

## Research on Current Situation and Countermeasures of International Service Trade in Jilin Province

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**Keywords:** international service trade; Jilin Province; current situation and countermeasures

**Abstract:** With the rising status of service trade in each country's economy, the development level of service trade has become one of the most important indicators of the modernization of the world. Since the "Eleventh Five-Year Plan" period, Jilin Province has attached great importance to the development of service trade, introduced corresponding policies and adopted powerful measures to make Jilin Province's service trade enter a new stage of stable and rapid development and gradually being in line with international standards. By analyzing the comparative advantage of developing service trade in Jilin Province, this paper initially proposes the countermeasures to promote the sustainable development of service trade in Jilin Province.

### 1. Introduction

First of all, we must have a clear understanding of trade in services. Service trade, also known as labor trade, is an economic exchange activity that provides services between countries. According to the General Agreement on Trade in Services concluded by the Uruguay Round of the GATT, service trade is regulated in four aspects: that is, from the territory of a country to any other country; within a country, to any other country Consumer-supplied services. Services provided to any other country through a service agency within a country; services provided by natural persons of a country within the territory of any other country. The content of trade in services is very extensive. It involves 150 projects and is broadly divided into more than 20 areas such as: logistics, finance, insurance, information transfer, consulting, outsourcing, telecommunications, business services, technical services, culture, tourism, medical services, etc. Education, news broadcasts, etc.

### 2. Status Quo of Service Trade Development in Jilin Province

First, tourism, technology import, and culture have become major projects in the province's import and export of service trade. The number of inbound tourists in Jilin Province increased from 229 thousand in 2000 to 617,300 in 2008, an average annual increase of 13.57%; tourism foreign exchange revenue increased from US\$58.037 million in 2000 to US\$211 million in 2008, with an average annual increase of 17.54. %. In 2008, the province received 524,600 foreigners from inbound tourists, an increase of 18.74% over 2007, accounting for 84.98% of the province's incoming tourists; Hong Kong and Macao compatriots reached 56,600, an increase of 8.62%, accounting for 9.21%. Taiwan compatriots reached 35,800 person-times, a decrease of 27.54%, accounting for 5.80%. The province's technology import and cultural import and export account for a certain percentage of the province's total trade in services. Second, the field of foreign investment services has been further broadened. In 2007, Kyrgyzstan actually used foreign investment of 2.271 billion U.S. dollars, an increase of 37.6% over the previous year, of which foreign direct investment was 850 million U.S. dollars, an increase of 16.3%. The service industry in Jilin Province absorbed foreign investment of 99.86 million U.S. dollars, an increase of 104.8% year-on-year. Foreign investment in service industries broadened to real estate, scientific research, technical services, wholesale, retail, accommodation and catering industries.

Third, the contracting of overseas projects continues to grow. In 2008, the province's foreign contracted projects, labor service cooperation, and design consulting accumulated a total turnover of US\$470 million, an increase of 16% over 2007; the new faction's foreign labor service was 19,200,

an increase of 6.1% over 2007, ranking seventh in the country. Fourth, new progress has been made in service outsourcing. At present, Jilin Province has formed a software industry base based on Changchun Software Park, Jilin Software Park and Yanbian Sino-Korea Software Park, which integrates investment services, technology research and development, enterprise innovation and talent training. There are 72 actual business service outsourcing enterprises in the province, and 13 software companies have been identified as key software companies in the national planning layout, ranking fifth in the country. In 2008, the total service outsourcing business in Jilin Province was 3 billion yuan, and the offshore outsourcing business volume was 75 million US dollars. Jilin Province has established the "Provincial Software Export Base" and "Provincial Software Export Alliance". With the base as the carrier, it has organized more than 30 well-known software exports such as Jilin University Software Academy, Qiming Company and other key universities and enterprises, and Dalian Software Park. The connection between companies has enabled the rapid growth of outsourcing business in Japan and South Korea. Now it has launched software outsourcing cooperation with South Korea's Kumho Group, Japan's Ricoh, Toshiba, Hitachi and other large companies, and has gradually expanded outsourcing services to European and American markets.

