

Analysis on the Promotion of Foreign Trade to China's Economy and the Challenges Facing China's Foreign Trade Strategy and Their Solutions

Shurui Liu^{a,*}, Jing Yuan^b

¹Faculty of International Trade, Shanxi University of Finance and Economics, Wucheng Road, Shanxi, China

²College of Applied Science and technology, Hainan University, Baodao New Village, Nada Town, Danzhou City, Hainan Province, China,

^a 1355470910@qq.com, ^b 495867943@qq.com

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Abstract: After China's entry into the WTO in 2001, the volume of import and export trade has exploded, providing a huge impetus for China's economic development. China's major trading partners have played an important role. With the continuous growth of the economy, China's foreign trade is also facing tremendous changes and a new pattern. The world economic situation is down, China-US relations are complicated. Facing today's foreign trade pattern, China must not rely too much on its consistent trading partner countries and should develop its own circle of foreign trade friends independently. Therefore, the "Belt and Road" strategy emerged at the historic moment, which is a major national strategy for China's current foreign trade development. However, the premise of making good use of the "Belt and Road" strategy is to solve the challenges facing China's foreign trade development: such as the current imbalance in domestic development, export-oriented enterprises facing development bottlenecks, and imperfect legislative mechanisms. In order to solve these problems, we must start with each subject: the government should strengthen the policy of backward central and western regions, introduce talents, connect with the "Belt and Road" strategy, and encourage enterprises to innovate; companies should increase research efforts and increase high-tech products Export ratio; the industry should improve legislation and regulations to provide export protection for enterprises. Only by tackling these new challenges in foreign trade can we truly turn the "Belt and Road" strategy into a driver for the steady development of China's economy and truly use the "Belt and Road" strategy to achieve the prosperity and stability of China's foreign trade.

1. Introduction

This article takes the development of foreign trade after China's accession to the WTO as the background. First, it analyzes and points out that foreign trade has played an extremely important role in the development of China's economy, and it is clear that its significance to the Chinese economy is conducive to the following explanation of the article. The article points out that after China's entry into the WTO, China's foreign trade has achieved all-round development in breadth, depth, and speed. This is the factual basis and argumentation basis of this article. Secondly, from the perspective of major trading partner countries, this article sees the decisive effect of economic exchanges between China and major trading partner countries on China's foreign trade in the past 20 years.

However, in the face of the downward pressure on the world economy and the complex situation of China-US relations, China's foreign trade development should foster new growth points. China should not follow the previous development path but expand its foreign trade circle of friends. The "One Belt, One Road" strategy emerged at the historic moment has established a good foreign trade platform for Chinese and Chinese enterprises, which is conducive to fostering a new pattern of foreign trade that is good for China.

However, China's foreign trade is not smooth and faces many challenges. The article once again reaffirms the importance of foreign trade, starting from the imbalance in China's domestic development and the bottleneck of the development of domestic enterprises, and points out that the central and western provinces should actively integrate into the "Belt and Road", dock with countries along the line, and narrow the gap in domestic economic development. The government should provide preferential policies and preferential policies to attract talents. At the same time, in response to problems encountered by Chinese export-oriented enterprises in international trade disputes, the low proportion of high-tech products, and the lack of relevant legislative guarantees in the export sector, measures are proposed from various perspectives: the government should encourage innovative talents, formulate relevant measures, and encourage enterprises to achieve To innovate, we should strengthen the voice of system formulation and actively contribute to the power of China and China's solutions; enterprises should use policies and regulations to increase product innovation; the industry should improve legislative guarantees and effectively protect the export link. Only by solving the problems faced by domestic foreign trade, we will deepen the implementation of the "Belt and Road" strategy and actively connect with the countries along the route. Only in this way can the domestic economy achieve development and thus promote the development of foreign trade. In today's complicated world economic situation, China's foreign trade economy can be more stable and prosperous.

2. Historical Development of China's Foreign Trade

2.1. Take WTO accession as an example

The development of foreign trade passes the indirect dynamic benefits it generates through a series of transformation processes to pass economic growth to various domestic economic sectors, thereby driving the overall growth of the national economy. Since the 1990s, the rapid development of foreign trade has made great contributions to the growth rate of China's economy. The rapid development of China's foreign trade during this period has exceeded any breadth, depth and speed in history. period. Especially after China's entry into the WTO, China's merchandise export trade has surged, it has begun to truly integrate into the global value chain system, and foreign trade has developed rapidly. The import and export volume has maintained a growth rate of more than 20% in the following five years. At the end of 2007, the total import and export volume of China's goods trade exceeded US \$ 2 trillion, and in 2013 it exceeded US \$ 4 trillion, surpassing the United States and becoming the world's largest trading nation. Trade in services has also developed rapidly, with total imports and exports of services trade ranking third in the world. Since then, China has steadily ranked among the world's largest trading nations.

