

Research on the Status Quo, Problems and Trends of Yunnan Province Flower Products Export

—Under the “One Belt One Road” Background

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Abstract—This paper takes the "Belt and Road" as the research background to study the current situation of the exportation of flower products in Yunnan province, including its scale, market, transportation, trade barriers, etc. and then analyzes the problems and challenges in the exportation. "Belt and Road" initiative has provided various opportunities and conditions for Yunnan to build diversified platforms, on the basis of which the tendency of the exportation of flower product in the future in Yunnan has been predicted. Finally, some suggestions on the export of flower product in Yunnan province are put forward.

Keywords—Yunnan flower product; Export; One Belt One Road; Transportation

I. THE STATUS QUO OF FLOWER PRODUCTS EXPORT IN YUNNAN

A. General Situation of Flower Industry Development in Yunnan

Since the 1990s, the flower industry in Yunnan has experienced rapid development from fragmentation to

TABLE I. 2010-2017 YUNNAN FLOWER OUTPUT VALUE (AREAS: TEN THOUSAND MU; OUTPUT VALUE 100 MILLION)

Year	2010	2011	2012	2013	2014	2015	2016	2017
areas	63.0	70.0	72.0	101.1	107.5	112.67	132.5	134.6
output value	232.0	266.8	297.0	340.4	388.5	399.38	463.7	488.2

SOURCE: YUNNAN AGRICULTURAL INFORMATION NETWORK.

C. Structure of Yunnan Flower Product Export and Export Market

In 2007, the Yunnan flower export volume exceeded 70 million US dollars, accounting for 83% of the total export value of Yunnan. After the production and export of flowers reached a certain level and scale, Yunnan began the adjustment and upgrading of the flower industry structure, and increased the research and development and cultivation of new flower products and local specialty flower products. 2017 Yunnan Entry-Exit Inspection and Quarantine Bureau statistics show that in 2016, the bureau exported more than 50 kinds of flowers such as lily, carnation, rose, orchid, Phalaenopsis, Gerbera and cockscomb etc. 8035 batches to 45 countries and

large-scale intensification, and has achieved gratifying results. It can be seen from Table I that the output and output value of flowers in Yunnan increased from 2010 to 2017, 2013 as the cut-off point year, the output value of production in 2013 began to rise rapidly, and the output value exceeded 30 billion. The planting area has broken from 70 to 1 million mu. In 2016 broke through the 40 billion mark. In 2013, it was the year of the “Belt and Road” initiative.

B. Export Scale of Yunnan Flower Product

With years increase in the output value of flower production and the maturity of international trade, the export trade of Yunnan flowers has also begun to get on the way, and the export volume has also achieved good results (Table II). It can be seen from the histogram that the export of Yunnan flower products has generally fluctuated increasing from the 2007 to 2016 years.

regions in the world. The value of goods was 119 million US dollars, an increase of 14.61% and 35.23% respectively [1].

According to data provided by Kunming Customs, Yunnan flower export market has covered 28 countries and regions including Asia, Europe, North America and Oceania. Market share in Southeast Asia and neighboring countries is over 50%. Taking 2010 data as an example, the number of exporting countries and regions has risen from 28 in 2005 to 46. The average export growth rate for ASEAN countries has reached 53%, and the export growth rate for oil-rich countries such as Saudi Arabia and Kuwait has also increased [2].

D. Mode of Transportation of Flower Export in Yunnan

TABLE II. YUNNAN FLOWER PRODUCTS EXPORT IN 2007-2016

Year	Export amount (Billion Yuan)	Growing over the same period (Billion Yuan)	Growth rate over the same period (%)
2007	0.84	-	-
2008	1.01	0.17	20.24
2009	1.20	0.19	18.81
2010	1.50	0.30	25.00
2011	1.71	0.21	14.00
2012	1.96	0.25	14.62
2013	2.21	0.25	12.75
2014	2.5	0.29	13.12
2015	2.45	-0.05	-2.00
2016	2.23	-0.22	-1.02

Source: ministry of agriculture, Yunnan flower statistics

In terms of export transportation mode, Yunnan flower has always been mainly transported by air because of its special requirements for time, supplemented by road and rail transportation. In February 2008, the estuary-Vietnam and Laos highways were all connected. This is the first expressway connecting Yunnan Province with ASEAN countries. It has milestone significance. In March of the same year, the domestic and Laos sections of Kunming Highway were also officially opened. Road transport has begun to show great potential for the export of some products that are less urgent in time. According to data provided by Yunnan Customs, in 2010, the number of flowers exported through road transport increased by about 26% over the same period of the previous year [3].

