

Research on Influencing Factors of International Trade in Services and International Competitiveness of China's Trade in Services

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Abstract: As the focus of the global economy is shifting from trade in goods to trade in services, trade in services can play an important supporting and source role in China's rapid and sustained economic growth. Therefore, the author studies the influencing factors of international trade in services and the international competitiveness of China's trade in services. The overall scale of China's productive service trade has been expanding. China's production service trade has experienced serious imbalances in its development. Knowledge-intensive and technology-intensive industries have a low level of development. Traditional industries account for a large proportion of exports, such as transportation and construction. Therefore, the research on the competitiveness of service trade is not only related to the improvement of the competitiveness of international service trade, but also closely related to the comprehensive international competitiveness of a country or region. The theoretical research in this aspect of China is relatively weak. Therefore, research in this area has great theoretical and practical significance.

1. Introduction

With the upgrading of the world industrial structure and the transfer of international industries, service trade, as one of the symbols of service economic development, has become an increasingly important part of international trade and investment [1]. As the most dynamic source of economic growth, international service trade has increasingly shown its important strategic position in the development of the world economy. Deep understanding and objective evaluation of China's tourism service export international competitiveness has become an important basic topic of China's tourism service trade theory research and industrial development [2-4]. In recent years, China's international balance of payments has maintained a "double surplus" pattern, and the scale of the surplus has been continuously expanding. The annual economic growth rate is driven by net exports. More importantly, service trade has a special effect on the efficiency promotion and quality improvement of the national economy as a whole, and the structure of service trade is continuously optimized [5]. The increasing variety of trade has significantly promoted the development of the national economy as a whole, and has become a "new engine" of world economic growth [6-8]. However, through the analysis of the annual import and export data of service trade, it is not difficult to find that there are some problems worth discussing in China's service trade, both in terms of overall scale and import and export structure [9]. In the next few years, with the adjustment and upgrading of the world industrial structure, the focus of international industry transfer will continue to adjust to the service industry, the international investment in service industry will expand day by day, and offshore service outsourcing will continue to rise [10]. It can be predicted that the world trade in services will continue to grow rapidly.

2. Empirical Analysis of Factors Affecting Service Trade

2.1. Correlation Analysis of Total Trade in Services and GDP

The expansion of China's service trade has a positive effect on economic growth. The dependence of China's economic development on the international market has gradually strengthened, and the increase in total GDP depends to a considerable extent on the growth of total trade in services. At

present, there is no domestic and international competitiveness evaluation index system suitable for tourism service trade. Most of the existing ones are the ratio of tourism revenue of a country to the proportion of GDP and foreign trade of the country or the proportion of world tourism revenue as an evaluation index of tourism service trade competitiveness. Economic globalization has become an important phenomenon and basic trend of the world economy. Until the mid-1990s, scholars confirmed that the comparative advantage theory was applicable to trade in services, and then began to use standard or revised international trade theory to explore the determinants of trade in services. In the market mechanism, how to transform the original monopoly advantage into competitive advantage, improve its overall service level and maintain its dominant position in exports is a thorny problem faced by the telecommunications industry. On the one hand, it will lead to service import, on the other hand, higher domestic service demand can also promote the development of domestic service industry, thereby enhancing the ability of the country or region to provide services to the international market. The contribution of service exports to GDP growth is far greater than that of total trade in services. Therefore, it is difficult for this index to reflect the international competitiveness of a country's tourism service exports comprehensively and objectively.

Based on the statistical data of China from 2014 to 2018, this paper makes an empirical analysis of the contribution of trade in services to China's economic growth from the total indicators of trade in services, namely, total trade in services, total import of services, total export of services and net export of services. As shown in Table 1, (Unit: US\$).

Table 1 China's service trade and GDP statistics in recent years

| Years | GDP | Total import and export | Total export | Non-export sector output | Total imports | Total net exports |
|-------|----------|-------------------------|--------------|--------------------------|---------------|-------------------|
| 2014 | 13645.35 | 151.6 | 91.3 | 2698.54 | 60.3 | 31 |
| 2015 | 12954.48 | 156.4 | 96.9 | 2756.14 | 59.5 | 37.4 |
| 2016 | 13204.75 | 159.7 | 91.6 | 2794.36 | 68.1 | 23.5 |
| 2017 | 13765.95 | 161.3 | 97.8 | 2947.65 | 63.5 | 34.3 |
| 2018 | 14271.75 | 164.5 | 101.7 | 3454.14 | 62.8 | 38.9 |

2.2. Empirical Analysis of Service Trade Openness and International Competitiveness

However, China is still at a relatively low stage of development, far from reaching the maturity and development level of developed countries, and the service industry's contribution to GDP growth is insufficient. Of course, other factors such as the safety, cost and related supporting facilities of tourism service trade also play an important role. These elements are not available, or inadequate, will affect the basic elements of tourism resources. Countries around the world participate in the world economic cycle through international production, international trade, and international investment. The production, distribution, exchange, and consumption activities of various countries are gradually incorporated into the world economic system. At present, China is in the transition period of consumption structure, and the demand for consumer services in the service industry is rising rapidly. At the same time, the structural upgrading of the first and second industries has a rapid growth in the demand for productive services in the service industry. The TC indices of other sectors showed negative values, indicating that these sectors were all in deficit in trade, and these sectors were difficult to reverse the deficit in the short term. Generally speaking, the ability of a country or region to provide services to the international market is directly affected by the level of domestic service industry development. The higher the level of service industry development, the stronger its supply capacity.

