

# Study on the Impact of Regional Comprehensive Economic and Trade Partnership Agreement on Gansu's Export Trade

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**Abstract:** The signing of Regional Comprehensive Economic and Trade Partnership Agreement (RCEP) will bring profound influence one to the "one belt, one road" Gansu province. Under this background, this paper studies the impact of RCEP on Gansu's export trade. Under this background, this paper studies the impact of RCEP on Gansu's export trade. Firstly, this paper analyzes the development status and characteristics of export trade in Gansu Province. Secondly, it analyzes the trade creation mechanism and trade transfer mechanism of RCEP to promote the development of export trade in Gansu Province. Thirdly, through the multiple regression model, this paper empirically studies the impact of RCEP on Gansu's export trade. It is considered that after the establishment of RCEP, the decline of tariff rate of regional members and the shortening of import customs clearance time can significantly promote Gansu's export trade. Finally, it puts forward countermeasures and suggestions to promote the export trade of Gansu.

**Keywords:** Regional Comprehensive Economic Partnership (RCEP); Export Trade; Multiple Linear Regression Analysis; Trade Creating Effect; Trade Diversion Effect

## 1. Introduction

The Regional Comprehensive Economic and Trade Partnership, or RCEP (Regional Comprehensive Economic Partnership), was first proposed by the 10 ASEAN countries in 2012, which led the process and later invited six countries, namely, China, Japan, South Korea, Australia[1], and New Zealand, to jointly participate in it, forming the largest FTA in the world at present[2]. In the eight years from 2012 to 2020, the leadership of the 15 countries went through a total of four consultations, launched

28 rounds of negotiations, conducted 19 rounds of ministerial consultations, and all parties finally announced the signing of a unanimous Relationship Agreement on November 15, 2020, after painstaking efforts. From the perspective of scale, the entire RCEP agreement covers a total of 15 countries, whose total population size, economic size, and trade size each account for 30% of the global total; as the world's most preferential FTA, the openness level of its trade in goods to the outside world is more than 90%, which has already reached the openness level of the WTO countries.[3]

Undoubtedly, the large scope of RCEP will bring more opportunities to Gansu. First, a broader market, RCEP as the world's largest FTA, covering 15 countries, covering 30% of the world's population and economic output, its market space is huge, which is a huge opportunity for the single and narrow foreign export market of Gansu Province.[4] Secondly, more favorable export policies, RCEP agreement within the scope of zero-tariff coverage between countries reached more than 90%[5], tariff reductions can further stimulate the momentum of foreign exports of enterprises in Gansu Province, and in addition to the certificate of origin, in the RCEP agreement there are approved by the exporter to provide a declaration of origin, which can be issued by the enterprise itself, to enjoy the preferential customs clearance between the relevant parties, and no longer require the visa department for customs clearance, and no longer require the visa department for customs clearance.[6] The declaration can be issued by the enterprise itself to enjoy preferential customs clearance between the relevant parties, and no longer require a certificate of origin to be processed by the visa department. Approved by the RCEP in Gansu Province, the first company is Fangda Carbon New Material Technology Co., Ltd., the company can directly issue its own certificate of origin, to help further facilitate exports, with the

gradual entry into force of the RCEP, to facilitate preferential export policies will further help the export trade of enterprises. Third, a more complete policy system, from the "Belt and Road" initiative, to the construction of the China-Singapore Southbound Corridor, and then to the Gansu (Lanzhou) International Land Port, Gansu (Tianshui) International Land Port, Gansu (Wuwei) International Land Port, and Lanzhou, Jiayuguan, Dunhuang, the three major international airports, such as an important logistics hub and international trade goods The creation of distribution centers, these policies build a bridge for the development of foreign trade in Gansu Province, which can further promote the diversification of trade partners and trade commodities in Gansu Province's foreign trade market, expand the scope of trade partners, promote the vigorous development of export trade in Gansu Province, and provide impetus for the growth of export trade in Gansu Province.[7]

It is in this context this paper in-depth study of the impact of RCEP on Gansu's export trade, the rest of the structure of this paper is arranged as follows: the second part is an analysis of the current situation and characteristics of the development of export trade in Gansu Province[8]; the third part is the mechanism of the impact of the RCEP on Gansu's export trade; the fourth part is an empirical analysis; and the fifth part is the promotion of Gansu's exports to the member countries of the RCEP countermeasures recommendations.

