

A Comparative Analysis of Foreign Trade Between Chongqing and Xi'an Under "One Belt, One Road"

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ABSTRACT

Hitherto unknown, one belt, one road city initiative has been obvious to people in China for nearly 7 years. Taking Chongqing and Xi'an, two typical inland cities in China, as examples, this paper compares the current situation of their foreign trade development, analyze the reasons, analyze their advantages and disadvantages, and finds out the direction and Countermeasures of their foreign trade development in the future. The results show that there is a certain gap between Xi'an and Chongqing in terms of foreign trade scale, foreign trade structure, and foreign trade development level of local enterprises. In the future, the development of foreign trade of the two cities still needs to grasp the regional advantages, improve the innovation ability, strengthen the investment attraction, expand foreign investment, create a good investment environment, and attach importance to the cultivation and introduction of local talents.

Keywords: "One belt, One road", Chongqing, Xi'an, foreign trade

1. INTRODUCTION

China city and Xi'an city one belt, one road, and Xi'an, Chongqing, and Chengdu are called "three West of China", together with the famous metropolis of Western China and the modern red net City, which is the world metropolis of Western China. "Chongqing, China, and the west" Xi'an and Chongqing are one belt, one road special node, but there are significant differences in the development of foreign trade and economy. From the data of the total trade value of the two countries in recent five years, the total value of foreign trade in Xi'an from 2014 to 2018 is 1 trillion and 209 billion 756 million yuan, while the total value of foreign trade in Chongqing is 2 trillion and 432 billion 468 million yuan, which accounts for only half of Chongqing's total foreign trade development level. Chongqing. From the literature research at home and abroad, scholars have researched the influencing factors of foreign trade, the relationship between foreign trade structure and economic growth, or on the foreign trade mode and layout of Xi'an or Chongqing, and achieved rich research results [1-4]. However, there is no research to analyze the similarities and differences of foreign trade status between Xi'an and Chongqing. One belt, one road, is the key to the two cities' foreign trade differentiation. The paper also analyzes the causes of the differences in foreign trade and proposes the optimization path. The aim is to seize the historical opportunity of the two cities to accelerate the development of foreign trade.

2. COMPARISON OF THE CHARACTERISTICS OF FOREIGN TRADE BETWEEN XI'AN AND CHONGQING

This part makes a comparative study on the foreign trade development of Xi'an and Chongqing from four aspects: the scale, main body, mode, and commodity structure of foreign trade. The data are from Chongqing Statistical Yearbook (2013-2018) and Xi'an Statistical Yearbook (2013-2018), and further processed.

2.1. Comparison of Foreign Trade Scale

2.1.1. Comparison of total import and export

From 2013 to 2018, Xi'an's total import and export volume has been rising steadily, while Chongqing's total foreign trade volume has been fluctuating, especially from 2015 to 2016, Chongqing's total import and export volume has dropped significantly compared with the previous year. However, it should be mentioned that even though the annual import and export volume of Chongqing fluctuates, it is far higher than that of Xi'an. It shows that in terms of the scale of foreign trade, there is still a big gap between the scale of foreign trade in Xi'an and that in Chongqing. See Figure 1 for details.

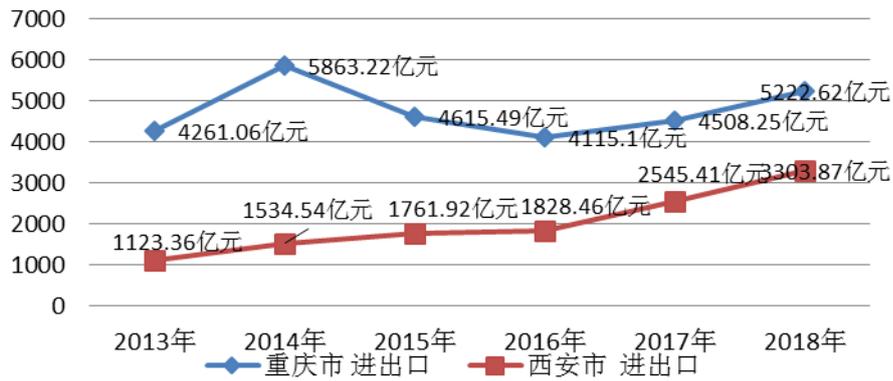


Figure 1 Scale Comparison between Chongqing and Xi'an from 2013 to 2018

2.1.2. Comparison of export trade volume

From 2015 to 2017, Chongqing's export volume showed a significant downward trend, but there was a huge increase in 2018; in 2017, Chongqing's export volume was the lowest in the six years from 2013 to 2018, which was 155.238 billion yuan; in the same period, the changing

trend of Xi'an's export trade volume was consistent with its total import and export trade volume, which has been in a state of increasing year by year. The export volume of Chongqing is also much higher than that of Xi'an. Besides, the trade surplus of Chongqing has obvious advantages over Xi'an, as shown in Figure 2.

