

Analysis on the Trade Characteristics of Commodity Structure between Shaanxi Province and the Belt and Road Countries

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Abstract

In September 2013, China proposed the strategy of “One Belt, One Road” for the first time. According to this context, a comprehensive analysis of the import and export commodities between Shaanxi Province and the Belt and Road countries was carried out. The analysis found that mechanical and electrical products of Shaanxi Province took up the largest volume of trade, which had a rapid growth, was followed by light industry and medicine and other products with stable growth. Shaanxi Province, with countries along “one belt one road”, shared a relatively high trade volume of agricultural products, mechanical and electrical products, mineral products and light industrial and pharmaceutical products, compared to the small one of software and cultural products.

Keywords: One belt; One road” Commodity structure Superior products commerce.



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1. Introduction

Since the reform and opening, China's economic development has amazed the world. In 2013, it proposed the “One Belt, One Road” strategy, which spanned and connected Asia and Europe, and extended south to Africa and Oceania. It currently covers 71 countries and regions as a new multilateral regional cooperation platform for mutual assistance, interconnection, and mutual benefit for all countries along the route.

From 2014 to 2016, the trade volume between Shaanxi Province and the “Belt and Road” exceeded 73 billion. In 2016, the turnover of Shaanxi Province and the “Belt and Road” trade countries reached 23.1 billion, accounting for 11.7% of the total value of Shaanxi Province in 2016; Shaanxi firmly grasped the opportunity to implement the strategic opportunity of “One Belt, One Road”. Up to now, the economy of Shaanxi Province has obviously improved and has established a new open economic system. Under the national grand strategy, a completely new opening pattern has been formed.

The analysis of the structure of import and export commodities in Shaanxi Province can grasp the current situation of trade cooperation between the “Belt and Road” countries and Shaanxi Province more clearly, find out the advantages and disadvantages of trade commodities, explore the future development direction of Shaanxi import and export trade commodities, and promote Shaanxi Province. Better and healthier development of foreign trade is a very important task.

Researches by domestic scholars, (Liu, 2017), a master's student at Yanbian University in 2017, published the "China-Pakistan Trade Development Study under the Background of the Belt and Road", Zong and Zheng (2017) published "Analysis of the Trade Pattern between China and Southeast Asian Countries under the Background of the Belt and Road", a detailed analysis of the

overall situation of China's trade with Southeast Asian countries, Wei and Wu (2017) published the "Status and Countermeasures of China's Import Trade Development from the "Belt and Road" Countries in the People's Forum and Academic Frontiers, for China and the Belt and Road Countries Currently The status quo is analyzed and the countermeasures are given. Tian (2017) published in the Journal of Chifeng College (Natural Science Edition), "The Challenges and Strategies of Shaanxi Province's Economic Development under the Background of the Belt and Road Initiative", which is very helpful for this paper's analysis of the current trade status and commodity structure of Shaanxi Province and the Belt and Road.

2. The Basic Situation of Economic and Trade Between Shaanxi Province and the “Belt and Road” Countries

2.1. Regional Division of Countries Along the “Belt and Road”

According to the official website of the China Belt and Road, the latest information on the National Information Center, there are currently 71 countries along the “Belt and Road”. In order to facilitate research, these 71 countries and regions are now divided into seven regions, of which 11 countries in Southeast Asia, 10 countries in South Asia, 18 countries in West Asia, 5 countries in Central Asia, 11 countries in Central and Eastern Europe, and Nine countries in southern Europe, and the remaining seven countries that are geographically inconvenient to classify into one region.

