

# Analysis of Import and Export Trade Status in Guangdong Province

Dazhao Chai<sup>1, \*</sup>

<sup>1</sup>Foshan University, Foshan 528000, China

\* Corresponding author: Dazhao Chai (Email: 1170503498@qq.com)

**Abstract:** In 2023, the total volume of foreign trade in Guangdong Province is outstanding, and ranks first in the country for many consecutive years. As the largest province of foreign trade in the country, Guangdong should continue to play a good role in the ballast of foreign trade in the country. Based on the analysis of the current situation of foreign trade in Guangdong Province, this paper finds that the overall development of foreign trade is good, but there are factors such as weak growth, lack of independent innovation ability and external environment in the development process. Based on this, this paper puts forward suggestions from the aspects of market development, industrial upgrading and trade facilitation reform, in order to provide reference for the development of foreign trade in Guangdong Province.

**Keywords:** Guangdong import and export trade, High-quality development, Countermeasure study.

## 1. Introduction

The General Secretary Xi Jinping pointed out at the Central Economic Work Conference that it is necessary to accelerate the cultivation of new growth drivers for foreign trade, consolidate the basic foreign trade and foreign investment, and expand a high-level opening up. As the largest foreign trade province in China, Guangdong Province has a prominent performance in the field of foreign trade, and the total import and export volume has ranked first in the country for 38 consecutive years. As a big economic province, Guangdong should take the responsibility of leading the country's foreign trade growth and continue to promote the high-quality development of foreign trade.

## 2. Overview of import and export trade in Guangdong Province

In 2023, the total import and export volume of Guangdong Province is outstanding. From the scale point of view, the total import and export volume of foreign trade in the year is 8.3 trillion yuan, accounting for 19.9% of the national proportion, and the total volume has reached a record high. In terms of the total amount of imports and exports, the export performance after the epidemic is relatively bright, and the total export value in 2023 will reach 5.4 trillion yuan, an increase of 2.5% compared with last year; Imports were mediocre, totaling 2.9 trillion yuan, down 3.6 percent year on year.

From the perspective of trading partners, ASEAN, Hong Kong, the United States, the European Union and Taiwan are the top five trading partners of Guangdong Province, accounting for 16.17%, 12.48%, 12.05%, 11.68% and 7.73% respectively. The total import and export volume of Guangdong Province and ASEAN reached 1,342.91 billion yuan, down 0.5% year on year, becoming the largest trading partner of Guangdong Province for four consecutive years. Exports to ASEAN totaled 759.54 billion yuan, up 4.9% year on year. Hong Kong remained the largest trading partner of Guangdong Province, with a trade volume of \$1,036.84 billion. Guangdong's imports from Hong Kong increased

from last year, reaching 23.05 billion yuan, an increase of 26.5%. But exports fell 1.3 per cent from a year earlier. In addition to traditional trading partners, some emerging economies in Asia, Africa and Latin America are also expanding their trade with Guangdong, and Guangdong's trading partners are gradually diversifying.

From the perspective of export products, mechanical and electrical products are still the first category of products exported by Guangdong Province, with a total of 3,556.46 billion yuan, an increase of 0.9%. In addition, the export of integrated circuits and home appliances grew rapidly, increasing by 19.8% and 8.0% respectively compared with last year. At the same time, mobile phones, clothing and clothing products have a certain degree of decline, down 10.3%, 12.1%. From the perspective of imported products, mechanical and electrical products are also the first category of imported products, with a total of 1,818.42 billion yuan, but compared with last year, the decline was 5.3%; It is worth noting that the import of integrated circuits and semiconductor devices has declined more, which may be caused by the trade war and the restriction of exports to China by developed economies.

From the perspective of prefectures and cities, the contribution of traditional foreign trade strong cities is prominent, and the cities in East and west Guangdong are growing rapidly. The import and export of Shenzhen, Guangzhou and Huizhou increased by 5.9%, 0.1% and 10.3% respectively, accounting for more than half of the total foreign trade value of Guangdong Province, and the driving effect on the overall foreign trade growth is more obvious. In the same period, Zhanjiang, Jieyang and Shanwei increased by 14.8%, 41.3% and 27.5% respectively compared with the same year, with a faster growth rate, which is gradually becoming a new driving force for the growth of foreign trade in Guangdong Province.

### **3. Guangdong Province import and export trade development bottleneck**

#### **3.1. Sluggish trade growth**

Although the total scale of Guangdong's imports and exports in 2023 is leading, the performance is less than expected from the perspective of growth rate. The growth rate was 0.3%, much lower than that of Shandong, Zhejiang and other major foreign trade provinces. From a long time line, the annual growth rate of Guangdong's foreign trade exports from 2016 to 2022 is lower than that of Jiangsu, Zhejiang and Shandong. Of course, Guangdong's total foreign trade base is large, but the growth momentum is weak, less than the national average level, which leads to its import and export shares in the country are showing a downward trend. This means that the global trade situation, the trading power of major countries, and the changes in trade policies and attitudes toward China have a much greater impact on Guangdong than on the rest of the country. The main reasons may be the trade structure in Guangdong, including the main trading partners, the types of import and export products and the types of enterprises engaged in foreign trade business.