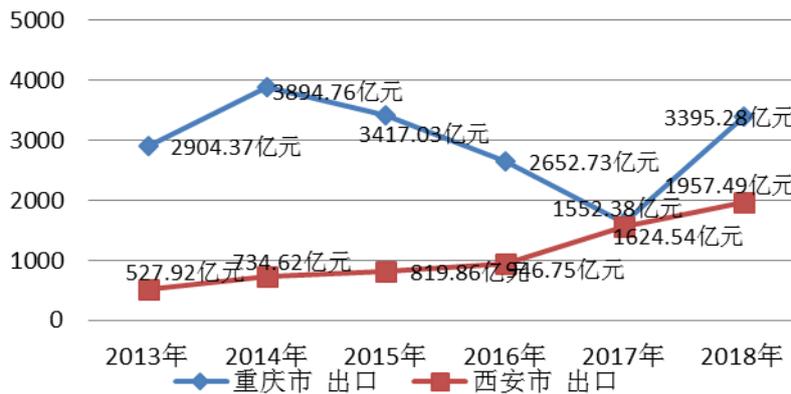


Figure 2 Comparison of Total Exports between Chongqing and Xi'an from 2013 to 2018

2.1.3. Comparison of import trade volume

From 2013 to 2018, the import volume of Xi'an showed an upward trend except for 2016; the import volume of Chongqing showed negative growth in 2015 and 2018, of

which the import volume of Chongqing decreased by 57.8% in 2018. Even so, its overall import scale is much higher than that of Xi'an, as shown in Figure 3.

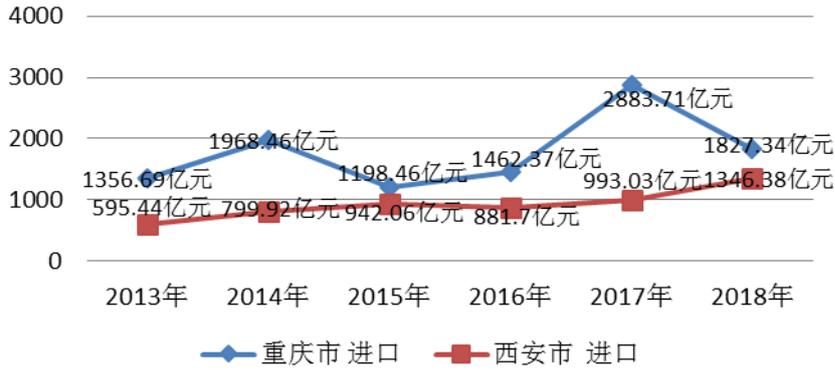


Figure 3 Comparison of Total Imports between Chongqing and Xi'an from 2013 to 2018

2.2. Comparison of Foreign Trade Entities

2.2.1. Diversification of business entities

In terms of foreign trade operators, Xi'an and Chongqing have a wide range of operators, with a large number of state-owned enterprises and private enterprises. Among the private enterprises, the foreign trade operators in Xi'an and Chongqing are mainly Japanese enterprises and Korean enterprises. The number of Japanese and Korean enterprises in Chongqing accounts for nearly a quarter of the whole Chongqing area; the number of Japanese and Korean enterprises in Xi'an accounts for one-fifth of the whole Xi'an area [5].

2.2.2. The role of foreign enterprises in import and export trade is more than that of local enterprises

After the "one belt, one road" initiative was proposed, foreign enterprises played an increasingly important role in China's foreign trade, which has been well verified in the foreign trade between Chongqing and Xi'an. As can be seen from Figure 4 below, foreign enterprises are the main force of foreign trade in Chongqing and Xi'an, and the development of local enterprises in foreign trade is expected to be further enhanced. The foreign trade development level of local enterprises in Chongqing is higher than that of local enterprises in Xi'an.

