

Research on Current Situation and Countermeasures of Export Trade Development for YingshanYunwu Tea in Hubei Province

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Abstract—Along with the acceleration of Reform and Opening up Policy in China, the connection and trade relation among China and foreign countries is getting closer and closer. Therefore, Chinese government focuses more on the exportation of Chinese local products. Among these products, tealeaf as one of the most important products with Chinese characteristics has great reputation in the world. Meanwhile, it is also an important economic crop in China. The area of tea plantations there ranks the first in the world. With the development of tea industry in China, YingshanYunwu Tea has great advantage in the world market. However, Chinese insufficient capacity in others brings a large number of problems in the exportation of this product. In this case, the problems exist in Hubei YingshanYunwu Tea and its developing conditions have been discussed in this paper. Taking the export trade of YingshanYunwu Tea in Hubei province as the research object, this paper has simply stated and analyzed the problems that exist in its exportation. At the same time, we have made SWOT analysis on YingshanYunwu Tea industry and have laid out its advantages and disadvantages, so as to find the problems in its exportation, and currently some main problems in its development are green barriers and sanitary quality, market, protecting system and fierce competition. In the end, we have also put forward some practical advice and countermeasures for export trade development of YingshanYunwu Tea.

Keywords—YingshanYunwu tea; export trade; economic development

I. INTRODUCTION

A. Research Background: Development of Chinese Tea Leaves

Trade between China and foreign countries has become more and more since China became a member of WTO. So Chinese government has focused more on the exportation of local products. Chinese tea leaf as one of these products with Chinese characteristics, is also famous in the world. Meanwhile, it is also an important economic crop in China. The amount of tea plantations there ranks the first in the world [1-2]. In this case, the demand of Chinese tea leaves in the world has also increased. Chinese tea is playing an important role in the world's tea market. The export volume now ranks third in the world and is increasing year after year since 2005 [3-4]. In the background of economic integration, the benefits

brought about by tea leaves' exportation has become one of the most important financial sources for some provinces. Therefore, people are focusing on the investment in tea leaves market and their production [5].

As an important tea producing and manufacturing base in China, Hubei province has produced tea leaves that of great of great importance in Chinese market. There are more than 13,000,000 people taking part in tea leaves producing industry in Hubei province, which helps to ease the employment pressure and contribute to the development of economy [6]. China is facing an unprecedented opportunity. With China's entering in WTO, foreign demand of Chinese tea has increased as well. What's more, economy of Hubei province is closely related to the exportation of tea, so they should grasp this chance to increase trade volume of tea in Hubei province.

There are many kinds of tea leaves in Hubei Province, but among them, YingshanYunwu Tea is the most famous one. Because of its special taste and high nutritional value, YingshanYunwu Tea is favored by people from all over the world. In China, people in Hong Kong, Macao and Taiwan like to drink this kind of tea, and then it is popular among people in mainland. Sometimes, it is difficult to buy this kind of tea in China [8-9]. With the impact of domestic market, its foreign market has also developed well. But there are also problems exist in its exportation. The development condition and existed problems have been discussed in this paper, and in this case we'd like to increase the export volume of YingshanYunwu Tea in Hubei province.

B. Research Meaning

Taking the export trade of YingshanYunwu Tea in Hubei province as research object, this paper has simply stated and analyzed the problems that exist in its exportation. At the same time, SWOT analysis about YingshanYunwu Tea industry has been made and advantages and disadvantages has been laid out in its development. By finding out the problems in producing and marketing and making countermeasures, it can make contribution to the exportation of YingshanYunwu Tea, the development of tea industry in Hubei province and even Chinese economy.

II. PRODUCTION CONDITION OF YINGSHANYUNWU TEA IN HUBEI PROVINCE

A. General Situation of Yingshanyunwu Tea in Hubei Province

When talking about Yunwu Tea, the first one that comes to people's mind is YingshanYunwu Tea. Yingshan has been famous for Yunwu Tea since ancient times. Tea and horse exchanging market in Yingshan began from Song Dynasty. In Yuan Dynasty, it was popular to drink tea, and tea was an important part in commercial market. At that time, all the tea leaves produced around Yingshan area were manufactured in Yingshan [11]. And Yingshan County became a tea distributing center gradually [12-14]. Tea from this area was sold to Southeast Asia, Hong Kong, Macao and Tibet at that time, but due to bad transportation conditions, it always took months or even a year to reach the destination [15-16]. However, because of its medical function, YingshanYunwu Tea was popular both in China and abroad since ancient times.