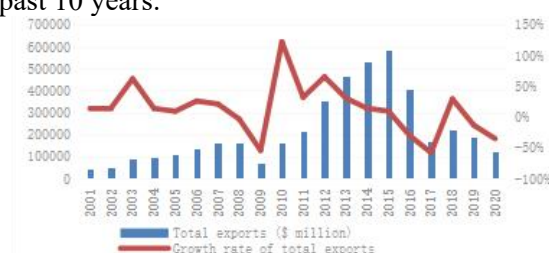
## 2. Development Status and Characteristics of Export Trade in Gansu Province

### 2.1 Current Development of Export Trade in Gansu Province

Gansu Province is geographically located in the interior of Northwest China and has a poor geographical advantage in international trade. Firstly, the "Belt and Road" initiative has opened up the trade pattern of Gansu Province to the west; secondly, the construction of the Sino-Singaporean Southbound Corridor has further established the position of Gansu Province as a gateway for opening up to the west; thirdly, the construction and opening of the six international ports in Gansu Province have provided more convenient and efficient logistic services; and lastly, the gradual implementation of the Regional Comprehensive Economic and

Trade Partnership Agreement has brought more favorable policies.[9] Finally, the gradual implementation of the Regional Comprehensive Economic and Trade Partnership Agreement (RCETPA) has brought more favorable policies. The above have created historical opportunities for Gansu Province in terms of policy, logistics and trade, making Gansu Province one of the gateways for China's opening up to the west.[10-12] The opening and operation of international logistics trains such as "Lanzhou", "Tianma", "Jiayuguan", etc., as well as the success of major exhibitions, festivals and events such as the Dunhuang Cultural Expo and the Lanqia Fair have demonstrated the importance of Gansu Province in China. The successful organization of the Dunhuang Fair, the Lanqia Fair and other major exhibitions and festivals, as well as various events, reflects the significance of Gansu Province in China's further opening up to the west and the in-depth promotion of the construction of the Silk Road economic belt.[13]

In order to understand the current situation of export trade in Gansu Province, this paper collects and analyzes the data on the total export amount of Gansu Province in the past 20 years and the commodity structure in some years, as shown in Figure 1. As can be seen from Figure 1, the total exports of Gansu Province in the past 20 years showed a trend of change firstly rising and then falling, and the total exports of Gansu Province in 2020 amounted to 123,768,000 dollars, which was the lowest total exports in the past 10 years.



**Figure 1. Total Export and Its Growth Rate of Gansu Province from 2001 to 2020 Unit: Million U.S. Dollars**

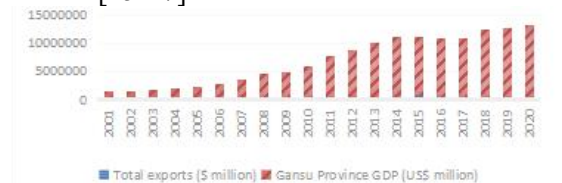
Source of data: Gansu Development Yearbook of past years.

Overall, the total export of Gansu Province shows a rising and then falling trend, with its growth rate fluctuating. Among them, the financial crisis swept the world in 2009, under the impact of which the total exports of Gansu Province plummeted by 54%, and then slowly rebounded, starting from 2013, under the

influence of the "One Belt, One Road" Initiative, Gansu Province gradually became an important hub connecting with other countries in the economic belt, and the total exports of Gansu Province began to grow rapidly, reaching a peak of 580,991,000 U.S. dollars at the end of 2015.[14] At the end of 2015, due to the sharp fluctuations in the global foreign exchange market, along with the withdrawal of the U.S. quantitative easing, almost all emerging markets around the world have experienced a general devaluation phenomenon. Under the influence of such a low level of foreign trade, the total exports of Gansu Province declined again in 2016, and the decline continued into 2018. And because of the outbreak of the new crown epidemic in 2019, the growth momentum of Gansu Province's total exports reversed, and the total exports have continued to decline until now.

