

Research on the risk of international trade under the new situation

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Abstract: This paper mainly introduces the operational risk, exchange rate risk and policy risk faced by China in the process of international trade. First of all, it will explore the characteristics of China's international trade and the reasons for the formation of risks. In order to promote China's foreign trade companies to form an effective risk aversion awareness and effective risk management system in international trade, it puts forward specific measures to avoid risks in international trade.

key word: New situation; international trade; risk research

As a currency trading channel, international trade has brought huge benefits to multinational companies and banks. However, with the development of economic globalization and integration, the outstanding advantages of international trade have become the "fragrant pastry" of companies and banks, and more and more small and medium-sized enterprises begin to integrate with the international market. However, in the current severe environment of financial market turbulence, opportunities and risks coexist. In order to effectively avoid the high risks brought by high profits, it is a feasible strategy to promote the development of China's international trade and achieve the goal of stable external demand.

1 Characteristics of the future international trade situation

1.1 Service trade will become the new core of international trade

The rapid development of global service trade has become the main trend of international trade. From the perspective of service trade, TPP has added special conditions for financial services, e-commerce and other service industries. In the past, free trade agreements did not list high-end service industries such as finance, entertainment, health care and accounting as open sectors, but TPP, TTIP and TiSA have opened market access and terms for these industries, focusing on the elimination of cross-border barriers to trade in services.

1.2 The scope of international trade is becoming wider and wider

Nowadays, the application of computerization and e-commerce is becoming more and more extensive, and the form of trade operation is undergoing great changes. With the emergence of this new international trade and business environment, many new and unprecedented cross domain issues have emerged in international trade negotiations, including compliance, state-owned enterprises, e-commerce and small and medium-sized enterprises. A remarkable feature of these problems is that they extend from the pure boundary of international trade to the interior of the world trading countries. On the contrary, they begin to promote the further improvement of the domestic economic system of the member countries. Whether many countries have established new systems in the fields of competition neutrality, trade facilitation, free flow of data, non discriminatory policies, intellectual property protection, information technology development and government transparency^[1].

1.3 International trade standards will change

China is using the aiib as a vehicle to promote infrastructure exports and economic growth. We all agreed that China's various industrial standards will be widely used in the aiib countries, and China's standards will be established worldwide in the future. The new trade and investment standards formulated by the United States using TPP are higher than the current WTO and APEC regulations, and some of them far exceed the current level and standards of developing countries expected to reach in the future. Therefore, no matter what kind of standards will be adopted in the future, international trade standards will change greatly.

1.4 The status of multinational companies will be further improved

According to the spirit of the TPP agreement, the status of multinational companies in some economic fields can even exceed national sovereignty. This is also one of the main differences between the United States and Europe. However, the author believes that the EU will make concessions in this regard, and the United States will reach an agreement with the EU on TTIP ^[2]. In this case, the role of transnational corporations in international trade will be expanded indefinitely.

2 The main risks and risk characteristics of international trade under the new situation

2.1 Major risks in international trade

2.1.1 Currency risk

Currency risk is the main problem that trade companies need to consider. In the international trade system, a series of trade lines interweave to form an international trade network. In this complex network, exchange rate fluctuation is essential for the company to enter the international market. It is the decisive basis for the company's overall profitability and profitability, and directly affects the company's income.

2.1.2 Operational risk

Operational risk cannot be ignored in trading activities. Blindly entering the foreign trade market without understanding the trade terms is easy to cause operational errors in international trade, and may even be "used" by criminals and cause irreparable losses.

2.1.3 Policy risk

Today's rapid changes in international affairs are causing friction in military, trade, energy and other fields, directly aggravating the main risks of economic policy. A country's policy is related to the situation of the country and the wishes of the people, and has a direct impact on the success or failure of international trade.

2.2 Characteristics of international trade risk

Specifically speaking, the characteristics of international trade risk are mainly shown in the following aspects. First, there are risks in international trade. The so-called objective existence means that it is not transferred by the will of individuals. Because there are trade activities in international trade, there are certain restrictions on data error, operation deviation and transmission delay, all of which will lead to inevitable risks. In other words, international trade risk is not "inevitable".