II. PROBLEMS IN THE EXPORT OF FLOWER PRODUCTS OF YUNNAN

A. Export Enterprises Have Insufficient Awareness of Intellectual Property Rights

It is showed in three aspects. The first is that there are very few enterprises in China that have flower patent brands in China. The second is that some flower manufacturers have used abroad flower brands, not been approved by the patent owner. When exporting, they often have been limited access because of illegal use of abroad flower brands. The third is that foreign large-scale flower enterprises have increased their high-priced patent fees. Some small and medium-sized enterprises in Yunnan Province are unable to pay high-priced patent fees to introduce good seedlings for cultivation. Taking Dutch tulips as an example, the Netherlands has a special meeting every year to set up the latest trade barriers for the promotion of new and old varieties. The two popular lily varieties, "Siberia" and "Sorbane" in the market, are patents used by Yunnan flower companies almost every year. For this, they need to pay a high-priced patent fee of RMB 3/m² [4].

B. The Entire Flower Industry in Yunnan Is Difficult to Solve The Green Barrier Problem

In recent years, as China's flower exports have occupied more and more international markets, many countries have begun to use green trade barriers to protect their domestic markets. They have raised quarantine standards and set up a series of requirements from cultivation, production, packaging, transportation. For example, in order to protect their own

interests, some European governments have revised the quarantine requirements for imported bonsai several times, requiring that exporting flower products must pass the pest inspection of Chinese official quarantine no less than six times a year. The use of pesticides must be well detailed description [5]. However, most of the flower production and trade are small and medium-sized enterprises and traditional flower farmers. With limited capital and technical strength, it is often difficult to meet the various complicated inspection and quarantine requirements in the importing areas.

C. Flower Transportation Logistics System Is Not Perfect

Although the Yunnan region has increased the construction of transportation infrastructure, there is no special cargo flight in Kunming. The flower delivery mainly relies on passenger flights. Therefore, when the passenger traffic on the holiday is large and the peak demand for flowers is at the same time, it is difficult to guarantee the cargo space and cannot be transported. Second, the cost is high. It takes 4 hours for Kunming to fly to Osaka. The average freight rate is 4.90 US dollars/kg [6]. This high freight rate has greatly reduced the profit margin of Yunnan flower enterprises. Third, temperature and humidity conditions required during the process. There is still a certain gap between Yunnan Logistics Company and the world's top level in the development and upgrading of cold chain equipment.

III. THE PROMOTION AND ITS PROSPECTS OF YUNNAN FLOWER PRODUCTS EXPORT UNDER THE INITIATIVE OF THE BELT AND ROAD

A. Policy Promotion and Institutional Cooperation Effects under The Belt and Road Initiative

The "One Belt, One Road" initiative establishes a stable regional financial service mechanism, relaxes the entry and exit quotas for RMB cash, promotes the development of RMB internationalization, promotes foreign trade and investment facilitation, and provides better introduction and use of foreign capital. Environment and operating platform, The Greater Mekong Subregional Cooperation (GMS) platform and the establishment of the Bangladesh-India-Myanmar Economic Cooperation (BCIM) platform strengthen bilateral and multilateral financial cooperation and information sharing between Yunnan and Southeast Asia and South Asian countries. The China-South Asia Expo also provides Yunnan with an

official international stage for foreign trade [7]. These actions provide a better trading environment for the southwestern frontier region represented by Yunnan. Therefore, the environment of Yunnan flower export will be greatly improved under the background of the Belt and Road.