From Figure 2, Gansu Province's export trade accounts for a relatively low percentage of Gansu Province's economy, with the highest

percentage being 5.52% in 2015. Overall, from 2001 to 2016, the growth of total exports in Gansu Province was consistent with the growth trend of Gansu Province's GDP, and the proportion of total exports has been increasing. Since 2016, the total exports of Gansu Province have been decreasing, coupled with the increasing imports of Gansu Province, which has led to a decrease in the contribution of the export trade to the total economy of Gansu Province, and has further led to the proportion of the total exports of Gansu Province to the GDP of Gansu Province to be continuously Decline.[15-17]



**Figure 2. Share of Total Exports in GDP of Gansu Province, 2001-2020 Unit: USD million**  
Source of data: Gansu Development Yearbook and China Statistical Yearbook of past years.

**Table 1. Comparison of the Structure of Major Commodities Exported by Gansu Province in 2015 and 2020 Unit: Million Yuan**

Export commodities in 2020	Amount of goods	Export commodities in 2015	Amount of goods
Other ICs	64792	agro-food	856364
Boots and shoes with uppers made of plastics	61414	Electromechanical products	453319
Carbon Electrodes for Furnaces	52528	High-tech products	255791
vegetable seeds	50557	electronics	236308
fresh apple	49275	electronic component	214447
Chandeliers and ceiling lighting fixtures	42812	#IC	204732
Furniture made of other materials	39733	#Electrical equipment	117457
Unlisted plastic products	33454	Pharmaceutical materials	18568
Other imitation jewelry made of base metal	29548	Unwrought aluminum	11538
Plastic or textile covered suitcases, small handbags	28213	cultural product	11433
Unwrought magnesium containing at least 99.8% magnesium	27675	Clothing and clothing accessories	9154
Handbags made of plastic sheets or textile materials.	26563	life science and technology	7676
Unlisted chemical fiber women's hooded	26322	ferroalloy	6805
Other metal furniture	25826	Computer and communications technology	6514
Other glazed ceramic bricks, tiles, blocks and the like	24780	Ceramic Products	5709
Other Silicon	23916	toys	3315
Knitted or crocheted pullovers, cardigans, vests,	23470	Furniture and parts thereof	2921
Other base metal accessories	23284	Plastic products	2740
Processors and controllers with or without memory, converters, logic circuits, amplifiers, clocks and other circuits.	22756	photovoltaic technology	2305
Boots and shoes with outsoles of rubber or plastics and uppers of textile materials, nes	21764	biotechnology	1676
Electrical table, bedside or floor lamps	21721	Computer Integrated Manufacturing Technology	940
Plain iron or steel sheets, plated or coated with zinc	20731	Sporting goods and equipment	735
Synthetic fibers for shawls, scarves, ponchos, veils and similar articles	20396	Materials technology	326
Porcelain fixed sanitary equipment	19976	Aerospace technology	46
Refined copper cathodes copper by weight	19894	Star Wheels and Disc Brakes	17050
Other Static Converters	19793	Upholstered metal-framed	18165
Cotton pants	19660	Cotton other men's pants	19447

Data source: Gansu Development Yearbook (2016), Gansu Development Yearbook (2021).

According to the comparison table of the structure of major external commodities of Gansu Province in 2015 and 2020 shown in Table 1, it can be seen that IC jumped to the first

place from the sixth place of export commodities in 2015. The advantageous export products of Gansu Province, fresh apples, have realized a doubling, and with the continuous

development of the outbound breeding industry in the Hexi Corridor, outbound breeding has become a pillar industry in Gansu Province, and the total export of seed products in Gansu Province has risen rapidly. The export scale of labor-intensive commodities such as electromechanical products, shoes and boots, furniture, plastic products and other important outbound commodity sales from Gansu Province continues to expand, and the export of high-tech products increases, indicating that the main commodities of Gansu Province's outbound exports are gradually transitioning from agricultural products to electromechanical products.[18]

## 2.2 Export Characteristics of Gansu Province to RCEP Member Countries

Scale of Gansu Province's exports to RCEP members

As shown in Figure 3, the trend of Gansu's total exports with RCEP member countries is basically the same as that of Gansu's total exports, with an overall trend of first increasing and then decreasing, which shows that RCEP member countries have become an important partner of Gansu province's export trade. There are three substantial declines in its growth trend,

which is consistent with the previously mentioned factors affecting the decline in total exports of Gansu Province, respectively due to the impact of the financial crisis in 2008, the downturn in foreign trade operation since 2016, and the impact of the new crown epidemic in 2019, the total export data of Gansu Province to RCEP member countries also has three substantial declines at these time points. Among them, the peak in Gansu's total export data to RCEP was \$177,361,000,000 in 2015. In the first half of 2021, Gansu Province's import and export to RCEP trading partner countries reached 9.21 billion yuan, of which the total amount of imports was greater than the total amount of exports, but overall, the total amount of imports and exports increased by 21.1% year-on-year, with a good growth trend.