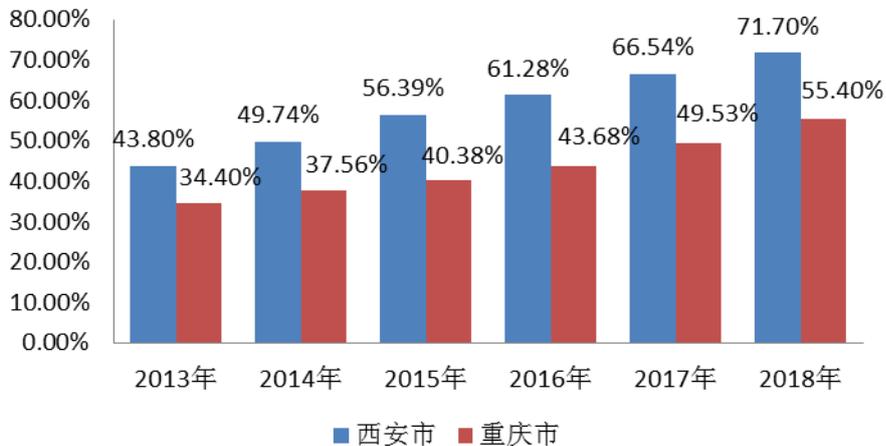


Figure 4 Proportion of total foreign trade volume of foreign enterprises in total foreign trade volume of the two cities

2.3. Comparison of Foreign Trade Modes

As can be seen from Figure 5 and Figure 6 below, Xi'an's foreign trade has been dominated by processing trade in recent years, and the percentage of processing trade in total foreign trade is also increasing year by year. Similar

to Xi'an, processing trade is also the main mode of foreign trade structure in Chongqing. After 2014, processing trade is obviously on the rise. At present, the processing trade between Chongqing and Xi'an is changing into technology-based and innovative trade.

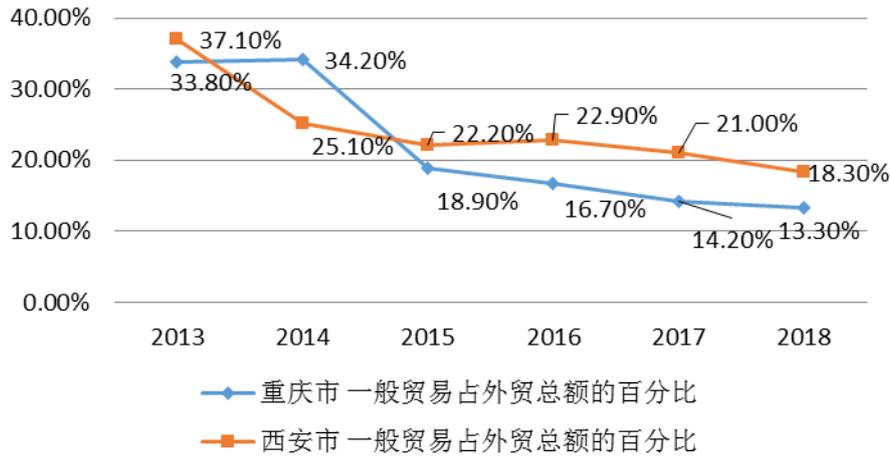


Figure 5 Proportion of general trade in foreign trade of the two cities from 2013 to 2018

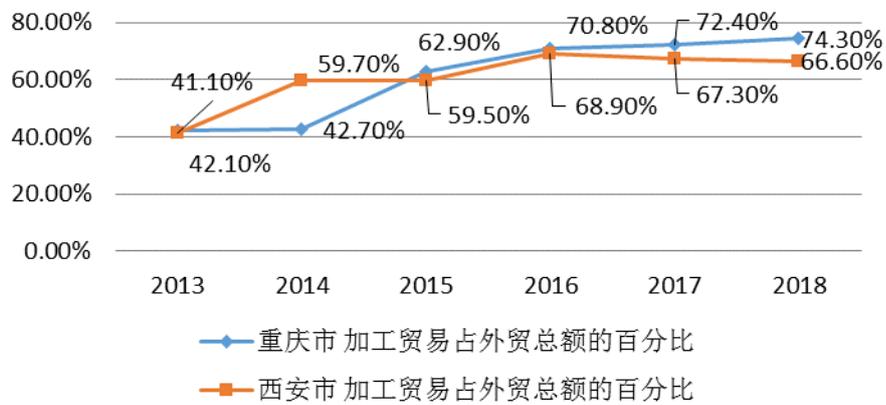


Figure 6 Proportion of processing trade in foreign trade of the two cities from 2013 to 2018

2.4. Comparison of Commodity Structure of Foreign Trade

The main sources of foreign trade volume of Chongqing's main products are the import and export of mechanical and electrical products and high-tech products, as well as the export volume of notebook computers [6]. It is worth

emphasizing one thing, since the one belt, one road initiative, the development of high-tech products in Chongqing has been developing rapidly, and the structure of import and export products has been greatly optimized. New technology products with high technology content and high added value have been developed to a certain extent.

