

# Development status and countermeasures of import and export trade in Hunan Province

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**Abstract:** In recent years, due to the rapid operation of economic globalization, the import and export trade in Hunan province has also grown rapidly. Based on the current situation of import and export trade in Hunan province, this paper explores the current situation and existing problems of import and export trade in Hunan province, and puts forward the countermeasures to promote Hunan import and export trade .

**Key words:** Hunan Province; import and export trade; development status and countermeasures

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## 1. Development status of import and export trade in Hunan Province

### 1.1. Trade scale

According to the analysis of the Statistical Yearbook of Hunan Province, in the past decade, the total import and export volume of Hunan Province has been on the rise except in 2015, 2016 and 2017. We can see that from 2011 to 2014, the total value of import and export and export showed an overall growth trend, with the total value of import and export from 133 billion yuan to 190.69 billion yuan, and the total value of export from 69.279 billion yuan to 123.04 billion yuan. However, in 2015, it decreased to RMB 182.54 billion and to RMB 178.22 billion in 2016, while the total export decreased to RMB 118.99 billion in 2015. However, since 2016, due to the prevalence of world economic globalization, the economy began to recover, and the total amount of imports and exports, imports and exports have shown an increasing trend.

### 1.2. Commodity composition

In terms of export commodity structure, with the implementation of the leading strategy of foreign trade export, primary products in Hunan province have shown an overall steady growth trend since 2011, increasing from 4.189 billion yuan in 2011 to 15.09 billion yuan in 2021, and an increase of 28.97% in 2021 compared with 2020. The range of manufactured goods fluctuated greatly, but it was also on the rise. Since 2016, the growth trend has developed rapidly, with 2020 almost doubling that in 2017. Accordingly, it shows that the foreign trade of manufactured goods has occupied a dominant position in the export goods of goods in Hunan province. Since October 2020, the export of the province has been maintained at the normal growth rate level for years. In terms of import structure, the imported industrial products in Hunan Province showed a rapid growth trend after 2016, from 36.98 billion yuan in 2016 to 111.3 billion yuan in 2020.

### 1.3. Type of trading

Hunan province has sufficient labor force. It is not difficult to find that the trade mode of general trade is still the main body, accounting for about 80% of the total import and export, while the processing trade mode and other trade modes together account for about 20%. The proportion of general trade has been growing rapidly since 2016. In 2021, general trade methods will reach 476.22 billion yuan, up by 32.65%. Accounting for 79.52% of the total import and export volume in the same period. Among them, the total export of general trade was 357.01 billion yuan, an increase of 35.68% compared with the same period, and the total import of general trade was 119.21 billion yuan, an increase of 24.35% compared with the same period. In 2021, the total import and export volume of processing trade was 71.13 billion yuan, with an overall growth rate of -25.2% compared with the same period.

### 1.4. Major import and export countries

The main exporters of Hunan province are the United States, Hong Kong, the European Union and ASEAN. And compared with the US export trade in Hong Kong. In 2021, exports to the United States were \$72.70 billion, accounting for 17.25% of total exports, up 59.1% compared with 2020; Hong Kong \$51.91 billion, accounting for 12.32% of total exports, up-9.1% from 2020; EU \$47.75 billion, or 11.33% and 33.7% higher than last year; and ASEAN 71.30 billion yuan, accounting for 16.93% of total exports and up 20.7% compared with 2020.

### **1.5.Industry category**

From 2011 to 2021, the tertiary industry showed a trend of rapid growth. In 2020, the tertiary industry reached 1211721 million US dollars, accounting for 57.72% of the total industrial value in that year, an increase of 29.6% compared with last year. But compared with the secondary and tertiary industries, their development is more stable. The continuous increase of the proportion of the tertiary industry shows that the social and economic structure of Hunan province is undergoing important changes, and the transformation and upgrading has reached an important stage. On the one hand, accelerating the development of the tertiary industry is a major part of Hunan's economic and social development strategy. on the other hand, we also need to enhance the competitiveness and enhance the value chain, which is in urgent need of the support of the tertiary industry.