### **3. Foreign Trade Mode of Jilin Province**

Judging from the trade pattern of Jilin Province's import and export in recent years, it has always been dominated by general trade. In 2014, the total trade volume was 23.52 billion U.S. dollars, an increase of 1.9%, accounting for 89.2%; the total processing trade was 1.79 billion U.S. dollars, an increase of 13.9% year-on-year, accounting for 6.8%; the total volume of small-frontier trade was 3.6 billion U.S. dollars, a year-on-year decrease of 32.2%. , accounting for 1.3%. From the data, it can be reflected that despite the rapid growth of import and export of processing trade in Jilin Province, the proportion is still very small, and the pattern of growth in foreign trade depends heavily on general trade. Affected by the economic and political environment of neighboring countries, the rapid decline in border trade has also limited the development of foreign trade in Jilin Province. From the customs data, it can be seen that there are 29 major import and export countries or regions in Jilin Province in 2014, which are widely distributed. The top-ranking countries in terms of import and export volume include Germany, Japan, the United States, South Korea, and Hungary. Although the total trade volume has declined due to the sluggish demand from the international market, it still accounts for 72.8% of all countries and regions, indicating Jilin Province's foreign investment. The developed countries are mainly concentrated in the trade market. With the improvement of the Changjitu Pilot Area and the implementation of the national "One Belt and One Road" strategy, the import and export trade volume of Jilin Province and emerging countries such as Russia, ASEAN, South Africa, and Brazil is growing at a high rate and is gradually forming a foreign trade market. Diversification pattern.

### **4. Opportunities and Challenges in the Development of Foreign Trade in Jilin Province**

First, the country fully supports the economic development of the Northeast region. At the end of 2015, the Politburo of the CPC Central Committee reviewed and adopted the "Several Opinions on Rejuvenating the Old Industrial Bases in Northeast China and Other Areas." This opinion is a programmatic document to promote a new round of comprehensive revitalization of Northeast China. The opinion pointed out that the revitalization of the old industrial base in the northeast region is a major strategy of the country. The state will continue to intensify efforts to support and support the development of advantageous industries such as automobile manufacturing, rail transit, and high-tech products in Jilin Province; to cultivate deep processing of agricultural, forestry and livestock products. Industry, modern Chinese medicine industry and characteristic light industry, and other potential industries; accelerating the development of modern logistics, service outsourcing and cultural and creative industries and other modern service industries; strive to build an internationally competitive advanced equipment manufacturing base, modern agricultural

production base and important technological innovations. And research and development base. This opinion has indicated the direction for the future economic development of Jilin Province, and has an important guiding role in promoting Jilin Province's economic development vigor, endogenous motivation and overall competitiveness.

Second, Changjitu's open development strategy is integrated with the national "One Belt and One Road" initiative. The "One Belt and One Road" strategy is one of the important strategies for China to build a new pattern of openness in all aspects during the "Thirteenth Five-Year Plan" period, integrate deep into the world economic system, and expand overseas markets. The Changjitu Pilot Area, as an important border demonstration area along China's border development and opening up, has become a link and bridge for economic and cultural exchanges and cooperation between Jilin Province and Northeast Asia. At the beginning of 2016, the State Council formally approved the establishment of the "Changchun New District". The new area is the node of the "China-Mongolia-Russia Economic Corridor". While accelerating the construction along the way, it will be able to closely coordinate the Changjitu District and deepen the cooperation and development of the Tumen River region. The pilot zone will become the "Belt and Road" new route to the Northern Line and the innovation engine and development fulcrum in Jilin Province. The establishment of "Changchun New District" will not only help speed up the construction of a modern industrial system in Jilin Province, build new industrial belts, and attract large foreign investment projects to invest in Jilin Province. It is important for Jilin Province to create a pattern of all-around interconnection and broaden the field of foreign economic and trade cooperation in the future. significance.

Third, the "Hachang City Group" leads regional economic development. In March 2016, the National Development and Reform Commission issued the "Halong City Cluster Development Plan", in which the central and eastern cities of Changchun City, Jilin City, Yanbian Korean Autonomous Prefecture and Jilin Province are all within the planning scope. The reform plan proposes to strengthen the core driving role of Harbin and Changchun, give play to the supporting role of other cities, optimize the urban development system, and build an eastern city group with important economic influence and competitiveness. As an important gateway for opening up in the north, and an important growth pole for the revitalization of the old industrial base and an area for innovation in economic systems, the "Hachang City Group" is conducive to the development of advanced equipment manufacturing, green industry, and modern service industries in Jilin Province. The economic cooperation between Jilin Province and Northeast Asia has further improved the level of opening to the outside world in Jilin Province.