Table 1 Statistics of major sources of import and export trade in Chongqing from 2013 to 2018

Year	Mechanical and electrical products		Refined copper		High-tech products		Notebook	
	Import	Export	Import	Export	Import	Export	Import	Export
2013	36.31%	34.53%	4.74%	—	14.67%	4.98%	1.23%	0.32%
2014	38.28%	35.18%	5.41%	—	13.86%	5.83%	1.12%	0.60%
2015	39.42%	35.39%	3.21%	—	12.98%	7.49%	1.15%	1.26%

2016	39.31%	36.71%	2.90%	---	12.39%	8.26%	0.78%	1.98%
2017	35.13%	38.16%	1.39%	---	10.98%	8.98%	0.45%	2.15%
2018	34.89%	39.12%	1.26%	---	10.15%	9.06%	0.41%	2.48%

Table 2 Statistics of main sources of import and export trade in Xi'an from 2013 to 2018

Year	Mechanical and electrical products		Refined copper		Textile		Mineral		Single Silicon Wafer	
	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export
2013	32.32%	36.83%	5.71%	---	---	0.42%	3.13%	0.62%	---	1.12%
2014	34.28%	38.68%	5.41%	---	---	0.49%	2.52%	0.68%	---	1.20%
2015	35.42%	42.05%	6.26%	---	---	0.61%	2.23%	0.73%	---	1.26%
2016	37.90%	45.31%	1.12%	---	---	0.82%	1.90%	0.87%	---	1.21%
2017	39.40%	47.21%	1.32%	---	---	0.98%	1.61%	0.89%	---	1.15%
2018	40.71%	47.98%	1.41%	---	---	1.15%	1.43%	0.92%	---	1.08%

Since one belt, one road initiative, Xi'an's foreign trade has increased rapidly, but there is still a big gap compared with Chongqing. It has restricted the rapid development of Xi'an's trade. To some extent, the export products of Xi'an are mainly resources and labor-intensive products, not only with low technology content but also low profits. The economic benefits are not considerable. The above situation shows that high value-added new technology products have not become the main source of foreign trade in Xi'an, and there is still a big gap compared with Chongqing.

To sum up, the scale of foreign trade in Xi'an is significantly weaker than that in Chongqing; foreign enterprises are the main force of foreign trade in both Chongqing and Xi'an, but the development level of foreign trade of local enterprises in Chongqing is higher, and the internal driving force of Chongqing is stronger; processing trade is the main mode of foreign trade in both Chongqing and Xi'an, while processing trade is the main mode of foreign trade in Chongqing. The contribution of trade to the development of local foreign trade is higher than that of processing trade in Xi'an; in the comparison of foreign trade commodity structure, Chongqing has more high value-added new technology products and more reasonable foreign trade structure.

3. ANALYSIS ON THE CAUSES OF DIFFERENT FOREIGN TRADE DEVELOPMENT STATUS BETWEEN XI'AN AND CHONGQING

This paper argues that these differences are determined by the investment environment, the support of national policies, the differences between related and supporting industries, and the demand of foreign markets.

3.1. Investment Environment

According to the latest data, there are 287 Fortune 500 enterprises in Chongqing, while Xi'an is slightly inferior. At present, there are 203 Fortune 500 enterprises in Chongqing. The reason is that compared with Xi'an, Chongqing has the mature conditions of "rail, road, and water" multimodal transport, and has obvious investment location advantages. Chongqing is the only port to the sea in the western region except for North China, with sufficient and smooth water, land and air transportation channels. With the help of the golden waterway, Chongqing gives full play to the "iron highway water" and river-sea intermodal transport, connecting the Pacific port, to form the greatest degree of interconnection between itself and the outside world, and let Chongqing's goods

enter the world markets as far as possible [7]. In this regard, compared with Xi'an city which does not have the conditions of water transportation, Chongqing's water transportation is the obvious advantage of environmental factors.

