

Analysis of the Current Situation of the Foreign Trade Competitiveness in the Yangtze River Delta and the Countermeasures

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Abstract: The Yangtze River Delta is a demonstration area of economic development, and its total economic volume accounts for a large proportion in China. With the deepening of reform and opening up, the international trade industry in China has made great progress. As a key region of economic exchanges with foreign countries, the Yangtze River Delta has a great geographical advantage in developing foreign trade economy. The paper mainly analyzes the current situation of the economic and international economic and trade development in the Yangtze River Delta, analyzes the advantages and disadvantages of developing foreign trade in the Yangtze River Delta, and proposes countermeasures to improve and optimize the competitiveness of the foreign trade in the Yangtze River Delta, which is helpful to explore a new way for the development of foreign trade economy in China and improve the competitiveness of the overall foreign trade economy in China.

Keywords: Yangtze river delta; Foreign trade competitiveness; Analysis of current situation; Research on countermeasures

1. Introduction

As the most developed region in China, the Yangtze River Delta is one of the regions with the highest level of development and the strongest comprehensive strength, and has become a world-class city group. The Yangtze River Delta has gathered many tertiary industries, such as education, health care, service, finance and so on, attracting a large number of foreign investments, and has played an important role in accelerating the upgrading of China's industry structure and promoting the economic development of surrounding cities. As an important region for the development of foreign trade economy, the Yangtze River Delta has played a role as a wind vane for the development of foreign trade economy in China. Therefore, the research on the current situation of foreign trade in the Yangtze River Delta can not only effectively promote the rapid development of China's economy, but also provide experience and reference for the development of foreign trade economy in other coastal areas of China.

2. Analysis of the Current Situation of Economy and International Trade in the Yangtze River Delta

2.1. Analysis of the current economic situation in the Yangtze River Delta

International trade is closely related to the development of the overall economy. Generally, there is a positive correlation between economic development and foreign trade. The higher the economic development, the better the development of foreign trade.

From figure 1, it can be concluded that the economic growth of the Yangtze River Delta has shown a steady trend from 2009 to 2019. As an economically developed province and city, Shanghai, Jiangsu and Zhejiang have made great contributions to the GDP of the whole country. In particular, the total GDP of the Yangtze River Delta from 2014 to 2019 is huge. From table 2, it can be concluded that the GDP of provinces and cities in the Yangtze River Delta has increased rapidly since 2014. From table 2, it can be concluded that the GDP of provinces and cities in the Yangtze River Delta has increased rapidly since 2014. The good economic environment in the Yangtze River Delta has laid a good foundation for the development of international economic trade.

2.2. Analysis of the current situation of international trade in the Yangtze River Delta

Generally speaking, the terrain of the Yangtze River Delta is flat, there are many ports, convenient transportation, and the geographical location is superior, which provides convenient conditions for the development of foreign trade in the Yangtze River Delta. We can analyze the foreign trade situation of the Yangtze River Delta through the specific data in the table.

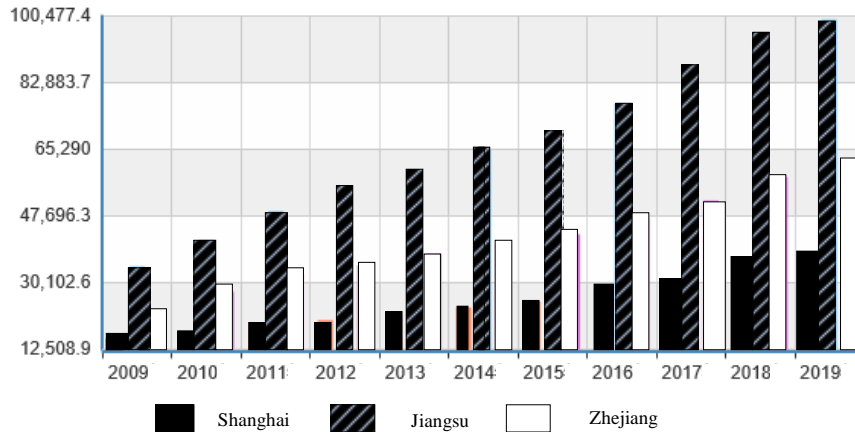


Figure 1. Histogram of total annual GDP of provinces and cities in the Yangtze River Delta from 2009 to 2019 (100 million yuan)

