

Analysis on the Path of Building a Trade Power for China

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Abstract

In the new era and new stage, how will China transform from a major trading nation to a trade power? Based on the understanding of the concept of a major trading nation and a trade power, this paper analyzes the significance of China's foreign trade and the status quo of China as a major trading nation, and finally puts forward some suggestions on the path for China to further become a trade power.

Keywords

A Major Trading Nation; A Trade Power; Foreign Trade.

1. Introduction

Major trading countries mainly refer to countries with large import and export volume in international trade. Their measurement indexes include economic aggregate, trade scale in goods and services, trade investment scale, and financial strength, etc., which mainly reflect the statistics of only flow. A trade power refers to a country that has a high technological content of its products in international trade, a discourse power in trade exchanges, a high contribution rate to world economic growth, and even influences the development trend of the global economy. Therefore, a major trading nation is not equal to a trade power.

Since the reform and opening up, China's foreign trade has experienced rapid development from zero to more, and its trade scale has grown substantially. At present, China is already a major trading country in terms of trade development path. In this process, there are not only the experience of international trade market development and rapid economic development, but also the problems of poor product quality and low discourse power, which are worth reflecting on, to accumulate solid strength for the next step of China's international trade from large to strong. In the new period, a new stage has begun from a major trading nation to a trade power..

2. The significance of China's foreign trade

2.1. Promote China's economic development

As one of the "three carriages" driving economic growth, foreign trade directly reflects the scale of trade and contains the state of regional economic development. Foreign trade has brought Chinese products and services into the international market, which increases foreign exchange income and economic efficiency of enterprises and contributes greatly to China's economic development.

2.2. Meet the needs of the domestic market

The international market brings materials, equipment and technology that China lacks at home, which makes up for the gap in the domestic market and supports the sustainable development of relevant industrial chains. Moreover, if the allocation of production only relies on domestic resources, the country's limited resources will sharply decline, making the country face the urgency situation of resource exhaustion and social instability.

2.3. Promote technological progress and industrial upgrading

China's foreign trade has brought technological innovation and spillover, and promoted the development of an open industrial system. With industrial upgrading and technological progress, Chinese enterprises are gradually making overseas investment and acquisitions, developing their own brands and exporting their own technologies, which has raised China's position in the global value chain and industrial chain.

2.4. Increase domestic employment opportunities

Foreign trade directly and indirectly provides jobs related to foreign trade, which helps solve domestic employment problems. At the same time, because of the needs of international trade development, a number of foreign trade enterprises appeared in China. Their experience in operating and developing foreign markets enables them to be competitive and develop into international enterprises.

2.5. Drive world economic and trade growth

International trade not only allows Chinese products and services to go abroad, but also allows foreign products and services to enter the Chinese market. The increase of China's foreign trade imports and exports contributes greatly to the increase of world trade imports and exports. And, as China's import space grows in the future, the huge Chinese market offers opportunities for global producers and exporters.

3. The status quo of China as a major trading nation

At present, China's foreign trade is in trade surplus. The reasons mainly include the following aspects.

3.1. Reasons for China ' s Trade Surplus

3.1.1. Impact of economic globalization

Reform and opening up and China's accession to the WTO have promoted China's foreign economic and trade. Later, the import restrictions on clothing and textiles were lifted by WTO, helping Chinese products to enter the world. And, the development of economic globalization makes China's secondary industry develop rapidly, which provides the possibility for China to gain trade surplus status.

3.1.2. Impact of international industrial transfer

China's foreign trade developed late, while other developed countries developed early and their science and technology developed rapidly, resulting in the emergence of international comparative advantages. Because China had cheap labor and abundant raw materials in the early days, developed countries moved their low-grade processing equipment factories to China and brought surplus advantages to China. This situation has led to the relocation of international processing industries to China.

3.1.3. Clear international restrictions on technology property rights

In order to protect intellectual property rights, there are clear regulations on international trade to prevent technology leakage or infringement. As a result, the export ratio of many developed countries has fallen year after year. Even though China has not acquired the right to use technology, its export rate has not decreased compared to that of developed countries, which is why China is in surplus.