Because indigenous people found out tea trees and made use of them, then there was YingshanYunwu Tea. What's more, thanks to the high manufacturing technique in central plain areas, YingshanYunwu Tea has developed well [17]. There are mainly three periods for its development: the first one was before Tang and Song Dynasty. At that time, group tea and cake tea were produced in central plain areas, while tea leaves in Yingshan areas were produced without process methods. Second one was after Tang and Song Dynasty till late Qing Dynasty, which was called historical YingshanYunwu Tea period. The third one was called modern period of

YingshanYunwu Tea, which was from late Qing Dynasty to now. With time going on, new kind of YingshanYunwu Tea occurred. In the early 1970s, three different manufacturing levels namely Chunsun, Chunrui and Chunchawere introduced to the production of YingshanYunwu Tea [18]. It is popular among people all over the world because of its taste and medical function, and thanks to its popularity, YingshanYunwu Tea is now being produced in modern and professional way.

B. Production Condition of Yingshanyunwu Tea in Hubei Province

Tea production plays an important role in agriculture of Hubei province which is vital for Chinese agricultural development. Production of YingshanYunwu Tea can be analyzed in a developing method. In 2014, its planting area reached 2,900,000 mu. In 2015, with an increase of 150,000 mu about 4% more than last year reached 3,050,000 mu. In 2015, the number of tea output was increased by 16% reached 130,000 tons, 20,000 tons more than last year. The income brought about by it was 6,500,000,000 Yuan [19-22], increased by 2,000,000,000 Yuan than that in 2014.

III. ANALYSIS ON TARGET EXPORTING COUNTRIES OF YINGSHANYUNWU TEA IN HUBEI PROVINCE

A. Exporting Conditions of Yingshanyunwu Tea in China

In recent years, especially after 2009, there has been an obvious growth in the exportation of YingshanYunwu Tea [28]. See "Table I".

TABLE I. EXPORT VOLUME AND AMOUNT OF MONEY FROM 2009 TO 2014

Year	Net Weight of Per Inner Package $\leq 3\text{Kg}$		$>3\text{Kg}$		Total Export Volume	Total Amount of Money
	Export Volume	Amount of Money	Export Volume	Amount of Money		
2014	9852142	19854	23684521	39542	33536663	59396
2013	6826354	13256	15987452	19825	22813806	33081
2012	8862138	17521	18695427	26875	27557565	44396
2011	7541236	15526	16329155	22315	23870391	37841
2010	6235417	13854	13897554	21856	20132971	35710
2009	5326781	11926	11896524	19854	17223305	31780

Note a: Unit: Kg, Thousand Dollars.

Note b: Source of Data: China Customs Statistics Yearbook.

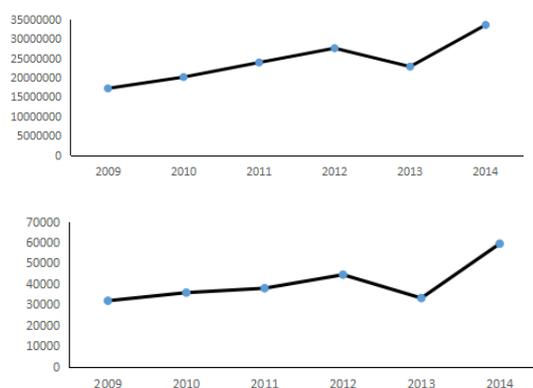


Fig. 1. Export Volume and Amount of Money from 2009 to 2014

From "Fig. 1", we can find out that from 2009, its export volume and amount of money have increased year after year. Though decreased in 2013 under the effect of 2012 economic crisis, it rose again since 2014.

B. Main Markets and Nations for the Exportation of Yingshanyunwu Tea in China

Exporting market can be divided into two parts. First one is western market, such as European countries, America and Australia. Second one is the Asian countries which are the main part of this market, including Hong Kong, Macao and Taiwan areas in China, Southeast Asia countries (Singapore, Malaysia) and East Asia countries such as Japan and Korea. Among these markets, Hong Kong in China, Japan and Korea are of great importance [30]. Hong Kong and Japan are the

first and second respective large market for exporting YingshanYunwu Tea. Due to the effect of economic crisis, export volume decreased in 2012 and 2013, but it rose again since 2014. Meanwhile, exporting volume by Korea has doubled and redoubled since 2009.

