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Research on Expansion of the Export Paths of Developing Aquatic Products in Hainan Province

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Abstract: Hainan Province is rich in marine resources, and the marine economy is one of the exceptional advantages of Hainan Province's economic development. As the eleventh free trade zone opened by China, Hainan Province, as a province supported by the double policies of special economic zone and free trade zone, should fully harness its strengths, and adopt scientific and correct development strategies to accelerate the construction pace of aquatic products' export industry. At present, aquatic products in Hainan Province are mostly exported for sale in the form of primary agricultural products, developing marine culture technology is needed, otherwise it will lose its development force in the face of the red line of marine fishing. Furthermore, the lack of fine deep processing of aquatic resources has become the weakness of Hainan Province in the international market competition. Therefore, we should step up efforts to of Hainan Province in the construction of aquatic products' export industry, establish and perfect a complete aquatic products' export industry, develop and improve the upstream and downstream industries of Hainan Province's aquatic products export and give support to the aquatic products industry, and increase the research efforts on the fine deep processing of aquatic products and other related application technology.

Keywords: Exports of Aquatic Products; Fine Deep Processing; Path Expansion; Marine Culture; Trade Barriers.

1. Survey of Exports of Aquatic Products in Hainan Province

As China's largest marine province, Hainan Province's offshore area is about 1/3 of China's offshore area, The total length of Hainan Province's coastline is 1944.35 kilometers, accounting for nearly one tenth of China's coastline. Hainan Province has extremely rich marine biological resources and good coastal fishery environment, the exports of aquatic products account for 87.46% of Hainan Province's agricultural exports, which is a very high figure. Hainan's exports of aquatic products totaled 3.218 billion yuan from January to November this year, rose by 7.42% year-on-year. As one of the important pillar industries of foreign trade in Hainan Province, aquaculture industry and marine fishing industry off the Hainan Province coast play a prominent role in this process.

On September 18, 2018, the American government officially announced putting taxes on about two hundred billion dollars of goods from China, tax rate is 10%, raised it to 25% from January 1, 2019, in which there are a total of nine pages, including the contents of China's exported aquatic products, almost all exports of Chinese aquatic products to the United States are included in it. The United States is the first largest seller of aquatic products exported from Hainan Province, which has caused a significant negative impact on the export of aquatic products from Hainan Province since then. The number of countries and regions which import aquatic products from Hainan Province has reached 71, in which the market is closely linked with the United States, Japan, Mexico and other countries.

2. Opportunities for the Exports of Aquatic Products in Hainan Province

As the second largest island in China, Hainan Province has one-tenth of the country's coastline, broad and far continental shelf and one-third of the sea, which is rich in marine resources. Moreover, Hainan Province is in the tropics, which is the only tropical province in China. The favorable climate, together with its continental shelf, is very suitable for the development of offshore culture. Its coastline is 1944.35 kilometers long, sea area is about 2 million square kilometers, which is China's important aquatic products' export production base. There are many excellent species and ecosystems Hainan's sea area, including tropical fish. Hainan's natural conditions and geographical location have obvious advantages in comparison with other regions. Here the ecological environment is superior, marine animal and plant resources are very rich, which provide favorable conditions for the development of the aquatic products' export industry.

With the establishment of Hainan free trade zone and free trade port, the exports of Hainan aquatic products see new opportunities. Hainan Province, as the eleventh free trade pilot zone established in China, it is also China's largest pilot free trade zone, but also the special economic zones which the country set, Hainan Province, and the export industry of aquatic products in Hainan Province has extremely favorable conditions. With the gradual implementation of the pilot free trade zone and free trade port policy, the relevant departments of Hainan Province has introduced many measures easy for the exports of aquatic products, such as carrying out "zero-tariff" seafood product pilot project; setting customs service platform, the enterprise only needs to provide scanned copies of ID cards and other materials to deal with customs formalities; cancelling some licensing restrictions, simplifying the quarantine and approval procedures for aquatic products. After pandemic, The People's Government of Hainan Province's new border inspection and clearance carries "inspection and clearance meanwhile", the sample inspection time from the original 10 days shortened to less than a day, achieve the purpose of customs clearance and laboratory testing on the same day, and greatly enhance the work efficiency of customs.

3. Challenges of Exports of Aquatic Products in Hainan Province

(1) Relatively low level of fine deep processing in exports of aquatic products

On June 22, 2017, Standing Committee of Hainan Province, Executive Vice Governor Mao Chaofeng offer ideas in aquatic products processing enterprises research meeting in Hainan Province, although Hainan Province has vast sea area, rich in marine resources, the aquatic products processing industry is still in the primary stage, product category is single, product structure is unreasonable, the technology level of deep processing is lagging backward, the industrial competition pattern slightly suffers disadvantage relative to foreign countries, and the research and development capacity of aquatic processing enterprises are weak. At present, the exports of primary aquatic products still predominate in the exports of aquatic products in Hainan Province, the exported processed aquatic products are basically the state of primary processing, the processing method is mainly frozen, pickled, dried and other extremely low technology ways. The number of finely highly processed aquatic products is negligible. The processing level of aquatic products in Hainan Province is relatively low, processing rate is about 30%, the world's average processing rate of aquatic products is far more than the processing rate of Hainan Province. Due to the low level of processing class, the export industry Hainan Province's aquatic products suffer from thin margins and is low in economic efficiency.

