

Study on the Relationship between Sino-British Trade and China's Economic Development

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Abstract: The United Kingdom is a major country in the world economy and trade, and an important member of the European Union. The development of the British economy not only affects the European Union, but also has a major impact on the world economy. The economic and trade relations between China and Britain are prominent with a long history of trade development. The background, trade status, and trade development of each development stage show great differences. At the same time, the different stages of Sino-British trade development have also shown different features in the impact of economic development in China and the United Kingdom. Both China and the United Kingdom, as major economies and traders in the world, should further promote trade development between the two countries and promote the development of China's economy with the healthy development of Sino-British trade.

1. Introduction

Looking at the long history, Sino-British trade has a long history of development. There are significant differences in the economic development background, trade scale, structure, and policies between China and Britain at each stage. In particular, the development stages of Sino-British trade are different, and the economic growth of China is different. There are also great differences in influence. The differences in the types and quantities of trade commodities at various stages have triggered the transformation of China's industrial structure. The promotion of Sino-British trade in intellectual property and science and technology has also contributed to the pace of technological innovation and technological progress in China. Although the economic development background of the two countries, the trade between the two countries, and the trade between the two countries have shown great differences in their respective economic development, all appearances and development trajectories contain the trade and economic development between the two countries. The intrinsic logic and the essential laws, if we can dig deeper and reveal this law, can also reveal the role of economic development in the Sino-British trade, the development of Sino-British trade, and the impact of Sino-British trade on China's economic development. It is of great significance to promote the future development of Sino-British trade. Therefore, this article sorts out the development of Sino-British trade from the perspective of the historical evolution of Sino-British trade, and analyzes the current status, existing problems, internal laws and development direction of Sino-British trade from each stage of Sino-British trade, focusing on the study of Sino-British trade and economic growth in China. The impact of industrial structure and technological progress to explore the internal logical relationship between Sino-British trade and China's economic development, and thus targeted strategies and safeguard measures to promote sustainable strategic cooperation between China and the UK.

2. Relationship between Sino-British Trade and Economic Development in China from 1949

After the founding of New China, starting from the actual needs of socialist economic construction, China had established and developed economic and trade relations with the former Soviet Union and other socialist countries and carried out cooperation in some areas. However, restrictions at the time on domestic and foreign conditions, especially because of the suppression and blockade from Western capitalist countries, despite China's great efforts. Since 1978, China's

opening up has gradually expanded in scope and scale, and its efficiency has been continuously improved. After 30 years of exploration and efforts, a new pattern of opening to the outside world has basically taken shape.

Since the reform and opening up, China's economy has soared rapidly, industrial technology has developed rapidly, and the introduction of foreign advanced technology during the opening-up process has enabled China's high-tech product exports to be greatly improved. At the same time, China's economy has developed rapidly, its economic strength has gradually increased, its industrial structure has been continuously optimized, and the proportion of the tertiary industry's output value has gradually increased. This environment has brought new opportunities for China-UK service trade. China The trade surplus in the Sino-British trade has been maintained, which reflects the common progress China has made in the trade in goods and service trade and its important position in the international division of labor [1].

During the period between 1949 and 1978, because China implemented a planned economy and adopted a ration system, foreign trade at that time was developing very slowly. Mineral resources and other resources were exported to other countries in the world as the main commodities for export. The main reason that affects China's trade with the world is the change in the country's diplomatic relations. In the early years after the founding of the People's Republic of China, 80% of the export products were primary agricultural and sideline products. It can be seen that at this time, China is at a low level both in terms of export scale and the type of export commodities. With the development of society, China has become more affluent in the types of export commodities and has increased the export of industrial and textile products. At the same time, most of the goods imported by China from other countries are mainly based on some means of production. This ratio accounts for 3/4 of the annual import volume.

On the other hand, the development of China's industrial structure and economic scale cannot be separated from the economic support brought by foreign direct investment. From the 1950s to the 1960s, some countries had gained independent status one after another. After the founding of New China, they actively cooperated with these countries and signed an agreement on national equality and mutual benefit and respect for the national independence of various countries, and actively promoted economic development through bilateral trade. After the breakdown of Sino-Soviet relations, China sought to shift its trade to Western developed countries in search of sustainable development. In 1965, China's trade volume with developed countries such as Japan and the West accounted for more than half of China's total trade volume for that year. Prior to the reform and opening up, China established a number of foreign trade companies. These companies are state-owned enterprises, and they have unified management methods for their finances and management. However, the above foreign trade policies are relatively backward. Since the reform and opening up, the state has further adjusted the foreign trade system at that time, making China's foreign trade system more adaptable to the tide of international trade. In the initial period of reform and opening up, with the low utilization of domestic resources and the insufficiency of production capacity, there was a serious shortage of foreign exchange in the trade market at that time. In order to develop more quickly, China vigorously attracted investment and expanded its existing production capacity by making full use of external funds [2]. According to statistics, between 1979 and 1991, China used 25 billion U.S. dollars of foreign capital. It was these foreign forces that made China's foreign trade develop a lot. In the process of development, foreign investment accounted for more than 21% of China's foreign trade value. From this, it can be seen that the power of foreign capital plays a decisive role and role in the development of China's foreign trade economy.