**Figure 3. Gansu Province's Total Exports to RCEP Member Countries, 2001-2020**

Source of data: Gansu Development Yearbook and China Statistical Yearbook of past years.

**Table 2. Percentage of Export Flows between Gansu Province and RCEP Members (Part), 2001-2020 Unit: %**

Year	ASEAN	Japanese	South Korea	Australia	New Zealand
2001	41.37%	41.04%	16.68%	0.63%	0.28%
2002	44.35%	30.59%	24.15%	0.60%	0.31%
2003	12.37%	37.23%	49.17%	0.86%	0.36%
2004	9.58%	47.04%	42.23%	0.84%	0.31%
2005	16.40%	37.59%	44.20%	1.50%	0.30%
2006	11.83%	15.15%	71.61%	1.21%	0.21%
2007	19.03%	17.06%	61.88%	1.72%	0.31%
2008	21.40%	32.35%	42.38%	3.40%	0.47%
2009	45.11%	19.65%	29.61%	4.58%	1.05%
2010	24.02%	25.31%	45.51%	4.51%	0.65%
2011	23.66%	40.24%	32.99%	2.39%	0.73%
2012	66.08%	15.20%	11.91%	5.75%	1.06%
2013	82.73%	5.28%	8.93%	3.07%	0.00%
2014	69.19%	7.61%	18.31%	4.11%	0.78%
2015	52.03%	6.73%	36.03%	3.83%	1.39%
2016	45.88%	7.77%	42.83%	3.12%	0.39%
2017	43.99%	12.69%	39.86%	2.97%	0.49%
2018	62.20%	7.05%	29.08%	1.64%	0.04%
2019	66.59%	7.65%	21.92%	3.59%	0.25%
2020	52.20%	12.45%	25.84%	8.76%	0.76%

Source of data: Gansu Development Yearbook and China Statistical Yearbook of past years. Due to the limited scope of Gansu Province's foreign trade, the data with RCEP member countries only include data from eight countries:

Malaysia, Indonesia, Thailand, Singapore, Japan, South Korea, Australia, and New Zealand, and the following analyses are based on the data from the above eight countries.

As shown in Table 2, from the point of view of

the proportion of export flow between Gansu Province and RCEP members (part), the export trade between Gansu Province and ASEAN (Association of Southeast Asian Nations) countries is closer, and after the "Belt and Road" initiative was put forward in 2013, it is even increased significantly, from 23.66% in 2011 to 66.08% in 2012, and then to 82.73% in 2013. 82.73% in 2011 to 66.08% in 2012 and then to 82.73% in 2013, with a three-year average increase of 29.54%, indicating that the trade between Gansu Province and ASEAN is becoming more and more important in Gansu's export trade; Gansu Province's export trade with Australia has been growing steadily, from 0.63% in 2001 to 8.76% in 2020, with an increase of 8.13%; China's export flow to Japan has been showing a year-on-year downward trend, with its export flow in 2001 accounting for 8.76% of total export flow. The export flow accounted for 41.04% in 2001, and only 12.45% in 2020, a drop of 28.59%, which indicates that Japan's import trade to Gansu Province is gradually decreasing; Gansu Province's export trade to South Korea (Republic of Korea) is relatively stable, and the export trade to it accounts for one-fifth of Gansu Province's total exports; Gansu Province's export trade to New Zealand accounts for a lower proportion of the total exports, and it has been maintained at 0.2%. Generally speaking, Gansu Province's export to RPA member countries is growing steadily, but there are deficiencies such as small coverage and small export volume, etc. [19] With the gradual entry into force of the RPA, Gansu Province's export to RPA member countries will be further improved.

