

Global Market Expansion Strategy and Case Analysis of Sino Japanese Manufacturing Industry Based on International Economic Situation

Cao Fang

Josai International University, Tokyo, Japan

Keywords: International economic situation; Sino Japanese manufacturing industry; Global market; Expansion strategy; Case analysis

Abstract: Since China's accession to the WTO, domestic manufacturing enterprises have successfully opened up the international market and achieved rapid capital accumulation by exporting products at low prices and in large quantities. During this process, the bilateral scale of manufacturing between China and Japan has continued to grow, and even though the growth rate has not slowed down, the structure of China's manufacturing industry is steadily moving from the mid to low end to the mid to high end. Currently, the trade efficiency between China and Japan is relatively high, but there is still a lot of untapped potential. In the complex international economic situation, the rise of trade protectionism, the restructuring of global industrial and supply chains, and the emergence of emerging markets are all profoundly affecting the development of manufacturing industries in China and Japan. To achieve broader expansion in the global market, Chinese and Japanese manufacturing industries need to actively explore effective strategies. This article takes the automotive industry as an example to deeply analyze the cooperation mode and strategic application of China Japan manufacturing industry in global market expansion. Through practical case analysis, it provides reference and inspiration for the further development of China Japan manufacturing industry in the global market, helping both sides to explore more trade potential and achieve higher levels of cooperation and win-win results.

1. Introduction

Under the wave of economic globalization, the global economy continues to move forward, and its development trend shows significant characteristics of speed and diversity [1]. However, while the global economy is thriving, it also faces many severe challenges. The trend towards deglobalization, trade protectionism, and unilateralism is becoming increasingly severe [2]. Some developed countries have implemented a series of trade restriction measures in order to strengthen their own market protection [3]. These measures not only disrupt the global trade order and hinder the free flow of goods and services, but also create enormous uncertainty for global economic growth. In this context, the major economies in Asia are actively building the Regional Comprehensive Economic Partnership (RCEP) as an important platform. The establishment of

RCEP aims to eliminate trade barriers, promote trade liberalization, and inject new impetus into the stable growth of the Asian and even global economy [4]. Since joining the WTO, China has achieved remarkable economic development that has attracted worldwide attention.

In the automotive industry, China has ushered in new development opportunities. With the huge domestic market demand, continuously improving industrial supporting system, and strong government support, China's automobile industry has achieved rapid development and breakthroughs [5]. Despite this, Chinese manufacturing enterprises still face many challenges compared to international multinational corporations. Due to their low starting point and limited experience, Chinese companies still need to enhance their awareness and influence in overseas markets [6]. In addition, the outbreak of the financial crisis disrupted the pace of China's economic development and exposed structural problems in China's trade [7]. The overall innovation capability of Chinese enterprises is clearly not matched with their huge trade volume, and many high-tech and core technologies in core fields still need to be introduced from abroad [8]. In the face of the sluggish global market environment and the complex international trade situation, China has put forward a high-quality "the Belt and Road" (B&R) initiative. Under the B&R framework, China and Japan have carried out third-party cooperation in various aspects, providing new opportunities and platforms for both sides to expand in the global market.

Currently, China's traditional manufacturing industry is facing pressure from both domestic and international sources. Therefore, China's traditional manufacturing industry urgently needs to adapt to the development trend of the digital economy, and accelerate the integration of data and reality by utilizing new technologies and the new business models they have spawned. Improving the quality of automotive products is the key to achieving high-quality economic development. The quality of automotive products not only affects the safety and user experience of consumers, but also directly impacts the market competitiveness and economic benefits of automotive companies. In order to improve the quality of automotive products, China needs to actively expand the opening up of service trade, attract and utilize advanced service elements from abroad. In the current complex and ever-changing international economic situation, the manufacturing industry in China and Japan faces both numerous challenges and rare opportunities in expanding into the global market. This article aims to deeply analyze the strategies of China and Japan's manufacturing industry in expanding into the global market. Through practical case analysis, provide reference and inspiration for the further development of Sino Japanese manufacturing industry in the global market.