3.2. National Policy Support

Chongqing is the youngest municipality directly under the central government in China. The state's financial support and policy preferences in Chongqing are very large. In 2017, China (Chongqing) pilot free trade zone was officially established. In addition to the establishment of free trade zones, with the strong support of national policies, four bonded zones have been established, namely, Lianglu Cuntan bonded port area, Xiyong Comprehensive Bonded Zone, Jiangjin comprehensive bonded zone, and Fuling bonded zone [8]. Compared with Chongqing, the administrative level of Xi'an city is lower than that of Chongqing municipality directly under the central government, which will affect the inclination of national policies and the support of national finance to a certain extent. Xi'an now has only Xi'an comprehensive bonded zone and Xi'an high-tech Comprehensive Bonded Zone, which is still in a weak development compared with the four bonded zones in Chongqing [9].

3.3. Related and Supporting Industries

Chongqing's industrial development started early, and its industrial base, especially the heavy chemical industry, is much better than Xi'an. In recent years, we have started to focus on the two major engine industries of electronic manufacturing and the automobile industry, making efforts in the fields of intelligent manufacturing and digital. At the same time, Chongqing is equipped with a fairly perfect system policy for the introduction of high-level talents, which provides an important guarantee for retaining high-level talents, which promotes the development of Chongqing's foreign trade to a certain extent [10]. At present, Xi'an has not formed the production capacity of high-end products in the high-tech industry, so it is highly dependent on foreign technology. To better one's economic development through one belt, one road, Xi'an is also committed to building three trillion industries with advantages of high-tech industries, advanced manufacturing industries, and trade and logistics industries. After the completion of these industrial projects, Xi'an's foreign trade development can be significantly improved by [11]. At the same time, in recent years, Xi'an has issued a series of preferential policies for outstanding talents. I believe that with the support and guidance of these policies and measures, Xi'an will certainly absorb more outstanding talents and make more remarkable achievements in the development of foreign trade.

3.4. Foreign Market Demand

The foreign trade objects of Xi'an are mainly concentrated in Europe and North America. These countries have a high level of modernization, developed industry, and low dependence on Xi'an's export commodities. The main market of Chongqing's foreign trade is in Asia. Asian countries have a weak foundation and strong demand for notebook computers, mechanical and electrical equipment, spare parts, and other products, so Asia has a high dependence on Chongqing's exports [12]. Besides, in the construction of the Silk Road Economic Belt, although there have been many foreign enterprises investing in Xi'an in recent years, most of them are concentrated in East and Southeast Asian countries, while few developed countries. The single and small-scale pattern of foreign investment is extremely disadvantageous to the development of foreign trade.

4. POLICY SUGGESTIONS ON ACCELERATING THE DEVELOPMENT OF FOREIGN TRADE BETWEEN THE TWO PLACES

Based on the different elaboration and cause analysis of the foreign trade development of Chongqing and Xi'an, this paper puts forward some suggestions on the optimization of the future foreign trade development of the two places, hoping to be helpful to the foreign trade development of the two places.

4.1. Grasp the Regional Advantages and Promote the Development of Foreign Trade

For Xi'an, its advantages are also very obvious, so we should make full use of its regional advantages, and actively introduce domestic and foreign large enterprises and large projects to settle in Xi'an. At the same time, we should make full use of the opportunities of industrial transfer from the east to the West and Counterpart Assistance, actively attract enterprises with strong strength, rapid development, and leading technology, build several export processing bases, and provide industrial support for the development of foreign trade in Xi'an. One belt, one road, is to give full play to the functions of the Pilot Free Trade Zone, vigorously develop the electronic information industry, new energy vehicle industry, and high-tech industries, and actively integrate into the "one belt and one road" construction to enhance the driving force of foreign trade development [13]. For Chongqing, Chongqing should improve the whole process industry chain with "complete machine + core parts + raw materials" as the leading. Secondly, Chongqing should make full use of the advantages of existing good conditions and strong manufacturing foundation, and vigorously develop service trade.

4.2. Tap Internal Potential and Improve Innovation Ability

Innovation is the internal driving force for the development of foreign trade. As far as Xi'an is concerned, Xi'an is an important university in China. Xi'an has a large number of universities and scientific research institutes. In the development of foreign trade, Xi'an should make full use of these internal resource advantages, tap the internal potential of the City, accelerate the transformation of scientific and technological innovation achievements, and cultivate export bases and high-tech industries Industry cluster, give full play to the role of science and technology in promoting the transformation of foreign trade growth mode. As far as Chongqing is concerned, it is necessary to make full use of the good achievements Chongqing has made in the development of foreign trade at the current stage, continue to bring forth the new, constantly improve and optimize, and take various measures to enhance the innovation level of Chongqing in the development of foreign trade. For independent regional advanced brands, efforts should be made to try cross-border mergers and acquisitions, cross-border operations, and other ways to broaden the strategic way of "going out".