#### **3.2. "Industrial chain transfer", independent innovation ability is insufficient**

Low value-added processing trade has been affected by, for example, rising wages for workers and commercial rents, as lower labor costs in ASEAN and South Asia have robbed companies of orders abroad and elsewhere in China. Some countries, represented by India, Vietnam and Bangladesh, are becoming the main locations for implementing a new round of sectoral adjustments in the international industrial chain. At the same time, the Pearl River Delta, with the United States as its main export and traditional export, is directly affected by the "new normal". The Yangtze River Delta continues to carry out very close economic and trade exchanges and cooperation with Europe, which is conducive to attracting more foreign trade and accepting more foreign trade orders. The transfer of the domestic foreign trade center from the Pearl River Delta to the Yangtze River Delta is caused by multiple internal and external factors.

#### **3.3. International environmental impact**

In recent years, global protectionism has intensified and trade frictions have intensified, bringing great uncertainties to the world trade environment. In this context, the development of foreign trade is facing great challenges. Due to fluctuations in market demand, it is difficult for enterprises to predict and respond to market changes, which seriously affects production and sales. In addition, in order to protect domestic industries, countries erect trade barriers to prevent foreign trade companies from entering the target market. In addition, exchange rate fluctuations also bring significant risks to foreign trade enterprises, which may lead to a decline in corporate profit margins or losses. At the same time, with the continuous upgrading of digital technology, network technology and international payment have also been popularized, foreign trade remittance scam is becoming more rampant, foreign trade industry personnel should be vigilant about foreign trade fraud. Despite the overall good performance of the global economy, trade protection and geopolitical risks should not be ignored. For example, the ongoing decoupling trend in the United States may continue to affect commodity exports, which will have a huge impact

on the development of foreign trade in Guangdong Province.

### **4. Measures for import and export trade of Guangdong Province**

#### **4.1. Develop new trading partners and innovate trade forms**

The first is to explore emerging markets, actively expand Russia, Saudi Arabia, the United Arab Emirates, India, Southeast Asian countries, Egypt, Nigeria, South Africa, Mexico, Brazil and other markets, seize the opportunity of economic development and population growth, at the same time, expand the number of imported agricultural products, mineral products, to ensure food and energy security. Second, expand direct investment in emerging markets. Guangdong's traditionally advantageous industries, such as clothing, ceramics, furniture, household appliances, mobile phones, computers and electric vehicles, organize production through investment and equipment in emerging countries to meet local demand and bypass trade barriers.

#### **4.2. Improve our capacity for independent innovation and promote industrial upgrading**

We will make effective use of resources, borrow industrial chain adjustment, introduce more high-end resources, and develop manufacturing and service industries with longer industrial chains and higher added value. At present, Guangdong's exports are mainly labor-intensive, which is one of the reasons for the slow growth of foreign trade in recent years. We should guide traditional industries with advantages to adopt new technologies, new materials, new processes, and new models to achieve industrial transformation and upgrading. At the same time, further improve the added value of foreign trade to improve the ability of export products to resist market fluctuations and promote the development of foreign trade.

#### **4.3. Optimize logistics management and reduce logistics costs**

Companies can explore a variety of logistics solutions, including sea, rail, air and sea, combining product types, target markets and business characteristics. If the goods have the characteristics and requirements of timeliness, fragility and high value, air transportation can be selected to meet the urgent needs of customers. Choose the right logistics method to reduce transportation costs and improve response speed. By analyzing and forecasting key data such as sales data, market trends, inventory turnover, and logistics demand, enterprises can better understand customer needs and market trends, and more accurately plan inventory and logistics for cross-border trade. This reduces inventory and increases supply chain flexibility. Through relevant measures to reduce logistics costs, and then reduce product prices, enhance product competitiveness, promote trade development.

#### **4.4. Deepen trade facilitation reform and attach importance to foreign investment**

We will further deepen the reform of trade facilitation, and attach importance to work in areas related to market access for foreign institutions, transfer of foreign capital, government procurement, and intellectual property protection. Improve the transparency of the implementation of

government policies, improve port construction, and smooth foreign trade links. The focus of the introduction of foreign investment will be transformed from basic manufacturing imports to high-end manufacturing and service industries, and form differentiated competition with other provinces and cities and foreign emerging markets.

## 5. Conclusion

To sum up, the development of foreign trade in Guangdong Province is stable on the whole, but it also faces challenges. Under the influence of factors such as slowing growth rate, rising costs and grim international situation, relevant countermeasures have been taken to boost foreign trade in Guangdong Province, such as expanding trade partners, implementing industrial upgrading, optimizing logistics

management, deepening trade facilitation reform and other measures. Play the role of "main force" and "ballast stone" in the overall situation of foreign trade in the country, and then achieve high-quality development of Guangdong Province.

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