

The spill-over impacts of Regional Comprehensive Economic Partnership (RCEP) and New Southbound Policy (NSP) on cross-border e-commerce: A study on Taiwanese stakeholders' perspective towards Malaysia market.

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ABSTRACT

This study explores the impacts of the Regional Comprehensive Economic Partnership (RCEP) exclusion and the New Southbound Policy (NSP) on cross-border e-commerce between Taiwan and Malaysia, focusing on Taiwanese stakeholders' perspectives towards the Malaysian market. This study utilised semi-structured interviews. The in-depth interviews were done from September to December 2023, targeting various stakeholders: business chambers, industry representatives, legislators, and experts. The interviews were transcribed, and thematic analyses were used to explore experiences, challenges, and strategies for overcoming the RCEP's exclusion and the NSP's influence on cross-border e-commerce. Results indicated operational challenges, stakeholder's adaptability in navigating these, and the role of government initiatives in overcoming the operational challenges. Some other significant themes were the importance of bilateral operations and the facilitating instruments of digital trade to ensure sustainable growth. This study also shared the potential implications of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) membership as a proactive measure to mitigate the exclusion and digital trade expansion. This study described the intricate forces affecting Malaysia-Taiwan cross-border e-commerce, suggesting further research is necessary. The study also presented optimism towards the resilience and adaptability of the stakeholders amidst the ever-evolving digital trade landscape.

Keywords: cross-border e-commerce, RCEP, NSP, Malaysia, Taiwan

INTRODUCTION

Southeast Asia has been the powerhouse of e-commerce growth since the dawn of mobile internet. The region has 70 percent internet penetration in most countries, with over 400 million active internet users (von Kameke, 2024). The growth is fuelled further by various international initiatives such as the Belt and Road Initiatives (BRI) and the Regional Comprehensive Economic Partnership (RCEP). The e-commerce market size for Southeast Asia is estimated to be around 139 billion USD, and with the internet economy size reaching 218 billion USD in 2023, this is expected to grow in the future (von Kameke, 2024). The growth of e-commerce is also seeing a rise for overseas products, with 40% of Malaysia's e-commerce purchases being cross-border products in 2020 (JP Morgan, 2019).

Similarly, Taiwan has also seen a surge in cross-border e-commerce development. In 2021, more than 10 thousand service sector companies were involved in cross-border e-commerce, while another 21 hundred manufacturing companies produced goods for cross-border e-commerce (Statista, 2024). In response to the growth of e-commerce, the Malaysian government implemented the National E-Commerce Strategic Roadmap 1.0 and 2.0, coupled with the Digital Free Trade Zone (DFTZ) in 2017. The Malaysia Digital Economy Blueprint (MyDIGITAL) has been introduced recently, demonstrating its commitment to e-commerce development (Noor Azina & Muhammad Mehedi, 2020; EPU, 2021; MDEC, 2021).

Taiwan's exclusion from the RCEP, which aims to lower trade barriers, has sparked concerns about potential impacts on regional economic development and international trade. First, the RCEP members accounted for 59% of Taiwan's total trade in 2019, signalling potential challenges in future trades (長風基金會, 2019). The island's exports are expected to suffer under the exclusion as tariff reduction among the member states could challenge them to remain competitive (Zheng, 2020). Despite the challenges, the bilateral trade between Malaysia and Taiwan remains strong, with both being top-10 trade partners for years (MATRADE, 2021). The New Southbound Policy (NSP) and various bilateral trade agreements between Malaysia and Taiwan, including various memorandum of understanding (MOUs) that promise cooperation in various fields, can be seen as a potential cushion to mitigate the impact of such omission and perhaps even strengthen bilateral relationships. On the cross-border e-commerce front, platforms and private business chambers, such as EasyStore and

MCBEA, tirelessly seek avenues to match related business between the two. At the same time, Malaysian businesses are looking to expand to Taiwan counterparts through initiatives such as the “Malaysia Select” (Amir, 2023), gesturing a friendly business environment between the two.