2.2.1 Relative fluctuation of international trade risk

The relative risk volatility mainly shows the nature of risk, which changes with the development and change of time and space. With the development of society, people's education and living standards have been improved, and the awareness of risk warning is also relatively enhanced, which can inhibit the risk and reduce the incidence to a certain extent. On the one hand, the development of the whole social and economic system also means that the losses caused by risks are getting bigger and bigger and more dangerous.

2.2.2 Lack of awareness of international trade risks

International trade risk is a serious consequence of the mistake caused by the unconscious behavior of traders. They

are caused by the wrong judgment of leaders due to the lack of certain connections or wrong analysis. In other words, international trade risks do not include losses caused by malicious human actions, which are purely unexpected and unconscious products ^[3].

3 Specific measures to avoid international trade risks in China

3.1 The development strategy of China's foreign trade

First of all, import trade strategy. The strategy of import trade polarizes our country, adopts incentive policies for domestic companies to increase domestic demand, promote the production of domestic brand products, and provide convenience for domestic companies. At the same time, it encourages foreign companies to enter and improve the trade chain. China can learn from the successful experience of other countries, and improve the overall level of China's industrialization through technology investment. Second, the import of advanced strategy. The advanced export strategy is to promote domestic production, make domestic industrial chain more healthy, make foreign trade more reasonable, improve export technology, eliminate trade barriers of other countries, and take various incentive measures. While expanding the volume of foreign trade, it is necessary to combine new technologies to improve product quality, realize advanced export, significantly improve export quality, and fundamentally increase the "quantity" of exports. Third, technology strategy. The basic consideration of technology strategy is how to promote and emphasize domestic product brands in the international market. Its goal is to gain market share in international trade and avoid operational errors and fluctuations of market exchange rate only by integrating the knowledge of information network into the means of international trade and combining the financial knowledge of import and export with the effective components of high-tech.

3.2 Specific measures to avoid risks in China's international trade

3.2.1 Train or hire professional team

In the information society, anyone who has enough and reliable information resources has the foundation of victory. In foreign investment and international trade, the more information you have, the greater the risk you can avoid. Therefore, Chinese local companies seeking to enter overseas markets and engage in international trade need to objectively understand their own advantages and conduct full and careful credit checks on trading companies. In a turbulent world, we should not be fooled and take risks. We should verify the information and try our best to verify the actual situation of the assets, credit, ability, qualification and international reputation of the trading partner. We'd better hire relevant experts to verify the information.

3.2.2 Build brand and win by quality

For enterprises, brand and reputation are intangible assets different from income. But this does not mean that they are not important. On the contrary, they represent the market position and future development potential of the company. Only the brand company can achieve long-term development, because the whole brand and marketing process is the process of continuous growth of the company itself. Therefore, Chinese enterprises are facing the problems of high energy consumption and low energy consumption. They pay attention to the development of science and technology innovation industry, constantly implement technological innovation, improve product quality, and make corresponding responses. We have international standards to improve the quality of our company. It is not based on foreign anti-dumping measures and trade restriction strategies based on price war and consumption war. In short, for countries with unbalanced regional development in China, only by strengthening industrial innovation and establishing a diversified three-dimensional multilateral trade market can we avoid the risk of excessive competition among industries.

3.2.3 Risk transfer

The so-called risk transfer is to divide the original risk by a specific strategy, so as to reduce its own risk factors. Through the purchase of insurance, the general company can avoid the loss caused by natural disasters (such as fire). Enterprises can also use "credit insurance" to avoid foreign exchange and political risks caused by market changes.

4 Conclusion

In short, international trade in the new situation faces many risks. Only by constantly adjusting the strategy, can Chinese foreign trade companies stand out in the background of economic globalization and effectively avoid the harm of international trade risks to Chinese companies. China's foreign trade companies can form effective risk aversion awareness and strengthen their own risk management system to meet the challenges of economic globalization.

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