

China's Export Trade's Effects on the Global Economy

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Abstract. China's export trade's effects on the global economy involves many aspects, including global economic growth, international trade pattern, industrial structure adjustment and so on. Therefore, it is crucial to carry out a thorough analysis of the effects of China's export trade on the world economy. This paper will use a combination of quantitative and qualitative research methods to carry out the research, and at the same time use a large number of charts and graphs to analyse the data. Firstly, the size and trajectory of China's exports will be revealed by collecting and analysing a large number of statistical data, such as the organization of China's export market, the total amount of trade exports from China, China's gross domestic product, and global GDP. Secondly, the impact of China's export trade on the global economy is explored in depth through data comparison and empirical analysis. Through the review of related literature and theoretical analyses, China's export trade has an important impact on the world economy, and the future trend will be characterised by industrial upgrading, multilateral trade co-operation and service trade growth.

Keywords: Export trade, global economy, trade structure, economy growth, GVC.

1. Introduction

1.1. Research Background

China is a major exporter worldwide, and its export trade has an important impact on the global economy. From the actual background, the scale and China's export trade's growth rate have continued to increase in the past few decades and have become an important part of the global trading system. China's exports cover a wide range of industries, including manufacturing, electronics, textiles, etc., and have a profound impact on global supply chains and market patterns. China's export trade not only provides a large number of jobs, but also promotes the growth of the global economy and trade flows.

The Communist Party of China's 20th National Congress will be held in 2022 clearly stated that China's foreign economy's advancement cannot be separated from the optimization of trade structure, and strengthening general trade can steadily increase the added value of exports. In addition, we also need to improve our independent innovation ability and increase our participation in global trade through continuous innovation in order to accelerate our integration into GVC (global value chain). From the research background, the global economy is impacted by China's export trade involves many aspects, including global economic growth, international trade pattern, and industrial structure adjustment.

Conducting in-depth research on the impact of China's export trade on the global economy is of great significance.

In summary, the global economy is impacted by China's export trade is an important research topic. Through in-depth study of the actual background of the study of China's export trade and its associated research. We can better understand China's status and role in the global economy, and provide useful enlightenment and suggestions for global trade and economic cooperation.

1.2. Research Motivation

The paper aims to examine the effect of China's export trade on the global economy and explore China's participation and status in integrating into the GVC (global value chain). At the same time, through in-depth study of the development status of China's export business, its impact on the global

economy and itself, and relevant policies and measures, we can better understand the role and the global economy is impacted by China's export trade.

1.3. Research Process

This article will use a combination of quantitative and qualitative research methods, and a large number of chart data will be used for analysis. First, by collecting and analyzing a large number of statistical data, such as the structure of China's export trade, as well as its total export business, China's GDP, global GDP, etc., to reveal the volume and progression of China's export trade. Secondly, through data comparison and empirical analysis, the global economy is impacted by China's export work is deeply explored. Finally, through the review and theoretical analysis of relevant literature, the effect of China's export trade on the global economy is discussed with conclusions and suggestions.

1.4. Research Framework

In-depth research will be conducted in three aspects of this article: The fundamentals of China's export trade, its effect on the global economy, and its impact on itself. The first part, this article will analyze the analysis of the main export products can be used to analyze China's current export trade situation, export scale and China's export market. Secondly, this paper will study the participation and status of China's export business in the GVC integration from the global trade pattern of China's export trade, international division of labor and the impact on the global economy. In the third part, this paper compares and analyzes what impact does China's export trade have on domestic economic growth? Employment opportunities, and technological innovation through data.

2. Literature Review

In 2001, China formally joined the WTO. Studies have shown that China's export trade has made countries around the world pay more attention to trade liberalisation and economic globalisation, and promoted the construction of the global trading system and the formulation of rules.

Zhou (2021) indicates that at present, integrating into or even dominating the GVC (Global value chain) has become the trend of economic globalisation, and is also a competitive arena for all countries in the world [1]. In the course of reviewing the statistical data, we found that the national economy's average growth rate was lower than the average growth rate of export trade during the same period and surpassing the average growth rate of world export trade, making a significant contribution to the growth of the global economy [2]. Cai(2019) indicates that China's 'Going Global' strategy and the 'Belt and Road' initiative have contributed greatly to China's economic growth and the world economy's recovery[3]. The study states that China's demand for imports and exports remained stable in the face of a sharp contraction in global trade in the post epidemic era. 2020, exports of traditionally advantaged products continued to maintain a favourable trend of continued growth. Among them, the export of medical and related instruments had the highest year-on-year growth rate of 41.5 percent. It can be seen that China maintains a high level of openness to the outside world and continues to form new international co-operation, playing a significant role in the recovery of the global economy [4]. Several studies have naturally focused on China's case when looking at the causes of structural changes in global trade, because it is a hub in the GVC and has played a significant role in the globalization process [5].