The NSP and various bilateral initiatives offer potential solutions to overcome the obstacles, such as product and business matching in Malaysia and Taiwan. However, there remains a significant gap in how these dynamics affect cross-border e-commerce, especially from the perspective of Taiwanese stakeholders regarding the Malaysian market. For the stakeholders, understanding the Malaysia-Taiwan cross-border e-commerce landscape requires more than familiarising themselves with the relevant policies and regulations. The diversity of culture, potential customer groups, ever-changing economic climate, complexities in localisation, and overall perceptions will be valuable for on-the-ground operations in the future. Therefore, this study explores Taiwanese stakeholders’ perceptions of cross-border e-commerce with Malaysia, particularly in the context of international initiatives like the RCEP and NSP. The research questions and objectives of the study are as follows:

Research Questions

- How do Taiwanese stakeholders perceive the potential impacts of the RCEP and NSP on cross-border e-commerce with Malaysia?
- What strategies are Taiwanese stakeholders employing to navigate the challenges posed by Taiwan’s exclusion from the RCEP?

Research Objectives

- To assess the impact of RCEP and NSP on cross-border e-commerce cooperation between Malaysia and Taiwan
- To evaluate Taiwanese stakeholders’ initiatives to enhance and advance cross-border e-commerce with Malaysia

Significance of the Study

This study offers insights into stakeholders' perceptions of cross-border e-commerce between Malaysia and Taiwan, aiming to inform policymakers, businesses, and researchers about the implications of RCEP and NSP on future trade relations. Additionally, by exploring the operational, industrial, and strategic responses to these international agreements, this study offers guidance for navigating the evolving landscape of cross-border e-commerce in Southeast Asia.



LITERATURE REVIEW

The Association of Southeast Asian Nations (ASEAN) Agreement on Electronic Commerce took effect on December 2, 2021, to facilitate a regional digital economy and help fellow member countries recover their economies post-pandemic (Asia Development Bank, 2023). The agreement acknowledges the rapid growth of the regional e-commerce sector and, at the same time, anticipates the potential growth of cross-border e-commerce in the future.

Taiwan's e-commerce development has also grown steadily, especially during the pandemic and the rising trade ties with Southeast Asian countries. The robust e-commerce development and market pool of nearly 23 billion USD also prompted platforms such as PChome, Momo, Shopee, and Rakuten to compete in the market opportunities (Spall, 2023). Despite the positive reception of Taiwanese goods in Southeast Asia, the Taiwanese platform PCHome Southeast Asia subsidiary (PChomeSEA) suffered a setback in 2023 due to intense competition, and the company is readjusting its approach in the region (Spall, 2023).

Impact of Regional Comprehensive Economic Partnership (RCEP)

The exclusion of Taiwan from the RCEP posed challenges for Malaysia-Taiwan cross-border e-commerce development. Previous studies from Malaysia have highlighted the benefits of RCEP for the digital economy, various trade facilitation issues, and improved supply chain integration (Goh, 2021; Goh et al., 2023; Rahman & Sharma, 2023). Taiwan's exclusion raised concerns about integrating digital trade within the RCEP region, calling for alternative strategies to sustain and grow cross-border e-commerce (Chou, 2020).

New Southbound Policy (NSP)

While the NSP originally aimed to diversify Taiwan's economy, it is significant in facilitating cross-border e-commerce, mainly through bilateral agreements and promoting Taiwanese brands in these regions. It has opened avenues for Taiwanese companies in the Malaysian market, highlighting the role of government initiatives in nurturing e-commerce growth. Taiwan proactively participates in global dialogues and training initiatives to enhance e-commerce and digital trade capabilities, aiming for deeper integration into the world economy. This persists despite encountering challenges in securing international trade agreements. Efforts include forming alliances and bolstering Taiwanese product visibility in Southeast Asian markets to support the international expansion of small and medium-sized enterprises (SMEs) (McGuire, 2022). The NSP's focus on cross-border e-commerce and digital trade diversifies economic ties and minimises market dependence, offering Taiwanese consumers access to a broader range of products (MarkWide Research, 2023).

