

Problems and Countermeasures of Textile Export in Guangdong Province

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Abstract: Guangdong textile export occupies a very important position in the national textile trade and has been in the leading position for a long time. The textile industry has also become one of the nine pillar industries in Guangdong Province. This paper analyzes the current situation of textile exports in Guangdong Province, analyzes the problems existing in textile export in Guangdong Province, and proposes solutions to the corresponding problems.

1. Introduction

In recent years, the tide of economic globalization has swept the world, and the potential or direct textile industry competitors in the international market have increased, and with the deepening of regional economic integration, competition among enterprises has become increasingly fierce. In addition, the continuous rise in the cost of production factors has made Guangdong's textile exports face unprecedented challenges.

2. The Current Situation of Textile Export in Guangdong Province

2.1 Analysis of Total Export Quantity of Textiles

Guangdong Province is the first province to carry out reform and opening up. It has obvious advantages in terms of national policies, coupled with its unique geographical environment, such as adjacent to Hong Kong and the Pearl River Delta with developed trade. These geographical advantages make Guangdong textile industry take the lead in rapid development. Nowadays, a number of mature industrial clusters with first-mover advantage have been built in Guangdong Province. Guangdong's annual textile export volume accounts for a large proportion of the country's total textile exports, and plays a very important role in the development of China's textile export trade and export earnings.

Table 1 Comparison of total textiles in Guangdong and China from 2011 to 2016

Years	Guangdong textile exports (One hundred million U.S. dollars)	National textile exports (One hundred million U.S. dollars)	Guangdong textiles accounted for the percentage of national textile exports (%)
2011	343.3	2542.6	13.5
2012	342.4	2573.8	13.3
2013	333.1	2840.7	11.7
2014	366.3	2984.9	12.3
2015	339.3	2839.1	11.9
2016	327.3	2672.5	12.3

Source: According to the "Guangdong Province Statistical Yearbook", "China Textile Import and Export Chamber of Commerce" compiled

From the above table, we can see that the textile export volume of Guangdong Province is fluctuating in general from 2011 to 2016, and the total export volume stagnates or even shows

negative growth in individual years. In 2012, Guangdong textile exports did not increase compared with the previous year; in addition, in 2015 and 2016, with the global economic downturn, the increase of uncertainties and the rise of trade protectionism, Guangdong textile exports achieved negative growth.

2.2 Analysis of the Main Exporting Countries or Regions of Textiles

Guangdong textiles have been mainly exported to the United States, the European Union, ASEAN, Japan, Hong Kong and other international markets, with a high degree of market concentration. According to the statistics of Guangdong Textile Import and Export Chamber of Commerce, the main textile export areas in 2016 have the following four characteristics:

First, the deterioration of the political and economic environment of the EU has led to a continued decline in textile exports from Guangdong Province to the EU. Secondly, textile exports to ASEAN have fallen sharply, but there are obvious differences among member countries. Guangdong textile exports showed a relatively rapid growth in the Philippines, Thailand, Cambodia, Myanmar and Laos, while the other five countries showed varying degrees of decline. Among them, exports to Vietnam fell by as much as 18%, and the Philippines became the largest textile exporter of Guangdong Province in ASEAN. Third, exports to Japan have continued to decline. The decline in exports to Japan in the past two years has been slower than in the previous two years. Fourth, the performance of emerging markets is not good, and the countries along the “Belt and Road” show opportunities, and the import demand of emerging economies such as Brazil and South Africa has declined.

3. Problems Existing in Textile Export of Guangdong Province

3.1 A decline in export competitiveness caused by increased production costs

With the rapid increase in labor costs, the production costs of the textile industry have also increased. Because some South Asian and Southeast Asian countries such as India, Pakistan, and Vietnam have low labor costs, their labor costs only account for 36% of China's, and raw material costs only account for 70% of China's. As a result, many countries have placed orders in Southeast Asian countries. Japan and the European Union are typical. In order to ensure the quantity and price of textiles exported, Guangdong Province has begun to transfer its orders and some factories to Southeast Asian countries where labor prices are relatively low. Some developed countries, mainly the United States, have begun to formulate the strategy of manufacturing industry returning to their native countries, which will undoubtedly have a great impact on the textile manufacturing industry of Guangdong Province, which was previously exported to developed countries such as Europe and the United States.