B. Transport Condition Improvement Effect

In response to the call for the construction of the “Belt and Road”, Yunnan began to act from the transportation infrastructure and fully launched the construction of the international transportation network. According to data released by the Yunnan Provincial Development and Reform Commission, as of the end of 2016, the mileage of railway operations in Yunnan Province has reached 3,650 kilometers, and the number of highways above the second level has increased to 17,000 kilometers. A total of 401 domestic and international air routes have been opened. In 2017, several ministries and commissions at the national level jointly issued the “Integrated Transportation Development Plan for South Asia Southeast Asia Radiation Center (2017-2030)”. The plan is specially designed for the development of Yunnan's transportation industry, which fully reflects the state attaches to the important role to Yunnan in the construction of the “Belt and Road” [8].

C. Prospects for Yunnan Flower Products Export

After the “Belt and Road Initiative” was launched, China began the pace of construction of the Central European train. The European region with high people's living standards is the main consumer market for flower products, and Yunnan opened the Central European train to Rotterdam on July 1, 2017, shortening the time for Yunnan railway transportation to Europe. Therefore, the author predicts that Yunnan's exports to the European region will increase in the future export of flower products, and Europe will become an important export market. Yunnan's exports to countries along the “Belt and Road” will show an overall growth trend, and the export market will gradually spread countries along the route.

IV. SUGGESTIONS FOR PROMOTING THE EXPORT OF YUNNAN FLOWER PRODUCTS.

A. Improve The Status Quo of Intellectual Property Protection

To effectively improve the status quo of Yunnan's flower intellectual property protection, we should emphasize several aspects: The first is to regulate the introduction of seedlings and bulbs of flower companies and flower farmers. It is necessary to be legal compliance and avoid export restrictions due to intellectual property issues. They should also assist them in scientifically selecting high-quality varieties for introduction and research to optimize Yunnan native varieties.

B. Increase Investment in Science and Technology

On the one hand, it is necessary to increase the investment in science and technology in the inspection recommendations. According to the quarantine requirements of importing region, the whole process of monitoring and monitoring will be carried out, and the quality and safety inspection standards will be strictly implemented. Emphasis will be placed on supervision of the use of pesticides and fertilizers to ensure that excessive

chemical residues of pesticides do not flow into the importing areas. And promote non-toxic, non-residue biological bacterial fertilizer, improve the flower growth environment, and get the "green passport" of China's flower exports. On the other hand, increase investment in research on varieties, research and develop local products, and greatly reduce the dependence of China on the provenance of other regions.

C. Fully Play The Large-Scale Effect of The Flower Industry

The Yunnan provincial government can unite various scientific research institutions, universities, associations and other organizations related to the flower industry to establish a flower industry chain that combines production, education and research. Adopting the model of cooperation between research institutes and enterprises, the professional technicians of scientific research institutions will upgrade the flower varieties, cultivate higher-quality patented seedlings, and then train the flower farmers employed by the enterprises and then they carry out large-scale cultivation and planting, reducing the cost of imported seedlings.

V. CONCLUSION

This paper centers on the export of flower product in Yunnan in order to analyze its current situation and find out problems. In recent years, with the economic development of our country, people's living standard is constantly improved and the concept of mass consumption is changing. Thus, the market demand for flowers is also growing rapidly, which provides a sound market foundation for the rapid rise of the flower industry in Yunnan province. Remarkable progress has been made in the flower industry in Yunnan province with the optimistic situation for the export trade. However, Yunnan still encounters many problems in its export of flower products, such as lack of international competitiveness, difficulties in intellectual property, insufficient investment of science and technology, unsound logistics system for flower transportation and sale, the influence of green barrier and trade barrier in the export of "cloud flower". "Belt and Road" proposed in 2013 has provided multiple opportunities and conditions for the weak foundation of export trade in Yunnan. Yunnan, as the bridge head in "Belt and Road", has obtained strong support politically and economically and has enjoyed rapid development in its infrastructure. Therefore, the export trade of flower product in Yunnan has also experienced corresponding change. According to previous analysis, some suggestions on flower export in Yunnan are put forward. Yunnan should strengthen to set up logistic system for transportation and sale, improve the current situation of independent intellectual property rights for the flower industry and give full play to scale effect of flower industry.

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