Operational Challenges and Developments in Malaysia-Taiwan Cross-Border E-commerce

The operational aspects of cross-border e-commerce between Malaysia and Taiwan, concerning logistical, regulatory, and infrastructural challenges, are crucial to understanding the Taiwan-Malaysia trade dynamics. Malaysia engaged with various free trade agreements (FTAs) comprising regional and international trade, namely RCEP and CPTPP. Malaysia has also established bilateral FTAs with neighbouring countries such as Australia, Japan, Pakistan, and New Zealand. Despite the extensive network of FTAs, specific bilateral agreements with Taiwan are still bound to conventions established in 1993-2004, way before e-commerce was a cultural norm. This gap suggests that several issues, including tax complexities, high certification fees, and the need for the local aggregators to cope with the intricate e-commerce landscape, may impact Malaysia's trade relations and e-commerce in Taiwan. Table 1 outlines the current trade agreements between Malaysia and Taiwan using Cortez's (2014) categories.

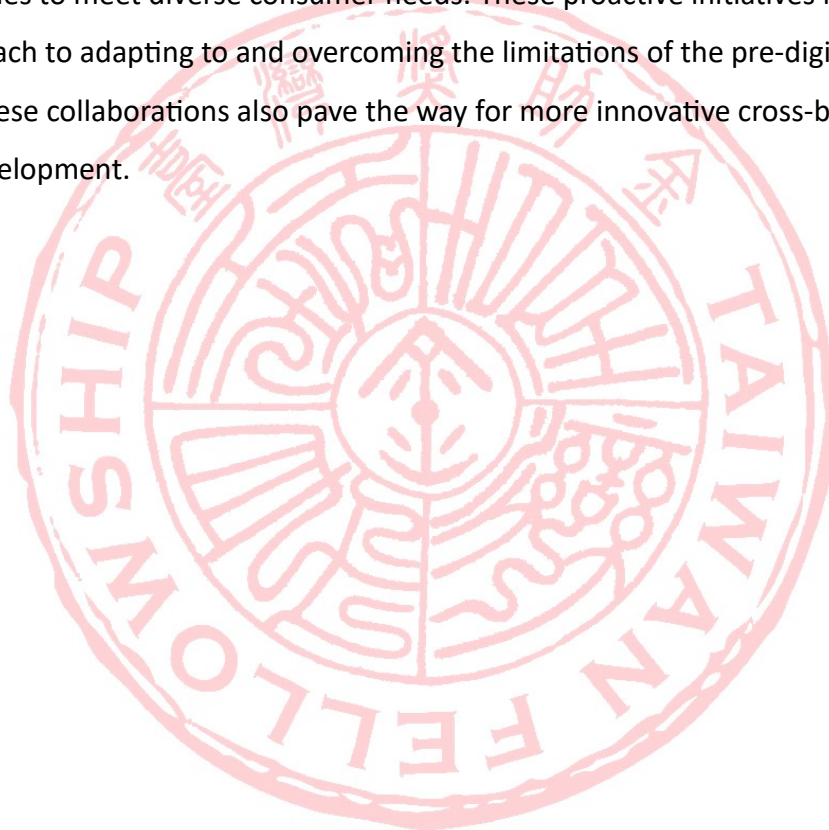
Table 1: Existing Malaysia-Taiwan Trade Agreements

Trade Agreement	Form	Timing	Enforcement	Durability
AGREEMENT Promotion and Protection of Trade	Convention / Trade Agreement	1993	MFTC & TECO	Current*
AGREEMENT Double Taxation Avoidance	Convention / Trade Agreement	1996	MFTC & TECO	Current*
PROTOCOL Temporary Goods and Custom Protocols	Convention / Trade Agreement	2004	Custom offices (MY and TW) TAITRA & MICCI	Current*
品質保證驗證合作協議書 Quality Assurance of Goods	Convention	1996	SIRIM & BCIQ	Current*
證券暨期貨坡管理) Capital Market Cooperation	Memorandum / Convention	1997	SCM & FSC	Current*

*Signed before e-commerce became a norm

Source: Developed specifically for this study.