3. Forming Conditions and Components of Improving and Improving the Competitiveness of Trade in Services

Firstly, we should speed up the opening of the service industry to the outside world. For a long time, China's service sector, such as telecommunications, banking, insurance and so on, has a strong monopoly, which not only destroys the normal fair competition order, but also leads to inadequate

innovation, inefficiency and lack of competitiveness in the service industry. China should establish policies and regulations in line with international requirements, carefully study the relevant provisions of GATS, and constantly improve relevant laws and regulations in accordance with the actual situation of China's current service trade, so as to be in line with international laws. Domestic policies can properly tilt to the tourism, transportation and construction industries, so as to generate economies of scale and enhance international competitiveness, and implement the "going out" strategy. The small scale of China's service industry is mainly determined by the special national conditions in which the rural population has occupied the vast majority and the urbanization level is low. The lag in the development of the service industry has led to a low level of specialization in China, insufficient demand for producers, and low investment in services. The per capita national income level is extremely low, resulting in a low consumption structure and insufficient demand for consumer services. There is a strong positive correlation between the amount of imports and GDP, which is greater than the positive correlation between service exports and total GDP.

From Figure 2, we can get a clearer understanding of the changes in China's service trade income and world rankings. Figure 2 shows that compared with itself, China's service trade exports are becoming more competitive.

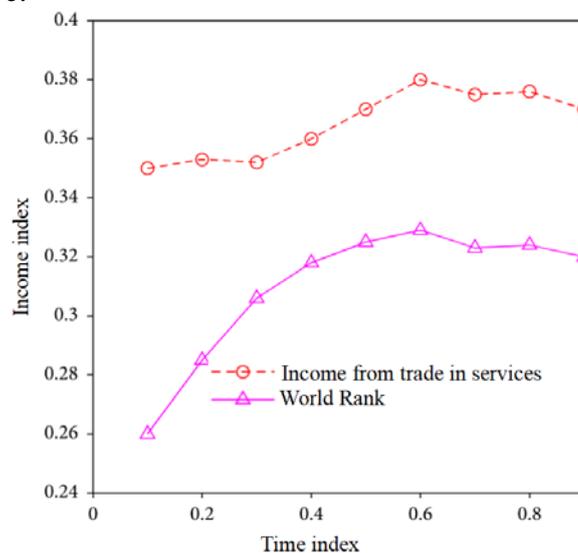


Fig.1. Changes in the foreign exchange income level of China's service trade after the reform and opening up

The international competitiveness of China's service trade under the global economic integration is actually the competitiveness of China's service industry in the international and domestic markets. For some emerging situations and innovative trade in productive services, timely adjustments and changes should be made, and the corresponding intellectual property rights should be protected. Chinese enterprises or governments have weak awareness of intellectual property rights. While introducing foreign capital, service industry should pay attention to attracting all kinds of domestic capital, especially private capital, so that foreign capital and capital can enjoy the same treatment as state-owned capital. Large cities can improve the level of modernization of the service industry. The lack of service demand not only inhibits the import demand, but also restricts the development of the service industry and affects the service export capacity. This shows that the current service import promotion effect on national economic growth is greater than service exports. Establish a comprehensive evaluation index system combining potential ability and realistic ability, which will help to understand the great value of China's tourism resources. China should actively participate in the adjustment of the world's service industry structure, optimize the domestic industrial structure, and promote the rapid development of China's service industry.

4. Conclusions

Through the above analysis, we can draw the following conclusions: economic scale, income level,

service industry development level, trade volume of goods, and service openness are important factors affecting trade in services. As long as we take measures to give full play to the government's regulatory role, attach importance to the deep protection and development of tourism resources, and strengthen international publicity and marketing. First, competition in service trade is carried out under the background of economic globalization, that is, under the conditions of an open economy. Not only that, China's trade in productive services has also maintained a relatively rapid growth, and the development trend is good. Improve the incentive mechanism for talents, fully mobilize the enthusiasm of talents, and give full play to their creativity. The government should carry out limited and appropriate protective industrial policies for the service industry which has strategic significance to the national economy or is in its infancy. This can also greatly shorten the time course that domestic and foreign authorities predict that China will become the world's first inbound tourist destination country by 2020, and become a powerful country in tourism service trade as soon as possible. Finally, we should not only aim at increasing national welfare, but also regard the international market as the basic factor to identify the competitiveness of trade in services and maintain a good balance of payments under the rules of the international market.

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