

Study on the Foreign Trade Development of Private Enterprises under the New Normal

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Abstract: China's economic development has entered the "new normal" for more than two years, and understanding the new normal and adapting to the new normal is a great logic for the sustainable development of private enterprises at present and in the future. The new economic normal state means that China's economic structure and economic development mode are undergoing profound changes. Private enterprises make their own adaptability and matching decisions under such an objective and inevitable macroeconomic environment. At this stage, globalization has led to the economic integration to a certain extent, which has increased the volume of regional and international trade, and increased the degree of regionalization and internationalization of capital flows. For private enterprises, foreign trade is subject to both domestic and foreign political and economic factors. This paper researches and analyzes the status quo and existing problems of foreign trade development of private enterprises under the new normal economy, and puts forward corresponding countermeasures in order to help private enterprises maximize their foreign trade interests under the dual influence of various domestic and foreign factors.

1. Introduction

After more than 30 years of rapid growth, China has abandoned the traditional "GDP-only" view. On the basis of the current pursuit of maintaining high-speed economic growth, China is also committed to achieving higher-quality economic growth and is committed to transforming itself into an economy. Objectively coordinated structure, healthy and sustainable development mode of economic development. The new normal economy is the objective law of development. For private enterprises, the new normal is the objective law of development. [1] Only the macroeconomic background that conforms to and adapts to the new normal of the economy, and strives to change old traditions during the historical period of economic transformation in China. Develop thinking, use innovation to drive development, change from an extensive management development model to a refined management development model, and strengthen the quality of goods and services before they can achieve sustainable development. Trade is an activity that sells goods and services. The term "trade" refers to the purchase, sale, or exchange of goods. Trade is a branch of the economy designed to deal with the transfer of goods or services from the production area to the consumption area. Foreign trade is also called import and export trade. [2]

2. Domestic and Foreign Research Status

Foreign literature studies on foreign trade of private enterprises are mostly based on relevant issues. Xueliang Han, Xiao Wang, and Huijie Wang (2013) studied the factors that need to be emphasized in the financing of private enterprises in the development of foreign trade. It believes that because of the asymmetric information and the existence of credit ratios, it is difficult for private enterprises to obtain bank credit. As a one-time alternative, trade credit provides another way for private enterprise financing. Private enterprises must pay attention to the management of relations between enterprises. Without the power and status owned by state-owned enterprises, private enterprises must learn how to survive in a complex and ever-changing foreign trade environment. Aurelija Burinskienė and Vida Pipirienė (2014) have conducted relevant research and

analysis on the quality of private enterprises' foreign trade development[1]. They believe that there are performance evaluation systems in all trading companies. The necessity is so obvious that there is a lack of performance evaluation system. It is considered as an unhealthy symptom of a trading company. The analysis of corporate performance is conducive to providing private enterprise managers with an insight on the future direction of foreign trade development. The domestic literature has mainly carried out relevant research and analysis from the perspective of the relationship between private enterprises' foreign trade and China's economy and the development of private enterprises' foreign trade. Wu Di (2007) conducted a co-integration analysis of China's private enterprises' foreign trade and economic growth. The empirical analysis shows that China's economy and private enterprises have a long-term and stable relationship with foreign trade. Imports and exports of private enterprises have promoted China's Economic growth. In addition, it also proposes three strategic considerations for promoting the development of foreign trade in private enterprises:

(1) A fair and just system is required for guarantees.

(2) The government must comprehensively promote the improvement and development of the foreign trade financing system of private enterprises.

(3) Establish a sustainable development concept, and promote the development of its own foreign trade through the optimization and co-integration of internal resources [5]. Yao Xiaoying (2010) directly analyzed theoretical countermeasures on how to make Chinese small and medium-sized private enterprises develop their foreign trade better. He believed that private enterprises should innovate the system, strengthen management, and actively expand the market. The government should actively support and improve the policy system and establish perfect service system and financial support system. Judging from the overall research situation of domestic and foreign literature, in view of the issue of foreign trade development of enterprises, both domestic and foreign countries have unanimously agreed that the development of foreign trade in private enterprises needs the support of the company's own hard and soft strength on the one hand, and requires government-related policies on the other. Support, such as financial support, related administrative support, etc.