These agreements, set before e-commerce became a phenomenon, do not cover formal government-to-government e-commerce collaborations. However, this has not stopped business-to-business or public-to-private engagements between Malaysia and Taiwan. Collaboration platforms like Yubeli and PC Home in Malaysia (BusinessToday, 2021) and the MOU signing of TAITRA and MATRADE (MATRADE, n.d.) exemplify the collaborative efforts to overcome these barriers. Furthermore, Taiwanese businesses are exploring emerging markets, such as Halal, F&B, ICT, healthcare, and e-commerce (BERNAMA, 2023), adopting flexible strategies to meet diverse consumer needs. These proactive initiatives reflect a broader approach to adapting to and overcoming the limitations of the pre-digital era trade agreement. These collaborations also pave the way for more innovative cross-border e-commerce development.



METHODS

This study adopts a qualitative research design to explore the spill-over impacts of the RCEP and the NSP on cross-border e-commerce, focusing on the perspectives of Taiwanese stakeholders regarding the Malaysian market. The qualitative approach is utilised for its ability to capture complex and nuanced views, experiences, and strategic responses to the policies, and this approach facilitates a comprehensive exploration of the issue (Lamont & Boduszyński, 2020).

Semi-structured interviews were employed to collect data from the relevant stakeholders. This approach allowed for an in-depth data analysis and was flexible enough to probe the stakeholders for more information. The interview questions were adapted from the work of Herman and Oliver (2023) and Hoang et al. (2020), which examined the trade flow determinants between Malaysia and Taiwan and the dynamic of trade, including digital infrastructure. The questions were designed to probe stakeholders' understanding, awareness, and experience of cross-border e-commerce practices. Each interview lasted 45 minutes to 1.5 hours, depending on the stakeholders' involvement.

Key areas of inquiry include:

1. Challenges and recent developments in Malaysia-Taiwan cross-border e-commerce
2. Efforts by stakeholders in Malaysia and Taiwan to foster e-commerce growth
3. The impact of RCEP and NSP on cross-border e-commerce development
4. Other challenges and additional remarks

The interview sessions were recorded for transcribing, coding, and analysis. This study was carried out between September and December 2023.

Participant Selection

The purposive sampling technique (Moser & Korstjens, 2018) was used to select samples meeting the study's inclusion criteria: individuals experienced in Taiwan-Malaysia trade or e-commerce-related matters. This study aimed to engage various stakeholders, including business chambers, industry representatives, legislators, government officials, and experts from Malaysia and Taiwan, in bringing academic-based perspectives to the discussion.

The stakeholders are crucial in providing insights into Malaysia and Taiwan's trade and cross-border e-commerce. The industrial and legal experience, coupled with the analytical depth of the stakeholders, can provide holistic perspectives on the issues.

Data Analysis

Thematic analysis was employed to examine the data gathered from interviews. All data were transcribed accurately and coded to identify emerging themes. The analysis involved grouping codes into potential themes to generate narratives on the Malaysia-Taiwan cross-border e-commerce. A total of 11 in-depth interviews were conducted, but only eight were analysed as the remaining participants did not complete the interviews.

RESULTS

The study identified the operational challenges and potential opportunities in enhancing bilateral cross-border e-commerce development between Malaysia and Taiwan. At the same time, we explored how the RCEP and NSP might affect the nuances of regional digital trade. The stakeholders identified various themes and narratives regarding the implementation of cross-border e-commerce. The key themes identified were the challenges and opportunities of Malaysia-Taiwan cross-border e-commerce, the impact of RCEP and NSP on bilateral cross-border e-commerce development, the role of government initiatives in cross-border e-commerce development, and stakeholders' adaptation and resilience in the ever-changing digital-trade landscape.

Malaysia and Taiwan Cross-Border E-commerce (Challenges and Opportunities)

The saturation of Taiwan's local e-commerce market pushes businesses to explore opportunities abroad. Malaysia and Singapore, due to their mature infrastructure and the broad acceptance of e-commerce, became favourable places for their market expansion. Due to the lack of a progressive FTA with Malaysia, Taiwanese e-commerce businesses face several operational challenges while engaging with the Malaysian market. Complications in logistics, customs, and taxation, as well as the requirement for local business aggregators to manage cross-border transactions, present a challenging situation for businesses to grow in an already competitive environment.