### **3. Mechanism of RCEP's Impact on Gansu's Export Trade**

#### **3.1 Trade Creation Effects**

Trade Creating Effect (TCE) refers to the formation of economic alliances between countries as a result of trade agreements, which will bring tariff reductions and factor reconfiguration to the signatory countries, increase the scale of production and create new trade, which will have a boosting effect on the country's international trade. [20] For the country, firstly, the tariff reductions would reduce the cost of production per unit of product, which would greatly improve the efficiency of the product; secondly, the country would be able to

use the resources and costs of producing high-cost goods to purchase low-priced goods from other countries, thus conserving its own resources and realizing greater benefits. For national consumers, they can choose relatively low-priced products from other countries to replace high-priced, high-cost goods within their own countries, saving expenses and greatly improving their welfare levels. In the case of economic alliances, inefficient domestic production in each country is replaced by efficient production in other countries, thus realizing the optimal allocation of factors of production and increasing trade between allied countries.

#### **3.2 Trade Diversion Effects**

Trade diversion effect refers to some countries in the world after the signing of trade agreements, the economic alliance will produce a series of import and export preferences, such as tariff reductions as a representative of the elimination of trade barriers, and the formation of a certain amount of trade protection effect on the countries outside the alliance, that is, to build the economic alliance as the boundary of the high wall, will be excluded from the rest of the country, from the alliance outside the country's trade with the internal country's trade. Trade with countries outside the alliance to trade with countries inside, which has a dampening effect on the country's international trade. For the country, this will shift imports from the lowest-cost country in the world for a certain product (not in the economic alliance) to a country within the alliance, which will undoubtedly raise the cost of the importing country and lead to a decrease in revenue. [21] For the country's consumers, the lowest-priced good becomes a relatively higher-priced good originating in the country within the alliance, and the consumer spends more on the same good, with a consequent decline in the level of welfare.

### **4. Empirical Analysis of RCEP to Promote the Development of Gansu's Export Trade**

#### **4.1 Selection and Sources of Variables**

This paper is to study the influence factors and influence effects of the entry into force of the Regional Comprehensive Economic and Trade Partnership Agreement on the export trade of Gansu Province as the main content. After the

research and analysis of the existing literature, combined with the current development of Gansu Province's foreign trade, we mainly select the import tariff rate, import turnaround time as the independent variable, and the total amount of exports as the dependent variable, and the following are the explanations of the three indicators.

4.1.1 The import tariff rate, which refers to the amount of duty imposed by customs on incoming goods or services as a proportion of tax revenues, is an important factor affecting total exports, with high tariffs discouraging exports and low tariffs promoting them. All data in this paper were obtained from the World Bank website.

4.1.2 Import turnaround time, the median time from the port of discharge to the consignee (50 per cent of the time required for shipment), is measured in days. Further acceleration in the movement, release and clearance of goods will inevitably boost global trade and economic growth. Therefore, import turnaround time can measure the impact of trade facilitation on export trade in Gansu Province. All import turnaround time data in this paper are sourced from the World Bank website.

4.1.3. Total exports refers to the annual exports of Gansu Province to RCEP members, is the most direct factor to measure the level of foreign export trade of an economic unit. The unit is: ten thousand dollars. In this paper, the total export value of Gansu Province from 2001 to 2020 is

selected, and its data comes from the Gansu Development Yearbook from 2002 to 2021.

## 4.2 Descriptive Statistics and Regression Analysis

### 4.2.1 Descriptive statistical analysis

In order to eliminate the heteroskedasticity and not to change the characteristics of the variables, this paper takes the logarithm of the selected variables, and the statistical results are shown in Table 3 below.

### 4.2.2 Correlation analysis and correlation test

Through the correlation statistical analysis and test of the data, as shown in Table 4 below, this paper finds that both import tariff rate and import turnaround time are negatively correlated with the total exports of Gansu, in general, the higher the import tariff rate of other countries and the longer the import clearance time, the less the total exports of the province, and the test results are consistent with the facts, and the results of the data analysis are more significant. From the correlation coefficient, the absolute value of the correlation coefficient between the import tariff rate and the total export trade of Gansu Province, and the correlation coefficient between the import turnaround time and the total exports of Gansu are all greater than 0.4, which indicates that the relationship between the total export trade of Gansu and the import tariff rate and the import turnaround time is relatively close, and it can be continued to carry out multiple regression analysis.

