Foreign Trade Geographical Zones In Asia And The Pacific

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Abstract— **The article deals with the foreign trade geographical zones (FTGZ) – the regions under the strong economic influence of another state. In modern economic science, very little attention is paid to the group of criteria characterizing foreign economic activity, but, nevertheless, in combination with other measures, the development of regional foreign economic relations, undoubtedly, contributes to the development of the economies of countries and regions. The geographical structure of international trade is a system of distribution of trade flows between individual countries, groups of countries formed by territorial or organizational basis. In the study, the main indicator was taken as the foreign trade quota of the main trading partner. The Asia-Pacific region (APR) includes 61 countries and territories in Asia, the Americas, Australia and Oceania. There are several large FTGZ: American, Chinese, Australian, New Zealand, Singapore and Japanese. To characterize FTGZ in the study used the following indicators: number of countries and their share in GDP, foreign trade quota, export main trading partner, the share of exports in the center of FTGZ, the import of the main trading partner, the share of imports from the center of FTGZ, the difference between the shares of exports and imports to the center of FTGZ. As a result, all countries in the Asia-Pacific region were grouped into several groups.**

Keywords— *foreign trade geographical zones, geographical structure of international trade, foreign trade quota of the main trading partner.*

1. INTRODUCTION

International trade is the process of buying and selling between buyers, sellers and intermediaries in different countries. It includes the export and import of goods, the amount of which is called foreign trade.

The geographical structure of exports and imports (international trade) is a system of distribution of trade flows between individual countries, groups of countries formed by territorial or organizational basis.

In 2017, 60.9% of world GDP was produced in the Asia-Pacific countries, they accounted for 50.9% of world exports and 51.8% of world imports. The main Asian region in international trade is East Asia, primarily at the expense of China and Japan. Given the rapid growth of foreign trade volumes of Hong Kong, Taiwan, South Korea, Singapore and other countries, we can assume the imminent Asian championship in world trade [8]. The top 10 Asia-Pacific countries accounted for 84.4% of regional foreign trade. The

largest trading partners among all Asia-Pacific countries in 2017 were the USA (22.4% of turnover), China (22.2%), Japan (7.5%), Hong Kong (6.3%) and South Korea (5.7%). Russia takes the 10th place among the countries – trading partners of Asia Pacific countries, it accounts for 3.1% of foreign trade turnover of the countries of the Asia-Pacific region.

2. BACKGROUND

Global changes in the world caused by political and economic reasons, as well as rapid scientific and technological progress require new approaches to assessing the socio-economic development of individual countries. Given the large number of countries, their different socio-economic situation, an important element of this assessment is their typology. In modern economic science, the group of criteria characterizing foreign economic activity is given very little attention [2]. It is clear that the development of foreign economic activity is not a panacea and only the expansion of foreign economic relations is impossible to change the imbalances in regional development. But in combination with other measures, the development of regional foreign economic relations undoubtedly contributes to the development of the economies of countries and regions.

The geographical distribution of world trade is characterized by the predominance of developed countries, as they account for 60-70% of world trade [14]. The uneven dynamics of international trade was clearly seen in the second half of the twentieth century, which affected the balance of power between countries in the world market. The USA is gradually losing its dominant position in the system of international exchange, which is associated with the fall of the competitiveness of their production [3]. The GDP of developing countries exceeded the GDP of developed countries in 2008, the average export growth rates of these two groups of countries are very close, and now economists are discussing the problem of changing the parameters of globalization [4].

The share of developing countries in world trade is about 25% of world trade, with the importance of oil exporting countries is declining and the role of new industrial countries is becoming more and more noticeable [14]. All this is happening against the background of significant changes in the geographical structure of international trade in general, due to the growth of China's trade power [3]. The negative trends

resulting from the global financial crisis have led to significant changes in Japan's economic strategy, which has lost the position of the main trading power in the region, losing them to China [1, 12]. China is increasingly involved in international trade and in terms of exports of goods is a leader in the world, his opinion has a weight in the world community [6].

The purpose of the publication is to analyze the quantitative and qualitative characteristics of modern international economic relations, which show the strengthening of the relationship and interdependence of national economies, increasing the importance of foreign economic growth, determining the benefits of international integration development associated with the formation and development of the structure of international labor markets. At the present stage, international trade plays an increasing role in the economic development of countries, regions and the entire world community. As a result, on the one hand, foreign trade has become a powerful factor in economic growth, and on the other hand, there has been a marked increase in the dependence of countries on international trade.

3. THEORETICAL SECTION

As a leading indicator of the allocation of foreign trade geographical area, we propose to use the foreign trade quota of the main trading partner of the country. Some countries create foreign trade geographical zones (FTGZ) i.e. regions under the strong economic influence of another state [9]. It can be considered as export and import geographical zones as special cases of foreign trade geographical zones.

Each FTGZ has a centre, i.e. a country that is primarily targeted by the countries of the foreign trade geographical area. This center can be called a metropolis.

For each country, you can select the main trading partner for export or import, as well as (in total) for foreign trade, and calculate the foreign trade quota of the main trading partner, reflecting the degree of dependence of the country on trade with other countries [10]:

$$\Theta = (E + I) / \Gamma \Delta \Pi * 100\% \qquad (1)$$

where Q is the foreign trade quota of the main trading partner, E is export, I is import, GDP is the gross domestic product of the main trading partner.

According to the size of the foreign trade quota of the main trading partner, there are 4 groups: 1 group – less than 10% (minor dependence), 2 group – from 10 to 20% (small), 3 group – from 20 to 40% (medium), 4 group – more than 40% (high dependence).

To compare the FTGZ, we propose to calculate the foreign trade potential of each geographical zone [9]:

$$\Pi = N * K \qquad (2)$$

where N is number of countries in this group, K is number of the group.