There is a perception that Taiwanese entrepreneurs excel at establishing factories and industries overseas but are slow to adapt to the digital economy that requires a paradigm shift, impeding the progress of Taiwanese cross-border e-commerce platforms to enter the Southeast Asian market compared to other foreign platforms.

Despite these operational challenges, there are notable opportunities for market expansion, particularly as the Malaysian consumer market is receptive towards Taiwanese healthcare products, cosmetics, and food items. The potential collaboration in the halal sector,

particularly with the certifications of halal products, represents a promising direction for tapping into the Muslim-majority market in Malaysia. However, Malaysia-Taiwan cross-border e-commerce also encounters stiff competition from Thailand, which is looking to forge a similar relationship with Taiwan. Taiwanese healthcare products that are well-received in Malaysia face intense competition from South Korea and Japan, seeking similar avenues in the Malaysian market.

Stakeholder Perspectives on the Impact of RCEP and NSP on Malaysia-Taiwan Cross-Border E-commerce Development

The stakeholders offered numerous opinions on the implications of Taiwan's exclusion from the RCEP. Some argued that this might affect market access and the integration of the regional supply chain. While the direct impacts might not be significant, the long-term impacts are unknown. The NSP is often regarded as a robust initiative that could cushion the blow, as the initiative was considered a push factor for local industries to set up production facilities in ASEAN countries. The NSP's emphasis on diversifying economies could solve the region's logistical challenges and trade barriers. The potential acceptance of Taiwan into the more comprehensive CPTPP could mitigate the impact of RCEP, enhancing cross-border trade with member countries.

The stakeholders' opinions varied; some suggested that international agreements benefit platforms more than individual cross-border e-commerce sellers. The impacts of RCEP and NSP might increase the reliance of individual sellers or smaller players on platforms to venture into target markets such as Southeast Asia.

There were also contradicting opinions on the impacts of the RCEP and NSP on the relocation of manufacturing plants. Some argue that the manufacturing factories are already seeking avenues to move or relocate their operational base to RCEP member countries, while others suggest that relocation might be due to market needs rather than the direct impact of exclusion.

There is a consensus that the effects of RCEP and NSP are seen as more significant in the production and manufacturing sectors than in areas requiring a paradigm shift, like the digital economy. The stakeholders agree that cross-border e-commerce challenges are more technical or operational orientated than the impacts of international agreements. However, the stakeholders conclude that including RCEP and the NSP will positively drive cross-border e-commerce development.

Role of Government Policies and Initiatives in Cross-border E-commerce Development

Government policies and initiatives, particularly Taiwan's NSP and Malaysia's digital economy strategies, were pivotal in shaping the cross-border e-commerce landscape. The stakeholders emphasised the importance of supportive policy frameworks for fostering trade facilitation, digital infrastructure development, and SME participation in digital trade. The collaborative endeavours between Malaysia and Taiwan, such as the annual Taiwan Select trade promotional events and sector-specific initiatives, are vital in bolstering cross-border e-commerce activities.

Strategically selected products from Malaysia and Taiwan are showcased annually to promote bilateral trade, demonstrating the Malaysian market's positive reception to Taiwanese products. Initiatives such as collaboration between TAITRA and Yubeli highlight the push for stronger cross-border e-commerce partnerships. Malaysia's digital transformation efforts, including the Malaysia Digital Economy Blueprint and the DFTZ, are critical drivers of e-commerce growth that could enhance bilateral relations.

Although there is no formal Free Trade Agreement (FTA) between Malaysia and Taiwan, several trade facilitations established in 1993 and 2004, along with the Most Favoured Nation (MFN) treatment for Taiwanese goods entering Malaysia, indicate significant potential for cross-border e-commerce development. The mature infrastructure and efficient last-mile logistics in Malaysia and Taiwan also contribute to a favourable e-commerce environment by ensuring a low undelivered rate.