3.2 Lack of special products and famous brand products

Guangdong textiles lack international well-known brands. The products produced in Guangdong province have the characteristics of low added value, lack of characteristic products and low proportion of brand products. The superior economic location of Guangdong Province adjacent to Hong Kong has led textile enterprises to rely excessively on the Hong Kong market for a long time. The enterprises themselves have long neglected the innovation ability, and most textile enterprises are imitating Hong Kong for the renewal of technology and management. At present, there are still many enterprises in Guangdong Province specializing in the processing and production of foreign textile brands. Local companies only earn processing fees, and most of the profits of the products are taken by foreign companies. What is more serious is that some textile enterprises in Guangdong Province have plagiarized Hong Kong styles. This has seriously hindered the construction and development of Guangdong textile brands.

3.3 The uneven level of export products

First of all, the scale of textile enterprises in Guangdong Province is generally small, and quite a few enterprises are backward in production equipment, and they do not have the ability to develop

and innovate in technology [3]. According to incomplete statistics, there are currently more than 30,000 textile enterprises in the province, with small and medium-sized private enterprises as the main body. It can be seen that enterprises are at a disadvantage in financing. For example, the direct financing of small and medium-sized private enterprises is limited by credit, and the difficulty of financing has led to a slow accumulation of capital in the Guangdong textile industry. Secondly, the textile industry in the province has a low level of specialization, and the investment in product technology research and development is small, resulting in uneven products exported by enterprises. Most enterprises in the province only carry out single-link production, and few leading enterprises lead the trend of the industry. Once new technology means appear in the market, many enterprises in the industry are competing to imitate, often in the new technology soon learned by competitors. To a large extent, it damages the interests of R&D personnel, which makes those enterprises with financial strength reluctant to carry out R&D.

3.4 Restrictions of Regional Trade Groups

At present, there are more than 50 global inter-regional trade groups, which indeed facilitates intra-regional trade and promotes the development of regional economic integration, but for other international countries, the degree of trade barriers has increased. Taking NAFTA (North American Free Trade Area) as an example, the volume of textile trade between the United States, Mexico and Canada has increased rapidly due to the convenience of inter-regional trade. The rules of origin of foreign textiles are extremely harsh and even discriminatory, which leads to a decline in the share of China's textiles in the US market. The EU countries are mainly trade partners in the EU, often with low external imports, resulting in regional The barriers for foreign countries to enter the EU market are getting thicker and thicker. The existence of these regional groups has hindered the export of textiles in Guangdong to a certain extent and inhibited the textile industry in Guangdong from going global.

4. Countermeasures for Enhancing the Competitiveness of Textile Exports in Guangdong Province

4.1 Developing green textiles

As people's living standards continue to improve, green and environmentally-friendly products are gradually gaining popularity. Textile companies must follow the trend of the times and actively eliminate textiles that are not environmentally friendly and resist the circulation of inferior textiles. Guangdong Province has made up for the disadvantages of increasing production costs by developing green textiles.

Textile enterprises should increase the intensity of developing green textiles and use this as a production concept; textile enterprises should establish quality testing standards that are conducive to enhancing product competitiveness, and strictly implement the standards set. For the government, it is necessary to promptly issue relevant policies to encourage textile enterprises to improve the standardization level of the textile industry. At the same time, enterprises should be encouraged to introduce international advanced standards to develop the local textile industry. If the product quality standard of an enterprise is recognized as the industry standard, the government departments should formulate the product cost according to this standard and give certain subsidies to qualified enterprises in order to encourage enterprises to strive to improve product quality.

Textile enterprises should understand the trend of mass consumption and actively develop green textiles. Textile enterprises should focus on the impact of their products on the ecological environment from research and development, use and waste disposal [4]. Enterprises should seize the advantages of Guangdong textile industry and pursue the orderly development of industry chain (purchase-design-processing-production-sales) as far as possible. Enterprises should cooperate on the premise of resource sharing and complementary advantages to form industrial competitiveness and increase R&D investment, so as to promote the development of textile industry.