3. Relationship between Sino-British Trade and China's Economic Development since 1998

Following the return of Hong Kong in 1997, China and Britain further deepened trade cooperation. In 1998, China and the UK established a comprehensive cooperative partnership, and the trade volume between the two countries gradually accelerated from the steady changes before 1997. In May 2004, China and the United Kingdom established a comprehensive strategic partnership and jointly issued a joint statement to put forward more suggestions and opinions on

cooperation on bilateral, multilateral and global issues [3]. Sino-British trade has achieved more significant and close exchanges. Since the outbreak of the financial crisis in 2008, economic growth in Europe has been weak, and some countries have even experienced a downward trend. However, Sino-British trade has been able to rise against the trend and continue to grow rapidly. In 2014, the total trade volume of goods between China and Britain achieved a goal of doubling in five years, from 39.2 billion U.S. dollars in 2009 to 80.9 billion U.S. dollars, of which China's imports from the UK have quadrupled. The United Kingdom has become China's second largest trading partner in the European Union. The growth rate of Sino-British trade is much higher than Sino-German trade 10.1% and Sino-Dutch trade 5.9%. At the same time, the Chinese and British governments have played an important role in actively promoting the vigorous development of bilateral trade. Last year was the 10th anniversary of the establishment of a comprehensive strategic partnership between China and the United Kingdom. China and the United Kingdom have maintained close high-level exchanges, enhanced mutual political trust, and injected vitality into China-UK economic and trade cooperation. From June 16 to June 19, 2014, Premier Li Keqiang went to the UK to hold an annual meeting with Cameron at the annual meeting of Chinese and British Prime Ministers and visited the region. During this interview, Premier Li Keqiang proposed that "joint growth and inclusive development" are the new directions for the future development of both China and the UK. During this period, Sino-British signed more than 40 intergovernmental agreements and commercial agreements involving energy, investment, culture, education, high technology, finance, and other fields, with a total amount of more than 30 billion U.S. dollars. It hopes that bilateral trade volume in 2015 will reach 100 billion U.S. dollars. In 2015, President Xi Jinping visited the United Kingdom, which opened the "golden era" for Sino-British cooperation and development [4].

With the establishment of a partnership between China and the United Kingdom in 1998, the trade between the two countries has become closer, and the Sino-British trade has maintained a rapid growth. The development of Sino-British trade has also contributed to the domestic economic growth of the two countries. In order to explore in more detail the mechanism of the impact of Sino-British trade development on China's economic growth, China's gross domestic product GDP was selected as the explanatory variable, and the Chinese-UK export value (ck) reflecting the Sino-British trade status and China's imports from the United Kingdom were selected. (jk) As well as reflecting the UK's investment in China, China uses the UK's direct investment (fdi) as an explanatory variable, constructs a multiple regression equation, and looks for the influence relationship between variables. Based on the previous analysis, the following assumptions are made: Hypothesis 1: The expansion of China's exports to the UK is positively related to China's economic growth. Hypothesis 2: The increase in China's imports from the UK is positively related to China's economic growth. Hypothesis 3: China's use of direct investment in the UK is negatively correlated with China's economic growth [5].

First of all, it can be seen from the positive coefficients of China's exports to the UK and China's imports from the United Kingdom that the import and export of China-Britain trade has a positive effect on China's economic growth, and the P value of the t-test can be found. The increase in import and export trade has a significant effect on the growth of China's GDP. Second, the coefficient of China's imports from the United Kingdom is greater than the coefficient of China's exports to the United Kingdom, indicating that China's economic growth is more sensitive to changes in the amount of imports from the United Kingdom. All along, trade between China and the United Kingdom has always been in an overriding position. In order to prevent further expansion of the trade deficit, the United Kingdom adopted a partial trade barrier policy against China. Therefore, in the Sino-British trade process, China cannot rely solely on expansionary trade exports to boost China's GDP. increase. Since the establishment of the all-round partnership between China and Britain in 1998, China and Britain have been committed to a mutually beneficial and mutually beneficial cooperation. China should face up to the Sino-British trade balance and actively improve the trading status of both traders, so that Sino-British trade will have a more positive impact on China's economic growth. Great value. Furthermore, it can be seen that China's actual use of UK FDI shows a year-on-year downward trend, and this variable is inversely related to China's GDP

growth. This is due to the fact that China's economic development in the past was not yet mature and required a large amount of external financial support. With the help of foreign investment, China's corporate development, foreign economic and trade cooperation, and infrastructure construction all achieved fruitful results. With the growth of China's national economy and the increase of domestic capital stocks, the demand for foreign investment has weakened. Further progress in opening up has guided domestic capital spillovers. Chinese companies have also begun to move toward the world, and China's direct investment in the UK has increased. Therefore, the investment situation in Sino-British trade also has a profound impact on China's economic growth.

4. Conclusion

Prior to the reform and opening up, China's foreign trade process was affected by multiple political factors at home and abroad. The Sino-British trade process was difficult and tortuous. The Sino-British trade volume has been faltering at a low level. However, the British businessmen and the government can recognize the situation in a timely manner, seize the opportunity, and strive to maintain the normal operation of Sino-British trade. After the reform and opening up, China actively carried out "opening up" work, introduced a series of policies to promote trade development and foreign investment, focused on improving China's import and export trade structure, and optimized the trade system system, while the United Kingdom had seized the opportunity and had with a better trade base, the Sino-British trade process has quickly entered the normal track. At the same time, China's foreign trade began to diversify and develop, especially the development of service trade. Britain's service trade exports have always been at the leading position in the world. The complementary features of Sino-British trade advantage industries also provide reference for China and the UK to adjust their domestic industrial structure. It can be said that the timeline of reform and opening up is a critical period in the transition of Sino-British trade relations. China's status in the Sino-British trade has gradually become more equal. At the same time, China has also actively improved its trade structure and trade quality, and gradually joined the world trade system. For the 21st century, China's international trade activities for more right to speak.

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