

Study on the Impact of Producer Service Industry on China's Export Trade under the Background of the Belt and Road Initiative

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ABSTRACT. *Economic and trade cooperation is one of the key contents of the “one belt and one way” construction, so its impact on China's economic and trade, especially export trade, can not be ignored. By analyzing the historical situation of China's export trade and comparing the new development of China's export trade under the background of “one belt and one road”, this paper will help us to have a better understanding of the implementation and influence of “one belt and one road” and make full use of the strategic opportunities brought by the “one belt and one way” policy so as to promote the further development of China's foreign trade.*

KEYWORDS: *“one belt and one road”; Capital export; Export trade*

1. Introduction

After the economic crisis, we are facing serious problems such as excess capacity, foreign exchange and global economic downturn. In September 2013, during his visit to Central Asia and ASEAN, Xi Jinping put forward a strategic vision for building the “Silk Road Economic Belt” and “the maritime Silk Road in twenty-first Century”. The “one belt and one road” leads the Asia Pacific Economic Circle to the East, the West European economic circle, the South China Sea across the South China Sea, and spreads across the Persian Gulf. Therefore, Premier Li Keqiang, in his Government Work Report at the Second Session of the Twelfth National People's Congress on March 5, 2014, once again stressed the importance of planning and building “Silk Road Economic Belt” and “Century Maritime Silk Road”, speeding up the interconnection of infrastructure and expanding new space for international economic basic cooperation. The proposal of “one belt and one road” will have important strategic significance for China's foreign trade and the improvement of its overall national strength. It is an important strategic deployment for China to expand its “opening to the west” and to practice “the diplomacy of great powers with Chinese characteristics” under the new situation. For a long time, China's economic development has been more focused on the coastal economic areas, and there are relatively few caring policies for the western inland areas. The promotion

of “one belt and one road” has played a very important role in promoting coordinated development among regions, deepening opening up to the West and coastal areas, accelerating the rise of Central Plains, and so on.

2. Analysis of the Current Situation of China's Export Trade

2.1 The proportion of general trade and processing trade is too large

China's enterprises mainly rely on general trade and processing trade. Most of China's export trade relies on processing trade and general trade, especially processing trade. Processing trade belongs to a relatively cheap and low-end industry in the whole international trade division of labor. It needs a large number of labor and raw materials as a guarantee. Its production efficiency is relatively low, and the overall technical level is not high. Processing manufacturing industry mainly relies on some processing costs to earn differential income, in order to promote employment, increase tax revenue and related economic development. Processing trade as a whole is a low-tech and relatively cheap industry. Because of the low cost and low technology level of processing trade, the structure level of China's overall export trade is relatively low, and it can not effectively coordinate the development of related industries. This is a major shortcoming of China's export trade. Secondly, as far as China's current situation is concerned, the cost of labor force is increasing. The rising cost of labor force will lead us to further lose our unique price advantage, which is not conducive to the further development of China's foreign export trade, and is detrimental to China's long-term foreign trade[1].

2.2 Export market is too centralized

China's export market is relatively concentrated, most of which are concentrated in North America, Europe and Japan. China's medium and low-end material products rely heavily on these developed countries and regions in the export market. According to the relevant statistics, in 2014, China's foreign trade exports only for the above three regions accounted for nearly 60% of China's total exports, and imports accounted for 60.27% of China's total imports. China's foreign trade market shows a relatively single trend, relying too much on these countries and regions, the existence of this situation for our country will be relatively high risk. The international financial crisis in 2008 is a typical example. Once the economies of these countries and regions fluctuate considerably, they will quickly affect China's export trade. Therefore, in the process of China's foreign trade development, we must actively explore the export market and strive to achieve diversification of the export market[2].

2.3 China's enterprises'foreign trade has been in surplus for a long time

For a long time, China's import and export trade has maintained a surplus. In 2009,

despite the impact of the global economic crisis, China's total import and export volume fell by 13.9%, but the trade surplus situation remains unchanged. After the financial crisis, China's import and export trade has returned to a stable growth state. However, as can be seen from the following table, China's foreign trade has been in a surplus state, and the surplus remains high, and the import and export balance in 2012 and 2013 is further widened. The long-term trade surplus makes China vulnerable to trade conflicts with other countries in international trade, aggravates trade friction between China and its trading partners, and hinders China's foreign trade. Moreover, the long-term trade surplus makes China retain a large amount of foreign exchange reserves. Facing the phenomenon of RMB appreciation, our foreign exchange reserves are gradually depreciating and the risk of foreign exchange reserves is gradually increasing[3].