4.3. Strengthen Publicity and Expand Investment Promotion

First, we should one of the advantages of one belt, one road initiative, and the degree and intensity of opening up to the outside world. We need to relax the scope of foreign direct investment between Xi'an and Chongqing and build a big data platform to provide accurate, objective, and timely information for foreign investment.

Secondly, the ways of introducing foreign capital should be flexible. Xi'an and Chongqing should introduce foreign capital in various ways, such as introducing foreign investors to build factories locally, introducing foreign advanced technology, issuing bonds and stocks abroad [14].

Finally, Xi'an and Chongqing should increase the external publicity, enhance the city's exposure and influence. The relevant government departments should take the city's external publicity and publicity effect as a performance evaluation standard, increase the city's external publicity, and promote more attractive investment policies.

4.4. Create a Good Investment Environment and Improve the Level of Foreign Capital Utilization

First of all, Chongqing and Xi'an should be guided by the opening-up strategy of "opening up to promote development, and development to promote development", and do everything possible to strengthen the city's foreign investment and investment attraction. Local government departments at all levels in Chongqing and Xi'an, which

are related to the development of foreign trade, should strengthen communication with foreign enterprises, cultivate the feelings between government and enterprises, deeply understand the difficulties existing in the local development of foreign-invested enterprises, and timely solve the urgent needs of the development of foreign enterprises. By continuously promoting the reform of "decentralization, management and service", the examination and approval procedures for foreign investment in Chongqing and Xi'an will be reduced, and the enthusiasm of foreign investment enterprises in Chongqing and Xi'an will be improved [15].

Secondly, the government should establish more opportunities and platforms for the cooperation between foreign-invested enterprises and local colleges and universities, especially for those high-tech foreign-funded enterprises with high technology content. Colleges and universities in Chongqing and Xi'an should give full play to their professional and technical advantages, look for opportunities, and take the initiative to cooperate, communicate and learn with these high-tech foreign-funded enterprises. Finally, we can achieve the win-win goal of reducing costs, expanding popularity, improving economic benefits, and enhancing independent R & D and innovation ability of Chinese universities.

4.5. Attach Importance to the Cultivation and Introduction of Local Talents

First of all, local talents are an important factor to support the development of a region. Moreover, the talents trained by "own family" know the situation of "own family" best and have deep feelings for "own family", which can promote the development of a region. Chongqing and Xi'an, as the important cities of universities in China, have certain advantages in local talent resources. They should adhere to the organic unity of problem orientation, demand orientation, and goal orientation, and do a good job in the cultivation of foreign trade talents scientifically, practically, and accurately. At the same time, the training should be strengthened to help local talents continuously learn new knowledge, technology, and experience in foreign trade work, to better serve the foreign trade development of Xi'an and Chongqing.

Secondly, in addition to cultivating local talents, the foreign trade development of Chongqing and Xi'an should also pay attention to the introduction of foreign talents. Although both Chongqing and Xi'an are important cities of colleges and universities in our country, with more talents, the possession of talents in both places is still very limited in the whole international community. In this case, Chongqing and Xi'an should actively introduce domestic and overseas talents, especially those in international trade, foreign language, and law, in combination with their actual situation, to do a good job in the supply of talents in the development of local foreign trade. And create more favorable conditions for these excellent foreign talents to work in Xi'an and Chongqing so that these talents can

come here, build here, and take root here, and better contribute wisdom and strength to the development of foreign trade in Chongqing and Xi'an.

5. CONCLUSIONS

Due to the differences in the investment environment, policy support, regional advantageous industries, and their respective foreign trade market demand, the foreign trade development of the two cities has both similarities and significant differences, which are mainly reflected in: first, the foreign trade scale of Xi'an is far behind that of Chongqing; second, the main body of foreign trade of the two cities are mainly foreign enterprises, and the influence of local enterprises is insufficient. In horizontal comparison, the foreign trade support level of local enterprises in Chongqing is higher than that in Xi'an; third, the main trade modes of the two cities are general trade and processing trade, and the processing trade shows an obvious upward trend; fourth, compared with Xi'an, the import and export product structure is mainly resource-intensive and labor-intensive products, Chongqing has been optimized to a certain extent, with high technology content and high efficiency. The proportion of new technology products with added value increased.

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