2. Current Status and Characteristics of Manufacturing Industry Development in China and Japan

2.1. Opportunities and Challenges of Made in China

China has always held the throne as the world's largest automobile market, thanks to its vast consumer base and continuously growing market demand [9]. Moreover, the number of export-oriented automobile companies is continuously increasing, demonstrating the strong vitality and potential for outward expansion of China's automobile industry [10]. With the steady development of the automobile industry, China's automobile production scale has achieved a qualitative leap, and production processes and technological levels are constantly improving, gradually moving from a major automobile manufacturing country to a strong automobile manufacturing country. Currently, China's automobile industry is developing rapidly, with a continuous optimization of overseas export structure and a rapid growth in high-tech vehicle exports. As a typical representative of high-tech vehicles, new energy vehicles have emerged in the international market with advanced battery technology and intelligent connected systems. Against

the backdrop of the continuous deepening of B&R strategy, a large amount of infrastructure funds have flowed into countries along the Belt and Road, providing a rare opportunity for China's automotive industry to layout in countries along the B&R route. Many Chinese automobile companies have taken advantage of this opportunity to establish production bases and sales networks in countries along the Belt and Road, enhance brand awareness, and further expand their international market share.

However, Chinese manufacturing also faces many challenges on its rise. In the trade conflict between China and the United States, Chinese companies have encountered difficulties in importing core technologies and important manufacturing components, while American companies have reduced or even completely stopped supply, which has brought considerable obstacles to the development of related industries in China. In terms of manufacturing equipment, machine tools, cutting tools, fixtures and other equipment are key standards for measuring technological level in mechanical manufacturing. However, China is relatively weak in the manufacturing technology of these precision equipment, and there is a gap with developed manufacturing countries such as the United States and Japan. These developed countries, relying on high-end manufacturing technology, have long maintained a monopoly advantage and occupy a high-end position in the world's manufacturing industry. In the process of the gradual evolution of the Sino US trade friction, many manufacturing enterprises have undergone varying degrees of changes in the international environment, market models, production relations, supply and marketing channels, and so on. The uncertainty of the international environment has increased, and market competition has become increasingly fierce. Enterprises need to re-examine their production relations and supply and marketing channels to adapt to new market models. This not only tests the adaptability of enterprises, but also puts forward higher requirements for the overall transformation and upgrading of China's manufacturing industry.

2.2. Advantages and Disadvantages of Japanese Manufacturing

Japanese manufacturing has long enjoyed a high reputation worldwide. Among the four major global transmission brands, Japanese automobile companies account for 50%. The Japanese automotive industry, with the European and American markets as its core, has gradually radiated to underdeveloped regions and steadily extended its global market. Within the industry, vehicle companies and component companies support each other, forming a close knit development model that greatly enhances the overall competitiveness of the industry. Japanese car brands such as Toyota, Nissan, and Mazda not only have completely independent intellectual property rights, but also have a high level of international recognition. In terms of investment, Japan's investment in China has developed rapidly, but in recent years, its attitude has undergone significant changes due to various factors. The continuous containment of China's manufacturing industry and economic rise by the United States has put external pressure on Sino Japanese economic and trade relations.

To effectively avoid trade disputes and investment risks, the Japanese automotive industry adopts an overseas development strategy of exporting first and investing later, and coordinating and advancing together. This strategy enables it to explore the market through exports in a complex international market environment, while also investing at the appropriate time to consolidate its market position. However, as a strategically important country in East Asia, Japan is on the periphery of B&R construction. Under pressure from the United States and concerns about geopolitical and economic risks, Japan has never dared to directly participate in the construction of B&R. This to some extent limits the opportunities for Japanese manufacturing to further expand its market and engage in in-depth cooperation with countries along the Belt and Road. Faced with the constantly changing global economic landscape, Japanese manufacturing needs to maintain its own

advantages while breaking through existing difficulties, actively integrating into new development opportunities, and achieving sustained transformation and innovation.

3. Expansion Strategy and Case Analysis

3.1. Expansion Strategy

This article proposes several strategies for expanding the global market of Chinese automobiles, as shown in Figure 1. In today's era, the rapid development of digital technology has a profound impact on the survival and development of society and enterprises. Under the wave of technological revolution and industrial transformation, digital transformation has become a key path to promote high-quality development of the manufacturing industry. It reshapes the division of labor and value system in the manufacturing industry, helping it adapt to the rapidly changing external environment and break through the limitations of traditional development models. In terms of global market expansion, both Chinese and Japanese manufacturing industries have unique strategies. The Chinese manufacturing industry can learn from the experience of Japanese car companies' "going global" and continue to encourage the automotive industry to actively establish overseas design centers, benchmark international advanced automotive manufacturing technologies, and further consolidate the advantages of overseas resource utilization. Meanwhile, for enterprises expanding overseas, it is crucial to have a deep understanding of their target market customers.