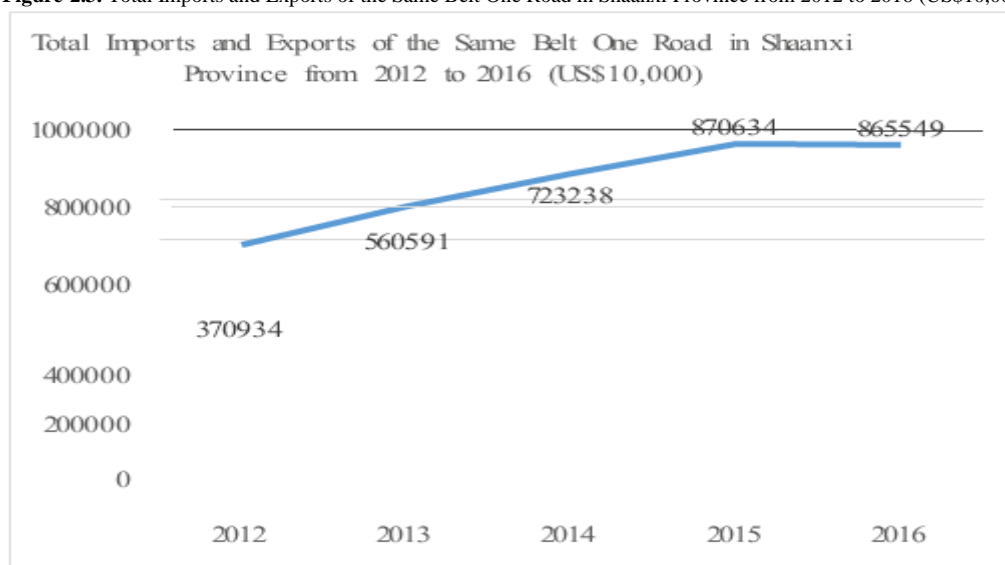
Table-2.1. Country Ranges along the “Belt and Road”

Main	Country
11 countries in Southeast Asia Singapore,	Malaysia, Indonesia, Myanmar, Thailand, Laos, Cambodia, Vietnam, Brunei, Philippines, East Timor
10 countries in South Asia Madagascar,	Morocco, Pakistan, Bangladesh, Afghanistan, Sri Lanka, Maldives, Nepal, Bhutan, India
18 countries in West Asia Iran,	Iraq, Azerbaijan, Georgia, Armenia, Turkey, Syria, Jordan, Lebanon, Israel, Palestine, Saudi Arabia, Yemen, Oman, United Arab Emirates, Qatar, Kuwait, Bahrain
5 countries in Central Asia	Kazakhstan, Uzbekistan, Turkmenistan, Tajikistan, Kyrgyzstan
11 countries in Central and Eastern Europe Estonia,	Latvia, Lithuania, Belarus, Russia, Ukraine, Moldova, Poland, Czech Republic, Slovakia, Hungary
9 countries in southern Europe	Romania, Bulgaria, Serbia, Montenegro, Macedonia, Albania, Slovenia, Croatia, Bosnia and Herzegovina
7 other countries	Mongolia, South Korea, Ethiopia, New Zealand, South Africa, Egypt, Panama