4.2 Promoting Innovation-driven Development Strategy

In order to promote the development of textile industry by innovation, Guangdong textile industry lacks popularity. In the final analysis, it ignores publicity and lacks effective publicity methods [4]. For a long time, the dependence of textile enterprises in Guangdong Province on the Hong Kong market has resulted in the lack of innovative thinking, or inactive innovation.

Promoting innovation-driven development strategy can effectively activate the vitality of enterprises and expand the depth and breadth of competition in textile industry. On the one hand, the implementation of innovation-driven development strategy requires enterprises to bear the value of time and resources, and to intensify scientific research, which means that enterprises should bear certain risks. On the other hand, government departments should focus on enterprise development, provide certain system guarantee and resource support for enterprise's positive innovation and development, and affirm those enterprises that have made positive innovation and achieved certain technological achievements in the industry. It can also be set as an industry innovation standard.

In recent years, Guangdong textile industry has made continuous progress, and the construction and development of textile brands have also made good achievements. More importantly, a considerable number of textile enterprises have realized the importance of building and managing their own brands. Some enterprises will also build their own brand as the top priority. The era of focusing on building textile brands has arrived, and unbranded products will eventually fade out of the consumer eye. Successful brand building can greatly encourage other companies to carry out innovation-driven development strategies. Of course, promoting enterprise innovation-driven development strategy is a long-term task [5]. It is both arduous and arduous. It can't be done overnight. What it needs is the persistence and persistence of building its own brand and the ability to research and analyze innovative development.

4.3 The government strengthens supervision of the market

On the basis of the decisive role of the market, we must also give full play to the role of the government. The government as a market regulator and maintainer plays an active and irreplaceable role in the development and innovation of the textile industry. First, the government should strengthen policy support, encourage enterprises to join the team of informationization and resource sharing, and use high-tech, advanced applicable technologies and modern management techniques to improve the quality of textiles in Guangdong Province. The second is to promote the textile industry to accelerate the extension of the industrial chain links with high value-added products such as product R&D, design and marketing; the third is to use the tax policy to allow textile enterprises to move towards a value chain with high technical content [6]. The fourth is to promote the establishment of experimental bases for textile demonstration zones, and encourage enterprises to actively innovate and increase investment in research and development.

Government departments must also actively play a guiding role. First, guide enterprises to establish intellectual property management and cultivate enterprises' awareness of intellectual property protection. While encouraging enterprises to take the initiative to apply for product technology patents, it is also necessary to strengthen the protection of patent holders by local governments, give priority to the development of a number of enterprises with intellectual property advantages, and set a benchmark for the textile industry. The government should actively provide information services to small and medium-sized private enterprises. Secondly, to guide the transformation of textile enterprises in Guangdong Province, the government should not only introduce funds, but also make good use of them. The government departments should broaden the sources of development funds as far as possible and improve the service level of financing for small and medium-sized enterprises. At the same time, governments at all levels should increase financial expenditure to develop textile enterprises in areas, and provide financial support for small and medium-sized private enterprises by formulating development funds. Thirdly, we will strongly support professional colleges and universities to carry out technological innovation research and give some support to project managers.

4.4 Strengthening Opening-up

Guangdong textile enterprises should further enhance the market share of Europe, America, ASEAN and other group countries, but also actively explore and develop the Middle East, Africa and other markets. Provincial textile enterprises should reduce their dependence on China's Hong Kong market [7]. For example, ASEAN is one of the most widely traded markets in the world. Its textile industry is developing rapidly. Besides its economic location advantages, Guangdong Province's textile industry is also very strong. It can be seen that in the future, Guangdong Province can continue to pay attention to the development of the textile industry in ASEAN and appropriately increase the textile exports to ASEAN.

Guangdong Province can take the “Belt and Road” as the main line and strengthen economic and trade cooperation with neighboring countries along the “Belt and Road”. First, while actively marketing the textiles in the province to overseas markets, we must also strive to develop the textile wholesale market in the province. Second, textile enterprises in Guangdong Province should “go out” and explore the international market through mergers and acquisitions and purchases of foreign assets. This will not only expand the market share of textiles in overseas markets, but also enhance the international visibility of its products.

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