

## **Analysis of International Trade Friction and Barriers to Trade in Services Based on Financial Crisis**

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**Abstract:** At present, while vigorously promoting the opening of the service market, developed countries have set up barriers to trade in services to protect their own markets. Based on the financial crisis, the author studies and analyses the international trade frictions and barriers to trade in services. After research, it is found that the development of this trade can protect the domestic market, and its blocking effect on international trade in services is becoming more and more obvious, which has aroused widespread concern of all countries. Studies have shown that to promote the further development of China's service trade and accelerate the pace of China's foreign trade growth mode, we not only need to improve the international competitiveness of the service industry. More needs us to understand the characteristics of international trade barriers to improve resilience.

### **1. Introduction**

The financial crisis is a breeding ground for trade protectionism [1]. At present, governments are forced to launch an offensive trade protection policy based on the domestic economic situation and employment pressure [2]. So far, service trade has increasingly become an important force affecting the economic development of various countries, and has become an important indicator to measure the level of national economic development of a country [3]. Both developed and developing countries are trying to use as much as possible, especially legal means, to protect and promote the development of their financial industry. However, with the rapid development of international service trade, the competition in the international service market has become increasingly fierce, and countries have their own economic interests [4]. Strict protectionist policies have been adopted for international trade in services, and barriers to trade in services have been set up to protect domestic banks, telecommunications, insurance, transportation, tourism, data processing agencies and other sectors from competition from foreign service providers. With the rapid development of service-oriented economy, the focus of international economic competition is shifting from trade in goods to trade in services [5][6][7]. This paper intends to discuss the confirmation and measurement of barriers to trade in services and their economic effects on the basis of relevant studies abroad, in order to understand various research methods and analysis methods. That is to say, the natural person of one contracting party provides services in the territory of any other contracting party, such as construction contract, labor export, etc. [8].

### **2. Methodology**

Service trade, also known as invisible trade, refers to the exchange of services between a country and other countries and regions in the world. It is a transaction process in which one country's service providers provide services to another country or countries and obtain foreign exchange earnings. With the increasing openness of trade in services, trade in services and investment in this region will become a new growth point [9]. Is the opening up speed of domestic service market appropriate, and its impact on industry and economy? How can we express our views in the new round of multilateral service negotiations and relevant regional arrangements? In order to study these problems, it is necessary to understand the situation of service barriers in China and its major trading partners and their impact on Trade and economy [10]. Although countries have accelerated

the process of liberalization of trade in services, trade in services is more specific than trade in goods. Many countries are worried about the implementation of open measures to eliminate barriers to trade in services. A wide variety of protected trade barriers remain. In fulfilling these commitments, it is bound to involve preventing the strong entry of foreign financial giants in order to avoid affecting the security and stability of the domestic financial industry. It is bound to set a certain standard without prejudice to the relevant principles of the WTO. limits. For their own economic interests, countries have gradually implemented protectionist policies on international trade in services, thus the theme of this article: the barriers to international trade in services.

The so-called barriers to trade in services generally refer to the policy measures imposed by a government on the provision or sale of services by foreign service producers or providers. That is, policy measures that directly or indirectly increase the cost of production or sales of foreign service producers or providers may be considered by foreign service providers to be trade barriers. Traditional barriers to trade in goods can be divided into tariff barriers and non-tariff barriers. Then, the study of the types of barriers to international financial services trade, the investigation and analysis of relevant international organizations and related countries, will have a strong reference for China. The reason why many countries have set up strict barriers to trade in services is that they are inevitably related to their own characteristics, different economic development and national security needs. On the one hand, countries set up barriers to trade in services to protect their service market, support their service sectors and enhance their competitiveness. On the other hand, it aims at resisting the entry of foreign services and weakening the competitiveness of foreign services. Because of the particularity of service which is different from commodity, the most important thing is that the production and consumption of service occur simultaneously, and the realization of service trade is much more complicated than commodity trade. However, at present, the trade barriers of various countries are relatively high, which affects the trade flow and comprehensive competitiveness of the region.

### **3. Result Analysis and Discussion**

In recent years, with the rapid development of international trade in services, the service trade between China and 10 ASEAN countries has also shown a relatively rapid development speed. That is, to provide services to service consumers in any other contracting party within the territory of one Contracting party, including services trade caused by overseas tourism, education, medical treatment, and transnational consulting, information, finance and design services by means of telecommunications and other means. It can indicate that the foreign service provider is set higher than the business conditions offered to the domestic service provider, and it can also indicate that the establishment of a foreign service provider is higher than that of other foreign service providers. Since trade in services is intangible trade, it does not need to be registered by customs when transnational, so tariff measures do not seem to play a protective role. Therefore, barriers to trade in services generally involve various non-tariff barriers.

At present, there are many kinds of barriers to international trade in services, and the forms are different. According to statistics, there are more than 2,000 kinds of statistics, and the classification standards are not the same. However, foreign exchange control can prevent a country's economy from being affected by international economic changes and international financial market turmoil, maintaining a balance of international payments, stabilizing foreign exchange rates, and maintaining domestic price stability. Foreign exchange control will affect almost all export-oriented economic sectors except foreign exchange earnings. Unfavorable exchange rates will seriously weaken the competitive advantage of services. It will not only increase the operating costs of manufacturers, but also weaken the purchasing power of consumers. These restrictions will increase the operating costs of enterprises, or will reduce the purchasing power of consumers, thereby reducing the competitiveness of service producers. Service resources, service technology, service management, service market, service capital and service products are the cornerstones of this competitiveness.

#### 4. Conclusions

At present, the level of development of service trade is already a manifestation of the strength of a country's overall national strength. The development of China's service trade has a long way to go. In such a new historical period and economic environment, we should firmly seize this favorable opportunity, start from ourselves, do a good job of gradually opening up the service market, gradually opening up overseas markets and gradually achieving the goal of economic integration. After decades of continuous deepening and globalization, the global production value chain has been formed, and it is difficult for every country to complete independently on a complete product. Therefore, whether it is to eliminate barriers externally or establish reasonable barriers within the country, the final results depend on whether the government's measures are correct, timely, and in place. For a long time, China's legislation on trade in services has lagged behind seriously. Compared with the broad connotation of trade in services and the development requirements of international trade in services, there are still many shortcomings. Although this kind of research has only been developed in the past ten years, there are still various limitations and difficulties in the research. Generally speaking, some relatively complete and unique research methods, model frameworks and related databases have been established, which provides convenience for further exploring related issues in this field. Promoting the further development of China's service trade and accelerating the pace of the transformation of China's foreign trade growth mode not only requires us to improve the international competitiveness of the service industry.

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