

Reflection on the Transformation of China's Export Trade Development Mode

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Abstract- China's export trade faces new challenges with the weakening economic growth since the international financial crisis global. The efficiency way to transform existing China's export trade mode should be considered. That actively develop new trade pattern and optimize the layout of foreign trade, accelerate the optimization and upgrading of the foreign-trade in the new international market circumstance are in the face.

Keywords- Export trade development mode, Challenges, Marketing measures implementation

I. INTRODUCTION

The current world economy is still undergoing deep adjustment in the wake of the international financial crisis, the global economic growth is anemic and the uncertainty of external demand is on the increase, moreover, China's foreign-trade traditional competitive advantage has diminished and new effective competitive advantage has not yet formed. China, as a big export trade country, Trade Development Mode has faced largely unfit to the new market environments, so it is very necessary to transform the existing structures and development of foreign trade, and do efforts to sustain the steady growth of export trade, and commit to improve the benefits of quality. Therefore, it is an important act for the accelerating of the optimizing and upgrading of the foreign-trade to speed up the building of trade power.

II. FIRST, CHALLENGES THE CURRENT DEVELOPMENT OF EXPORT TRADE FACES

A. External Demand Has a Lot of Non- Adaptability

After the international financial crisis, the global economic recovers quite slowly, and the growth momentum is obviously insufficient. The relevant international organizations predict that the global economic growth will remain at about 3.5% in the next five years, and it is difficult to return to a growth rate of about 5% pre-crisis levels. Global foreign trade growth may even fall into a sustained state of continued downturn. By the influence of the shale gas revolution, widely used industrial robot and the developed countries implementation of re-industrialization and other factors, Manufacturing cost structure between countries has changed significantly. Some of the high-end manufacturing industries based on innovation reflow to the developed countries, replacing part of cross-border trade and investment, global trade growth has continued below the world economic growth.

B. Faced with Profound Changes Happened in the Global Rules-Based System

The development of the multilateral trading system is full of frustrations, likewise, the Doha round negotiations at the World Trade Organization are struggling to deliver, and regional economic cooperation is making robust progress. Developed countries commit themselves to produce higher standards on international trade and investment rules, and actively promote the negotiations on the 21st new issues such as competitive neutrality, labor standard, environmental protections which aim at increasing the development cost of emerging economies and developing countries and occupying the "commanding heights" of future international competition. Trade protectionism grows and thus exports trade frictions China exports trade faced may be further increased.

C. Foundation of Foreign Trade Innovation and Development Is Still Not Firmly Anchored

As China's foreign trade development mode is affected by superposed influence of external demands downturn, increasing competition and rising prices of essential factors of production, the problem "big but not strong enough" becomes more pronounced. With the increasing costs of domestic factors and acute resources and environment restrictions, China's traditional comparative advantage has obviously been weakened and new comparative advantage based on innovation has not yet formed. As a result, China is faced with both the catching-up of developing countries and containment from the developed countries. New and old driving force conversion of foreign trade growth, foreign development pattern transformation, Integration of the development of goods and services trade still take time. Cultivating the new foreign trade competitive advantage is still an arduous task.

D. To Maintain and Expand the Export Quotas Will Be Much Harder

After more than thirty years efforts, China's export share that account for the world market sharply increases from 0.9% in the 1980 to 13.4% in the 2015. For Practice of some exporting countries we observe, there will be a reduction when achieves a market share around 10% of world exports. American exports share highest reached to 12.8%, happened in 1999, Germany was 11.8%, happened in 1999, and Japan was 9.8%, happened in 1993. China's share of world exports exceeded 10% in 2010 and had kept an over 10% growth for

six years in a row until 2015. therefore, it will become more difficult to maintain and expand export share. However, for China with 10.13% of the world's population, Germany only accounts for 1.26% of the world's population; Japan is only 1.96%, which external demand still enjoys the great potential. China deserves above 20% of world exports share that is underlying external demands, and great efforts still need to make for accomplishing this target.

III. SECOND. CHINA'S EXPORT TRADE DEVELOPMENT MODE HAS NOT YET ADAPTED TO THE NEW MARKET CHANGES RESULT FROM THE WEAKNESS OF THE GLOBAL ECONOMIC RECOVERY

The world economy has showed a slow growth since the international financial crisis, and the world market demand is unlikely to appear larger new capacity. Market condition what China exports trade facing is that much poorer external demand driving force than that before the international financial crisis. In the new market environment, for inelasticity of the mode of exports trade, those are main the feature emphasized expression to be in the following respects.

