the Shared Prosperity 2030 vision. These visionary plans and sustainable development goals can hardly be realized by relying only on Malaysia's own strength, and it has become an urgent choice to "leverage on external forces" to scale new heights (Zheng & Guo, 2023). Under the BRI, Chinese e-commerce enterprises can work with Malaysian e-commerce platforms to develop the cross-border e-commerce market by applying digital economy technologies. In the field of artificial intelligence (AI) and the Internet of Things (IoT) applications, the cooperation should be further deepened with the continuous development of AI and IoT technologies.

Emphasis on Cross-border Live Streaming

Cross-border live streaming is a new type of marketing method, which uses Internet technology to complete the links of commodity display, sales and service online, and deliver them to consumers in real time. It features real-time interactivity, multi-language support, high efficiency and convenience, and data analysis capability. Cross-border live streaming is one of the important channels of cross-border trade. China and Malaysia can strengthen e-commerce cooperation and exchanges through live streaming.

Through live streaming, users can intuitively understand the appearance, material, function, and usage of the products and other information. In addition, consumers and merchants can interact and communicate with each other, increasing the fun and involvement of consumers in shopping. Malaysia has rich product resources, such as fruits, seafood, and other special agricultural products as well as handicrafts. Through live streaming, consumers can watch the production process and quality control of these products in real time at home. They then can buy and use the products with greater confidence. Live streaming can also provide merchants with more direct sales opportunities while increasing product exposure and awareness. For Malaysian companies, live streaming can help them explore more of the Chinese market. Meanwhile, Chinese consumers can also learn about Malaysia's special products and culture through live streaming. When conducting cross-border live streaming in Malaysia, attention needs to be paid to solving language barriers and technical difficulties to ensure the smoothness and stability of live streaming. Attention should also be paid to protecting intellectual property and consumers' rights and interests to avoid infringement.

Emphasis on Tapping Cross-border E-Commerce Trade in Halal Food

Both Malaysia and China have a significant number of Muslims, creating a unique Halal market. In general, Halal products are mainly food products. The size of the Halal market cannot be underestimated. In Malaysia alone, the demand for halal goods has reached US\$70 billion (approximately RM280 billion) in 2020 (Yusof, 2020). Alexis (2019) reported that the global halal economy has a size of US\$2.1 trillion (approximately RM8.6 trillion) in 2017 (Cheah et al., 2023, p. 287). Halal products encompass food (the most prominent ingredient), apparel, media, entertainment, travel, drugs and cosmetics. The first and foremost requirement to penetrate the Halal market is to have a credible Halal certification. Malaysia has achieved remarkable success in Halal certification. As noted by Rokshana (2017), Malaysian certified Halal products are recognized worldwide. In the countries along the BRI region, there are many countries whose main faith is Islam. This is a potential market for China. Chinese manufacturers who do not have Halal certification can enter these markets more quickly by partnering with Malaysian merchants that are Halal certified. At the same time, this cooperation model can also reduce the risk and learning curve associated with

engaging in an unfamiliar industry. Malaysia can also develop new markets through China's active world trade network.

Emphasize and Enhance the Participation of SMEs in Cross-Border E-Commerce Trade

Currently, the China-Malaysia digital economy cooperation is dominated by inter-governmental cooperation as well as cooperation among large enterprises. Meanwhile, the participation of SMEs is very limited. However, as important participants and contributors to the national economy, SMEs are crucial to the deepening of digital economy cooperation between the two sides. As emphasized in Malaysia's National Industry 4.0 Policy: to build a complete digital economy ecosystem, it is important to significantly increase SMEs' activity in the system. Currently, the key factor inhibiting Malaysian SMEs from being active in digital economy cooperation is their lack of digitization which is due to a number of factors (Su et al., 2023, p.247).

Most SMEs are unable to dynamically capture the changing habits and preferences of consumers, and therefore are unable to evolve their business models in time to adapt to these changes. Due to the small size of their operations, they often do not have the digital expertise to unlock the entire process. Most SMEs in Malaysia lack the start-up and operating capital to engage in e-commerce. Coupled with the longer payback period for digital economy costs, which do not bring significant benefits to SMEs in the short term, they often stop at the first step of digital transformation. For Malaysia, fostering the cross-border e-commerce capabilities of SMEs was one of the key ways to achieve economic growth. Malaysia can work with the Chinese government to build a cross-border e-commerce platform and provide relevant technical support and training courses to help SMEs understand and apply cross-border e-commerce tools and technologies. In addition, events such as online or offline exhibitions can be organized to provide SMEs with an opportunity to showcase their products and services and attract more buyers and partners.