2.2. Overall Situation of Trade with the “Belt and Road” Countries

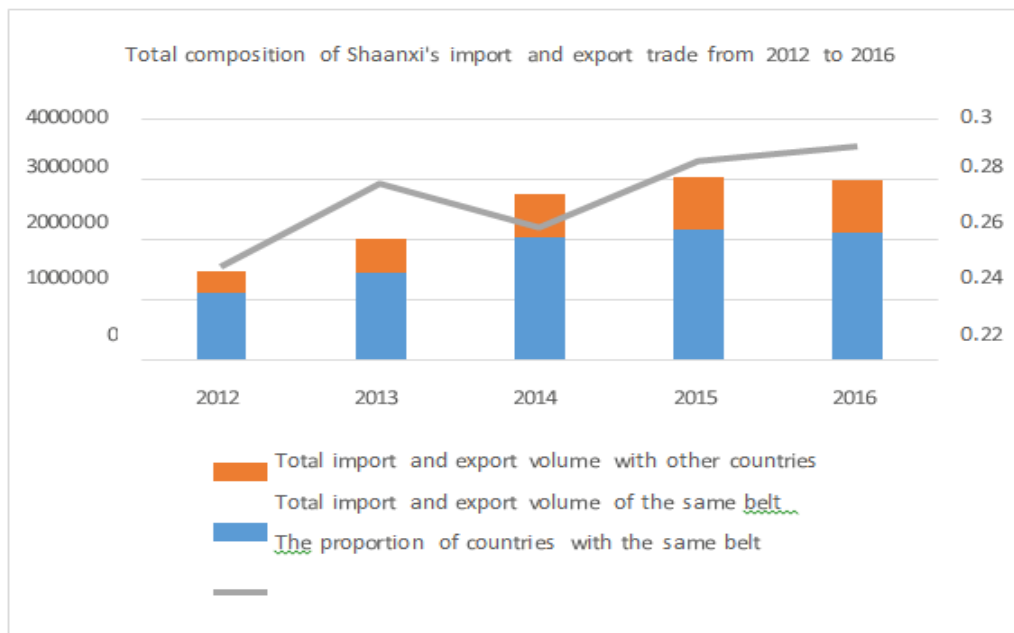
Trade data performed well in trade between Shaanxi Province and the “Belt and Road” countries. As shown in the figure, in 2012, the total import and export trade volume of Shaanxi Province with “One Belt, One Road” was about 3.709 billion US dollars. After the “One Belt, One Road” national-level strategic measures were put forward in 2013, the total export volume of Shaanxi Province and the countries along the “Belt and Road” showed a strong growth momentum, and the growth rate increased significantly. In 2016, the total import and export volume of Shaanxi Province along the “Belt and Road” increased to US\$8.65 billion, an increase of nearly 133.34% compared with 2012, and the growth was relatively rapid.

Figure-2.3. Total Imports and Exports of the Same Belt One Road in Shaanxi Province from 2012 to 2016 (US\$10,000)



From the perspective of the proportion of Shaanxi's total trade volume along the "Belt and Road" to the total foreign trade volume of Shaanxi Province, as shown in the figure, in addition to the decline in 2014, the proportion of 2012 to 2016 has been steadily rising. Explain that Shaanxi's trade advantage to the "Belt and Road" countries has further improved

Figure-2.4. Composition of total import and export trade in Shaanxi Province from 2012 to 2016