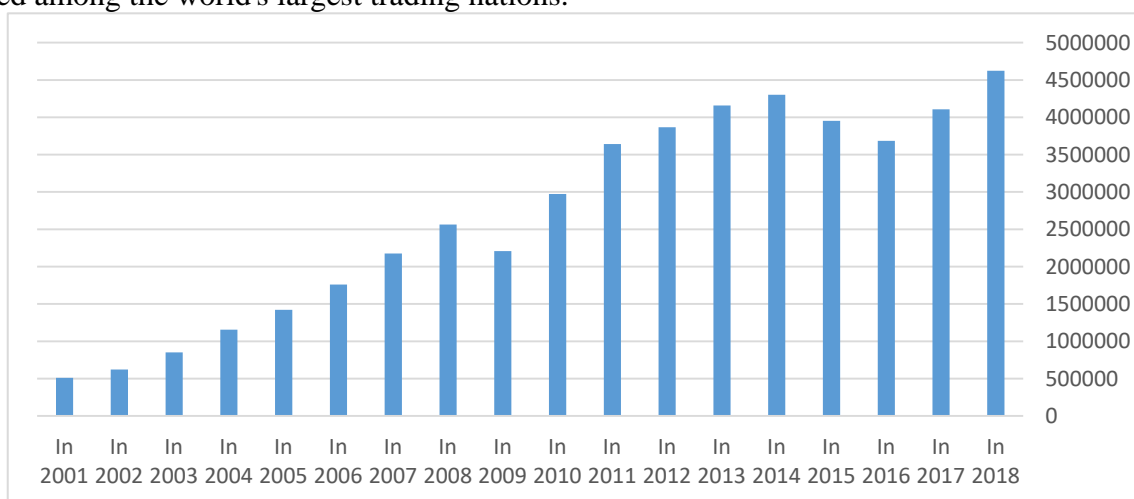


Figure 1 China's total merchandise imports and exports from 2001 to 2018 (US \$ million)

Source: National Bureau of Statistics data

From the perspective of trading partner countries, China's main trading partner countries

(regions) before and after this period were: the United States, Hong Kong, Japan, South Korea, Germany, the Netherlands, the United Kingdom, Taiwan, Russia, Italy, France, Australia, Malaysia and Singapore. From 1999 to 2018, China's merchandise export trade to these 15 countries (regions) accounted for 62.14% and 80.68% of the total merchandise export trade (see Figures 2 and 3). Therefore, it can be said that the state of commodity export trade to these 15 countries (regions) determines the development of China's commodity export trade. However, at the beginning of the 21st century, the economic development of major trading partner countries (regions) began to enter a brief downturn in 2002 and 2003. However, in the past two years, the development of China's merchandise export trade has not only not been negatively affected, but has also maintained a rapid development momentum. The main reason may be that China's entry into the WTO at the end of 2001 has substantially eliminated the barriers to merchandise export trade, which has greatly promoted the development of China's merchandise export trade, offsetting the sluggish economic development of major trading partner countries (regions). Adverse impact.

In general, since joining the WTO in 2001, China has actively participated in the process of economic globalization, seized the historical opportunity period of international industrial transfer, and has become an important force to promote global trade liberalization.

