



# Discuss The Restructuring of International Business Industry Under the New Economic Situation

Jiawei Feng

Faculty of Business Administration, Zhejiang Gongshang University, Hangzhou, Zhejiang, 310018, China

\*Corresponding author. Email: [jiaweifeng0214@163.com](mailto:jiaweifeng0214@163.com)

**Abstract.** As the reform process of globalization in the international economy continues to advance in depth and the entire global industrial structure model continues to be optimized and upgraded, the industrial restructuring of international business is developing rapidly, presenting a new normal and becoming an important strategic link to enhance industrial interconnection and economic development among countries. Economic globalization is undoubtedly a decisive development trend for worldwide economic and social development, and the country also puts forward the construction of a new pattern and new situation of China's economic and social development according to this development trend, which on the one hand requires China's international trade service capacity to achieve better improvement, but at the same time, the country also puts forward more new demands in the field of economic restructuring, with China With the advancement of economic structural transformation and profound changes in areas such as market supply-side reform, China's original trade methods must also be modernized more quickly, which is the key objective and fundamental concept of China's domestic trade work in a new development pattern.

**Keywords:** New Economic Situation; Economic Globalization; Industrial Structure

## 1 Introduction

Since the late 1980s, driven by the globalization and integration of today's economic development and the significant impact of various new technological revolutions, industrial competition in the field of international markets has become increasingly fierce. In order to be able to gain a leading edge in the global competitive landscape, developed countries have expanded their industrial structure transfer, restructuring and large-scale modernization at the expense of foreign industrial transfer, triggering a wave of global industrial transfer. Under the long-term influence of the overall recession situation in some developed countries, the development of China's international business industry has slightly slowed down in 2020, mainly under the influence of the epidemic, which has had an extremely significant impact on the country's international business industry

[1]. The new economic situation has led to the overall acceleration of the global international investment and trade and global industrial transfer business. In order to better gain global competitive advantages, enterprises in developed countries have further actively carried out the undertaking of international inter-industrial transfer, rapidly enhanced the rational understanding of international business industrial restructuring, made full use of strategic opportunities, accelerated the rapid modernization of their traditional industrial models, and gradually expanded the scope of the international business industrial restructuring system [2].

Since the late 1990s, the further rapid development of the scale of multinational corporations and the increasingly important role they play in promoting the process of foreign trade and investment have greatly promoted the diversification of their international business industrial restructuring, with the following main features: 1) companies break through a single overseas direct investment business and gradually begin to form a pattern of diversified domestic and foreign trade and investment activities and diversified industrial investment transfers such as sole proprietorship, joint ventures, acquisitions, mergers and acquisitions and the transfer of overseas non-equity asset arrangements [3]. 2) Indirect access to investment through the international securities market is also showing a rapid growth. 3) The proportion of indirect access to various domestic international business industrial restructuring projects through other direct portfolio investments is also growing rapidly. 4) Through inter-country corporate acquisitions, mergers and acquisitions and regional industrial restructuring activities are rapidly developing and increasingly evolving as two important ways to promote international investment trade and international industrial capital transfer cooperation. In this information technology revolution movement and the world's industrial landscape change tide, all countries in the world, whether developed countries or emerging developing countries, are very active in taking the initiative to focus on high technology and begin to take the initiative to guide the comprehensive adjustment of their high-tech industrial structure strategy, so that they can re-compete for a new round of worldwide competition and cooperation in the field of social and economic development triggered by modern high technology. It eventually triggered a series of large-scale multinational enterprise investment and mergers and acquisitions wave and high-tech industrial restructuring.

Since 2015, the rapid development of Chinese MNCs has made strategic investments in international resources and actively carried out various specialized product portfolios and chain operations in transnational, cross-regional and cross-industry modes to promote the effective optimization and allocation of the international resource value chain of Chinese enterprises [4]. According to statistics, at present, global multinational corporations manage a total of more than fifty percent of the global proportion of the company's total import and export and international foreign trade, more than 90% of the company's foreign direct financing, about 80% of the scale and above to overseas new technology development, new materials, proprietary investment, and about 70% of the scale of the company to foreign high-tech property rights transfer. Large and medium-sized multinational enterprises, almost all of them have gradually formed the main bearers of our country's overseas market in today's global trade, transfer of capital to overseas, as well as transfer of industrial capital to foreign countries.