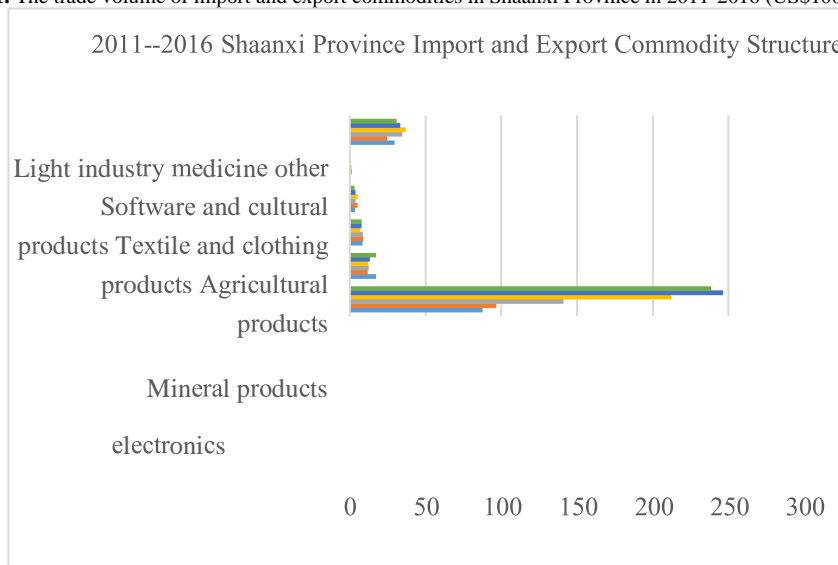


3. Analysis of the Characteristics of Commodity Structure in Shaanxi Province and the "Belt and Road" Countries

3.1. The overall structure of import and export commodities in Shaanxi Province in recent years

The following picture shows the trade volume of import and export commodities in Shaanxi Province. It can be seen that mechanical and electrical products are the cores of import and export commodities in Shaanxi Province. In 2011, the total import and export volume of mechanical and electrical goods in Shaanxi Province was only US\$8.766 billion, and in 2016 it has reached 23.847 billion US dollars, an increase of 172.06%. Light industrial medicines and other products showed an inverted U shape from 2011 to 2016, reaching a maximum of 3.676 billion US dollars in 2014. Agricultural products, mineral products, textiles and clothing products have not experienced significant growth and decline in recent years, all of which fluctuate within a certain range; the import and export volume of software and cultural products in Shaanxi Province is relatively low, which is the key need for future reinforcement.

Figure-3.1. The trade volume of import and export commodities in Shaanxi Province in 2011-2016 (US\$100 million)



Judging from the proportion of import and export trade of various commodities, the rapid development of the import and export trade of mechanical and electrical products has been increasing. In 2011, the trade volume of mechanical and electrical products accounted for 60% of the total trade volume, and by 2016, the trade volume of mechanical and electrical products accounted for 80% of the total trade volume. In 2011, the trade volume of light industries and medicine and other products accounted for 20%, and by 2016, the proportion dropped to only 10%. For mineral products, agricultural products, textiles and clothing products, as the trade volume has not increased significantly, their proportion of trade volume has also declined year by year.

Figure-3.2. 2011-2016 Shaanxi Import and Export Commodity Structure

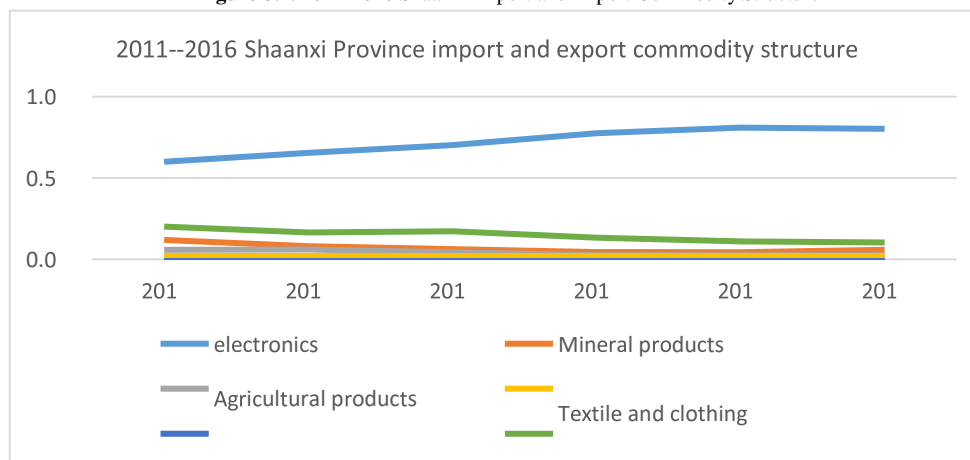


Table-3.3. Import and Export Commodities of Major Countries along the “Belt and Road” in Shaanxi Province in 2016

Country	area	Regional trade share	Main import and export commodities
Singapore	East Asia	41.2%	Integrated circuits used as memory, parts of other machines listed in 8471, accessories, hard disk drives, chemical vapor deposition devices for manufacturing semiconductor devices or integrated circuits, petroleum asphalt, wire bonding equipment, other equipment for lifting, loading and unloading, handling integrated circuits, etc., equipment listed in item 8486, unlisted parts and accessories, working voltage not exceeding 36 volts Plugin
Iran	West Asia	25.9%	Methanol, earth and waterway measurements of marine meteorological geophysical instruments, non- optical communication Ethernet switches, pipelines, communication equipment parts, routers, plastic coated or covered wallpapers, new pneumatic rubber tires for passenger cars or freight motor vehicles, electric power Control or distribution of discs, plates, tables, etc., automotive audio recorders, benzene offset presses, Cast steel pipe fittings, wire rod mill
India	South Asia	50.8%	Solar cells, refined copper cathodes, fresh apples, included (discharged) sound combiners, unsintered iron ore and its concentrates, generator parts, optical fibers, fiber bundles and optical cables, color analog TV receiver, antibacterial, integrated circuit used as memory, multiphase AC motor, metal processing machinery, fresh pear, tempered safety glass, Other parts of the column device, pneumatic power unit, ferroalloy, transformer parts

