

Research on the International Trade Trend of China's Agricultural Products under the Background of "Belt and Road"

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Abstract: As a large agricultural country, China has gradually got rid of the production mode of small-scale peasant economy, and achieved a new high income every year. However, with the varieties diversification and trade expansion, trade protectionism in developed countries quickly spread around the world, especially after the United States subprime crisis. These factors further inhibited the rapid growth of agricultural trade. China's agricultural imports and exports showed a huge trade deficit until 2012 after the financial crisis was slightly eased. The "Belt and Road" strategy provides a new opportunity for the development of China's agricultural products international trade. This paper first defines the scope of countries along the "Belt and Road". And then this paper analyzes the international trade of China's agricultural products. Finally, the SWOT analysis and future development trend of "Belt and Road" strategy for China's agricultural products international trade are proposed.

1. Introduction

Since 2013, general secretary Xi Jinping has successively put forward the concepts of "land silk road economic belt" and "21st century maritime silk road", thus marking the birth of "One Belt And One Road". The "One Belt And One Road" strategic pattern has brought new development opportunities to China's economy and trade, especially for the agricultural economy and agricultural trade. In recent 10 years, China's international trade in agricultural products has been restricted by the trade barriers of European and American countries, with the increasing domestic market demand, which resulting the China's international trade has been in deficit. "One Belt And One Road" greatly smoothed the agricultural trade channel between China and countries along the belt, which helped to break the control and blockade of European and American countries on the international trade of China's agricultural products. At the same time, it broadens the development space and reverses the long-term deficit of China's agricultural products foreign trade.

2. Countries along the "Belt and Road"

China has a long history of economic and cultural exchanges with countries along the "One Belt And One Road", especially in recent years, the trade in agricultural products has developed steadily and rapidly. "One Belt And One Road" has created unprecedented favorable conditions for

agricultural products trade. The openness of "One Belt And One Road" makes the space not precisely defined. So, this paper lists the currently recognized space scope of six plates including central Asia, Mongolia and Russia, Southeast Asia, South Asia, Central and Eastern Europe, west Asia and the Middle East. The detail country scope is shown in table 1.

Table 1: The country scope of "One Belt And One Road"

Area	Major countries
East Asia	Mongolia
South Asia	Iran, Iraq, Turkey, Syria, Lebanon, Israel, Palestine, Saudi Arabia, Yemen, Oman, UAE, Qatar, Kuwait, Bahrain, Greece, Cyprus, Egypt, Sinai Peninsula
South Asia	India, Pakistan, Bangladesh, Afghanistan, Sri Lanka, Maldives, Nepal, Bhutan
Central Asia	Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan, Tajikistan
Southeast Asia	Singapore, Malaysia, Indonesia, Myanmar, Thailand, Laos, Cambodia, Vietnam, Brunei, Philippines
Central and Eastern Europe	Russia, Ukraine, Belarus, Georgia, Azerbaijan, Armenia, Moldova, Poland, Lithuania, Estonia, Latvia, Czechoslovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Serbia, Romania, Bulgaria, Macedonia

3. The international trade of China's agricultural products with "Belt and Road" countries

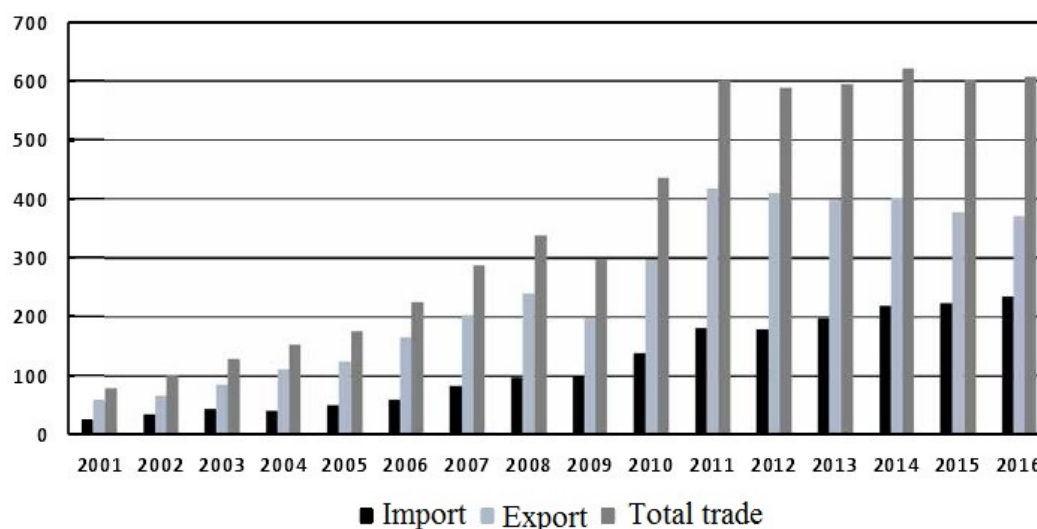


Figure 1: The international trade of China's agricultural products with "One Belt And One Road" countries (unit: us \$100 million)