3. Status of Foreign Trade Development of Private Enterprises

According to the statistics of China's General Administration of Customs, the total value of imports and exports of goods in China in 2017 was 27.79 trillion yuan, an increase of 14.2% year-on-year. Taking the active market players as an example, in 2017, the import and export of various types of enterprises achieved double-digit growth. Among them, the import and export volume of private enterprises increased by 15.3%, and the contribution rate to the growth of China's total import and export value was the highest, reaching 41.3%. It can thus be seen that under the new economic normal situation, the foreign trade of China's private enterprises is an endogenous power source of China's foreign trade in terms of efficiency. [3] From a qualitative point of view, the foreign trade of our country's private enterprises presents the characteristics of continuous optimization of product structure and diversification of business partnership, and has also been improved in the quality of foreign trade by certain procedures. Judging from statistical perspectives, foreign trade methods mainly include: general trade, inter-state assistance, grants and grants from international organizations, material compensation trade, processing and assembly of imported materials, processing of imported materials, consignment sales, and small-scale trade on borders. Foreign contracted projects export goods, leasing trade, export processing trade, barter trade, bonded goods import and export goods, customs special supervision area logistics goods, and others. According to the general statistics of the nature of the nature of the export goods trade method from January to December 2017, according to customs statistics, the general trade is the main mode of trade for private enterprises. The amount is more than RMB 5 trillion, which accounts for the total value of trade. Of the 77%, the import processing and assembly trade, the feed processing trade, the small-scale border trade, the entry and exit goods of the bonded supervision sites, and the customs special supervision area logistics goods are other large-scale trading options for private enterprises.

On the other hand, from the perspective of multilateral trade rules and national planning, the elimination of trade barriers can enable countries around the world to specialize in sectors with economic advantages, including those with good natural environmental conditions, thereby increasing the efficiency of the world economic system. [3] The accession to the WTO plays an important role in the changes in China's foreign trade policy and investment environment. The addition of this member not only affects tariff concessions, but also is a prerequisite for the gradual improvement of the country's investment and business environment as well as increasing attractiveness. Therefore, from the perspective of the external environment, it can be said that the increase and quality of private enterprises' foreign trade development depends in part on the companies themselves. This has already been demonstrated by the data above; the other part depends on the national policies and regional Inter-management cooperation. Take the comparison of the foreign trade development models in the Yangtze River Delta Economic Zone (hereinafter referred to as the "Yangtze River Delta") and the Pearl River Delta Economic Zone (hereinafter referred to as the "Pearl River Delta") as examples. The two economic zones have made great achievements in foreign trade. However, the Yangtze River Delta, as a latecomer, is catching up with the Pearl River Delta, and China's foreign trade development is shifting from the foreign trade model of the Pearl River Delta to the two economic zones. Dominate the situation. The main difference between the two economic zones' foreign trade models is that the Pearl River Delta Economic Zone focuses on processing trade, and the Yangtze River Delta Economic Zone focuses on the government. It can be seen that due to the support of related policies, the Yangtze River Delta has made its regional foreign trade development body gradually approaching the Pearl River Delta, and policy support is crucial.

