Research and analysis on foreign trade development level in Heyuan City

YE Ying-xia

HeYuan Polytechnic, HeYuan, Guangdong, China
 email: 316889799@qq.com

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ARTICLE DETAILS

ABSTRACT

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Regional foreign trade development level is closely related to scale merit, structure index and efficiency index of foreign trade development in this region. In this paper, ten years of foreign trade related data in Heyuan city from 2006 to 2015 are used; the writer calculates and analyzes the ratio of dependence on foreign trade, the proportion of foreign capital, foreign trade product structure index, structure index of modes of foreign trade, contribution rate of foreign trade development to GDP, pulling rate of FDI on economic growth, and other important indexes, values and development trends in Heyuan region. The results show that ratio of dependence on foreign trade, the proportion of foreign capital, contribution rate of foreign trade development to GDP, pulling rate of FDI on economic growth is lower, which illustrates that economic development of Heyuan City mainly depends on domestic trade, and international trade development has a enormous space. However, structure index of foreign trade product is higher, which shows that in the types of export products, exports of manufactured goods have a higher proportion, and the structure of export commodities is reasonable.

1. Introduction

Heyuan City is located in the northeast of Guangdong province, which is an excellent tourist city in China and mountainous city in northern Guangdong. During the period of "11th Five-Year" and "12th Five-Year", by undertaking industrial transfer, economic structure and industrial structure can be optimized and adjusted in Heyuan City. In 2016, the import and export volume reached twenty-six billion one hundred million Yuan, which increase 4% over the previous year. (Guangdong decreased slightly by 0.8% over the same period). Under the increasing of downward pressure of foreign trade development in Guangdong province, it is not easy for Heyuan City still to maintain good growth momentum. But, on the whole, foreign trade development level in Heyuan City is still backward, in this paper, according to the statistical yearbook from 2006 to 2015, and the statistical bulletin on national economic and social development in Heyuan City, the writer queries or calculates the indicators of foreign trade development, and provides references for the further study and analysis of the above indicators.

2. Analysis on development level of foreign trade in Heyuan

2.1 The scale merit of foreign trade development

The scale merit of foreign trade development reflects the size and change of the amount of trade in a certain period. Which include total export-import volume (export volume, import volume), ratio of dependence on foreign trade (export dependence, import dependence) and proportion of foreign capital. These three indicators comprehensively reflect the development scale of regional foreign trade, the bigger the volume is, the bigger the development scale of regional foreign trade is, the stronger ability of sustainable development is, and the converse is also true.

Thereinto, the ratio of dependence on foreign trade = regional total import and export volume / region GDP;

Proportion of foreign capital = actual utilization of foreign capital / regional fixed assets investment.

The import and export volume, export volume, import volume, ratio of dependence on foreign trade and the proportion of foreign capital in Heyuan from 2006 to 2015 are shown in table 1 and figure 1.

Table 1: The scale merit of foreign trade development in Heyuan from 2006 to 2015

Index Year	Import and export volume (unit: million dollars)	Export volume (unit: million dollars)	Import volume (unit: million dollars)	Ratio of dependence on foreign trade (unit :%)	Proportion of foreign capital (unit :%)
2006	9.96	5.58	4.39	29.47	10.48
2007	15.57	8.95	6.62	34.62	9.26
2008	19.71	12.47	7.24	34.26	12.45
2009	22.26	14.13	8.13	36.36	7.80
2010	27.16	17.15	10.01	38.07	4.61
2011	27.93	19.16	8.77	30.57	4.78
2012	29.26	19.53	9.73	29.96	4.45
2013	32.32	22.47	9.85	29.41	3.81
2014	39.55	26.49	13.06	31.94	3.06
2015	40.3	28.3	12.0	31.84	1.63

Fig.1: Ratio of dependence on foreign trade and Proportion of foreign capital t in Heyuan City from 2006 to 2015.

From table 1, we know that the ratio of dependence on foreign trade in Heyuan City from 2006 to 2015 kept at about 30% over a long period of time, which had a bigger difference from that the ratio of dependence on foreign trade in the Pearl River Delta region and Guangdong province has

remained above 95% for the year. On one hand, it shows that the dependence of economical and foreign trade development in Heyuan is not strong, and on the other hand, the foreign trade of Heyuan still has a larger space to develop. Besides, the proportion of foreign capital in Heyuan from 2006 to 2015 was much lower, basically under 10%. This shows that in the investment in fixed assets of Heyuan areas, actual utilization of FDI has a relatively low proportion. The government of Heyuan and the related foreign trade enterprises should make efforts to increase the introduction of foreign capital and raise the amount of actually utilized foreign capitals to lead the economic development in Heyuan.