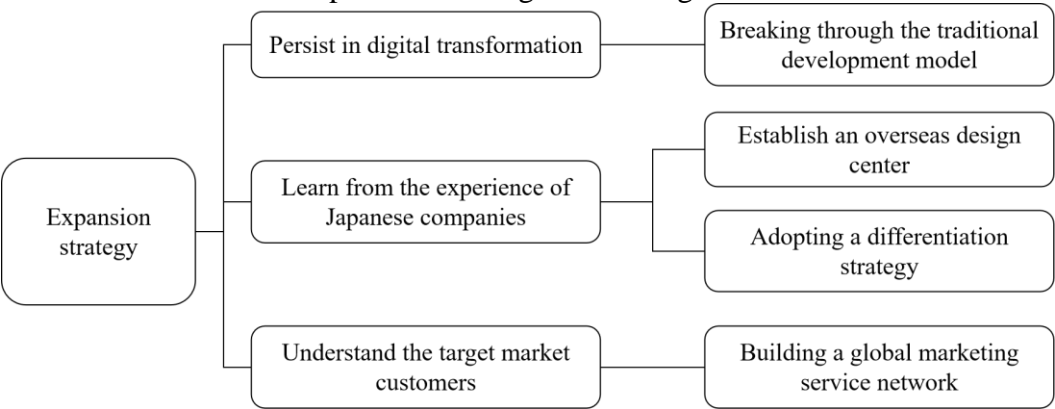


Figure 1 Expansion strategy

The customer's needs and preferences for a product are not only related to its functionality, but also closely linked to the local environment, culture, customs, and the customer's personal situation. Only by accurately grasping this information can we establish correct marketing concepts, develop effective marketing plans, and achieve sales growth. In the automotive industry, brand positioning cannot be ignored, as the positioning of car companies directly affects brand value. In order for Chinese automobile companies to better "go global", they not only need to polish product quality, but also need to build a global marketing service network to eliminate consumers' worries. Faced with complex overseas market risks, the Chinese automotive industry should actively learn from the development experience of the Japanese automotive industry and adopt differentiated strategies based on the characteristics of different regions. For regions with stable economic environments, the main focus is on investing and setting up factories to better integrate into the local market; For regions with turbulent situations, they tend to focus on product exports to reduce investment risks. Through these strategies, the manufacturing industry in China and Japan is expected to achieve more robust expansion in the global market and enhance international competitiveness.

3.2. Case Analysis

A certain company has built five major industries including general power, motorcycles, gasoline engines, diesel engines, and intelligence, with a staff size of about 14000 and a wide range of business covering more than 70 countries and regions around the world. At present, the company is already an excellent representative enterprise in the local area, and has been continuously listed in the top 500 manufacturing companies in China for many years, indicating that the company's strength is very good. Although the company has successfully entered the international market, it is still actively exploring more international territories and consolidating its international position. In the industry, it has gained a certain international reputation, but there is still a gap between it and internationally renowned enterprises. Therefore, it always adheres to the concept of building an international brand and accelerating overseas expansion.

From Figure 2, it can be seen that the overseas sales of the company's locomotive products from 2018 to 2024 have grown steadily without significant fluctuations. This indicates that its overseas locomotive business is currently relatively stable, but it also means that growth space needs to be explored. In the complex international market competition, peer competition is fierce, and consumer demands are becoming increasingly diverse. In the future, the company needs to increase marketing investment, accurately target the market, understand the preferences and needs of consumers in different regions, develop differentiated marketing strategies, expand sales channels, in order to improve sales growth and achieve further breakthroughs in the international market.