3. New development of China's export trade under the “one belt and one way” strategy

3.1 Change of Emphasis in Export Trade

Under the strategy of “one belt and one road”, China's infrastructure, capital and large industrial exports increased. The strategy of “one belt and one road” focuses on infrastructure construction, so there is an urgent need for infrastructure construction funds and technology. On the one hand, the “one belt and one road” cross border transport corridor across the Eurasian continent, and the construction of transportation corridors has promoted the great development of infrastructure construction. The completion of the new transport corridor will not only facilitate the circulation of trade in goods and services, but also generate new industrial clusters and new development momentum, which will stimulate the export of labor and construction machinery in China and drive the output of related commodity materials, thereby enhancing the proportion and status of infrastructure output in China's foreign trade pattern; on the other hand, the “one belt and one road” strategy base. Infrastructure construction needs huge funds. In the process of establishing the Asian Infrastructure Investment Bank in 2014, China invested 5 million yuan, which has become the largest shareholder of the Asian Investment Bank. The establishment and development of Asia investment bank can provide important financial support and strategic guarantee for the construction of “one belt and one way”, broaden the channels for capital circulation, play a crucial role in capital export and play a key role in the internationalization of RMB. Besides, the “one belt and one way” strategy has greatly promoted the export of large industries in China, for example, by the end of 2014. China and Kazakhstan signed a capacity cooperation agreement, China exports production line equipment to Kazakhstan. This reflects the increasing proportion of China's large industrial exports in our trade system[4].

3.2 Changes in China's Export Trade Pattern

As mentioned above, China's foreign trade countries are relatively single and dependent on some developed countries, which makes China's foreign trade have many hidden dangers. The implementation of the "one belt and one way" strategy has further optimized the layout of China's foreign trade, expanded the scope and proportion of cooperation between China and developing countries, and formed a new economic and trade cooperation network between China and neighboring countries such as Central Asia, Southeast Asia and Eastern Europe. Among them, the most important thing is to strengthen cooperation with the neighboring developing countries in transportation and energy. By observing the specific strategic arrangements along the "one belt and one road", we can see that our country and Southeast Asian countries have relatively close foreign trade contacts, and the scope of cooperation is relatively extensive. Increasing trade cooperation with these countries has, on the one hand, enhanced China's position and influence in international trade, opened up a new path for China's foreign trade and promoted the new development of China's export trade. In addition, the implementation of the "one belt and one way" strategy has effectively promoted the further implementation and implementation of China's opening up strategy, facilitated the coordinated and sustainable development of China's regional economy, and also played a very important role in promoting the transformation of industrial structure. Therefore, it can be said that the "one belt and one way" strategy has a great impact on China's overall trade pattern[5].

3.3 The scale of export trade is growing rapidly, and China's deficit is the main factor

Western Asia and Middle East countries are our important partners in the "one belt and one way" strategy, and occupy a larger share in China's foreign trade volume. In fact, since 2000, China's major oil importers have concentrated in the Middle East. After 2001, China's entry into WTO has promoted China's imports from Western Asian countries, thus contributing to a more sustained trade deficit between China and Western Asia. Western Asian countries are all major oil producers in the world. Energy resources products dominated by oil and natural gas are their advantages in foreign trade, while China is relatively dependent on energy resources in Western Asia. Therefore, the trade deficit between China and West Asia has been aggravated. In addition, the opening up of the "one belt and one road" has facilitated China's trade with many regions and wide areas, while constantly meeting more needs along the line, China's demand for the countries along the line is growing rapidly, so it is conducive to slowing down the trade friction pressure caused by China's long-term trade surplus and promoting the balance and development of China's import and export trade. The implementation of the "one belt and one way" strategy will further optimize China's trade structure and create a comprehensive and comprehensive trade pattern in China[6].

3.4 The trade facilitation level of the countries along the belt and road has a significant impact on China's export trade

If we analyze the trade facilitation measures from four aspects, namely, market access, border management, transportation and infrastructure, and business environment, the impact of “one belt and one road” on China's exports will be very significant. Through the analysis of the situation along the “one belt” road, we can see that business environment in Southeast Asia and South Asia has the greatest impact on China's export trade, so increasing investment in the business environment will greatly enhance China's exports; for Central Asia, transportation and infrastructure will inevitably produce more export trade to China due to their demand for transport and infrastructure. China should invest more in infrastructure in Central Asia and other countries or regions. For European countries, market access and border management undoubtedly have the greatest impact on China's export trade. Most of the EU countries belong to developed countries, which require higher quality of imported products, and because of the cheapness of Chinese goods, they bring competition to European products in the same industry. Therefore, the EU often encounters the restrictions of non-tariff barriers such as anti-dumping investigation and technology, green barriers and so on. Therefore, under the background of “one belt and one road”, the trade links between China and the European Union have been strengthened. The EU has also eased the market access and border management of China's commodities, which will surely benefit China's export to Europe[7-8].

To sum up, under the background of “one belt and one road” strategy, China's export trade strategy will be effectively optimized, effectively alleviating the long-term high surplus of China's foreign trade, opening up a new situation of China's foreign trade layout, enhancing our ties with the Middle East, Central Asia and other regions, and comprehensively stimulating the comprehensive development of China's foreign trade. Under the new situation, facing the strong support of government policies and the further acceleration of RMB internationalization process, China's foreign trade is facing new opportunities under the background of “one belt and one way” strategy. But at the same time, we should also pay attention to the adverse effects brought by “one belt and one Road” to our foreign trade. In the face of increasingly complex international environment, Matthew effect is also constantly increasing. If we want to maintain a stable trade development situation, we must recognize the international situation, strengthen international foreign trade cooperation, strengthen communication and exchanges with other countries, make full use of the development opportunities brought by “one belt and one road”, and promote the further development of China's foreign trade.

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