2.2 The structure and performance indicator of foreign trade development

The structure indicator of foreign trade development can be divided into commodity structure index of foreign trade, mode structure index of foreign trade, and market structure index of foreign trade.

Thereinto, commodity structure index of foreign trade= export volume of manufactured goods / export volume of primary products;

Mode structure index of foreign trade= the volume of processing trade/ export volume;

The export areas of foreign trade in Heyuan are mainly concentrated in new and high-tech zones and Dongyuan County, and export countries and regions include the United States, Hongkong, the European Union, Japan and so on, and the export to those countries and regions is accounted for more than 80% of all exports in Heyuan. In recent year, the amount of Heyuan's exports to ASEAN has improved. This is benefited from the establishment of free trade zone in Guangdong Province and the radiation effect of Guangdong Province as a strategic hub of Maritime Silk Road in the 21 century.

The economic efficiency index of foreign trade development reflects the promoting function of foreign trade development on regional economies, which includes the contribution rate of foreign trade development to GDP and pulling rate of FDI to economic growth.

Inside, the contribution rate of foreign trade development to GDP=the net export increments of foreign trade/increments of GDP;

Pulling rate of FDI to economic growth=FDI/ GDP* the growth rate of GDP.
The above indicators are shown in Table 2 and figure 2.

Table 2: The structural indicators of foreign trade development in Heyuan

Year	Commodity structure index of foreign trade	Mode structure index of foreign trade (unit :%)	The contribution rate of foreign trade development to GDP (unit :%)	Pulling rate of FDI to economic growth (unit :%)
2006	32.12	85.13	---	---
2007	31.35	88.38	36.44	1.34
2008	29.02	83.88	39.02	0.87
2009	27.82	86.27	49.54	0.20
2010	25.77	87.52	34.56	0.29
2011	14.08	83.29	12.24	0.35
2012	16.75	81.62	6.48	0.12
2013	19.23	75.43	27.97	0.18
2014	23.30	70.71	31.34	0.19
2015	25.22	69.61	22.66	0.072

Fig.2: The contrast in the structural indicators of foreign trade development in Heyuan City from 2006 to 2015.

From table 2, we know that commodity structure index of foreign trade in Heyuan City have a relatively large volume, which shows that export volume of manufactured goods in Heyuan City is much higher than the export volume of primary products, and the structure of export commodities is reasonable. The commodity structure index of foreign trade has dropped at first, and then it has raised, it shows that in the professional background of that Heyuan undertook the industry, exports of mechanical and electrical products, electronic digital products and other manufactured goods are rising; The mode structure index of foreign trade in Heyuan is higher on the whole, basically between 70% and 80%. This shows that ratio of processing trade in Heyuan is large, the development of general trade and service trade are insufficient, as well as the added value of export commodities is low, which is extensive and unreasonable. However, the mode structure index of foreign trade in Heyuan always has a downward trend; it shows that in the process of industrial transformation, Heyuan constantly optimized the mode of foreign trade to make the mode be reasonable; the contribution rate of foreign trade development to GDP in Heyuan is not high, it shows that the impetus function of foreign trade development in Heyuan on Heyuan's economy is not enough; pulling rate of FDI to economic growth in Heyuan City is very small, but it is still a positive value, this reflects that the development of foreign trade has brought positive promotion to Heyuan's economic growth, and which once again proves that foreign trade is the engine of economic growth, at the same time, the influence of foreign trade on Heyuan's economy is also positive.

3. Conclusions

The import and export volume as well as export volume in Heyuan City has always kept a increasing and good situation, import volume has a little fluctuation; the ratio of dependence on foreign trade is relatively stable, it maintains at around 30% generally; the proportion of foreign capital in Heyuan is not high, it reached its highest value in 2008, and then it has appeared a downtrend. However, in recent year, the export number of primary products has increased; the mode of foreign trade in Heyuan is taken processing trade as main mode, and in recent year, general trade and other modes has been increased, the mode of foreign trade has been constantly optimized. This is consistent with the gradual optimization of structure of goods trade in Guangdong Province; there is an obvious trend of transformation from "foreign enterprise + processing trade" to "private enterprise + general trade"; at the same time, the mechanical and electrical products and labor-intensive products are still the mainstream of foreign trade; The contribution rate of FDI to GDP and the pulling rate of FDI to economy in Heyuan City is extremely low, which has a long distance behind Pearl River Delta region and Guangdong Province. The key points for the future are to attract foreign investment, increase FDI and promote the development of Heyuan's economy.

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