4. Problems of Foreign Trade in Private Enterprises

4.1 The unsound system of foreign trade distribution system for private enterprises

As the competition in national and global markets is increasing, international trade barriers are continuously decreasing, and the development of information technology and the constant changes in customer demand have made private companies need to seek more effective business management models. Daily practice has proved that many private enterprises have not yet scientifically and rationally planned and organized their foreign trade distribution system, and they have not yet integrated the necessary components with the organization related to the distribution system into an intelligent common entity. [4]

4.2 Inadequate coordination between "going out" and "bringing in"

The foreign trade of private enterprises is the concept of the combination of import and export, while the study of foreign trade of private enterprises in this article is mainly aimed at the export of private enterprises. For the moment, the cases and amounts of trade remedy investigations of products of private enterprises in China are still in recent years. The higher level. The main problems in the development of foreign trade in private enterprises are the inconsistency between "going global" and "importing", the issue of trade exports is more than trade import, the level of trade exports is lower than the level of trade imports, and the quality of trade exports is weaker than the quality of trade imports. It is a structural imbalance in foreign trade and it is related to the sustainable development of private enterprises.

4.3 Incomplete performance evaluation system

Market assessment companies demonstrate the current market position of a company by showing its relationship with other companies. This is the so-called market share analysis. For private enterprises, the performance evaluation system is conducive to understanding what their comparative advantages and disadvantages of foreign trade are, so as to solve them in a targeted manner. From the current point of view, the performance evaluation system of private enterprises has not been perfected, and the relevant financial personnel have not conducted in-depth analysis

and analysis of the foreign trade strategic level of the company.

5. Feasible Suggestions

5.1 Strengthen the establishment and improvement of the foreign trade distribution system

Market competition is the competition between enterprise distribution systems, not the competition between the companies themselves. Therefore, effective distribution system management has become a powerful tool for many companies to gain competitive advantage. For private enterprises, export premiums are more important than large companies because the cost of entering foreign markets is relatively high for private enterprises. When the scale of operations increases, private enterprises can make up for the excessive costs and costs through economies of scale. It can be seen that one of the conditions for the success of private enterprises in foreign trade is to expand channels as much as possible and enter more product markets. This requires private enterprises to attach importance to and strengthen the establishment of their own foreign trade distribution system. [3]

5.2 Actively coordinate "going out" and "bringing in"

Private enterprises must actively “go global” and pay attention to the coordination with “introduction”. “Going global” must work hard on product quality and service quality, and use innovation to drive development. Private enterprises must proceed from their own strategic awareness and cannot be singled out. “Introducing” high-capital, high-tech products and equipment must actively “go out” its own technology and high-end products. Managers of private companies must develop their skills to manage relationships between companies. Private enterprises should participate in the association's intention to establish relationships with others because all economic activities are embedded in social networks. The participation of industry associations and the “One Belt and One Road” initiative has a positive impact on the acquisition of commercial credit, and it helps to “go global” corporate relations and the international social network. In addition, private enterprises and foreign traders in the globalization and global economic integration are in a dynamic linkage process. The use of the Internet is expected to reduce the costs of fixed information related to entering the international market. The survey data found that the use of e-mail and personal websites has had a positive impact on the wide margins of corporate export and import conduct. This is also a way for private enterprises to actively “go out” [4].

5.3 Analyze the performance level of enterprises at multiple levels and by multiple means

Private enterprises should pay attention to their own financial evaluations. Financial evaluation is the oldest and most important method for assessing corporate performance based on financial statements. Four major tools are used to perform such analyses, such as horizontal, vertical, process, and ratio analysis. The analysis of company performance provides managers with insights about the future direction. These analyses help to understand past and present situations and provide some guidance for future strategies. In addition, private enterprises must analyze the performance level of enterprises on the basis of financial evaluation methods at various levels. For example, they can use balanced scorecards and strategic management-related methods for analysis, which will help private enterprises build a comprehensive enterprise, scientific understanding of the quantity and quality of foreign trade.

6. Conclusion

Foreign trade of private enterprises is the main contributor to the growth of China's import and export value. Research on the development of private enterprises' foreign trade can help private enterprises to consolidate foreign trade development advantages of private enterprises in the context of the new normal economy. The foundation of the field, making up for the shortfall of foreign trade, realizing its sustainable development and stimulating the development of China's total economy and quality.

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