## **2.Problems existing in the import and export trade in Hunan Province**

### **2.1.Commodity structure is unbalanced, and the output of high-tech products is low**

In terms of import and export structure of Hunan province, overall, the proportion of primary products in Hunan province is still high, the number of manufactured goods imports overall is low, and the export trade is the dominant manufactured goods, but the development of processing trade in Hunan province is far behind the other areas of the coastal cities, development level also lags behind the national level. Moreover, the export products of Hunan Province are mainly aimed at labor-intensive products. The production level of those high-tech products with high technical level is still in the immature stage of exploration and development.

### **2.2.Trade mode structure needs to be optimized, and processing trade needs to be improved**

In 2020, the main products of Hunan province export value can be found: the clothing and plastics of low-end technology industry exports accounted for the largest, 19.79%, 14.65% respectively, but relative to the electronic technology high technology products: such as measurement testing and analysis of automatic control instruments and instruments accounted for 7.09%, automatic information processing device and spare parts is 6.01%, audio and video devices and spare parts is 4.71%. This means that the export commodities of Hunan province are mainly medium and low-end technologies, and the export added value of Hunan province is relatively small, and the technical content of the industry also needs to be further improved.

### **2.3.The distribution of export trade market is too concentrated, which is limited and more risky**

The three major exporters in Hunan province are the United States, Hong Kong and Europe. Among them, the export share of Hong Kong and Europe is gradually increasing. Under the active impetus of China's "Belt and Road" initiative in 2014, Hong Kong's exports declined, from 40% in 2014 to nearly 20% in 2021. The proportion of ASEAN's exports shows an increasing trend. Almost only 10% of the total in 2011, slowly expanding to 20% in 2021. Generally speaking, the export trade of Hunan province was concentrated, the trade with ASEAN increased rapidly, and the proportion of exports to the United States and Hong Kong slowed down.

### **2.4.Industrial development is not balanced**

It can be found that the development ratio of the three major industries in Hunan province is unbalanced. The primary industry accounts for the lowest proportion, with an annual proportion of no more than 10%, and the secondary industry has a relatively large proportion. Moreover, the trend has been decreasing year by year since 2011, and it has remained the same in 2020 and 2021. The tertiary industry is increasing year by year and the proportion continues to

expand. Since 2017, the tertiary industry in Hunan province has reached more than half of the total industrial value every year. The increase of the tertiary industry undoubtedly reflects the importance that Hunan province attaches to the tertiary industry and other service industries, and also shows that Hunan province strives to achieve the transformation of production capacity.

### **3.The countermeasures of the development method of import and export trade in Hunan Province**

#### **3.1.Increase the optimization of product structure, improve the product science and technology content**

In the development trend of China's economic internationalization and the Internet + era, Hunan province must more closely follow the new trend of China's macro economy, in order to promote the rapid development of the industrial structure of the socialist national economy. At the same time, through the support to the "Belt and Road" national government, efforts should be made to increase the economic aggregate of Hunan province and expand the total export volume. At the same time, the central government should also give enough investment to support the development of high-tech industries.

#### **3.2.Steady increase of general trade, and vigorously increase the processing trade**

We must firmly grasp the regional advantages and make good use of land resources. The geographical position of Hunan region is superior, but with the progress of the world economic globalization, the regional advantage alone is far from enough. Hunan province has always faced major competitors from China's Hubei, Jiangxi, and Guangdong and Guangxi provinces. In order to truly go to the global market and gain a larger share of international trade here, we must walk out of the single economic development model dominated by comparative advantage, further strengthen the sense of competition in the international market.

#### **3.3.We will intensify the development of export markets and improve export policies**

We will improve our export trade policies. In view of the policy problems in the development process of Hunan export trade, it should be adjusted accordingly. In view of the difficulties and problems in the processing carry-over of export trade enterprises and tax refund to production enterprises in Hunan province, it is necessary to formulate and adjust the tax refund measures for export enterprises in time to shorten the tax refund time of tax rebate for enterprises, so as to enhance the initiative in the operation of processing trade enterprises. The government should actively plan platforms for exchanges.

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