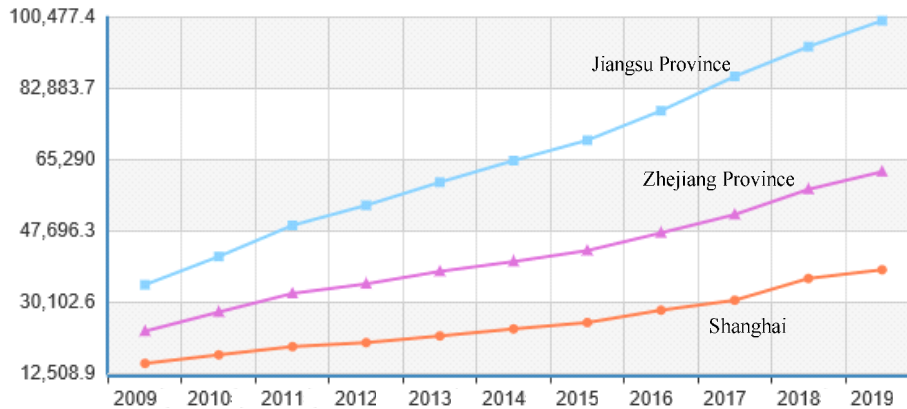


Figure 2. Line chart of total annual GDP of provinces and cities in the Yangtze River Delta from 2009 to 2019 (100 million yuan)

From the line chart of the total import and export of goods in the provinces and cities in the Yangtze River Delta, we can conclude that except for a slight decline in a certain year, the total import and export trade of Shanghai, Jiangsu and Zhejiang shows an increasing trend. Besides Shanghai, Jiangsu and Zhejiang are in a state of trade surplus. In general, the Yangtze River Delta has maintained a stable trade surplus. In particular, the trend of trade surplus in recent years has become more obvious. The existence of a trade surplus is more favorable for China's economic development, but it should be noted that if the trade surplus does not change for a long time,

we should also be alert to the occurrence of inflation problems. Through the analysis of the trend in the line chart and the corresponding data, we can conclude that the development of foreign trade in Jiangsu Province is the fastest, and the development of foreign trade in Jiangsu Province is also the best. In comparison, the development of foreign trade in Zhejiang Province is relatively slow. Therefore, when planning future economic strategies, the Yangtze River Delta should seek a more complete structure of foreign trade and strive to achieve a balanced development.

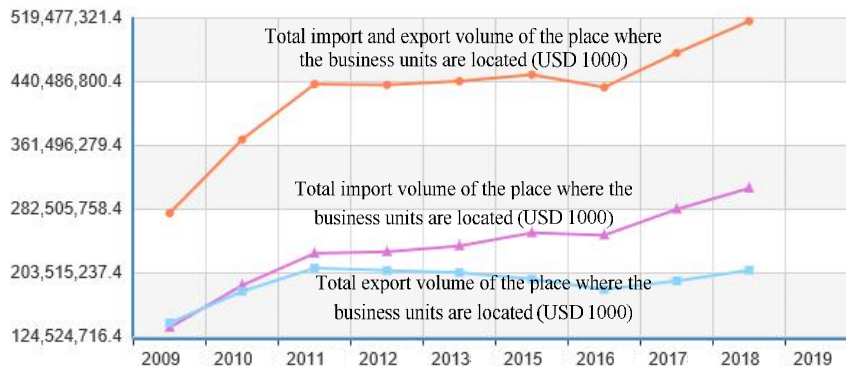


Figure 3. Line chart of the total goods import and export volume in Shanghai where the business units are located

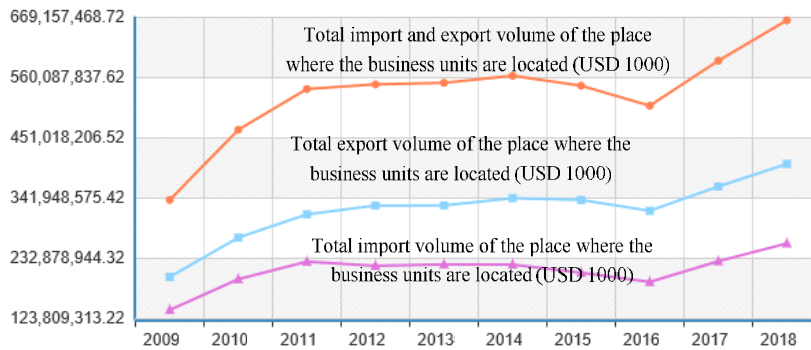


Figure 4. Line chart of total goods import and export volume in Jiangsu Province where the business units are located