**Table 3. Descriptive statistical analysis of key variables**

variant	Observed value	average value	(statistics) standard deviation	minimum value	maximum values
logexports	18	1.7845	0.5130	0.9687	2.8756
logtariff	18	1.8643	0.0623	1.7918	2.0281
logtime	18	1.0843	0.2814	0.4925	1.4470

Note: logexports, logtariff, and logtime represent the logarithms of total exports, tariff rates, and import turnaround times, respectively.

**Table 4. Correlation analysis of key variables**

	logexports	logtariff	logtime
logexports	1		
logtariff	-0.7137	1	
logtime	-0.7086	0.4976	1

Note: logexports, logtariff, and logtime represent the logarithms of total exports, tariff rates, and import turnaround times, respectively.

### 4.2.3 Multiple linear regression analysis

Through the overall grasp of the sample data and correlation analysis and test, after the multiple linear regression of the sample data[11], the results are then adjusted for heteroskedasticity

to obtain what is shown in Table 5 below. the F-value is 0.0002, which is less than 0.01, which shows that the model is valid at the 0.01 level. The regression results show that both import tariff rate and import turnaround time are



correlated with the explanatory variable total exports at 0.01 level of significance. Their parameters are -3.491 and -0.887 respectively and the constant term is 9.276.

**Table 5. Multiple Linear Regression Analysis**

variant	regression coefficient	t-statistic
logexports		
logtariff	-3.491	-2.36
logtime	-0.887	-2.65
cons	9.276	4.39
R2	0.6777	
A-R2	0.6347	
F-statistic	15.77	
observed value	0.0002	

Note: logexports, logtariff, and logtime represent the logarithms of total exports, tariff rates, and import turnaround times, respectively. In summary, the model significance and correlation meet the requirements of the statistical test, the relevant coefficients and constant terms are filled in the specific model obtained as shown in model (1):

$$\log exports = -3.491 \log tariff - 0.887 \log time + 9.276(1)$$

Where logexports denotes the annual data of total exports of Gansu Province taken in logarithm, logtariff denotes the mean value of national tariff rates taken in logarithm, logtime denotes the turnaround time (median) of imports from other countries taken in logarithm, and the constant value of the model is 9.276.

From the above empirical analysis of the impact of reduced tariffs and improved trade facilitation among the agreement countries on Gansu Province's exports after the establishment of the Regional Comprehensive Economic and Trade Partnership (RCEP), the following conclusions can be drawn:

Firstly, after the establishment of the Regional Comprehensive Economic and Trade Partnership Agreement (RCEP), the decline in tariff rates of the regional members has a very obvious promotion effect on the total exports of Gansu Province, and for every 1% decline in the import tariff rates of the RCEP members, the exports of Gansu Province to the RCEP members will increase by about 3.491%. Gansu Province should utilize RCEP as a platform to respond positively to the government's policy to expand the scope of foreign trade, carry out more foreign trade activities, and gradually expand Gansu Province's foreign trade as the contract continues to take effect.

Secondly, the shortening of import turnaround

time has a promoting effect on the total exports of Gansu Province. For every 1% shortening of import turnaround time, the total exports of Gansu Province to RCEP members will increase by about 0.887%. With the continuous deepening of digitalization, container terminal modernization, intelligent and efficient management capabilities continue to improve the efficiency of the entire process of port container loading and unloading - transportation - sorting import turnaround time will continue to shorten the logistics costs borne by the enterprise is greatly reduced, the profit margin is further relaxed. Gansu Province should make full use of the "Belt and Road" initiative, the China-European Union liner, the construction of China-Singapore Southbound Corridor and other policies, a large number of exports of seed industry, agricultural products and other time-sensitive products.

## 5. Countermeasure Suggestions for Promoting Gansu's Exports to RCEP Member Countries

### 5.1 Accelerating the Construction of Gansu International Land Port and China-Singapore Southbound Corridor

The construction of the Silk Road Economic Belt and the China-Singapore Southbound Corridor project has provided great convenience for Gansu Province's export trade. Gansu Province should actively utilize these policy benefits to build the six economic corridors and commit to building a platform for cooperation and cultural exchanges in economic trade among participating countries. Along with the construction of the three major international airports in Lanzhou, Jiayuguan and Dunhuang and the three major international land ports in Lanzhou, Tianshui and Wuwei, it should carry out the work of registering ports, investment promotion, and follow-up cooperation, etc.[22] It should make good use of the platforms of airports and land ports, give the benefits brought by the facilitation to the enterprises, and reduce the transportation cost of the enterprises, so as to stimulate the development of foreign trade economy of the enterprises.