A. *There Is a High Export Trade Geographic Concentration Degree and Pragmatic Progress Has Not Yet Made in Industrial Extension and Transfer*

China exports trade production – management links mainly concentrates on a few provinces and cities in the eastern coastal area, such as Guangdong, Zhejiang, Jiangsu, Shanghai, Fujian, which account for 70% of total exports trade amount. With the factor prices of eastern coastal developed areas rising, Low cost manufacturing industry advantage is weakened. The implementation of industrial transfer to interior and central and western regions is now pretty much the agenda accordingly. However, the institutional environment and business mechanism that industry transfer needs have not formed, and if we do not act in accordance with the economic laws and attempt to enforce the relocation of factories to achieve "emptying the cage, removing the bird", the result will be worsened.

B. *Exports Trade Production of Eastern Coastal Area Is Still in the Mid-and-Low End of the International Division of Labor*

Currently, actual consumers of Chinese manufactured goods mainly from low incomes and Low end customer of developed countries and low incomes and mid-and-low customer of developing countries. In recent years, although China has increased the exports of modern industrial equipment, intermediate goods and other production materials to meet the equipment and production needs of enterprise customers, generally speaking, exports market still concentrate mainly on social low incomes and mid-and-low customers, and high earners and the high-end customers are less, especially high-end customers from developed countries are much less, which not only place restrictions on improvement of export quality, but also set

bounds to the expansion of export market and the scale of export augment.

C. *The International Competition Mode is Backward, Commercial Mechanisms and Platforms Linked All Kinds of Productive Services are Missing*

With the extension and diffusion of production-manufacturing links, decentralized production of enterprises is a serious impediment for businesses to go global. Many productive enterprises in our country not just contact the international market solely, but also need to handle all production management links separately in circulation from the factory to the offshore. There will be high cost and risk all alone in the international competition. Compare to competitive advantage supported by efficient services which based on the respective value chain and supply chain system of developed countries enterprises in the contemporary international competition, our exports enterprises still exists a wide gap. The backward way of international competition makes our country exports enterprise at a disadvantage.

D. *There is a Short of Multinational Management Entities and Global Business Network in Foreign Trade Areas Which Results in Unbalanced Market Distribution*

The vast majority of all kinds of foreign trade companies and large numbers of export processing enterprises in China can only do offshore business, with a serious lack of practice and ability of transnational business, as a result, the international competitiveness of China's industrial manufactured goods exports relies on low-cost manufacturing advantage at home, and high efficiency service offered by various types of oversea service providers abroad yet who not only have the limitations of country and region, but also have their own distribution channels and distribution network restrictions, which will result in unbalance of the market distribution of China's export products. So our own transnational business entities and global business network should be cultivated, which not only improve the international competitiveness and overall efficiency of China's traditional export market, but also can open up a new market in many countries along "One Belt and One Road" and Africa and Latin America countries and some other countries and districts.

IV. THIRD, MAIN CONTENTS AND KEY LINKS OF TRANSFORMING EXPORT TRADE DEVELOPMENT MODE

A. *Convert the Pattern and Structure of National Income Distribution.*

We need to achieve regional expansion of the international division of labor, as well as realize benefits created by middle and lower level manufacturing technology for Chinese people in a larger range, including employment benefits, income and welfare benefits (including foreign exchange gains) as well as reinvestment (capital formation) and growth benefits. China's population accounts for 20% of the world's population, and there still

has broader development space and potentiality if the total amount of exports reached 20% of the world's total exports. It is the vast central and western regions can undertake international industrial transfer to play an important role in advantages of cost manufacturing.

B. Change the Way of Competition.

Say, combine low domestic factor cost export products with the high efficient supply chain of a variety of productive services, and cultivate our own transnational business entities and distribution network, provide efficient services, etc. reduce the cost of export enterprises, and enhance competitive advantage.

C. Transform the Mode of Market Development.

That is to say, we should extend the supply chain which is linked by productive services provided by multinational operation to overseas target markets and market segments, and enhance exports penetration and competitive advantage through the supply chain system by internal and external trade integration, meanwhile, change the situation "offshore" trade that China's export trade still stay in and the situation that offshore market development of the state rely on the status of the overseas service provider, and develop high efficient services of logistics, capital, customs, settlement provided by border trade ,carrying trade, and cross-border e-commerce in circulation area, and establish overseas distribution network to integrate into the foreign retail system.