In general, due to the development of processing trade, mechanical and electrical products have increasingly become the main trade commodities of Shaanxi Province, and the proportion has shown a steady trend. Light industry, medicines and other products also have a good development momentum, and need to be focused on, while the development of import and export trade of agricultural products, mineral products and textile and apparel products has stagnated slightly. Software and cultural products are not the main trade commodities of our province, which should be developed in the future.

3.2. Major Trade Commodities of Major Countries Along the “Belt and Road” in Shaanxi Province

Based on the proportion of Shaanxi's import and export trade volume in the region, this paper selects one country with the closest trade relationship with Shaanxi Province in each region, and analyzes the main trade goods of Shaanxi Province in this region.

Kazakhstan	Central Asia	50%	Other diesel trucks, wheat or sticks of virgin virgin sunflower oil, virgin low-sauer sourdough oil, unlisted dryers, apple juice, extracted, processed animal fats or fixed vegetable oils Machines, town alloy plates, sheets, belts, cylinders, citrus, hybrid citrus, lifts and conveyors, superheated water boilers, not listed for continuous delivery of goods
Romania	Southern Europe	51%	Airbags with air-filled systems for motor vehicles and their parts, other included (discharge) sound combines, silver ores and concentrates, other parts of rolling bearings, other gears and gearings, Deep groove ball bearings, single speaker, copper, copper (mud), anti-theft or fire alarm and similar parts for malleable cast iron And cast steel pipe accessories
Russia	Central and Eastern Europe	34.5%	Apple juice, refined copper cathode, hard disk drive, other bituminous coal, shed acid, unsintered iron ore and concentrates, machinery for processing metals, diesel trucks, antennas and their reflectors and parts, Drilling casing for oil and gas And ducts, iron plates, sheets, belts, fresh or refrigerated tomatoes, water tank radiators and parts thereof,
Korea	other	90.8%	Integrated circuits, hard drives, other silicon containing less than 99.99% silicon, integrated circuits for processors and controllers, monocrystalline silicon slicing, four or more printed circuits, manufacturing semiconductor devices or integration Chemical vapor deposition equipment for circuits, single crystal silicon rods doped for the electronics industry, unlisted parts and accessories for equipment listed in heading 8486

Source: According to Shaanxi Provincial Department of Commerce, “2016 Shaanxi Province Foreign Trade Summary Statistics”

(1) Southeast Asia

The main trading partner of Shaanxi Province in East Asia is Singapore. In 2016, its trade with Shaanxi Province accounted for 41.2%. It can be seen that the trade commodities of Shaanxi Province and Singapore are mainly used as integrated circuits for memory, manufacturing of semiconductor devices, petroleum asphalt and other chemical products. The main trade commodities are electromechanical products and their parts and some chemical products.

(2) West Asia

The main trading partner of Shaanxi Province in West Asia is Iran. In 2016, its trade with Shaanxi Province accounted for 25.9%. It can be seen from the data that the main import and export commodities of Shaanxi Province and Iran are non-optical communication Ethernet switches, pipelines, communication equipment parts, routers, plastic coated or covered wallpapers.

(3) South Asia

The most important trading partner of Shaanxi Province in South Asia is India. In 2016, its trade with Shaanxi Province accounted for 50.8%. India is a large agricultural country with 72% of the total population and one of the world's largest grain producers. Shaanxi The main trade commodities of the province and India are agricultural products such as fresh apples, as well as a large number of electromechanical products such as generator sets and multi-phase AC motors.