Data source: according to the UN Comtrade Database

According to the UN commodity trade, the total volume of China's agricultural products imports and exports reached us \$60.307 billion in 2016, which is the trade volume between China and 64 countries along the "One Belt And One Road" route. Compared with 2001, it increased by 8.6 times, and the average annual growth rate reached 14.5%. On the whole, the export of agricultural products increased in every year except 2004 and 2012. However, the amount of agricultural

products imported is significantly higher than that exported. Although the relatively high growth of overall trade volume from 2011 to 2016, serious trade deficit cannot be avoided. It can be seen that China and countries along the "One Belt And One Road" are not equal in terms of agricultural trade. The international trade of China's agricultural products with "One Belt And One Road" countries is shown as the figure 1.

4. The SWOT analysis and future development trend of China's agricultural products trade

4.1 The SWOT analysis of China's agricultural products trade

China's agricultural enterprises have advantages in experience, technology and species, but lack in financing, cost and innovative talents. So, China's agricultural enterprises should constantly optimize their internal environment according to their own development conditions. The SWOT matrix analysis is shown as the table 2.

Table 2: The SWOT matrix analysis

Internal factors	Strength Experience advantage; Technical advantages; Agricultural products advantages.	Weakness: Financing difficulties; Rigid labor costs increased; Lacking innovation and composite talent
External factors		
Opportunities Economic development; Adequate foreign exchange reserves; "One Belt And One Road"	Expand market share; Promote the exchange of technology and marketing; Establish brand image.	Strengthen scientific research technology ceaselessly; Advance the improvement of actual strength.
Threat Agricultural subsidies bottleneck; Market expansion difficulty; Public opinion troubled.	Agricultural cooperative development; Multi-development Seeking; Improve the enterprise industry chain construction.	Carefully select the investment country, Adjust measures to local conditions; Step by step.

4.2 The future development trend of China's agricultural products trade

4.2.1 Improve the structure of trade in agricultural products

Improving the agricultural trade structure mainly includes trade areas and trade varieties. On the trade area, our country must strengthen relations with the main agricultural products trade area. At the same time, we will focus on developing agricultural products trade with South Asia, Central and Eastern Europe, West Asia, the Middle East with greater trade potential. We will gradually expand agricultural cooperation with countries along the belt and road, which can reduce the trade risks. This is done in the following steps. First, enhance policy connectivity. We need to establish more free trade zones and economic cooperation organizations with countries along the belt and road. At the same time, we can activate economic exchanges and cooperation through these economic organizations. Second, strengthen infrastructure development. We need to improve the level of transportation and logistics. At the same time, we need to accelerate trade integration with using the e-commerce platforms. Third, strengthen cultural exchanges with countries along the belt and road. China needs to establish a good national image while promoting the breadth and depth of bilateral agricultural trade.

4.2.2 Improve the international competitiveness of China's agricultural products

Improving the international competitiveness of China's agricultural products requires the joint efforts of the government and enterprises. On the one hand, China should continue to maintain and focus on cultivating the competitiveness of superior agricultural varieties; on the other hand, China should actively improve the competitiveness of other agricultural varieties. The government needs to do the following. First, the Chinese government must establish a sound quality system for agricultural products in line with international standards, including the quality of agricultural products, inspection and quarantine. Second, the Chinese government must standardize the market order, the market transaction and the market withdrawal rule system. Third, the Chinese government must strengthen policy support for agricultural products and reduce the tax burden on agricultural enterprises. The enterprises need to do the following. First, the enterprise should strengthen the agricultural product research and development investment to reduce the cost, which can simultaneously enhance the agricultural product the added value. Second, the enterprise should maintain communication and exchanges with our trading partners in various forms and actively learn their advanced technologies. Third, the enterprise should strengthen the brand construction and operation, improve the international visibility and recognition of China's agricultural products.

5. Conclusions

One Belt And One Road injected new vigor and vitality for our country's economic development. It accords with the objective reality and evolution law of China's social and economic development. It provides new opportunities for China's agricultural development.

It promotes the structural adjustment of our country agriculture industry. At the same time, it expanded the export of agricultural products and market diversification.

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