Study on the Strategy of Solving Sino—US Trade Friction under the New Normal

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Abstract. As the largest developed and developing countries in the world, trade between China and the United States has made important contributions to world and bilateral economic development. At the same time, trade frictions between China and the United States have been intensified. This paper analyzes the causes of Sino-US trade friction from the aspects of its political operation and strategic thinking, industrial structure and foreign trade concept, Sino-US economic and trade relations, and then analyzes the causes of Sino-US trade friction from the aspects of industrial structure, The RMB exchange rate, expanding domestic demand and other aspects of the corresponding strategies.

Introduction

China and the United States as the world's largest developing and developed countries, its economic trade with the world's economic development impact. With the expansion of Sino-US trade, trade friction between the two countries escalating, the United States in order to shift the domestic economic pressure on China's exports continue to put pressure on a variety of ways, making Sino-US trade in the development but at the same time A white-hot state.

The Basic Characteristics of Sino - US Trade Friction under New Norms

Trade Frictions Are Escalating

In 2015 the United States became the world's largest anti-dumping anti-lawsuit sponsor, China is the largest US goal. The United States has repeatedly made trade remedy measures against China's export products and levied high tax rates, which has become a commonly used trade remedy in the United States. This series of problems will inevitably lead to the escalation of Sino-US trade friction, and China and the United States as the world's two major economies, the problems caused by trade friction, which will greatly affect the economic and trade relations between the two countries.

Anti-Dumping Investigations and Countervailing Cases Continued to Rise

The United States is now the world's anti - dumping prosecution of one of the largest countries, and the United States of China's "anti - dumping, countervailing" investigation situation has not diminished. China's exports to the United States in 2015 involved only 66,000 tons of products, 70.26 million US dollars, accounting for US imports of the total amount of the product and the proportion of 6% and 8%. China's exports to the United States involved in most of the products are die steel and flat steel products, the United States does not currently produce such products, the products involved in China did not constitute substantial damage to the US domestic industry, the US carbon steel plate anti-dumping measures have been Implemented for 20 years, the tax rate was 128.59%.
Trade Protectionism Prevails

In recent years, due to the slow recovery in some industries and the political pressure on the congressional elections, the US government hopes to restrict imports and other measures to protect the interests of domestic industries and political groups, the US trade protectionist policy upgrade, plus the Sino-US trade surplus the increase in Sino-US trade frictions is also a trend. Coupled with the United States a serious trade deficit, resulting in the US economy continued to slump, the United States under political and economic pressure, began the protectionism.

The Causes of Sino-US Trade Friction under New Norms

Trade between China and the United States has created countless wealth and myths for both sides, but friction between the two countries is unavoidable even when the bilateral trade is in good shape. The main causes of Sino-US trade friction are the political operation and strategic thinking of the United States, the backwardness of China's domestic industrial structure and foreign trade concept, the unbalanced economic and trade relations between China and the United States, and the disorder of China's export products.

US Political Operation and Strategic Thinking to Consider

As a result of the political system, social ideology, and the different values of the two countries, most of the US trade policy toward China has a strong political color. The most prominent feature of the US polity is the politics of voting and there are related interest groups, most of the time the government decision-making can play a major role in the people's wishes and social needs, but politicians behind the interest groups, so the US political Most of the time it works to protect the interests of the group, even if it sacrifices some of the domestic welfare. The United States has always pursued a hegemonic policy toward the whole world, but the United States needs a trade cooperation relationship with China, but worries about the threat posed by China's strong power to itself. Therefore, the attitude of the United States to China is cooperation but also to suppress.

Domestic Industrial Structure and the Concept of Foreign Trade behind

Although China is the largest developing country in the world, the import and export volume is in the leading position in the world, but the domestic industrial structure is rather chaotic. Most of them are mainly manufacturing and processing industry, relying on the cheap labor force. Lack of independent innovation capacity, mainly from the transfer of industries from developed countries, low profits, and is not conducive to long-term economic development. The trade between China and the United States, most of the manufacturing industry and food-oriented, the United States in terms of market dependence is not high. At this stage, although the capacity of independent innovation of Chinese enterprises is increasing, it is still in the low-end of the international division of labor value chain. Competitive industries are mainly low-added value-added processing industries. Trade relations must also be a huge challenge, it is precisely because China's foreign trade concept behind, will further lead to China's exports blocked, the formation of trade friction.

Sino-US Trade and Economic Relations Are Seriously Unbalanced

Trade imbalance is mainly because most of China's export processing industry, industrial transfer of developed countries, the production and processing industry to China, making China's rapid growth of processing trade, processing trade products accounted for a large part of China's exports, and In China's huge trade surplus is also accounted for a large part of China did not bring a lot of trade value-added and gain, but to a large extent led to the US trade deficit continues to expand, resulting in trade friction. But the US government believes that the imbalance between China and the US is due to the Chinese government's deliberate underestimation of the market value of RMB, the control of the RMB exchange rate fluctuations and the lack of openness of the Chinese market to foreign goods, and the United States as an excuse to force China to open the local market and the RMB Appreciation as the so-called balance of bilateral trade methods and means, leading to increased trade friction between China and the United States.
Export Products Are in Disorder

China's enterprises in the export of goods in order to obtain the export tax rebate or blindly expand the international market, low-cost phenomenon is extremely serious. Industry and enterprise development simply focus on immediate benefits, and no overall long-term planning. More than half of China's direct exports and goods exported via Hong Kong are aimed at European and American markets. Export market is too concentrated, and most of the export products are manufactured goods, processed products, export volume and rapid growth is bound to impact on the local market, a run on the object, leading to trade friction.