### 5.2 Accelerating the Development of Cross-border E-commerce in Gansu Province

Under the influence of the new crown pneumonia epidemic, online shopping has

become the main shopping mode, and digitization and networking are profoundly affecting the international trade operation mode. The advanced experience of China's cross-border e-commerce industry, including cross-border e-commerce development mode and regulatory measures, has become a model, and Gansu Province should actively learn from these excellent experiences. In addition, in order to help the world economic recovery, the country has also enacted a series of policies, Gansu Province should grasp this opportunity, correctly interpret and grasp the content of the policies, vigorously promote the use of cross-border e-commerce in the branding of Gansu's characteristic products and the scale of export trade, support cross-border e-commerce enterprises, and encourage more enterprises and more products to join in the cross-border e-commerce.

### **5.3 Enterprises Seize the Opportunity to Actively Expand Foreign Business**

Enterprises should vigorously promote the transformation and upgrading of a series of businesses from production to marketing, learn from the advanced experience of excellent counterparts in the light of their own development situation, and innovate the development mode of enterprises. Advantageous industries in Gansu Province, such as seed cultivation, traditional Chinese medicine, and specialty agricultural products, should maintain their good development trend and continue to innovate, invoke, develop and utilize new technologies.[23] On the basis of quality and quantity assurance, they should further reduce costs, improve profit margins, and promote the high-quality development of export trade in Gansu Province. With the east wind of RCEP, the company utilizes the media of "Belt and Road" initiative, China-EU liner, China-Singapore Southbound Corridor, etc. to vigorously expand its foreign export business and enhance the stability of the enterprise's market. In the context of the new crown epidemic, high-tech enterprises, mechanical and electrical products enterprises in the innovative development model, internal reform at the same time to further broaden the supply chain channels, and actively transform the combination of online and offline transactions, and thus promote the upgrading of the structure of the foreign exports of commodities in Gansu

Province.

### **5.4 Promoting the Transformation and Upgrading of Processing Trade**

Gansu Province has outstanding advantages in specialty agricultural resources. The Hexi Corridor area has become China's largest flower and grass breeding seed base due to its geographical advantages, and its total export volume has also jumped to the first place in the country. 2020 in Gansu Province, the main export commodities in the structure of foreign trade in the breeding seed products ranked fourth, the main export countries or regions are the European Union, South America, North America, Southeast Asia and so on more than 70. Breeding seed is a typical "both ends out" of the processing trade, is suitable for the geographical location of Gansu and the development of provincial conditions of the advantageous industries, to further promote high-quality agricultural products with the characteristics of Gansu Province, high-quality exports, do a good job in the "both ends out" of the processing trade in the seed. We should further promote the high-quality export of high-quality agricultural products with the characteristics of Gansu Province, and do a good job in the "outside" processing trade in seed introduction, seed harvesting, inspection and quarantine, customs supervision, re-export and other aspects of management.

### **5.5 Active Development of the Exhibition Economy**

In recent years, with the holding of the Hainan Consumer Expo and the success of the four China International Import Expositions, etc., the exhibition economy has been developing rapidly and its attention has been rising. Exhibition events provide a platform for investment attraction, technology exchange, trade consultation, etc., offline exhibitions were blocked, but some exhibitions were still converted to online exhibitions, and their importance is evident. In 2019, a total of 14,874 exhibitions will be held in China, of which the cities where they will be held, Shanghai, Guangdong, and Shandong, are in the top three. Gansu Province in 2019 In 2019, Gansu Province will hold 30 exhibitions, the largest of which is the China Lanzhou Investment and Trade Fair, which has become a professional and key exposition for expanding



internationalization in western China. Therefore, Gansu Province should actively run the Lanqia Hui and other expositions, and do a good job of "online and offline combination" of the transformation of the exhibition planning and organizing mode, to attract more customers to come to Gansu, and enhance the visibility of Gansu Province and its products. In addition, Gansu Province should make full use of various exhibition platforms to exchange experiences with excellent counterparts, learn their advantages in commodity manufacturing and promotion, further establish and strengthen the development of policy cooperation with international trade organizations, and diversified cooperation with business associations and companies, so as to provide a fairer platform for enterprises from all over the world to expand business opportunities.

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