From the quantitative analysis of the trade gravity model, it is clear that China's exports have had a negative impact on United States exports both before and after the Belt and Road Initiative's introduction. The impact's size and direction are influenced by the commodity category in particular [6]. China's export trade has helped raise the level of high-quality economy development through action [7]. The prospect of China's foreign trade exports ultimately does not depend on external forces, but on the strong strength of China's manufacturing industry, and the world's import of Chinese products is the general trend. Therefore, with the recovery of China's economy, foreign trade will also

show a trend of development before low and then high, making great contributions to the world economy [8].

Lan(2023)mentioned that opening up the export market of service industry is an important part of the competitiveness of service trade, and driving "Chinese services" to go out through trade in goods and foreign investment, and forming international recognition and influence of "Chinese brand" plays an important role in promoting service trade.

It is necessary to stabilize traditional service trade markets such as the United States and Europe, vigorously undertake the transfer of outsourcing business, expand service exports, actively explore the export of service trade to RCEP and "Belt and Road" countries, encourage service trade enterprises to carry out international standards and qualification certification, and improve the level and ability to undertake international service business [9]. As the world's largest exporter of goods, China's export trade has grown at a remarkable pace [10].

3. Analysis of the Basic Facts of China's Exports

China occupied an important position among the world's exporters, an essential factor in China's economic development is export commerce, is a crucial component and the engine of the country's economy, and is crucial to economic expansion, tax increase, job creation and industrial upgrading. The following is an analysis of the state of China's export industry at present.

3.1. Export Scale

China has increased its overall exports during the past few decades. According to date analysis, China's goods trade will have a total import and export value of 42.07 trillion yuan in 2022, an increase of 7.7% over 2021, maintaining the status of the largest in goods trade. Among them, exports continued to maintain a high growth rate, Imports amounted to 18.1 trillion yuan, with a year-on-year increase of 4.3%, with a total of 23.97 trillion yuan.

3.2. Major Export Commodities

China exports a wide variety of commodities, mainly including electronic products, machinery and equipment, textiles, plastic products, auto parts, etc. Among them, electronic products are China's most important export commodities, with stable supply and demand and sufficient advantages. Including mobile phones, computers, TVs, etc. In 2022, China's import and export of mechanical and electrical products will be 20.66 trillion yuan, 49.1% of the total import and export value is due to a 2.5% increase. Among them, the export of solar cells, lithium batteries, and automobiles saw a rise in exports of 67.8%, 86.7%, and 82.2%, respectively.

3.3. Major Export Markets

China's main export markets include the United States, European countries and Southeast Asian countries. China's largest export destination is the United States, which accounts for approximately 20% of its total exports. European countries are also important export markets for China, especially Germany, the United Kingdom and France.

3.4. Trade Policy

The Chinese government has been committed to promoting trade facilitation and trade diversification. China actively participates in global trade organizations, signs a number of free trade agreements, and strengthens economic cooperation with other countries and regions.

Overall, China's export trade is large, but it also faces some challenges. The Chinese government will keep taking steps to promote the steady growth of export trade, and promote the optimization and upgrading of the trade structure, in order to comprehend China's transition from a major trading country to a trading power [3].

4. The Global Economy is Affected by China’s Export Trade

The world’s largest exporter and second largest importer is China, accounting for an increasing proportion of total global trade. By analyzing relevant data and research literature, we can conclude that the development of the global economy has been aided by China's export trade and a steady stream of impetus has been provided to the global economy.

4.1. The Global Trade Pattern Is Impacted by China’s Export Trade

From 1995 to 2014, the overall index of China's export trade continued to rise, accounting for an increasing proportion of world trade. China's export breadth (the degree of overlap between the set of products exported by a country and all product sets in world export trade) is closer to 1 (the export breadth of world export trade is 1). China's export products are becoming more and more abundant, and China's export trade is huge, accounting for a considerable proportion of the total global trade. China's exports cover a wide range of sectors, from manufacturing to high-tech products, from raw materials to consumer goods. The global trade pattern has been impacted significantly by China's export trade, changing the trade structure and competitiveness of many countries and regions. [10]

4.2. The Impact of China’s Export Trade on the International Workforce

China's export trade has brought the global industrial chain closer to China. China has become an important part of global manufacturing, and many multinational companies have moved their production bases to China to take advantage of the country's low-cost labor and large market size. This has led to a reshaping of global supply chains, in which China plays an important role. Many countries and companies also outsource production to China to reduce costs and improve efficiency. This international division of labor has made the global economy more interdependent and promoted its development.

4.3. Impact of China's exports on the global economy

Table 1. China expot and GDP of The world.