Promote China-Malaysia Intra-Industry Trade

In terms of the characteristics of trade development between China and Malaysia, it is in the process of transformation from traditional inter-industry trade based on differences in resource endowments to intra-industry trade based on economies of scale and product heterogeneity. In this case, the two countries should promote trade product differentiation to guarantee the effective development of China-Malaysia trade. China and Malaysia should reasonably analyse the characteristics of the industrial structure, the characteristics of production and market demand, and consciously strengthen the differences in their products being traded, which could result in a more reasonable trade structure. While strengthening product differentiation, they should also take into account the complementarity between many Chinese industries and Malaysian industries, and

strengthen intra-industry restructuring and cooperation.

China and Malaysia have strong complementarities in a number of industries. Specifically, China has strong advantages in textiles, clothing, shoes, food, cereals, construction materials, mechanical and electrical industries; while Malaysia has strong advantages in agricultural and sideline products, rubber, natural gas, oil, and other industries. China can strengthen the export of its own advantageous industries, while vigorously absorbing and undertaking the transfer of Malaysia's advantageous industries, so as to promote the rational development of the two countries' industries. In addition, some of the industries of China and Malaysia has a strong demand for cooperation, such as automotive manufacturing industry, communications electronics industry, green energy industry, halal commodity industry, etc. There can be a variety of advantageous resources and technology for in-depth cooperation to enhance the complementary product structure and the possibility of intra-industry trade.

In the process of carrying out their trade, China and Malaysia should refine the regional tasks and target regional trade cooperation docking. China and Malaysia should focus on the important responsibility of Guangxi's regional cooperation to dock with Malaysia, and promote the cooperation between Guangxi and Malaysia in trade, capital financing, infrastructure construction, and other fields by strengthening the upgrading of Kuantan Port, promoting the "two countries, one inspection" customs clearance mode. China's Ningxia, Xinjiang and Malaysia should strengthen cooperation in the halal industry, taking advantages of Malaysia's strengths in halal food development and halal product certification, and capitalizing on its great influence in Islamic countries. In the process of docking with Malaysia, Fujian and Guangdong Provinces should give full play to their superior geographic advantages and the traditional advantages of foreign trade. China's Fujian and Guangdong Pilot Free Trade Zones should be promoted to link up with Iskandar Special Economic Zone, thereby facilitating trade and investment between China and Malaysia. At the same time, foreign trade enterprises in Fujian and Guangdong should be guided to invest in the Iskandar Special Economic Zone, and domestic industries and enterprises should be encouraged to go outward in light of the current opportunities provided by the development of the "Maritime Silk Road".

Strengthening Financial Services and Supervision, and Innovate China-Malaysia Capital Financing Cooperation

There is a solid basis for cooperation between China and Malaysia in terms of capital financing. In 2009, the People's Bank of China and Bank Negara Malaysia announced a bilateral currency swap agreement in the hope of boosting trade and economic growth between the two countries. Malaysia has a high level of recognition and acceptance of the RMB in its trade with China. Bank

Negara Malaysia is not only the first central bank to sign a currency swap agreement with China, but also the first Asian central bank to become a Qualified Foreign Institutional Investor (QFII). The Malaysian Ringgit is the first emerging country's currency to be traded directly with the RMB. China and Malaysia also co-operated on a number of systems in capital financing. In 2013, the central banks of China and Malaysia signed a cross-border guarantee agreement. Many Malaysian financial institutions have used the RMB as a trade settlement currency, as seen in China-Malaysia trade practices.

China and Malaysia should build on past efforts to further strengthen cooperation in capital financing. Specifically, the promotion of cross-border trade RMB settlement business should be strengthened while minimizing the reliance on other currencies such as the US dollar in the bilateral trade process. The cooperation between financial institutions represented by respective central banks should be strengthened, and China and Malaysia should strengthen the establishment of bank branches in each other's territory, thus further promoting currency cooperation. On top of that, they should also support the innovation of RMB settlement tools, introduce a richer variety of RMB-denominated financial products, and encourage Chinese enterprises to go to Malaysia to list and issue bonds. Meanwhile, the promotion of the cross-border trade settlement by Malaysian Ringgit should also be actively strengthened (Ning, 2018, p. 52).