(2) Exports of aquatic products lack scientific marine culture technology

Marine fishing has a reasonable limit, excessive marine fishing is an unscientific and unsustainable way to develop the industry and the economy, but also lead to the endangerment of species or even extinction, which does not conform with China's scientific and sustainable development concept. Before the development of fine deep processing and marine culture technology matures, the development of export industry of the aquatic products in Hainan Province is limited by marine fishing and difficult to develop on a scientific scale. In 2019, the gross output value of marine culture in Hainan Province was 11.63452 billion yuan, accounting for 27.87% of the gross output value; the output value of freshwater culture was 5.3117 billion yuan, accounting for 12.72%; the output value of marine fishing was 21.76278 billion yuan, accounting for 52.13%; the output value of freshwater fishing was 237.77 million yuan, accounting for 0.57%; and the output value of aquatic seedling was 2.79752 billion yuan, accounting for 6.7%. At present, marine aquaculture accounts for a relatively small proportion, the development is backward, which need to increase the investment to development.

(3) Exports of aquatic products lack brand

The exports of aquatic products are managed by enterprises separately, lacking spirit of cooperation, in Hainan Province all along, does not form a globally renowned unified brand, there is no one professionally responsible for the promotion. Hainan Province's aquatic products, which lack brand, lack competitiveness in the global market, resulting in lower profits, it is difficult to sell at a high price, Hainan Province's leading enterprises of aquatic products should play a leading role, plan and integrate the entire industry, and are managed and marketed by professional companies. Only by integrating industry and standardizing management can Hainan Province's aquatic products be built into a brand in the global market, only unified management can make Hainan's exports of aquatic products have a strict and uniform quality control standards, ensure the high quality of aquatic products exported from Hainan Province, so that the export of aquatic products in Hainan Province have the recognition on the world market, become a synonym for quality, so as to get out of the quagmire of low prices.

(4) Exports of aquatic products are greatly affected by trade barriers

In the circumstances the international situation is grim, international competition is increasingly fierce, the existence of trade barriers causes international trade friction to be more and more frequent. The United States has been the largest aquatic products exporter to Hainan Province, after the outbreak of trade friction between China and the United States, the American government decided to impose tariffs of 10% on China's 200 billion dollars of imports, the American government will raise the tariffs imposed to 25% from January 1, 2019, in this list of tariffs imposed, there are nine pages including the contents of China's exported aquatic products, almost all aquatic products exported from Hainan Province to the United States are in list. Dry, frozen, chilled, fresh, and other forms of shrimp, fish, sea urchins, crabs, and other aquatic products are all on the list. This has led to a sharp drop in the export of aquatic products from Hainan Province. Meanwhile, after the United States imposed tariffs on Chinese tilapia, prices rise to a great height, Indonesia, Thailand, Vietnam and other countries gain China's tilapia export market to the United States.

4. Strategic Suggestions for Transforming and Expanding the Export Paths of Aquatic Products in Hainan Province

(1) Improving the level of fine deep processing of exports of aquatic products

Although Hainan Province is rich in marine resources, there is a reasonable range of marine fishing. Fishing within a reasonable range, if we do not promote the vigorous development and research on fine deep processing of aquatic products and scientific and high-quality nearshore culture technologies, Hainan's aquatic products economy will be plunged into a slow-growing passive situation, and even face the crisis of industrial retrogression. Aquatic products as high-quality animal protein sources, in which they are not only mostly unsaturated fatty acids, but also rich in well-known nutrients such as DHA and EPA that have great benefits for the human body, not only that, aquatic products are also rich in many minerals, such as iodine, zinc, calcium, and they are indispensable micronutrients for the growth of children. For development of deep processing for extracting nutrients such as DHA and EPA from aquatic products, the backwardness of Hainan Province is very unfavorable for the healthy development of industry. Only by deepening technology and increasing the added value of aquatic products can we make steps in future industrial development and get established in the world market. The irreplaceability of Hainan Province's aquatic products in the world market is realized through technology and quality. We should also put in a lot of effort to conduct research on comprehensive utilization of aquatic products processing, and conduct production and utilization again on processed remnants. In addition, developing high

value-added aquatic products, improving the high-tech level of modern food engineering, and studying high value-added aquatic products and health products are also important methods to address challenges ahead.