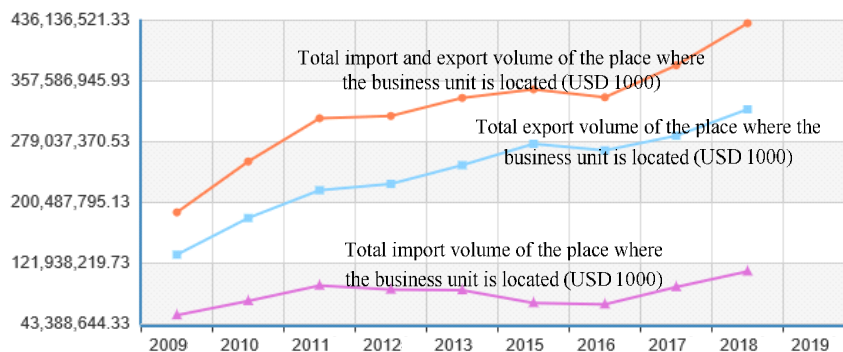


Figure 5. Line chart of total goods import and export volume in Zhejiang Province where the business units are located

3. Advantages of Developing Foreign Trade in the Yangtze River Delta

3.1. State-supported policies

In order to promote local economic development, the state usually adopts some supporting policies to encour-

age industrial development. The Yangtze River Delta is an important region to promote economic development, with many coastal open port cities. In order to promote the effective integration and development of resources, the government has issued policies about fluctuations in exchange rate and tax refunds on export goods to encour-

age and support the development of foreign trade in the Yangtze River Delta. Specifically, the policy of fluctuations in exchange rate refers to that on the basis of market supply and demand and fluctuations in exchange rate, with the help of strong capital advantages, many private enterprises in Jiangsu and Zhejiang gain competitive advantages in foreign trade; The policy of tax refunds on export goods can effectively solve the contradiction between remote acquisition that the government does not support at present and re-export.

3.2. Geographical advantages

Jiangsu Province, Zhejiang Province and Shanghai are the important economic pillars of our country. Their total economic volume is huge, which accounts for a large proportion in the overall economy in China. The Yangtze River Delta mainly includes all or part of Jiangsu Province, Zhejiang Province and Shanghai, and it is the fastest economic development region in China. There are many railway lines in the Yangtze River Delta, with convenient river transportation and air transportation. The Yangtze River Delta has convenient contact with Hangzhou, Wuxi, Ningbo, Suzhou and Nanjing, which can provide favorable conditions for the development of private economy and promote the development of trade, production factors and real goods in the Asia Pacific region. Because Shanghai is the financial center of Asia, the Yangtze River Delta has a unique financing mechanism, which can provide a favorable financing channel for trade in the Yangtze River Delta and improve its foreign trade competitiveness.

3.3. Attracting foreign investment

As an important measure to enhance China's foreign trade competitiveness, the strategy of attracting foreign investment can make full use of the resources and capital brought by foreign investment to drive the economy. According to the statistics of the customs, the total import and export volume of goods in the Yangtze River Delta in 2019 reached 1129.142 billion yuan, accounting for 35.8% of the total import and export volume of China's foreign trade. Therefore, it can be concluded that the Yangtze River Delta plays an important role in the development of China's foreign trade. At present, the Yangtze River Delta has screened the imported foreign enterprises, mainly focusing on the field of service trade and manufacturing industry, because the backward industries are not suitable for the development of the Yangtze River Delta. Foreign investment has gradually become an important factor to enhance the competitiveness of foreign trade in the Yangtze River Delta.

4. Factors Hindering the Development of Foreign Trade in the Yangtze River Delta

4.1. Lacking the supporting of core technology

On the one hand, with the improvement of opening-up, the number of small and medium-sized enterprises in the Yangtze River Delta is increasing. Small and medium-sized enterprises are lack of innovation ability and support of core technology, and most of them are low-end industries. Enterprises mainly rely on low-cost labor force, which can't achieve the upgrading and optimization of industrial structure driven without the core technology. On the other hand, due to the excessive dependence on the support of foreign capital, it is difficult for enterprises in the Yangtze River Delta to occupy a favorable position in the market with their own technology.

4.2. Traditional trade mode can't meet the requirements of economic development

In general, foreign trade enterprises in the Yangtze River Delta are mainly engaged in small and medium-sized labor-intensive industries, and even the development of some enterprises is based on damage to the environment, which is not conducive to the long-term and sustainable development of the economy. In addition, the proportion of processing trade in the industry of the Yangtze River Delta is too high, which will cause many difficulties. Firstly, although processing trade promotes the rapid development of trade in the Yangtze River Delta, it makes the Yangtze River Delta highly dependent on foreign trade, which makes the economy of the Yangtze River Delta greatly affected by the fluctuation of national environment and causes many uncertainties. Secondly, the long-term trade surplus is likely to lead other countries to implement trade protection policies, which brings many challenges to the development of China's foreign trade. Thirdly, the additional value of commodity trade in the Yangtze River Delta is relatively low, which makes the Yangtze River Delta in a disadvantaged position in the international division of labor and international competition.