	2022	2021	2020	2019	2018
Export of china	3593601.45	3363023.00	2589950.00	2499480.00	2486700.00
GDP of The World	100.56	96.88	85.22	87.73	86.5

Data sources: World Bank and Country Data

China is a major exporter in the world, and its export trade volume has a significant impact on the world economy. By analyzing China's total export trade and global GDP, we can see the importance of China to the world economy (Table 1).

First, China is responsible for a significant portion of the world's export trade. According to the World Trade Organization, China's exports are a significant part of the world's total exports. This means that supply and demand in global markets are greatly impacted by China's export trade, especially in areas such as manufacturing and electronics.

Second, China's export trade has been a positive influence on the growth of the world economy. From the comparative study of China's export trade and global GDP, the figure shows that the steady growth of China's export trade is a significant driving force for the growth of global GDP. As one of the world's largest manufacturing bases, China's export products occupy an important position in the global market. The development of global supply chains has been facilitated by China's export trade and driven economic growth in other countries and regions. China's exports not only meet consumer demand around the world, but also provide other countries with cheap raw materials and intermediate goods, contributing to a boom in global trade.

China's export trade has had an important impact on the world economy. It has changed the pattern of global trade, promoted the international division of labor, and promoted economic growth and development. At the same time, China should not only face up to the disadvantages of spatial

differences, strive to learn technology from upstream countries, and constantly innovate products, but also export excess capacity to downstream countries, open up new market space, improve China's participation and status in integrating into GVC, and aid in the prosperity and sustainable development of the global economy [1].

5. The impact of China's exports on its own economy

Table 2. GDP and export of China.

	2022	2021	2020	2019	2018
Export of China	3593601.45	3363023.00	2589950.00	2499480.00	2486700.00
GDP of China	1210207.2	1149237.0	1013567.0	986515.2	919281.1

Data sources: World Bank and Country Data

China is one of the world's largest exporters, and export trade also has an important impact on its economy. This paper analyzes a comparison of China's total export trade data and GDP data can be used to study the impact of China's exports on its own economy (Table 2).

5.1. Economic growth

China's economic growth is largely influenced by its export trade. The development of manufacturing and services can be influenced by the growth of export trade, stimulate investment and employment, and promote GDP growth, which in turn can drive overall economic growth.

5.2. Employment Opportunities

China's export trade contributes significantly to GDP growth, which in turn creates a large number of jobs. Export companies need a large amount of labor to produce and provide products and services, which is an important source of employment opportunities for China's large labor market.

5.3. Technological innovation and upgrading

Export trade requires enterprises to have a certain level of technology and competitiveness. In order to meet the needs of the international market, Chinese enterprises continue to carry out technological innovation and upgrading to improve product quality and competitiveness, thereby promoting the development of the entire industry.

6. Conclusion

The world economy has been profoundly impacted by China's export trade. Being a major exporter in the world, China's export trade has an important impact on global economic growth, international trade patterns and global supply chains. First, China's export trade has contributed to the growth of global economics. China's export products meet the global market's demand for cheap consumer goods and mid-to-high-end manufactured goods with strong price competitiveness and rich variety, and further promote the growth of global trade, provide more consumption choices for all countries, and promote the prosperity of the global economy.

Second, China's export trade has changed the pattern of international trade. China's export trade has driven many countries to deepen economic ties with China, forming complex global value chains and supply chain networks.

6.1. Future Trends

Industrial upgrading and technological advancement: China's promotion of industrial upgrading and technological innovation is aimed at improving product quality and added value to enhance

competitiveness. In the future, China's export trade will pay more attention to the export of high-end manufacturing and innovative products.

Multilateral trade cooperation: China will continue to actively participate in multilateral trade cooperation, actively promote The Belt and Road Initiative should adhere to the policy of expanding and strengthening trade partnerships with other countries and regions. Expand China's export trade to new markets by strengthening economic and trade cooperation with countries on the Belt and Road.

6.2. Recommendations:

Improve product quality and added value: Chinese enterprises should increase investment in technological innovation and R&D, promote the advancement of technological innovation and industrial upgrading, and improve product quality and added value. By providing high-quality products, we will increase China's participation and status in integrating into GVC.

Expanding into emerging markets: Chinese companies should actively expand into emerging markets, particularly in countries and regions that are connected to the Belt and Road. These markets have great potential and are of great significance to the growth of China's export trade.

The world economy is impacted significantly by China's export trade, and the future trend will show the characteristics of industrial upgrading, multilateral trade cooperation and service trade growth. In order to meet the challenges and seize the opportunities, Chinese enterprises should increase investment in technological innovation and research and development, expand emerging markets, strengthen trade cooperation and innovation, and improve the level of service trade. Through these efforts, China will continue to play an important role in global trade and play a role in the prosperity of the global economy.

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