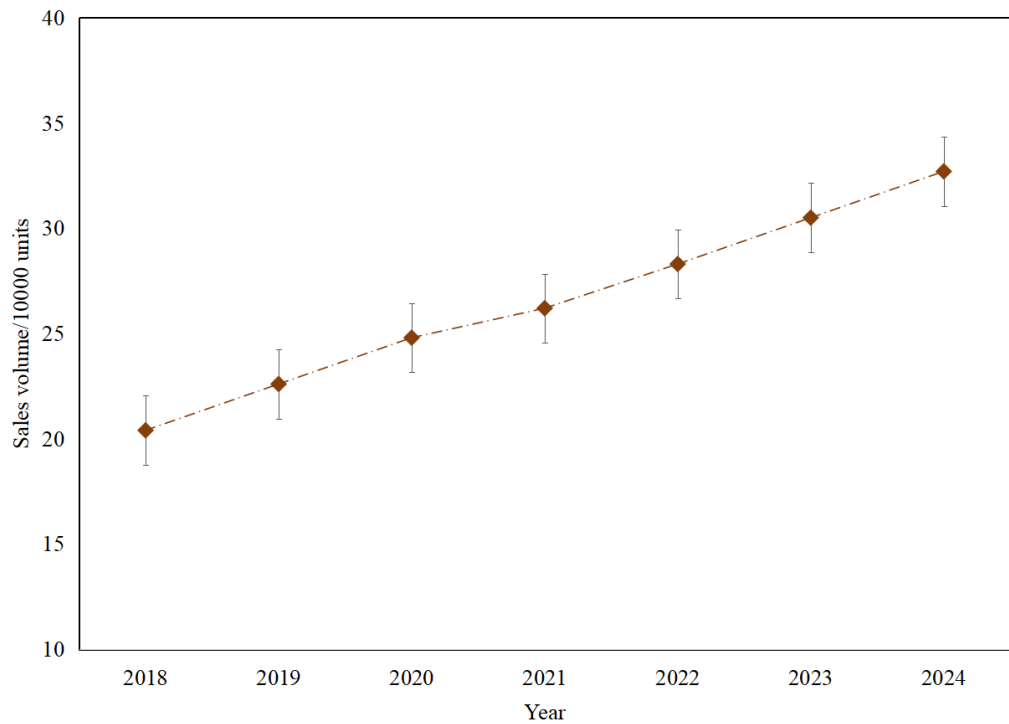


Figure 2 Overseas sales from 2018 to 2024

4. Conclusions

Overseas expansion is a long-term battle for enterprises, during which they will encounter many complex problems. There are significant differences in culture, policies, and consumption habits among markets in different regions, and the successful experience of enterprises in one market is difficult to directly replicate to other markets. Especially the long-standing trade friction between

China and the United States has brought many uncertainties to the overseas development of enterprises. In this context, enterprises must develop scientific and reasonable management strategies based on their actual situation. For China's leading automobile companies, it is crucial to increase outward investment and implement localized production. This can not only change the business structure that overly relies on exports, but also effectively release overseas expansion space and better adapt to the needs of new international industries. This article deeply analyzes the strategies of China and Japan's manufacturing industry in expanding into the global market, and through practical case analysis, reveals successful experiences and potential problems. We hope that these studies can provide useful references for the sustained development of China Japan manufacturing industry in the global market, help both sides further tap into trade potential, occupy a more advantageous position in the global manufacturing pattern, and achieve win-win cooperation and common development.

References

- [1] Zofka J, Chen T. *Economic dimensions of the Sino–Soviet alliance and split: introduction to the special issue*[J]. *European Review of History: Revue européenne d'histoire*, 2023, 30(3): 333-346.
- [2] Abbondanza G, Wilkins T. *Europe in the Indo-Pacific: Economic, security, and normative engagement*[J]. *International Political Science Review*, 2024, 45(5): 640-646.
- [3] Leutert W. *Sino-Japanese engagement in the making of China's national champions*[J]. *New political economy*, 2022, 27(6): 929-943.
- [4] Santander S, Vlassis A. *The EU in Search of Autonomy in the Era of Chinese Expansionism and COVID-19 Pandemic* [J]. *Global Policy*, 2021, 12(1): 149-156.
- [5] Chang Y C, Xu B, Li S. *The Impact of "Belt and Road Initiative" on Japanese Shipping Law*[J]. *Coastal Management*, 2021, 49(3): 233-249.
- [6] Palit A, Bhogal P. *Fighting monopolies: the Chinese Belt and Road Initiative, India, and the competition for the marketplace of international development* [J]. *Asia Pacific Business Review*, 2024, 30(2): 350-375.
- [7] Kong L, Li Q, Kaitin K I, et al. *Innovation in the Chinese pharmaceutical industry*[J]. *Nature Reviews Drug Discovery*, 2023, 22(1): 12-13.
- [8] Gao Y. *The fuzzy integrated TOPSIS economy ranking (FITER) model for manufacturing technology development in China* [J]. *Journal of Intelligent & Fuzzy Systems*, 2021, 40(4): 8403-8415.
- [9] Zhang X, Ming X. *Further expansion from Smart Manufacturing System (SMS) to Smart Manufacturing Implementation System (SMIS): industrial application scenarios and evaluation*[J]. *The International Journal of Advanced Manufacturing Technology*, 2021, 115(11): 3791-3809.
- [10] Wang F, Chen J, Yang H, et al. *Information and selling mode strategies in a supply chain with an outsourced private label product*[J]. *International Transactions in Operational Research*, 2024, 31(5): 3280-3317.