Domestic Demand and Strong Dependence on the United States

Chinese people have a traditional consumer attitudes and savings habits, coupled with China's social security mechanism is not perfect, soaring prices, wages have remained the same level, the gap between rich and poor. People in the future income is expected to lack of circumstances, the natural will not be a significant consumption, more choice is to save. This situation led to the lack of domestic demand, thus affecting imports, but China also has a huge export volume, and finally to further expand our trade surplus, and China's dependence on foreign trade is too large, especially some resource-intensive and labor-intensive products to the United States The market is too dependent on a variety of Sino-US trade friction between the inevitable.

The New Strategy of Sino - US Trade Friction

In view of the mechanism of Sino - US trade friction, we should ease the Sino - US trade friction by optimizing the export structure of our country, strengthening the communication between the two governments, using the WTO dispute settlement mechanism and developing the foreign direct investment industry.

Optimize the Export Product Structure

China's enterprises to optimize the export product mix, speed up industrial upgrading; to improve innovation, strengthen sustainable development, improve technology, increase high value-added exports, to reduce manufacturing, processing and other low value-added industries export Trade; to strictly abide by the international production of product standards, increase R & D efforts to encourage independent innovation of export enterprises, improve product quality and service; to increase China's exports of high-tech products, increase the value of China's exports of technology products.

To Strengthen Communication between the Two Governments

The Chinese and US governments should strengthen dialogue and communication with each other to jointly discuss and deal with the problems existing in the Sino-US trade and economic relations, and properly handle the economic and trade relations between China and the US, such as establishing long-term dialogue mechanisms and associations, The United States and the Joint Commission on Commerce and Trade to ease the lack of timely and effective communication between the two countries caused some trade friction, in-depth exchange of trade between the two countries, economic development point of view and views, with practical action to address those because of the lack of in-depth Of the communication caused by trade friction.

The Use of WTO Dispute Settlement Mechanism

China should make use of the WTO dispute mechanism and related rules, be familiar with the laws and regulations to protect their own interests, and respond to injustice when they encounter unfairness, protect their legitimate rights and interests, and carry out counterattack in an orderly manner; The formulation of its rules, taking into account the difficulties faced by developing countries in the course of foreign trade, to protect their legitimate interests; to dare to take up the arms of the initiative to seize the initiative to ensure their inviolability.
Development of Foreign Direct Investment

Direct investment in the United States can not only ease the trade friction between the two sides, but also can avoid some unnecessary trade barriers, local direct investment in factories is more conducive to the introduction of local advanced technology and management experience, make full use of local capital, can reduce Costs, time costs and a range of possible export problems. China's enterprises to invest in the United States is also conducive to China and the United States in the political, economic and cultural aspects of communication, production is more suitable for local products. And avoid the export of this link, you can avoid export trade barriers that may arise and some discriminatory trade policies, can effectively reduce trade friction.

To Ensure the Basic Stability of the RMB Exchange Rate

The control of the change in the exchange rate of RMB represents the sovereignty of our country and has no right to intervene in some countries attempting to control China's RMB exchange rate. Appreciation is not conducive to the healthy development of the economy, the same, the devaluation is not desirable. Under the new normal state, we should keep the fluctuation of RMB exchange rate at a reasonable level, so as to reduce the risk of exchange rate fluctuation and bring pressure to China's export enterprises. RMB exchange rate stability is an important countermeasure to reduce China's trade friction, and the RMB exchange rate system reform can also represent the direction of supply and demand changes in China and the international market, can play a role in regulating international payments, and maintain monetary policy Independence. Therefore, to maintain the stability of the RMB exchange rate is the correct way to deal with foreign trade friction.

Improve the Export of Early Warning Aircraft

The establishment of export industry early warning mechanism is conducive to China's foreign trade in the export sector of the monitoring can be a good reduction because of trade friction losses, but also can thus ease China's export trade friction. Establish a sound export warning mechanism is to use the modern information technology and large data based on the establishment of a complete export monitoring system, and the direction of China's export development defensive preparedness measures. Relevant departments should strictly control the export of products and monitoring, use of data obtained for forecasting, easy to find abnormal changes in export products can be issued early warning information, and export enterprises under the guidance of industry associations should also adjust the export program, and strive to The trade friction will be resolved in the early warning phase

Conclusion

At present, China's foreign trade is in line with the world, the process of integration, both import and export products or self-innovation are constantly developing and improving the Sino-US trade friction problem is not an overnight thing, this is a very complex state. We need to analyze the deep-seated problems through various channels, deepen the communication and consultation, and treat it in an all-round way. From optimizing the export product structure, strengthening the communication between the two governments, using the WTO dispute settlement mechanism and developing the foreign direct investment industry, Effectively prevent and alleviate the Sino-US trade friction.

References