D. Transform Resource Utilization Ways.

For the export trading structure, we should constantly optimize the structure of export commodities and reduce carbon content according to the development of energy saving and emission reduction technology. For trade structure, service trade should be vigorously developed and the export patterns too much dependence on material input and resource consumption should be changed to ease the pressure on resources, environment and ecology.

From the above analysis can be seen, changing the way of market development plays a leading role in the transformation of export trade development mode. Only by changing the way of market development can we realize the expansion of China's export market so that the current low factor costs and low manufacturing technology can create employment benefits, income and welfare benefits for the Chinese people in a wider world range. Only by enterprises' multinational operation and construction of inside and outside the international trade center and by internal and external trade integrated supply chain system, the cost of enterprises to export can be reduced and the situation that an overseas market development depend entirely on the overseas service providers can be change as well, thus increasing competitive advantage of low-end manufacturing exports can be achieved. Technology introduction and utilization level should be improved for partially enhancing the value chain of production division of labor, and continue to expand the development of low-cost manufacturing in the international division of labor to maintain the advantages of

trade power.

V.FOURTH, MEASURES TO CHANGE EXPORT TRADE DEVELOPMENT MODE

A. Actively Promote the Development and Integration of Trade in Goods and Services

This necessitates to combine with the implementation of the "The Belt and Road", "Chinese manufacturing 2025" and the development of modern service industry and other major national strategy, and comply with the new tendency "going out" of the international productivity cooperation and the equipment manufacturing industry, and based on the domestic manufacturing industry upgrade and service industry development to promote the deep integration of trade in goods and services, and carry on the strong points and counteract the weaknesses with integrate optimization, and build the core competitiveness of the export trade on a higher platform.

B. Positively Promote Innovation and Development of Processing Trade

My concern to this point is that we should maintain the continuity and stability of processing trade policy, identify development expectations, improve the development environment, and keep the processing trade rooting in China for a long-term development. Enterprises should play the main role and strengthen its innovation ability, and reinforce the industrial chain division of labor, and promote industrial integration and upgrading as well as elevate the status of processing trade in the global value chain, and, boost the optimization and transformation of processing trade in coastal area, and back inland and border areas to undertake industrial gradient transfer to promote coordinated development among different regions, and orderly carry out international cooperation in production capacity, and improve international cooperation mechanism of the processing trade.

C. Optimize the Layout of Foreign Trade

In order to do this, we will need to actively implement the export market diversification strategy, and penetrate into expanding The United States, the European Union, Japan and other traditional markets, in addition, step up efforts to develop new markets in Latin America, Africa and other emerging markets, and gradually increase the proportion of emerging markets in China's foreign trade, moreover, deepen trade cooperation along with "One Belt and One Road "countries, and stabilize labor-intensive products and other advantage productions exporting, and increase the mechanical and electrical products and high-tech products exports, at the same time, expand imports from countries along the line to keep trade balance. Seize the national infrastructure and industrial development opportunities along the line to drive exports of large complete sets of equipment and technology, standards and services.

D. Actively Develop New Trade Patterns

My view to this point, cross-border e-commerce should

be vigorously propelled and the colligate form pilot job of cross-border e-commerce to promote comprehensive and sustainable development should be actively explored, and the “online silk road” should be energetically constructed. Accelerate the cultivation of a number of cross-border e-commerce platforms and businesses, to support enterprises to open up international markets by cross-border e-commerce business. Encourage cross-border e-commerce companies to assimilate into the overseas retail system through “overseas warehouses” and other models. Promote stable and healthy development of the market purchasing, and expand the export of goods. Foster foreign trade integrated service enterprises to strengthen its customs clearance, logistics, tax rebates, and financial, insurance and other integrated services capabilities.

E. Positively Dealing with Trade Disputes

That China's amount of export continued to grow is usually accompanied by a lot of trade frictions and disputes, so the sectional coordination mechanism should be established to deal with trade friction, besides, strengthen the construction of the early warning mechanism of trade friction and trade barriers, and intensify public early warning information service of trade friction. moreover ,we should positively participate in multilateral rules

negotiations, make full use of the rules of the world trade organization, and effectively resolve trade frictions and disputes, furthermore, we should analysis and evaluate foreign investment and trade laws, policies and measures and inquire into measures involving China's discriminatory trade barriers and do efforts to respond to the respondent, and initiate trade remedy investigation according to law, and safeguard the legal rights and interests of our country's industry.

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