Stakeholder Adaptation and Resilience Strategies

Businesses and stakeholders have shown remarkable adaptability to changes in trade and the digital commerce landscape. Their strategies encompass leveraging digital platforms to expand into new markets, exploring new market niches, and swiftly adapting to regulatory shifts. The resilience of the entities, bolstered by innovative approaches to e-commerce and strategic market positioning, has been crucial in navigating the challenges of Taiwan's exclusion from the RCEP and capitalising on the opportunities presented by the NSP.

Taiwanese businesses have long established a presence in Southeast Asia to secure market access, enabling them to operate with agility in Malaysia and contribute to the strong reception of Taiwanese brands and products.

These businesses have effectively identified high-demand products in Malaysia, establishing physical outlets, production lines, and sufficient warehousing to mitigate customs and tariff challenges. The agility and robust adaptation of Taiwanese businesses in Malaysia, combined with high resemblance in culture, language, and mature infrastructure, significantly enhance the prospects for bilateral development. The outcomes of stakeholder responses are documented in Table 2.

Table 2: Summary of Key Findings

Questions	Business Associations (MY)	Gov official (MY)	Service industry (TW)	Gov official (TW)	Expert (TW)
Challenges and Development Taiwanese cross border E-commerce	Saturation due to limited population. Stiff competition from various platforms.	“Taiwan Select” initiative. Hope for Halal collaboration. Mature infrastructure.	Malaysians are receptive to health products, cosmetics, and food items. Saturated domestic market.	Local aggregators (operators) for cross-border operations. The dormant state of DFTZ	High-cost warehouses and distribution. Stiff competition. Limited growth due to small quantity.
Trade Related Policies	Concern on Malaysian human capital building and skilled labour shortage.	There is no tariff for a majority of products. The state government actively attracts Taiwanese investments.	Difficulties in regulating/ managing/ coordinating diverse e-commerce products and services.	Collaboration with MDEC & SIDEC. Challenges in regulating new services due to evolving business models.	The lack of Free Trade Agreements (FTA) hinders further development.
Resilience and adaptation	Optimistic Taiwanese businesses will be able to overcome trade barriers.	Strong adaptation in the past. Easier to integrate due to similar culture, language, and mature infrastructure.	Taiwanese businesses rooted in SEA for market access. Strong understanding.	Businesses demonstrate adaptability in SEA. Experience in factory operations but cross-border e-commerce.	Setting up physical stores in SEA. Challenges of producing products with a short shelf life, like food and face masks.
Impact of NSP	Numeric achievements and investment outcomes. Advocacy for organic development.	NSP can diversify bilateral economic activities. Encourages B2B cooperation to ensure stable G2G relations.	Indirect benefits for Taiwan, such as attracting talent.	Collaboration with Malaysia aligns with the NSP. NSP has led to business growth in new markets in SEA.	Limited success in promoting Taiwanese brands. NSP has encouraged SMEs to expand their operations in SEA.
Impact of RCEP	RCEP on trade dynamics is developing, immediate impact is unknown.	Confident on CPTPP and NSP to cushion the impact.	Singapore FTA allows Taiwan's service sector expansion. Challenges in international relations.	Concern of taxation in cross-border e-commerce. Traditional trade is more affected than e-commerce.	RCEP has potential implications for trade dynamics. Investment in SEA due to relocation needs rather than RCEP benefits
Other challenges	-	-	Hopes for enhanced cooperation and a friendlier investment environment.	The need for new skills to address regional market variations.	-

Source: Developed specifically for this study.

DISCUSSION

Operational Challenges in Cross-Border E-commerce

The operational hurdles in cross-border e-commerce between Malaysia and Taiwan are significant, with logistical and regulatory complexities playing a major role. Taiwan's local e-commerce market saturation has led businesses to look abroad, including Malaysia, for growth opportunities. This is further compounded by Taiwan's slow embrace of digital transformation (Yan et al., 2023) despite their proven expertise in establishing factories overseas. The slow digital transformation on the grassroots level might potentially limit the entry of SMEs and smaller entities into the cross-border e-commerce ecosystem. The lack of FTAs between Malaysia and Taiwan may hinder development despite the mature infrastructure and the positive market reception of Taiwanese goods.