(2) Deeply developing scientific marine culture technology

The development of marine culture is one of the prerequisites for forming sound and mature aquatic products export industry in Hainan Province, and an important way to address the challenges of the world market. Hainan Province is rich in marine biological resources, at present, there are 2050 species of fish, over 350 species of shrimp, 348 species of marine crabs, 681 species of shellfish, 58 species of cephalopods, 511 species of sea cucumbers, sea urchins, and 162 species of seaweed recorded. Compared to traditional fish-exporting countries such as Japan and South Korea, Hainan Province has richer marine biological resources, compares with emerging fish countries such as the Philippines, Thailand, Russia and Mexico, Hainan Province also has more marine animal species.

(3) Actively building the brand effect of exports of aquatic products

For example, the successful practice of the globally famous Zespri Group: the company carries out standardized management to build its products into an excellent brand, carries out unified management for fruit farmers to purchase kiwi, and conduct strict quality screening, from machine screening to manual screening, the product can be placed on supermarket shelves around the world in the first time through Zespri's powerful logistics system, easily monopolizing 33% of the world's kiwi market share.. It has easily occupied 33% of the world's kiwi market share. It is only after obtaining the global brand recognition that the Group can have a strong premium capacity. In addition, the logistics system of the Zespri also guarantees the quality of its products. In addition to dry goods and fine deep processed aquatic products, the export of other aquatic products should consider the changeable characteristics of fresh quality, by establishing suitable warehousing points and improving the circulation efficiency, establishing cold chain transportation system with strong fresh-keeping capacity to ensure the rapid delivery of aquatic products that require preservation, the strength of excellent quality can only be harnessed, taking the lead in expanding overseas markets is also more conducive to building brand. In order to get rid of the market impression of low quality and low profit in the exports of aquatic products in Hainan Province, we need to learn and draw on the experience of Zespri Group, integrate the industries, unify the management, strictly screen, increase investment in product research and development, ensure the high quality of exported aquatic products, gain global recognition, and build the brand image of Hainan's aquatic products.

(4) Improving the internationalization level of and reducing the impact of trade barriers

Firstly, aquatic export enterprises in Hainan Province should fully understand and master the relevant international laws and regulations as well as standards and practices, and do a good job in line with international standards. Aquatic trading enterprises need to grasp the latest international regulations, standards and trade information in the international market, moreover, when enterprises in the actual trade operations, they must also apply these regulations, practices, and standards practically. This can effectively reduce the impact of trade barriers on the exports of aquatic products in Hainan Province. Secondly, enterprises should strive to improve their level of scientific and technological innovation. The transformation of economic development mode is completed by promoting the diversification of industrial structure, thus improving technological innovation capacity. The key link in the measures to reduce the impact of trade barriers lies in vigorously strengthening technological innovation and organizational construction. Private enterprises are encouraged to open national or provincial-level enterprise technology centers, increase the proportion of scientific research investment in enterprise' revenues, and actively develop patented technologies and original products which belongs to enterprise. Moreover, playing the leading role of the industry's leading enterprises with strong capacity, encouraging and supporting such enterprises to introduce scientific research institutions and domestic and foreign colleges and universities to set up technology research and development institutions, The tripartite cooperation of production, learning, and research, and unite all the forces that can help to overcome the technical difficulties. Enterprises also need to speed up the pace of modernization of information technology, Enterprises can achieve rapid and precise adjustments when facing market changes and trade barriers through the use of big data analysis, Establishing and perfecting a complete set of management information system for technical research, buying, production, marketing, logistics, etc., realize process reproduction to adapt to the development needs of diversification, exclusivity, and efficient production as the goal. In addition, the proportion of single-product exports is too high, and the single product structure are more likely to be affected in the face of trade barriers. We need to speed up the pace of upgrading aquatic products export industry and product structure adjustment, improve the flexibility of enterprises in the face of trade barriers to reduce the impact they suffer. Thirdly, in order to further expand the sales channels of aquatic products and improve the resistance to trade barriers. If we want to accelerate the development of foreign trade in aquatic products in Hainan, it is necessary to develop more international markets, we can consider the development of West Asia, Africa, this kind of market, these areas not only have a broad market, and green barriers will not be so harsh relative to developed countries.

5. Conclusion

This paper digs into the export problem of aquatic products in Hainan Province in depth, studies the opportunities and challenges faced by the exports of aquatic products in Hainan Province by querying data, relevant materials, and references, statistical analysis. In general, in order to solve the current challenges facing the exports of aquatic products in Hainan Province, we should increase technological research and development, build our own brand, furthermore, master and apply international practices and regulations, do a good job in international standard certification, break trade barriers, harness our strengths in exports of aquatic products, perfect the shortcomings, improve the export competitiveness of aquatic products in Hainan Province, and promote the development of Hainan Province's economy.

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