4.3. Uneven development of foreign trade in cities in the Yangtze River Delta

The terrain of the Yangtze River Delta is flat, and there are many cities here. The overall economy of the Yangtze River Delta is very strong, but there is a big gap in the economy of every city in the Yangtze River Delta. Zhejiang Province and Jiangsu Province have relatively developed cities, and the foreign trade competitiveness of different cities is also different. Specifically, the foreign trade competitiveness of Suzhou in Jiangsu Province is relatively strong, and there is a phenomenon of "being strong in the South and weak in the north" in Jiangsu province. Ningbo, Hangzhou and Jiaxing in Zhejiang Province have strong competitiveness in foreign trade, while other cities have low level in foreign trade.

5. The Countermeasures to Improve the Foreign Trade Competitiveness in the Yangtze River Delta

5.1. Improving the scientific and technological components in the foreign trade competitiveness of the Yangtze River Delta

Strengthening the introduction of foreign capital is an important traction for maintaining economic development in the Yangtze River Delta . But in the future, we should not only pay attention to the amount of foreign capital introduced, but also pay attention to the rational use of foreign capital. The most important thing is to learn the advanced management concepts, core technologies and management methods of foreign-funded enterprises, and apply the available concepts and technologies to the enterprises. When introducing foreign capital, relevant enterprises should strengthen the relationship with domestic capital, promote the information exchange between domestic capital and foreign capital, and finally promote the development of foreign trade. The foreign trade in the Yangtze River Delta should be more inclined to research and development and marketing industries, reduce the proportion of industries with low science and technology, and enhance the creativity and technology of industries.

5.2. Promoting the upgrading and transformation of foreign trade structure in the Yangtze River Delta

The Yangtze River Delta has stepped into the post-industrial period, and can fully undertake the transfer of capital and technology industries in developed countries. Only by increasing competitiveness in the manufacturing and foreign trade industries can the Yangtze River Delta better occupy the market. The Yangtze River Delta must rely on the export of labor-intensive products in the future. In order to improve the competitiveness of foreign trade economy in the new situation, the Yangtze River Delta can start from the following aspects. The first is to formulate a strategy for the development of trade in labor-intensive products, which is suitable for long-term development of enterprises; Secondly, in order to stabilize the share of labor-intensive products in the international market, the Yangtze River Delta needs to increase investment in research and development of labor-intensive products; Finally, it is necessary to promote the upgrading and transformation of labor-intensive industries and enhance the foreign trade competitiveness in the Yangtze River Delta .

5.3. Strengthening regional cooperation and integrated development in the Yangtze River Delta

Shanghai is the leading city of the Yangtze River Delta city group, and its economy, trade, transportation and

financial industries are very developed. In the future, Shanghai should play a leading role in the Yangtze River Delta and realize the connection and communication between Shanghai and the developed cities in the Yangtze River Delta. The tertiary industry in the Yangtze River Delta can be transferred to the underdeveloped regions of Jiangsu and Zhejiang Province. According to the actual situation of the various regions of the Yangtze River Delta, the Yangtze River Delta should implement a differentiated foreign trade strategy, engage in different products and services, strengthen industrial cooperation between different cities, and take advantage of the economic advantages of various regions to achieve coordination and balanced development. Due to the limitation of administrative divisions in the Yangtze River Delta, the efficiency of the market and resource allocation in the Yangtze River Delta is low. Therefore, the relevant functional departments should break the restrictions of the regional administrative divisions, and issue corresponding policies to encourage the Yangtze River Delta to break the geographical restrictions and realize the reasonable flow of resources, talents, science and technology, funds and other elements in the region.

6. Conclusion

The development model of the Yangtze River Delta is an open model, and the foreign trade economy occupies an important position in the economic structure of the Yangtze River Delta. With economic development in China, the current form of foreign trade in the Yangtze River Delta cannot meet the needs of economic transformation and development. Foreign trade competitiveness is an indicator to measure the economic strength of a region and assess the economic potential of a region. To improve the foreign trade competitiveness, the Yangtze River Delta not only needs to seek its own internal way, but also needs to adapt to the changing trends of the global economy. The study of the countermeasures to enhance the foreign trade competitiveness in the Yangtze River Delta will help China's foreign trade to seek a development path that is in line with China's national conditions and characteristics.

7. Acknowledgement

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