Policy Impacts and International Agreements

The RCEP and NSP play essential roles in the Malaysia-Taiwan cross-border e-commerce development (He & Magmacit, 2023). There is a consensus that the NSP can cushion the exclusion of Taiwan from the RCEP despite the unknown long-term implications. The mature infrastructure and the historical economic ties with Malaysia could be leveraged to soften the blow of RCEP exclusion.

The CPTPP presents a hopeful avenue for Taiwan to access broader markets and integrate into the global supply chain. The ascension to the value-based agreement could potentially solve the challenges in growing their cross-border e-commerce. The Electronic Commerce Chapter of CPTPP addresses crucial aspects of the digital economy (Madieha et al., 2020) such as:

- harmonisation of definitions for digital goods
- the establishment of non-discriminatory practices
- the protection of personal data

- facilitation of cross-border data flows
- emphasising consumer protection against fraudulent online activities

This is expected to ease the legal and operational challenges for digital trade among the member countries, potentially enhancing the prospects for cross-border e-commerce development between Malaysia and Taiwan.

Government Initiatives and Infrastructure

Although there is no formal FTA between Malaysia and Taiwan, the Most Favoured Nation (MFN) treatment was given to Taiwanese goods (Policy Paper No 65 – Malaysia, Taiwan and CPTPP: Economic Impact Assessment, 2020) as a sign of progressive trade partnership. This friendly trade gesture highlights the potential for robust bilateral trade development. Malaysia and Taiwan have closely discussed and implemented policies and initiatives to bolster cross-border e-commerce.

Collaborative efforts, such as the Taiwan Select / Malaysia Select (*Taiwan Select*, n.d.) and partnerships between Taitra and Yubeli (Candyse, 2023), exemplify promoting e-commerce ventures, linking favourable products desired by both region's consumers. The initiative aligns with Malaysia's National eCommerce Strategic Roadmap (NESR) 2.0 to improve the nation's standing as an e-commerce powerhouse in Southeast Asia. Such collaborations also presented windows of opportunities to empower local businesses and venture into cross-border e-commerce (Team, 2021) by providing easy-to-use platforms for Malaysia-Taiwan sellers and buyers to trade their desired goods. Malaysia's DFTZ initiatives further facilitate cross-border e-commerce growth.

Stakeholder Adaptation and Resilience

Strategies such as leveraging digital platforms, exploring new market niches, and adapting to regulatory changes are crucial for overcoming challenges and capitalising on opportunities. The longstanding presence of Taiwanese businesses in Southeast Asia, their agility, and the favourable reception of Taiwanese goods in Malaysia all contribute to the potential for ongoing bilateral growth. The easy-to-use platforms could potentially catalyse the involvement of more minor but highly potential sellers in the cross-border e-commerce ecosystem.

Although the slow digital transformation on the grassroots level might be bottlenecking the development of the digital economy, the sector's adaptability to the evolving trade and digital commerce landscape is crucial for a resilient digital future (Hughes, 2023). Despite Taiwanese businesses traditionally focusing on physical investments abroad, recent developments such as the MFN treatment and collaborative initiatives indicate a readiness and agility to complement Malaysia's strategic digital needs, in line with Malaysia's National IR4.0 ambition (Razak, 2023).