Besides Hubei, Jiangxi province is also one of the places to produce and export Yunwu Tea. While, instead of Jiangxi, Hubei has many advantages, such as climate and ancient tea trees to carry out better development. What's more, YingshanYunwu Tea has also awarded in many exhibitions in China [31-32]. In this case, production and exportation of Yunwu Tea in Jiangsu province has reduced gradually. While on the contrary, demand of Yunwu Tea in Yingshan area is increasing, its export volume and price has increased as well. According to relative data, its export volume has reached 2300 tons with an increase of its price by 520 dollars per ton, which brought benefits to both tea business people and farmers.

IV. SWOT ANALYSIS ON TEA INDUSTRY IN HUBEI PROVINCE

A. Advantages

Firstly, the location, culture and environment there are suitable to plant tea trees. Most tea gardens are on the mountain where there is clean water, good environment and no pollution. What's more, with the influence of local planting habits and geographical and economic development conditions, they don't usually use pesticide and chemical fertilizers.

There are various tea leaves of high quality in Hubei province. Tea leaves produced there are with good tea buds and they sprouts earlier. What's more, mineral and organic contents of it are higher than that of other kinds of tea. For example, TP is 5% to 7% higher and Catechin is 30% to 50% higher than others. As one of the world's top class kinds of tea, it is more and more popular because of its distinctive features, medical function and high quality.

YingshanYunwu Tea has great reputation in Hubei province. People often buy it as a gift to their friends, and this means that it has good public praise that is helpful to open both domestic and overseas market and survive in fierce competition.

The climate in Hubei province is suitable to grow tea trees. Because early spring tea can be produced better here than that in other places. And thanks to strong light and high temperature in spring and winter, tea tresses there sprout much earlier [35].

YingshanYunwu Tea was first produced in the Eastern Han Dynasty, which means that it has a long history of nearly 2000 years. With its distinctive features and impact, it is favored by customers from all over the world. What's more, it has many advantages, such as easy to be reserved, tasty and warm-natured; it can also help to dispel the effects of alcohol, clear heat and stomach, lose weight and bring high blood pressure down.

Secondly, with a long history, YingshanYunwu Tea has first mover advantages. Supported by the "Going Out" policy by Chinese government, it has developed well in exportation,

because government policies provide external environment for its exportation. Meanwhile, "Sinomania" in recent years has also helped to increase the demand of Chinese tea leaves especially YingshanYunwu Tea in the world market.

Thirdly, there are enough human resources in its industry and the labor cost is low, which is vital for the development of YingshanYunwu Tea. Because low labor cost can help reduce corporation expenditure and in this way products can be sold in a lower price which can make it more competitive. What's more, the cost saved can also be used to make advertisement and to let more people know YingshanYunwu Tea.

B. Disadvantages

- Lacking in protection of geographical indication products. Many producers haven't realized the importance of the brand "YingshanYunwu Tea in Hubei province", let alone the function it can play. What's worse, some of them think it is unnecessary to make it a regional brand, so we can know that they are lacking long-term consideration. But actually, protection of regional brand and geographical indication products can help promote better development of YingshanYunwu Tea industry and improve the quality and competitiveness of it. In the past two years, the case between Wuhan and Yingshan governments occurred. Wuhan government registered the brand "YingshanYunwu Tea" first, but Yingshan government dissatisfied with this result, then it became a legal issue in the end. In this case, Yingshan government should pay more attention to the protection of geographical indication products, so that they can prevent things like this from happening again.
- Brand should be made and quality should be improved. As the level and mode of production in Hubei province is backward and productive investment in tea is little, the quality of tea is not high enough, all these has resulted in low output benefit by unit area. Though products are produced with equipment of low quality, there is still large potential for it development. If technology can be improved and investment can be increased, tea leaves of high quality will be produced one day [36]. There is no leading enterprise and famous brand of tea industry in Hubei province. Because most of them are not in large scale, which results in lacking of famous brand and modernized enterprise.
- YingshanYunwu Tea industry relies much on the government and it is deeply influenced by policies. Tax on tea is high, which make it less competitive, because of high cost and price. It has also reduced the income of tea farmers and has made people unwilling to plant tea trees. Development of tea industry relies mainly on market adjustment. Low ability in macro adjustment and market management by local government and lacking of service awareness has influenced the development of tea industry in Hubei province.