Fourth, the formal signing of the China-Korea Free Trade Area Agreement has brought new space for the development of foreign trade. Jilin Province is one of the first provinces to develop trade with South Korea. It has a good trade tradition and cultural exchanges. According to customs statistics, the total volume of import and export trade in 2014 was 719 million U.S. dollars, an increase of 8.3 percent year-on-year; there were 615 Korean companies investing in Jilin Province, and cumulative foreign direct investment was 1.72 billion U.S. dollars. Due to the highly complementary economic and trade cooperation between Jilin Province and South Korea, with the formal implementation of the China-Korea Free Trade Area Agreement, there will be a wider range of industries in Korea, such as automobile and parts manufacturing, high-end equipment manufacturing, and deep processing of agricultural products. Cooperation space to achieve complementary advantages and mutual benefit. At present, Jilin Province is making every effort to promote the construction of a large number of Sino-Korean cooperative industrial parks such as "China and South Korea Yanbian Industrial Park" and "Changchun Jingyue China-Korea Industrial Park", in order to leverage the industrial agglomeration effect of the park and connect with Korean companies for further technology. Promote the transformation and upgrading of foreign trade in Jilin Province. In 2014, the total import and export volume of Jilin Province was classified according to the nature of the enterprise. Foreign-invested enterprises imported and exported 12.29 billion U.S. dollars, accounting for 46.6%; state-owned enterprises imported and exported 9.88 billion U.S. dollars, accounting for 37.5%; private enterprises imported and exported 3.29 billion

U.S. dollars, accounting for 15.9 percent. %. As can be seen from the data, nearly half of the import and export trade in Jilin Province is dominated by funded enterprises, one third is completed by state-owned enterprises, and private enterprises only account for a small portion. Foreign-funded enterprises such as FAW-Volkswagen and FAW-Toyota in Jilin Province imported a large number of high-volume components and parts, which were directly sold to domestic markets with strong demand after they were assembled by domestic factories. As a result, the foreign trade of Jilin Province suffered a deficit year after year. Due to weak demand in foreign markets and low technical content, imports and exports of major state-owned enterprises such as FAW Group, Changke Group, Sinosteel Jilin Electromechanical Co., Ltd. and Jilin Province have dropped sharply, highlighting a serious shortage of foreign trade capacity. Private enterprises' export products are mainly based on primary products. Products that lack high-tech content and added value can only rely on prices to meet market demand, and profit margins are limited. The general trade in Jilin Province is mainly based on capital- and technology-intensive auto parts and electromechanical products. Although this type of trade can drive the growth of the total volume of imports and exports, it is constrained by low technical content, difficulty in financing for enterprise financing, and domestic production capacity. The impact of serious excesses and lack of demand in the international market is absolutely at a disadvantage in the competition, resulting in slow growth of imports and exports. Compared with the developed coastal regions, the labor price in Jilin Province is relatively low. Coupled with the hidden unemployment of state-owned enterprises caused by the backward production capacity, the labor force factor has a comparative advantage. Under this circumstance, Jilin Province can appropriately increase the mode of processing trade, which focuses on labor-intensive products, and give full play to its comparative advantages in the labor force, thereby expanding the space and driving force for foreign trade development, and increasing the scale of trade and foreign trade dependence.

## 5. Conclusion

Service trade is even more a "new thing." Although the pace of development is relatively fast, the development time is short, the scale is small, and it is immature. Compared with the status of China's big country of goods trade, it is quite disproportionate, and it still has a series of problems in the development process. In order to develop the service trade industry in Jilin Province, the government should fully play its role, formulate a comprehensive industrial policy from the overall perspective, try its best to improve the industrial coordination mechanism, actively plan and induce service enterprises to make full use of existing resources, give full play to their advantages, and strive to be at home and abroad. There is a place in the service trade market.

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