IMPLICATIONS

RCEP's Exclusion and NSP's Opportunities

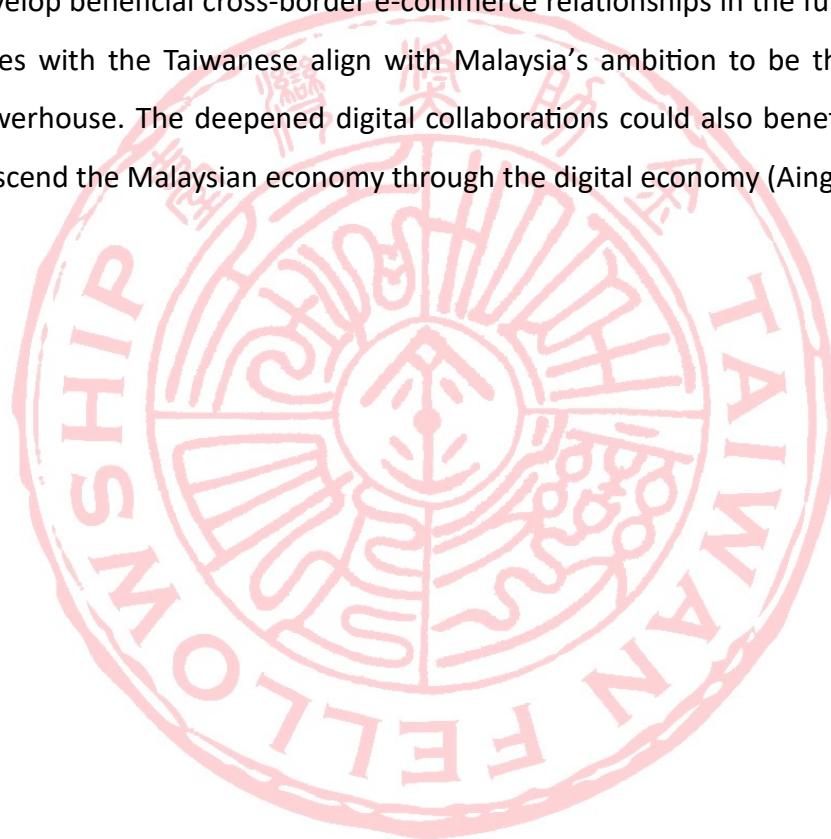
The exclusion of Taiwan from the RCEP indicates the need for strategic policy in maintaining global competitiveness and integration into the global supply chain. The NSP's focus on diversifying economies and promoting investments in the digital economy, coupled with the potential ascension of CPTPP, represents Taiwan's resilience in handling global trade barriers.

The adaptability and resilience of Taiwanese businesses are reflected through partnerships on digital platforms. Their agile business model shows the ability to adapt to the ever-changing digital trade landscape and mitigate the potential risks of exclusion. Taiwan businesses also

venture into progressive markets like halal and short-shelf-life (cosmetic and health products) with moderate success despite the absence of a formal free trade agreement.

Future Directions for Malaysia-Taiwan Cross-Border E-commerce Relations

The results suggest that Malaysian and Taiwanese governments should focus more on facilitating trade, significantly enhancing digital trade infrastructure to promote bilateral cross-border e-commerce, thus positioning Malaysia as a strategic partner in bilateral growth (李宜靜, 2023). The warm reception of the goods desired by the Malaysian and Taiwanese people can develop beneficial cross-border e-commerce relationships in the future. Stronger digital trade ties with the Taiwanese align with Malaysia's ambition to be the regional e-commerce powerhouse. The deepened digital collaborations could also benefit MyDigital's aspiration to ascend the Malaysian economy through the digital economy (Aingaran, 2023).



CONCLUSION

This research has shed light on how international trade policies, particularly the RCEP and NSP, influence cross-border e-commerce between Malaysia and Taiwan. The paper also discussed the operational challenges of developing cross-border e-commerce between Malaysia and Taiwan, as reflected by the stakeholders. Despite the challenges posed by Taiwan's exclusion from the RCEP, the NSP emerges as a vital strategy for reinforcing Taiwan's economic and trade relationships with Malaysia and other Southeast Asian nations. The adaptability and resilience demonstrated by Taiwanese stakeholders highlighted the fluidity in manoeuvring the ever-changing cross-border e-commerce landscape.

The limitations of this study highlight the need for further research, including more comprehensive stakeholder analyses, longitudinal studies to track the ongoing effects of trade policies, and comparative research with other countries and regions. As the domain of cross-border e-commerce expands, understanding the detailed consequences of trade policies becomes increasingly crucial for businesses, policymakers, and scholars. The recommendations aim to cultivate a more supportive and cooperative framework for cross-border e-commerce, ensuring that both Malaysia and Taiwan can effectively confront the challenges and capitalise on the opportunities of the digital era.

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