- Poor channel management. Firstly, because there is large demand of YingshanYunwu Tea, many sellers have no enough products, in this case, they do not pay attention to quality, sanitary standard and appearance. Many producers do not have quality report of products. So during trade process, things like returning of goods and green barriers occur regularly. Secondly, cheating about quality. Some bad producers sell those tea leaves produced recently as old ones, from which they can earn a lot by cheating customers. Thirdly, price differences. Some sellers do speculation about the price of tea. Things may happen that the price of tea in same quality varies a lot. So customers are confused when buying it. It is also bad to its normal marketing.
- In the end, there is no strategic partner and international trade talent to promote the internationalization of YingshanYunwu Tea industry. So even with huge potential, it cannot develop better in international market. What's worse, it is hard to make improvement in selling it.

C. Threat

The competition in Chinese tea market is getting fiercer. Recently, many transnational corporations start their business in Chinese market. With mature marketing experience and large amount of capital, they become threats to Chinese tea companys. It is certainly a bad effect to Chinese manufacturers. Many Southeast Asian countries, such as Indonesia and South Asian countries like India have strengthened the production on Yunwu Tea. Though their quality is lower than those produced in China, they can still influence the selling of Chinese Yunwu tea to a large extent. Because it will be difficult for Chinese products to enter their markets, as they reducing cost and price as well.

There is also competition of Yunwu Tea between Hibeian and other provinces in China. Recently, export volume in Jiangxi province is higher than that in Hubei province. With a long history, Jiangxi Yunwu Tea was the first one being called Yunwu Tea in China. Yingshan in Hubei province and Lushan in Jiangxi province are two main producing areas of Yunwu Tea. Because of differences lie in their locations, they are producing two different kinds of Yunwu Teas. For example, the taste of YingshanYunwu Tea is like white spirit, which is strong and sweet, while that of Lushan Yunwu tea is light and luscious. So many foreign customers prefer to buy YunwuTea produced in Lushan area. In conclusion, Yunwu Tea from Jiangxi province is a threat to that from Hubei province.

Green barrier is an important factor that has influence on the development of YingshanYunwu tea. Green barrier is an economic policy aimed at restricting importation. Because it is strict in environmental protection standard, it can help protect the environment, reduce the exploitation of resources and make people live in a healthy way. This policy also challenges YingshanYunwu Tea. Due to this policy, producing qualified tea leaves becomes difficult. All the procedures, such as choosing planting place and variety of trees, cultivating seeding trees and managing the gardens need to be carried out in strict manner. If any of these procedures goes wrong, tea

leaves will not become qualified finally. Product from Hubei province is mainly green tea. And it often contains microorganism more than the standard level. In this case, manufacture technology should be improved and it is necessary to find a new way in producing tea leaves. There are many things need to be improved. For example, sanitary condition is not qualified. Standard for pesticide residue in China is higher than that in developed countries, which makes it difficult to reduce pesticide residue in products. Pesticide problems in tea leaves are as follow: first, direct source of pesticide in tea leaves is the using of pesticide in tea plantation. It is difficult to be resolved later. What's worse, some pesticides are used several times over quantity. Some producers even use these prohibited pesticides. Second, trees are growing up in the environment that is polluted by pesticides. Trees absorb it by their leaves and roots. Third, heavy metal, ash and lead content residue and acarid problems. Nowadays customers do not only require on its taste, but also on sanitation. In recently years, main importing countries such as members of EU, they are much strict in the determination of pesticide residues and heavy metal contents such as lead. What's worse, 20% of Chinese tea leaves are over the standard level about lead content.

D. Opportunity

With the improvement on international trade environment, more and more companies are exporting tea leaves. There was only one company doing tea related business in Hubei province when China carried out planned economy policy. After entering WTO, China changed the foreign trade approval policy to grade policy, so all the companies could do export and import businesses; and China began to have the ability to participate in making policies, which helped a lot in protecting Chinese market.

Demand on eco-tea leaves is increasing. With the improvement on people's living standard, they begin to pay attention to protect the ecological environment. In this case, ecological agricultural products are produced. Now more and more people begin to drink eco-tea. Chinese pollution-free, green and organic tea leaves have enjoyed better development since the 1990s. Making use of its environment and resources, Hubei government has developed eco-tea products with their efforts. Finally, tea leaves form Hubei province become competitive and famous in the world.

What's more, with the integration of eastern and western culture, Chinese tea culture is known by western people. So it becomes possible to export Chinese tea to these countries. With the improvement on Chinese comprehensive national strength, more and more foreign companies are paying attention to do business with Chinese companies, such as tea companies in Hubei province. There is no doubt that YingshanYunwu Tea can be sold well on the international market. As what is mentioned in this paper, if YingshanYunwu Tea can grasp this opportunity, it will become better developed.