3.1.4. Optimized industrial structure

After the reform and opening up, China has made great efforts to develop the tertiary industry on the basis of the primary and secondary industries. The industrial structure has been adjusted and optimized, which makes the relations of production adapt to the development of

productive forces. At the same time, Chinese enterprises continue to improve their independent research and development capabilities, which improve product competitiveness, provide new impetus for industrial development, and thus gain the preference of overseas markets.

However, China also faces many challenges in international trade. In the highly competitive international market, trade frictions occur from time to time due to China's own trade system problems and the influence of trade protectionism of some countries. In view of the problems in China's foreign trade, this paper puts forward the following points.

3.2. Problems in China's foreign trade

3.2.1. Low discourse power

In the global economy and trade, developed countries have always been in a leading position and have the right to speak. The decisions they make, enact and implement are often beneficial to the interests of developed countries. However, developing countries are generally in a disadvantageous position and have low discourse power, which makes it difficult to safeguard their own interests. At present, the rise of international status and the rapid rise of economy have provided the precondition for China to actively strive for international discourse power. However, China's international discourse power has not been improved to a corresponding extent, whether in commodity pricing or the formulation of international rules.

3.2.2. Lack of professional talents and teams

Developed countries have sufficient funds and excellent teams to develop new technologies and foster new competitive advantages. However, China is not only short of professional talents and teams, but also facing the problem of brain drain, which leads to the lack of high-quality projects with Chinese capital investment and professional leadership in manufacturing teams. No research and development, no new breakthrough, it is difficult to form diversified competitiveness.

3.2.3. Low coordination of government collective actions

In China's foreign trade, the interests of local governments may conflict, and it is difficult to implement the cooperation mechanism, which greatly hinders the realization of collective public interests. In addition, leaders' meetings are the main form of non-institutionalized cooperation among local governments. However, due to the lack of rigid institutional constraints, foreign economic and trade policies have great uncertainties, and many measures cannot be implemented, resulting in huge waste.

3.2.4. Segmented artificially international market by governments

Local governments give priority to those industries with high technology content and high demand for development, so as to obtain the maximum benefits at the fastest speed. As a result, China's various regions show the phenomenon of repeated construction and convergence of industrial structure, which artificially divides the international market, hinders the free flow of production factors, and restricts capital turnover.

4. Measures to propel China towards becoming a trade power

To develop foreign trade, China must follow the strategy of sustainable development. Sustainable development should combine short-term development goals with long-term development significance, so as to achieve comprehensive and coordinated development of economy, politics, society, culture and ecology. In the development of foreign trade, China should take positive measures to realize the sustainable development of foreign economic and trade, so as to make China gradually become a trade power.

4.1. Optimize the industrial structure

Optimizing industrial structure is an important way for China to deepen foreign trade. China's industrial transformation should change from extensive foreign trade growth mode to benefit and quality foreign trade growth mode, from mass standardized production mode to small and medium batch customized production. Scientific and technological innovation is the main driving force of industrial structure optimization. Whether from the perspective of historical development or from the perspective of theoretical logic, the adjustment and optimization of industrial structure are closely related to scientific and technological innovation. Driven by scientific and technological innovation, resources and factors are transferred from low-efficiency sectors to high-efficiency sectors, which gives priority to the development of high-efficiency sectors, while low-efficiency sectors are constantly eliminated and withdrawn, ultimately bringing about the upgrading of production structure and economic structure. On the basis of the primary and secondary industries, great efforts should be made to develop the tertiary industry. Combine the primary, secondary and tertiary industries, give full play to the advantages of each industry, so as to promote the growth of China's foreign trade to better adapt to the development of China's socialist market economy.

4.2. Section Headings

Today, with the rapid development of science and technology, China should strengthen its independent innovation capacity and develop technologies that meet the needs of the international market, so as to become stronger in the international market. However, the root of technology research and development lies in advanced talents. This requires the state to attach importance to the cultivation of advanced talents, provide financial support to institutions of higher learning and opportunities for students with excellent character and learning to study abroad, so that they can create suitable technologies for China's foreign trade development by learning advanced technologies of other countries and combining with the actual situation of their own countries. In addition, high-quality talents can indirectly affect environmental development. The development of foreign trade must not be at the cost of destroying the environment. Only a resource-conserving and environment-friendly society can promote the long-term development of China's foreign trade.