## 2 The Current Stage of Development of International Business in China

### 2.1 The Formation of The Output Structure of China's Three Major Industries

When China was founded, the industrial structure was too simple, the productivity level was low, and it was a typical agricultural country. After nearly 30 years of continuous development, in 1977, the proportion of China's gross agricultural product to GDP dropped from 58.5% at the beginning of the founding of New China to 20.87%. The total output value of the secondary industries, such as industry, construction and transportation, increased from 29.29% of the total social output value in 1949 to 72.73%. The output value of the tertiary industry only accounted for 6.4% of the total social output value. This economic transformation is often the objective result of the priority development of China's economy at that time mainly in heavy industry. To date, as China's regional industrial structure has also been unbalanced, the development of basic industry links are relatively weak, the heavy industry economy is gradually deformed overdevelopment, the overall development of the service sector is relatively backward, agriculture, industry and commerce development share is unbalanced.

Since the reform and opening up, the evolution of China's industrial structure has accelerated, high-tech industries have obviously transferred from primary and secondary industries to secondary and tertiary industries, and the industrial structure has changed from low level to high level.

**Table 1.** Current Industrial Structure (GDP) in China, 1978-2021

Year	GDP (Billion)	The ratio of the gross product of primary, secondary and tertiary industries	The ratio of the contribution of primary, secondary and tertiary industries
1978	3,645.2	28.2: 47.9: 23.9	—
1985	9,016.0	28.4: 42.9: 28.7	13.73: 42.09: 44.18
1990	18,667.8	27.1: 14.3: 31.6	41.7: 41.0: 17.3
1995	60,793.7	19.9: 47.2: 32.9	9.1: 64.3: 26.6
2000	99,214.6	15.1: 45.9: 39.0	4.4: 60.8: 34.8
2005	183,217.4	12.2: 47.7: 40.1	4.6: 49.7: 45.7
2009	335,353.0	10.6: 46.8: 42.6	4.25: 31.07: 64.68
2015	688,858.2	9.0: 40.5: 50.5	4.6: 41.6: 53.7
2021	990,865.1	7.1: 39.0: 53.9	3.8: 36.8: 59.4

Source: Statistics from the website of the National Bureau of Statistics of China

Since the implementation of reform and opening up, the number of employed people in China's labor force has been increasing, as shown in Table 2, in 1978, the proportion of employed people engaged in primary, secondary and tertiary industries in China was

70.5%, 17.3% and 12.2%. With the continuous adjustment of the domestic industrial structure, the employed people gradually transferred from the primary industry to the secondary and tertiary industries, and the industrial transfer structure was upgraded and optimized continuously. Employment in the tertiary sector surpassed the primary sector in 1994 and the secondary sector in 2011; and in 2016, the secondary sector also surpassed the primary sector.

In 2019, the proportion of employed persons in primary, secondary and tertiary industries in China was 27.0 %, 28.1 % and 44.9 % respectively. Since then the proportion of employed persons in the three traditional industries has also changed from one, two and three in the past to an industrial model of three, two and one, with a relatively more balanced employment structure.

**Table 2.** Distribution ratio of employment in the three major industries (%)

Year	Primary Industry	Secondary Industry	Tertiary Industry
1978	70.5	17.3	12.2
1988	59.3	22.4	18.3
1994	54.3	22.7	23.0
2006	42.6	25.2	32.2
2011	34.8	29.5	35.7
2016	29.5	29.9	40.6
2019	27.0	28.1	44.9
2021	25.1	27.5	47.4

Source: Statistics from the website of the National Bureau of Statistics of China

## 2.2 The Development of International Business Industry Under The New Economic Situation

At the current stage, the economic ties between countries around the world are closer than ever, and show a more obvious adjustment in international market demand, along with the development of the Internet and other related technologies, which greatly promote the progress of transnational e-commerce.

First, the situation and opportunities of big data. 2022, the General Office of the State Council No. 2 pointed out that China should focus on building an important strategic position of the data economy and social development innovation zone, to further implement the important strategic position of the data economy and society, increase technical support, stimulate the creativity of data elements, promote the integration and development of the data economy and the real economy, and explore experience for industrial transformation and upgrading and data nation building.

Second, the rapid development of cross-border e-commerce enterprises under the big data. In order to push the development of cross-border e-commerce again under the new economic situation, in recent years, China has taken multiple measures in parallel

to improve the trade forms and subjects, build cross-border industrial parks and industrial systems, provide supportive policies by the government, optimize the business environment, etc. In 2021 set up a cross-border e-commerce task force, the formation of a joint meeting system, the construction of a comprehensive test area to schedule important matters and work, a strong impetus to China's cross-border e-commerce from scratch, the more rapid industrial development.