(4) Central Asia

The most important trading partner of Shaanxi Province in Central Asia is Kazakhstan. In 2016, its trade with Shaanxi Province accounted for 50%. Kazakhstan is a country dominated by oil, minerals and agriculture, so the agricultural trade between Shaanxi and the country is not too frequent. The main trade commodities of Shaanxi Province and Kazakhstan are plant products such as apple citrus fruits, chemical products, sunflower oil, safflower oil, and virgin low-sour sour colza oil.

(5) Southern Europe

The main trading partner of Shaanxi Province in Southern Europe is Romania. The Romanian economy is dominated by machinery manufacturing, petrochemicals, petroleum refining and other industries. Therefore, the main commodities traded by Shaanxi Province with Romania are mostly other parts of rolling bearings, other gears and gear transmissions, other parts or all of the stemmed tobacco, and others. Electromechanical products such as cylindrical roller bearings and their parts.

(6) Central and Eastern Europe

The most important trading partner of Shaanxi Province in 11 countries in Central and Eastern Europe is Russia. In 2016, the trade ratio between Russia and Shaanxi Province was 34.5%. Russia is a country dominated by heavy industry. It is rich in mineral oil resources, but textile, food and wood processing industries are relatively backward. Our province is also a province with more developed agricultural products. Therefore, from the main import and export commodities, Shaanxi Province Russia's main trade commodities are agricultural products such as fresh apples and some electromechanical products such as antennas and their reflectors and parts.

(7) other

South Korea has been the largest trading partner of Shaanxi Province in recent years. South Korea and Shaanxi Province import and export trade goods are mostly used as memory integrated circuits, hard disk drives, other silicon containing not less than 99.99% silicon, integrated circuits used as processors and controllers, and coke and semi-coke. A small amount of mineral products such as unsintered iron ore and its concentrates, ore sand and its concentrates, as well as some agricultural products such as apple juice.

4. Summary and Policy Recommendations

4.1. Basic Conclusions

This paper analyzes the basic situation and commodity structure characteristics of Shaanxi Province's trade with the "Belt and Road" countries. Based on the analysis results, the following conclusions are drawn:

First, In 71 countries along the "Belt and Road" in Shaanxi Province, the total value of import and export trade has shown a growing trend in recent years, and trade has developed well.

Second, Most of the import and export commodities in Shaanxi Province are mechanical and electrical products, accounting for 80% of the total in 2016, and the growth rate in the past five years has been rapid, and the competitiveness of foreign trade has increased. In addition, the growth of light industry, medicine and other trades has also increased. Rapidly, Shaanxi's software and cultural products and high-tech products are relatively few, and have always been at a disadvantage, so it need to increase investment and attention in the future.

4.2. Policy Recommendations

- (1) Use superior products to expand overseas market share, build a platform for economic and trade cooperation, and expand trade scale

In the process of trade volume with the "Belt and Road" countries, Shaanxi Province should increase the strategy of "going out" and use its own comparison in crop products, food, clothing and textiles, chemical and pharmaceutical products, vehicle transportation products and plastic miscellaneous products. Advantages, broaden the external market, establish a platform for economic and trade cooperation, form a diversified market, and expand the scale of trade.

- (2) Adjust product structure and establish a more reasonable trade chain

At present, the products exported by Shaanxi Province are mainly low-end products such as agricultural products, clothing and textiles, machinery parts, etc., while software products and high-tech products are seriously insufficient, accounting for a small proportion, and import and export products are not reasonable. Thus high-tech industries are the driving force for economic development in the future. Therefore, Shaanxi Province should give strong policy support to high-tech industries, make full use of the location advantages of Xi'an High-tech Development Zone and relevant national policies, support the development of high-tech enterprises, and promote the development of foreign trade.

- (3) Vigorously promote innovation and entrepreneurship policies, accelerate personnel training and effective use

Shaanxi Province has been rated as a dual-creation demonstration base, an innovative province, etc. Every year, tens of thousands of outstanding college students graduated from Shaanxi Province. In order to use human resources, to insist on innovation is the first driving force, technology is the primary productive force, talents is the first resources, which help to accelerate the construction of an innovation system, and vigorously develop high-tech in our province.

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