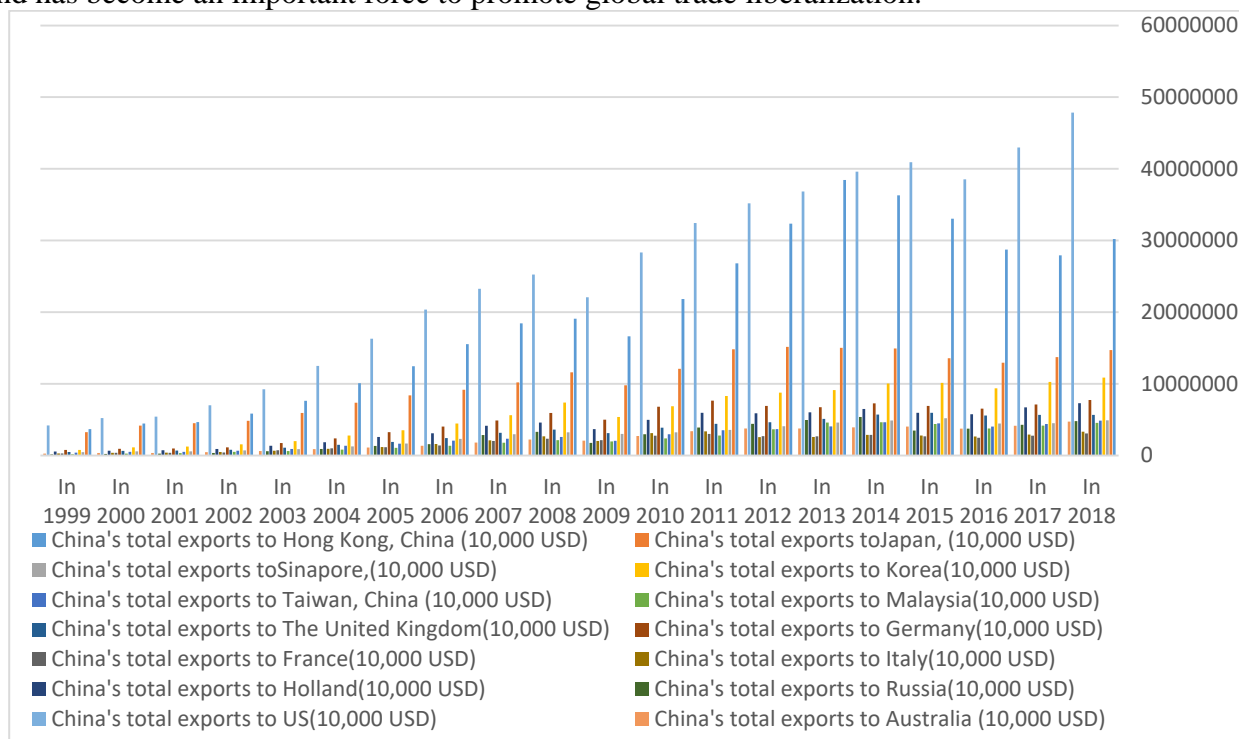


Figure 2 China's total exports with major trading partners

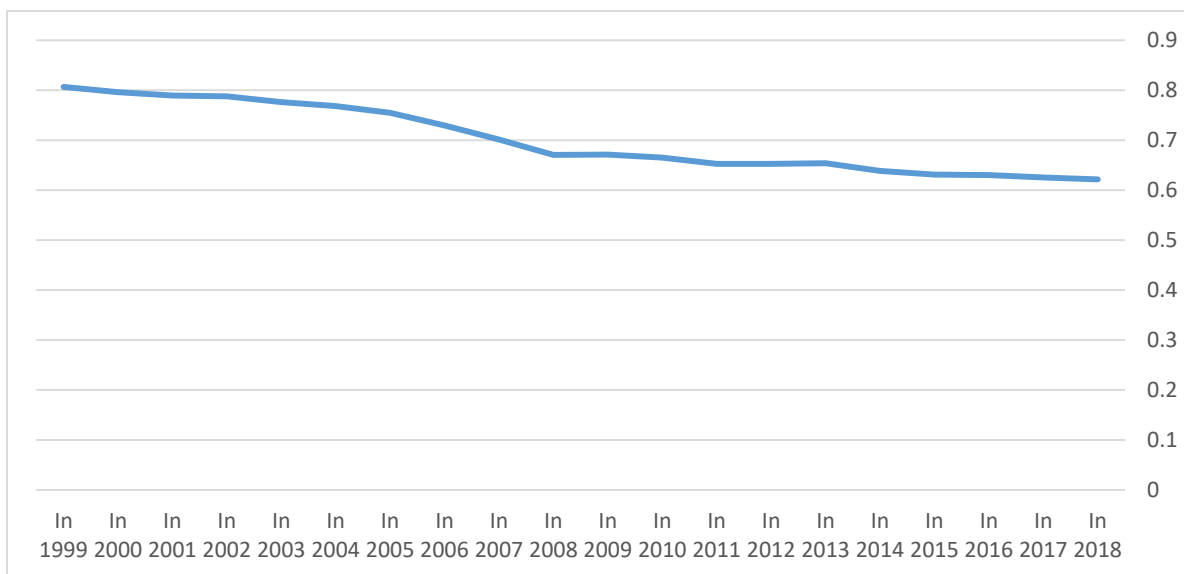


Figure 3 China's exports to major trading partners as a percentage of China's total exports (1999-2018)

3. Strategic Pattern of China's Foreign Trade

3.1. A Brief Analysis of the Current Status of China-US Trade

Since the reform and opening up, China's economy has developed rapidly and established its position as the world's second largest economy. The country's strength has continued to increase and its international discourse power has increased. This has increasingly caused fear among Western countries such as the United States. As the world's largest power, the United States has always been China's main trade exporter. The two sides maintain huge trade volumes, but the development of economic and trade relations between the two countries has also increased the frequency of trade frictions. The United States has become the country with the most trade frictions with China. The most intense country. Although the huge U.S. market, the rapidly rising Chinese market, and the increasingly close economic and trade exchanges have made these two countries have huge economic interests, the intense trade frictions can not help but worry about the prospect of Sino-US economic and trade relations. . China-US trade is not a pure economic decision, but a balance of economic interests and political reality. Because of economic and political containment of China, a Sino-US trade war inevitably occurred. Facing the new pattern and status quo, China is also facing the reality of the transformation of foreign trade. It cannot rely solely on foreign exports. It should expand the circle of friends belonging to China and consolidate friendly exchanges with neighboring countries. Therefore, the "Belt and Road" strategy should be applied Was born.