### **3 The Impact of International Business Industry Restructuring on The Economy**

International business industrial restructuring has a significant impact on the structure of the world economy, accelerating the global industrial structure transfer, deepening and expanding the international division of labor pattern, and strengthening the foreign trade dependence between countries [5]. However, under the influence of the current economic situation, developed countries have to further play a leading economic role in accelerating the competition of international business industrial restructuring, which is still an extremely great challenge to achieve international business industrial restructuring; and for developing countries, international business industrial restructuring is a double-edged sword, which can not only promote the optimization and adjustment of their industrial structure, but also accelerate the achievement of GNP growth. However, both the rapid transfer development of harmful industries and the widespread spread of environmentally polluting industries are also detrimental to the future economic growth of developing countries. For example, in the past, in order to achieve rapid economic development, China undertook a large number of Western enterprises with high energy consumption, high pollution and low threshold, such as chemical industry, heavy metal production and waste disposal. Although this method achieves wealth accumulation in the short term, it is at the cost of damaging the environment and consuming resources, which is obviously unsustainable. The following analyzes the positive and negative effects of the industrial restructuring of international business on the structure of the global economy.

#### **3.1 The Positive Impact of International Business Industry Restructuring on The World Economic Landscape**

Compared with the implementation of closed industrial structure in China, the industrial restructuring of international business has reflected the current operational efficiency of industrial restructuring and upgrading in various countries. If the existing resource-intensive industries in developed countries lose their competitive advantages, some new industries in developing countries will soon lose their comparative advantages and transfer them to other backward countries, which are all inevitable choices to maintain the level of international competitiveness of industries. With economic development and the significant shortening of product life cycles, as well as the gradual liberalization of international trade patterns and cross-border investment patterns, the trend of structural transformation on the global industrial landscape is also accelerating

significantly. With the rapid changes in the global division of labor system, the restructuring of international business industry is rapidly shifting from the traditional sectoral division of labor in developing countries to the industrial division of labor. With the further modularization of emerging industrial value chains, the economies of Asian countries and some developing countries in Latin America are becoming increasingly integrated into the global production division of labor value chain system, becoming increasingly complex. The importance of the economy is also changing, and the trade deficit is divided by national borders, which cannot truly reflect the trade balance and industrial competitiveness of different countries, nor can it accurately measure the benefits and losses of international labor and international trade. Industrial restructuring in international business not only creates trade imbalances between developing and developed countries, but also deepens economic interdependence between countries and increases dependence on global trade.

### **3.2 The Negative Impact of The Restructuring of The International Business Industry on The World Economic Landscape**

The continuous development of international business industry restructuring has led to intense trade frictions between developed countries' industry transferring out and industry transferring in, and not only that, international business industry restructuring has also intensified the trade frictions between countries. Among them, trade conflicts among developing countries are more intense because the benefits gained in the face of the same resource allocation lead to fierce competition for the restructuring of the international business industry; in addition, the restructuring of the international business industry is changing the distribution pattern of international profits and widening the imbalance of benefit distribution between developed and developing countries.

## **4 The Adjustment Strategy of International Business Industry Structure Based on The New Economic Situation**

### **4.1 Targeted Transformation Strategy Development for International Business, Encourage Enterprises To Boldly Step Into The International Market**

As a global system project, international business is facing a very close relationship with development and economic internationalization if analyzed from its external environment. Besides, it also has close cooperation with many developed countries around the world. However, if we consider the domestic environment, for the development of China's economy, the further optimization of international business in the future is a very powerful driving force for China in the new situation of development. So overall, China must raise awareness of the importance of international business development from the policy side and adopt targeted development strategies as needed. In recent years, China has grasped more development opportunities in the new period, and

the development of international business based on the national strategy represented by the Belt and Road, in China's future economic development, it is necessary to conduct more scientific and systematic research on these frontier positions, in the case of firmly grasping the new situation of economic development, based on the diversity of domestic regional changes, as well as the vast area of China's territory. In particular, in the face of regions with a high density of export-oriented enterprises, we have fully activated their investment and development, and introduced more open preferential policies to promote their development, promoting the development of global business and successfully establishing a world-renowned, Chinese The company has also introduced more preferential policies to promote its development, facilitating the development of global business and successfully establishing a globally renowned business innovation platform in China.

