

Research on Zhanjiang High-Quality Docking RCEP Strategy from the Perspective of Coastal Economic Zone

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Abstract: In order to fully implement the decision of the CPC Central Committee and The State Council on the implementation of the Regional Comprehensive Economic Partnership (RCEP), we will ensure that the policy dividends of RCEP will be implemented in detail. From the perspective of coastal economic belt, this paper studies how Zhanjiang can connect with RCEP policy in high quality. By analyzing the current situation of foreign trade in Zhanjiang and interpreting the policies of RCEP, the advantages, opportunities and challenges of connecting Zhanjiang with RCEP are clarified, and then the strategy of connecting Zhanjiang with RCEP is proposed. Firstly, the policy contents need to be carefully studied, secondly, industrial transformation and upgrading should be accelerated, and thirdly, convenient channels for connecting RCEP should be unblocking, so as to realize accurate connection. It is expected that Zhanjiang enterprises will take advantage of the benefits of RCEP, open up the "golden channel" of trade with RCEP member countries, and realize high-quality and leapfrog economic development.

Keywords: Coastal Economic Belt; Zhanjiang; RCEP Agreement

1. Introduction

Zhanjiang is positioned as an important development pole of Guangdong's modern coastal economic belt. It is located at a special location connecting Hainan Free Trade Port, Beibu Gulf City Cluster and Guangdong-Hong Kong-Macao Greater Bay Area, three national strategic "intersection hubs". As a fulcrum city of maritime cooperation under the Belt and Road Initiative and a pilot zone connecting Guangdong with ASEAN, Zhanjiang has natural advantages in developing Marine economy. However, with the promulgation and implementation of such policies as the domestic and international double circulation and the construction of the new land-sea corridor in the west, Zhanjiang is faced with new opportunities and challenges, and it is urgent to explore the new development road of Zhanjiang to promote the high-quality development of Zhanjiang. During this period, the Regional Comprehensive Economic Partnership (RCEP), which has been recognized as the free trade agreement with the largest population, the largest trade scale and the greatest development potential in the world, came into force in 2022, providing a strong driving force for Zhanjiang's high-quality development. Taking Zhanjiang as an example, this paper studies how Zhanjiang can connect with RCEP in high quality from the perspective of coastal economic belt, give full play to the policy dividends of RCEP, and further promote Zhanjiang's leap-forward development in foreign trade, investment and other fields, and promote high-level opening up.

2. Zhanjiang's foreign trade status and RCEP policy Interpretation

2.1 Current situation of Zhanjiang's foreign trade

In recent years, under the double attack of the trade war and the COVID-19 epidemic, Zhanjiang's market shares of aquatic products, steel, small household appliances and paper products in Europe and the United States continue to shrink, and the market

environment deteriorates. In the face of real difficulties, Zhanjiang enterprises invariably focus on RCEP countries and other emerging markets, with the main purpose of competing for orders and stabilizing market share. After the RCEP comes into effect, Zhanjiang will help its agricultural products stabilize the traditional market in Southeast Asia and continuously explore emerging markets such as Japan, South Korea, Australia and New Zealand by forming an agricultural export cluster.

According to the statistics of Zhanjiang Customs, in the first 11 months of 2022, the total import and export value of Zhanjiang was 58.3 billion yuan, with a year-on-year growth of 25.5%, ranking first in the province. Among them, Zhanjiang's import and export to RCEP countries reached 13.86 billion yuan, with a year-on-year growth of 53%, much higher than the 4.7% growth of Guangdong Province in the same period. The RCEP, which enjoys the dividend of zero tariffs, wide opening-up and high freedom, is becoming a new engine for accelerating the development of Zhanjiang's foreign trade economy.

2.2 Interpretation of the RCEP policy

The RCEP covers a wide range of areas, including the following: (1) In terms of market access, the RCEP promotes a high degree of liberalization within the region by gradually reducing tariff and non-tariff barriers; (2) In terms of trade in goods, to promote trade facilitation among regional member countries; (3) In terms of trade in services, the focus is to reduce the policies that restrict trade in services, so as to reduce discriminatory behavior and finally realize liberalization; (4) In terms of economic and technological cooperation, it is mainly committed to carry out cooperation and assistance in some technical fields; (5) On investment, RCEP is committed to including chapters on investment promotion. In terms of intellectual property rights, it advocates the formulation of high-standard intellectual property protection regulations to promote investment. Tariff concession arrangements and cumulative rules of origin are among the most important outcomes of RCEP rules. In addition, RCEP has brought the following new opportunities to Zhanjiang's foreign trade.

2.2.1 It is conducive to expanding the export of products

According to the RCEP trade agreement, over 90 percent of trade in goods within the RCEP region will eventually achieve zero tariffs. In contrast to bilateral free trade agreements, the implementation of the cumulative rules of RCEP will further lower the threshold for products to enjoy tariff concessions. Take the wooden furniture produced in Zhanjiang for export to South Korea. Before the RCEP takes effect, Chinese domestic materials must reach 40% of the regional value to enjoy zero tariff. When the RCEP comes into force, all member countries will be eligible for zero tariffs if their materials accumulate up to 40 percent. The agreement will help Zhanjiang wooden furniture optimize raw material supply, enhance price competitiveness and expand the consumer market. It can be seen that the RCEP agreement can help Zhanjiang's foreign trade enjoy the promotion effect of expanding the export of competitive products and lowering the threshold of commodity benefits.