For each foreign trade geographical zones we calculate the following indicators:
1) foreign trade potential (P), points;
2) foreign trade quota of the main trading partner (%);
3) value of exports of major trading partners to the metropolis ($ billion);
4) share of exports of major trading partners to metropolis (%)

$$\Delta \varepsilon = E\nu / E\sigma * 100\% \qquad (3)$$

where En is the sum of the value of exports to metropolis, Es is the sum of the value of all exports to FTGZ;
5) import value of major trading partners from metropolis ($ billion);
6) share of imports of major trading partners from the metropolis (%)

$$\Delta \iota = I\nu / I\sigma * 100\% \qquad (2)$$

where In is the sum of the value of imports from the metropolis, Is is the sum of the value of all imports from the FTGZ;
7) the difference (D) between the shares of exports of major trading partners to the DUP center and imports of major trading partners from the metropolis (%).

4. MAIN RESULTS OF THE STUDY

To obtain the necessary information, we used the Internet resource of the CIA Factbook for the countries of the world [14], in some cases, information was taken from [5, 7, 11, 13]. The information base also includes statistics from UNCTAD and WTO reports [15, 16, 17, 18, 19, 20].

There are currently 245 countries in the world, of which 61 countries and territories in Asia, North and South America, Australia and Oceania are in the APR. The largest in the FTGZ with GDP exceeding $ 10 trillion are the us and Chinese.

The largest number of Asia-Pacific countries (21) is included in the Chinese IGHZ, mainly Asian neighboring countries of China. This also includes the metropolis of Australian, New Zealand, Japanese, Singapore and American FTGZ. In terms of GDP, it is ahead of other FTGZ, accounting for 67.9% of the total GDP of the APR countries. This FTGZ is the leader in export (64.1%), import (68.1%) and foreign trade turnover (66.1%), characterized by a negative foreign trade balance (Table 1).

It is noticeably inferior to the American FTGZ, which includes 13 countries (21.3% of the total). For all the analyzed indicators, it takes the second place, characterized by a positive foreign trade balance. The third place – the Australian FTGZ, followed by the Japanese and French FTGZ. Closes the list of New Zealand and Singaporean FTGZ. The remaining 6 countries are oriented only to one country (Outside FTGZ).

Table 1. FTGZ by macroeconomic indicators ($ billion). 2017 year

FTGZ	K	GDP	Es	Is	Es + Is	Es –Is
Chinese	21	32932,29	5650,04	5949,87	11599,91	–299,83
American	13	15382,04	3104,61	2735,37	5839,98	369,24
Australian	8	28,27	10,415	4,452	14,867	5,963
Japanese	3	16,89	6,695	6,026	12,721	0,669
French	3	14,99	2,700	6,361	9,061	–3,661
New Zealand	5	1,57	0,518	0,931	1,449	–4,413
Singaporean	2	0,79	0,475	0,588	1,063	–0,113
Outside FTGZ	6	89,53	40,070	34,092	74,162	5,978
Total	61	48466,36	8815,52	8737,68	17553,20	77,84

Consider the grouping of countries by the size of the foreign trade quota. The countries most dependent on the metropolis (i.e. having a foreign trade quota of more than 40%) are: Hong Kong, Marshall Islands, Federated States of Micronesia, Norfolk, Nauru, Christmas Island, Coconut Islands, Northern Mariana Islands, Cook Islands, etc.

In the Asia Pacific region achieved a 7 foreign trade geographical areas (Table 2). The table shows that the total foreign trade potential of the Chinese FTGZ is quite large (45 points), which is almost 1.4 times more than the us, and 2 times more than the Australian one. The foreign trade quota of the main trading partner, equal to 10-20%, is typical for the majority in the FTGZ, only in the New Zealand zone it is 27.45, and in the Chinese it does not reach 8%.

Table 2. Characteristics of foreign trade geographical zones. 2017 year

ВГЗ	P	Q	En	De	In	Di	D
Chinese	45	7,6	1094,7	19,4	1408,38	23,7	–4,3
American	33	11,1	1089,4	35,1	615,84	22,5	12,6
Australian	23	13,1	2,4	22,8	1,320	29,6	–6,8
New Zealand	14	27,4	0,1	19,1	0,331	35,6	–16,6
Japanese	8	19,9	2,2	33,2	1,139	18,9	14,3
French	7	12,8	0,2	8,1	1,704	26,8	–18,7
Singaporean	6	19,9	0,02	3,5	0,140	23,8	–20,3
Outside FTGZ	21	41,7	23,9	59,6	13,462	39,5	20,1

Using the indicator of the difference between the shares of exports and imports of the main trading partners, all can be divided into 3 groups. The first group of FTGZ with a margin of less than minus 10% (New Zealand, French and Singaporean) is characterized by a marked excess of imports from the metropolis over exports to the metropolis.

The second group of FTGZ with a difference of more than plus 10% (US and Japanese FTGZ, as well as outside FTGZ countries) is characterized by a marked excess of exports to the metropolis over imports from the metropolis.

The third group in FTGZ, with a margin of minus 10% to plus 10% (Chinese and Australian), is characterized by a slight excess of exports to the metropolis over imports from it or vice versa.

5. CONCLUSION

The share of the main trading partner in foreign trade turnover, equal to 10-20%, is typical for 13 countries of the APR, another 27 countries are in the group, where the share of the main trading partner is 20-40%. Finally, 21 countries are in the group with the share of the main trading partner in foreign trade turnover of more than 40%.

The study of international trade is not only theoretical, but also practical interest, because it allows you to determine in which direction the main world commodity markets are

developing [8]. FTGZ are constantly changing, some are increasing, others are decreasing. Therefore, constant economic and geographical monitoring of their development is required.

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