3.2. China's New Road to Foreign Trade: Taking the Belt and Road Initiative as an Example

From the 2013 "Belt and Road" initiative, the scale of China's foreign trade with Central and Southeast Asia has been further expanded, bringing a lot of economic output to China. From 2013 to 2018, China's total trade in goods with countries along the "Belt and Road" has exceeded US \$ 6 trillion. In 2018, China's trade import and export volume with the countries along the "Belt and Road" reached 1.3 trillion yuan, an increase of 16.3% year-on-year, which was 3.7 percentage points higher than the growth rate of China's foreign trade in the same period, and accounted for 27.4% of China's total foreign trade value.

In the current situation where the world economic situation is not promising, China should try to create a new economic growth point, and the "Belt and Road" strategy is the most realistic piece of China's current strategic layout. The best decision made will build a solid foundation for cooperation between China, Central Asia and Southeast Asia, and gradually form a radiating effect. The maritime Silk Road economic belt can gradually radiate to South Asia and Africa and expand

China's influence. And it is conducive to the formation of new Eurasian trade channels and economic development belts.

4. Problems in China's Foreign Trade Status

4.1. Importance of foreign trade and problems facing China's foreign trade

For a long time, foreign trade has been an important part of China's economy, and foreign trade has developed strongly. China has seen a number of technological innovation, institutional innovation and management innovation enterprises. The emergence of these enterprises represents the strength of Chinese enterprises, which proves that Chinese companies' international competitiveness is constantly increasing and has become a new driving force for foreign trade development. However, in the process of China's continuous reform and opening up and foreign trade, there are also many problems. First, compared with foreign top companies, Chinese foreign trade companies are not only backward in technology, but also weak in responding to international trade risks and disputes. Therefore, Chinese companies suffer from foreign barriers and related losses. Second, after the rapid development of China's economy, there have been many new and unprecedented scenarios in trade, both good and bad. However, due to the lack of relevant domestic laws, the legislation has no relevant laws to deal with each new situation. The deficiencies in legislation and the lack of norms make the domestic foreign trade structure unbalanced. This is caused by many factors. Less than 20 years after China's accession to the WTO, China has less relevant legal experience and should learn more about Western developed countries' measures to deal with trade. Third, foreign trade has a high contribution to the development of developed regions in the east and a low contribution to the development of less developed regions in the central and western regions. That is the imbalance of development between regions.

4.2. Subjects and Approaches to Solving Foreign Trade Problems

Too frequent trade frictions will inevitably have a series of adverse effects on China's foreign trade, so they must be properly addressed. This puts forward higher requirements for different entities: the government: should grasp the changing trend of the international economic environment, timely adjust economic and trade development strategies, actively participate in international negotiations and contribute important forces, and in terms of standards and rules for trade barriers China must have a place. . In terms of enterprises: follow the road of science and technology, increase investment in scientific research, speed up corporate transformation, and invest in core technologies for research and development. Only by strengthening industrial innovation can China truly realize its goal of transforming from a large manufacturing country to a strong manufacturing country. Finally, industry bodies: For incomplete legislation, industry associations should specifically manage and propose corresponding countermeasures. Based on the current situation in China, we should strengthen our strengths and avoid our weaknesses, focusing on high-tech industries. Achieving the goal requires the joint efforts of the three parties: the government has increased investment in these high-tech industries in terms of policy, capital, and technology investment to improve intellectual property protection; industry regulations have been effectively implemented to ensure that these strategic industries are efficient and effective The development of order can encourage Chinese enterprises to achieve substantial results. At the same time, the imbalance of development between the eastern and western parts of the country still requires national policy and legislative support and encouragement, the introduction of a large number of talents and materials, and the construction of new trade export areas. Capable Chinese enterprises should go to foreign markets and increase the influence of China's foreign trade.

In today's complicated world economic situation and China-US trade relations, the "Belt and Road" initiative is a benign platform for China and Chinese companies to achieve development. China should effectively resolve the imbalanced development between the eastern and western regions, connect the central and western provinces with the countries along the "Belt and Road" and take advantage of the opportunity to achieve the development of the domestic economy,

thereby maintaining the steady development of foreign trade and enhancing the stability and prosperity of the Chinese economy. At the same time, we should pay attention to the current situation of export-oriented enterprises' foreign trade, solve their development bottlenecks, and let more and more Chinese enterprises go global.

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