To have the courage and spirit of multinational business. Short-term speculative business is also not the only direction that multinational companies step into, the key to the company being able to carry out global management is precisely to make 'living' the purpose, in order to survive and stay, it is necessary to achieve go global. Closed-door investment is unable to ensure the company's lasting development and growth, so our company must go to participate in the global market, occupy a seat in the overseas market, and at the same time through going out to master the overseas cutting-edge technology and advanced management methods, but also to pass the Chinese national culture, so that the global people know China.

#### **4.2 Expanding cross-border RMB payments through "One Belt One Road"**

On top of adhering to the principles of common commerce, common construction and sharing advocated by the Belt and Road, we should consciously expand the use of RMB in cross-border payments in the Belt and Road process. During the implementation of the Marshall Plan, the U.S., as the dominant player in transnational aid projects, more often than not required the U.S. dollar to play a corresponding role in valuation, payment and settlement. We can first advocate the use of RMB for cross-border payments in countries with smaller and less developed economies, such as Laos, Myanmar, and Bahrain, where the conditions for international use of currencies are mostly not mature enough, and therefore can advocate the use of RMB more often, including the use of RMB as a third-party payment currency, in order to better build the Belt and Road together. We as a Belt and Road advocate country can use this natural opportunity to provide policy loans, government assistance, etc. to some countries and regions with RMB through the Belt and Road platform. This will help them alleviate the problem of capital in the construction process, and also increase the frequency and scope of RMB cross-border payments in the Belt and Road.

At the same time, in recent years, the development of international commerce has emerged with new features mainly characterized by cross-border e-commerce, which has very many advantages in the development of international commerce under the new situation. From the perspective of international business, the traditional economic situation has been greatly changed by the influence of e-commerce development, which

effectively reduces the cost of market development for enterprises and successfully deconstructs and transforms the traditional transaction process, which also makes consumers have a richer choice of channels and makes international business vitality fully stimulated. However, at this stage, although the development of e-commerce is very fast, it is still in the initial development period, in which the relevant laws and regulations and systems are not very perfect and sound, in which the logistics, payment methods and other global online disputes frequently appear, which has a very negative impact on the development of e-commerce transactions. On the above issues, we need to continue to strengthen the corresponding legislative work, the need for a more sound e-commerce trade management system.

### **4.3 Take market demand as the guide to promote the production structure upgrade**

China's production structure is not reasonable, in general, more sloppy. As a result of large-scale investment in traditional industries, and the pharmaceutical and electronics industry as the representative of the high-tech industry investment is relatively small, resulting in a localized "structural surplus", inhibiting China's industrial restructuring and the development of high-tech industries. Especially the processing industry products backward technology, single product, the lack of international market competitiveness, can not adapt to changes in domestic and international market demand. Therefore, the government should increase the supply-side structural reform, according to the target market, target customer demand for the corresponding pull production model, and actively change to service-oriented thinking; for high-tech industries, we should increase support, encourage at the financial and policy level, implement preferential industrial policies to encourage enterprises to independently conduct technological research and development, promote the industrialization of scientific and technological achievements, the industrialization of technology development, and promote The optimization and upgrading of industrial structure.

At the same time, we need to cultivate talents and solve the problem of lack of talents in the international business industry by macro regulation China's international business lacks diversified talents with corresponding experience, so it leads to the relatively backward development of China's international business industry. Therefore, the government should vigorously develop multi-level education to provide a talent pool for the international business industry, especially for finance, advertising and information consulting industries. Besides, the government should also pay attention to the development of new industries in international business industry, improve the organic composition of capital in international business industry, and make the international business industry develop towards technology and knowledge-intensive. Moreover, due to geographical and other reasons, the development of international business industry in China's provinces and cities is unbalanced, with most of them concentrated in the eastern coastal region. Therefore, the government should make macro regulation and control to solve the problem of unbalanced development of international business industry and promote the balanced development of China's international business industry in various regions according to local conditions.



## 5 Conclusion

International business industrial restructuring has enhanced the competitiveness of Chinese enterprises. International business industrial restructuring promotes the introduction of foreign advanced technology in the domestic traditional manufacturing industry, which in turn improves the overall production capacity of the domestic manufacturing industry, helps improve the competitiveness of Chinese enterprises and promotes the high technology of Chinese enterprises to a high level in the world. Economic globalization is undoubtedly the decisive trend of world economic and social development, according to this development trend, China has proposed to build a new pattern of economic and social development. With the promotion of China's economic restructuring and profound changes in the market supply-side reform, China's original trade methods must be modernized faster.

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