4.3. Build foreign trade industrial parks

Foreign trade industrial parks gather similar enterprises in one area, which is conducive to gathering capital and accelerating the development of industrial chain structure. The construction of the park is not only convenient for centralized management, but also can increase the competition among enterprises, so as to stimulate the innovation vitality of enterprises. At present, China's enterprises have low degree of agglomeration, small scale and low degree of specialization. The development of industrial parks is not as good as expected, and it is difficult to gain a firm foothold in the international market. In order to break this situation, it is necessary to upgrade the existing industrial model, accelerate the construction of enterprise agglomeration, and build regional industrial agglomeration areas, so as to achieve the purpose of enhancing competitiveness in the international market. At present, China's exports of high-tech products are mainly processing trade, and the production products are mainly concentrated in the assembly and processing links with low added value. The lack of competitiveness and the limited value in the processing trade chain is not conducive to China's goal of becoming a trade power. Therefore, we should pay attention to the construction of high value-added high-tech industrial parks for foreign trade in China.

4.4. Foster common interests among local governments

One of the key ways to expand government goals in China's foreign trade development is to foster common interests among local governments. Strengthen the exchange and interaction

between local governments and build a good local relationship, which is beneficial to explore and cultivate the common interests of local governments. Local governments establish foreign trade exchange and cooperation mechanisms and strive to share the international market, which can promote the rapid development of China's foreign economic and trade. At the same time, in China's foreign trade, the interest coordination between local governments can not only rely on the macro-control policies formulated and implemented by the central government, but also need some independent coordination agencies. This will not only reduce costs, but also facilitate the smooth realization of the set development goals. Specialized coordinating bodies are responsible for coordinating cooperation among governments, integrated actions, etc. They are independent and have no affiliation with government departments.

4.5. Improve the mix of export products

Looking to the future, the development of China's foreign trade should adjust the existing pattern of foreign trade export, constantly optimize the structure of export products, to improve export competitive advantage. We should support enterprises in turning technological, institutional and managerial innovations into export competitive advantages. In order to develop an environmentally friendly industrial structure, we should process and upgrade existing industries and encourage the export of high-tech, high-quality and high value-added products. Try to maintain the green nature of goods, in order to reduce environmental pollution. Reducing industrial costs from the perspective of environment is conducive to the sustainable use of resources and China's foreign trade. At the same time, we should actively expand imports, enhance China's position in the global value chain, and constantly cultivate new competitive advantages in foreign trade, so as to promote China's foreign trade from a major trading country to a trade power.

4.6. Develop multilateral economic and trade relations

China should continue to explore the international market, establish free trade areas and build economic communities so as to expand economic and trade exchanges between China and other countries. We can further analyze and study the market economic system and market stability of other countries in the international market, to expand the export market share of China's foreign economic and trade. At the same time, China should actively carry out international import exhibitions to expand China's import market and provide more opportunities for foreign suppliers to enter the Chinese market. It is worth noting that expanding exports and expanding imports are equally important in China's development of multilateral economic and trade relations. For China, foreign trade is a golden opportunity for development. We should speed up the pace of improving the socialist market economic system, actively participate in multilateral economic and trade negotiations, and strive to achieve self-development, ensuring that our own interests are guaranteed.

5. Conclusion

Under the background of sluggish global trade and investment, foreign economic and trade plays an important role in China's development into a trade power. We should seize the opportunities and meet the challenges brought by economic globalization to promote the sustainable development of foreign trade. However, foreign trade is a double-edged sword, which has advantages and disadvantages. If China wants to develop into a trade power and have a say in the international market, it must see the problems existing in the process of foreign trade and formulate foreign trade policies suitable for China based on its national conditions.

China's foreign trade has achieved a historic leap, at the same time, "bring in" and "go global" advance side by side. China is continuing to promote regional economic and trade cooperation, and has successfully achieved a great transition from closed and semi-closed to all-round

opening up, forming a new all-dimensional, multi-tiered and wide-ranging pattern. Innovation is the primary driving force for development, and China's foreign trade development should continue to strive to innovate. We should improve the business environment, accelerate the implementation of the free trade zone strategy, and actively promote international cooperation on the Belt and Road Initiative to build China into a trade power. China is integrating itself into the world economy with a more open mind and a more confident pace.

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