V. ADVICE AND COUNTERMEASURES TO EXPANDING EXPORTATION OF YINGSHANYUNWU TEA

A. *Strengthen the Marketing of Yingshanyunwu Tea in Hubei Province*

- Increase core competitiveness of the products. As for YingshanYunwu Tea, it refers to Yunwu Tea produced in Yingshan County, Hubei province. It is dried naturally and stir-fried in wok of 100 to 200 degree. With its distinctive smell, it is sweet and good looking. The condition of its marketing depends on the quality. Therefore, the government should pay attention to its management. Producers should choose good tea leaves to manufacture. In this way, they can make a solid foundation for the marketing of YingshanYunwu Tea.
- Manufactural technology. There are three different kinds of YingshanYunwu Tea, namely Chunsun, Chunrui and Chunming. Different people like different kinds of tea with different package and manufactural technology. So the marketing of these three kinds of tea should be distinguished and they need to introduce them one by one in detail. In order to make customers know better about their taste, they can also make activities to let customers have a taste for free and then tell their opinion about each one. It can help fulfill customers' need and increase their satisfaction.
- The introduction of derivative products. Companies need to develop derivative products to meet the trend of modern economy and attract more customers, which is also helpful in strengthening their market competitiveness.

B. *Develop Public Brand and Competitive Enterprise Brand of Yingshanyunwu Tea in Hubei Province*

First of all, it is obvious that YingshanYunwu Tea is different from those produced in other provinces. Its taste is strong and sweet. It is better to let customers know more about this factor. Then, literally, the producing place of it is Yingshan, Hubei province, so when making trademark registration, it is wise to stress on its geographical indication. Last, YingshanYunwu Tea from Hubei province is known about its historical background and cultural deposits, which make it more distinctive than other tea products. In this way, public brand and competitive enterprise brand of YingshanYunwu Tea in Hubei province can be better developed and its competitiveness can be improved.

C. *Make Government Better Play Its Function*

Government plays an important role in improving export trade of YingshanYunwu Tea from Hubei province. Market balance needs the supervision of government. Therefore, government should make use of its ability and play its function to solve problems that influence its development. Unless risk is the least, it cannot stand out in the world market and become competitive. What's more, quality standard system and laws should be established by relative departments to make better control of its producing procedure and prevent substandard and fake products from entering the market. It can also help

promote scientific producing of YingshanYunwu Tea. At last, workers and farmers should be trained scientifically to improve their consciousness on scientific plantation and production. Government should also help them by finding exports to teach them regularly. In this way, they can improve tea output and reduce pollution as well.

D. *Establish Sound Sanitation and Quality Assurance System*

As a representative product in tea market, YingshanYunwu Tea should develop green, healthy and environmental friendly products by establishing sound sanitation and quality assurance system. Only in this way, can its brand be known by the world and be competitive in international competition. So the leaders are supposed to strengthen the supervision on source of industry chain. They should also focus on improving its quality by using organic fertilizer and reducing the utilization of pesticide. In this way, the products can be green and pollution-free.

E. *Improve International Competitiveness of Yingshanyunwu Tea in Hubei Province*

In order to stand out in international competition, YingshanYunwu Tea should have international brand with its own characteristic. Recognition and popularity is important to these companies. So representative brand should be built to make it more competitive in international market, which can bring benefits for its better development.

F. *Intensify the Introduction of International Trade Talents, Try to Find Strategy Partners in World Market*

Because Yingshan County is in remote area, the development of YingshanYunwu Tea is lacking talents and labors. The priority is to inviting in international trade talents by providing them good service and benefits. In this way, with their efforts, YingshanYunwu Tea can develop in a good manner. What's more, they should focus on looking for international strategic partners. It is important for exportation to have stable market and customers. They can also find partners by offering profit sharing to them. In this way, they can enjoy sound development in the fiercer competition.

VI. CONCLUSION

This paper has analyzed the condition of YingshanYunwu Tea and tea leaves in Hubei Province. The development of exportation of YingshanYunwu Tea is suffering from bottleneck. So efforts should be done to make advantage of its resource, region and policy. The business people should realize that there are both advantages and disadvantages for its development. There are also problems exist in its development, such as green barrier, sanitary quality, market problem, protecting system and competition. In the end, the author has provided some advice and countermeasures for the exportation of YinshanYunwu Tea and development of Chinese tea industry.

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