Strengthen Cultural Cooperation and Experts Training in Cross-Border E- Commerce Development

In the development of the BRI, both parties should emphasize people-to-people communication, which at the macro level is the convergence of civilizations and cross-cultural communication. Strengthening cultural exchange activities and e-commerce expert training is an effective means to promote cross-border e-commerce cooperation in the two countries.

China and Malaysia can organise China-Malaysia e-commerce cultural festivals to showcase the special commodities, traditional, cultural, and artistic performances, and e-commerce innovations of the two countries. E-commerce enterprises, artists, and cultural organisations from both countries could be invited to participate in the festival to promote cultural exchanges and cooperation between the two sides. China and Malaysia can carry out online and offline cultural themed activities, such as the China-Malaysia Food and Culture Festival and traditional handicrafts exhibitions, etc., to promote and sell related products through e-commerce platforms, so that consumers of the two countries can have a better understanding of each other's cultures. E-commerce enterprises of the two countries should be encouraged to integrate the cultural elements of the other country into their product design and marketing, and launch co-branded products or customised services with cultural characteristics, so as to enhance the attractiveness and cultural connotation of their products.

Co-operation between Chinese and Malaysian universities should also be strengthened to offer cross-border e-commerce related majors and courses, and cultivate e-commerce experts with an international outlook and professional skills. Mutual visits of teachers, student exchanges, and co-operative research between the two sides should be encouraged to jointly improve the quality of teaching and scientific research. China-Malaysia cross-border e-commerce training bases could be established to provide students with practical opportunities and internship positions. The cross-border e-commerce training bases could co-operate with e-commerce enterprises to carry out project-based teaching and practical teaching, so that students can master e-commerce skills and operation and management experience in actual operations. Cross-border e-commerce training by vocational education institutions in China and Malaysia should be promoted to provide short-term training courses and skills upgrading programmes for enterprise employees and entrepreneurs. The training may include e-commerce platform operation, marketing, logistics management and customer service. E-commerce enterprises in China and Malaysia can send their employees to e-commerce enterprises in the other country for internships, exchanges and co-operation projects to learn advanced management experience and technology. E-commerce associations, chambers of commerce and other organisations in China and Malaysia should be encouraged to carry out expert matching activities to build an exchange platform for enterprises and experts.

In conclusion, strengthening cultural cooperation and expert cultivation in the development of cross-border e-commerce between China and Malaysia requires the joint efforts of the government, enterprises, universities, and society. Through cultural exchanges and co-operation, it can enhance the understanding and trust of consumers of the two countries towards each other's culture, while promoting the development of cross-border e-commerce. Through expert training, it can provide professional expert support for cross-border e-commerce, and improve the operation and management level of enterprises and their innovation ability.

Conclusion

Cross-border e-commerce cooperation between Malaysia and China has a broad prospect and development space. The development of cross-border e-commerce cooperation is a systematic project that requires the extensive participation of the government, enterprises, schools, research institutes, civic organizations, and individuals. Challenges exist in electronic commerce cooperation, such as infrastructure development, information and intellectual property sharing, policy interoperability, financing, currency swap, people-to-people communication, etc. The BRI creates a favourable environment and facilitates cross-border e-commerce cooperation between Malaysia and China in terms of policies, facilities, funding, trade and people-to-people bond. The good development of cross-border e-commerce cooperation between Malaysia and China can provide a strong impetus

for the smooth implementation of the BRI. Therefore, Malaysia and China complement each other in the cross-border e-commerce industry. In the future, with the in-depth implementation of the BRI, it is believed that the cooperation of cross-border e-commerce industry between the two countries will make further progress.

This paper mainly focuses on the theoretical level and there is shortage of empirical analyses. As a result, it is yet to prove its effective guidance for problems and suggestions in practical operation. The perspective of this paper is relatively homogenized, focusing on digital platform, e-commerce logistics, and digital payment without fully considering the impact of cultural differences and other implicit factors, which leads to results that may not fully reflect the actual situation.

Future research should focus on empirical analyses to assess the impact of cultural differences and other hidden factors to try to establish a comprehensive and systematic research framework in an effort to provide more scientific and delible suggestions and solutions. Competitiveness and complementarity coexist in the trade process for Malaysia and China. Future research should focus on studying how to adjust the internal structure of bilateral industries and develop product differentiation in bilateral trade. While strengthening product differentiation, Future research should also focus on how to strengthen intra-industry structural adjustment and promote intra-industry cooperation. Accordingly, using the analysis of their industrial structure characteristics, product production characteristics, and market demand, this could inform the further development of cross-border e-commerce between Malaysia and China.

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