2.2.2 It is conducive to developing emerging markets

A highlight of the signing of the RCEP is the establishment of the free trade relationship between China and Japan, which is China's first free trade agreement with Japan. According to the agreement, Japan has a significant reduction of import tariffs on Chinese agricultural products. The export of plant products and their products such as mangoes, papayas, mulberries, bananas, guava, ginger and some seafood products in deep processing water in Zhanjiang have been reduced to zero tariff, which brings new opportunities for the above-mentioned products to further explore the emerging markets in Japan.

3. Advantages and Challenges of Zhanjiang's synergy with the RCEP Agreement

3.1 Zhanjiang's advantages in connecting with the RCEP Agreement

Zhanjiang has the natural advantage of integrating into the industrial chain and value chain of RCEP. In terms of location, RCEP is initiated by ASEAN. As the pilot zone of Guangdong Province connecting with ASEAN, Zhanjiang is the leading port of the southwest coastal port group. As a logistics hub connecting the central areas of RCEP member states, Zhanjiang Port has the

geographical advantage of integrating into RCEP. In terms of port economy, Zhanjiang has basically formed a layout of open ports around Leizhou Peninsula and a three-dimensional opening pattern of sea, land and air ports. With its unique geographical advantages, opening conditions and advantages of being the first 400,000-ton port in South China, the RCEP trade facilitation can bring more trade opportunities and larger trade scale. In terms of industry, the seafood in Zhanjiang is rich in variety. Currently, efforts are being made to develop the pre-prepared seafood industry. The development of pre-prepared aquatic vegetables can be a precise step for Zhanjiang to fully connect with the RCEP market.

3.2 Zhanjiang's challenge to the RCEP Agreement

3.2.1 Low-end labor-intensive industries will face a great impact

The range and range of tax reduction provided by Japan and South Korea to ASEAN is much larger than that of China. The cumulative rule of origin of RCEP provides policy support for ASEAN's construction of the assembly industry chain, lowers the threshold of benefits for the sale of finished products, and superimposes the advantages of extremely low labor and land costs, thus significantly enhancing the price competitiveness of products. It will speed up the transfer of Zhanjiang's labor-intensive primary and low-end manufacturing industry chains to the ASEAN region.

3.2.2 enterprises may face a variety of preferential tax rate choice confusion

Enterprises with the RCEP in effect may face confusion over the choice of various preferential tax rates. For example, some tyre products are taxed at 5 per cent under the ASEAN-China free trade agreement, but Indonesia has made them an exception in the RCEP, subject to a 15 per cent most-favoured nation rate. Enterprises in Zhanjiang need to more accurately grasp the tax rate of different countries and different products according to different agreements, so as to choose the most favorable tax rate.

4. Countermeasures for Zhanjiang's high-quality connection with RCEP from the perspective of Coastal Economic Belt

4.1 Carefully study the RCEP policy and agreement to achieve accurate alignment

First, we will review and establish a list of tariff concessions for specific industries, interpret the different tariff rates applicable to imports and exports of the same goods under RCEP in different member countries, and guide enterprises to scientifically choose preferential trade agreements and arrange the "optimal mix". Second, relevant government agencies should do a good job in interpreting RCEP policy and providing guidance on business analysis. In combination with the RCEP tariff concession list and product-specific rules of origin, they should investigate and sort out Zhanjiang's industrial structure and product characteristics. Based on resource resources such as Zhanjiang port and location, they should analyze the effective application of origin accumulation and back-to-back certification to promote the effectiveness of preferential rules of origin. Third, we will implement the RCEP in high quality according to the specified plan. Strengthen the guidance on rules such as back-to-back certificates of origin, help Zhanjiang Port play its advantages as a logistics hub in the center of RCEP member states, support the improvement of the collection and distribution system, optimize the port supervision mode, and promote the construction of "combined ports" with Guangzhou and Shenzhen. To support Zhanjiang Port in building an excellent port integrating RCEP cargo collection, transfer and allocation, import and export, and distribution.

4.2 Accelerating industrial transformation and upgrading and reducing the pressure of industrial competition

Agricultural products produced by RCEP member states are similar to tropical fruits, aquatic products and other products in Zhanjiang, and their comprehensive cost is lower than that of Zhanjiang, which has a certain impact on the sales of agricultural products in Zhanjiang. Facing the competitive advantages of RCEP member countries, Zhanjiang should speed up its transformation and upgrading while actively connecting with RCEP. First, in the cultivation of seedlings, planting, deep processing, sales and other aspects of force, improve their own industrial level, it is possible to break out of the siege in the face of competition. Second, it is necessary to promote the agricultural standard RCEP of Zhanjiang City, transform and upgrade to the field of high-quality agriculture and intensive processing, accelerate the industrial supply-side structural reform, promote the scale, brand and standardization of the internationally leading agricultural standard, and create a new highland for the development of Zhanjiang's distinctive and advantageous agriculture to align with the RCEP. Third, it is especially necessary to give full play to the advantages of Zhanjiang aquatic prefabricated dishes industry, speed up the layout in the field of prefabricated dishes, enrich the industrial chain of prefabricated aquatic dishes, develop upstream and downstream supporting industries of prefabricated aquatic dishes, expand the export of prefabricated aquatic dishes, launch national brands such as "Zhanjiang Prawn" and "Zhanjiang Oyster", and open the domestic and overseas markets of prefabricated aquatic dishes.

4.3 Unimpeded access to the RCEP and built an exchange bridge for the RCEP

First, optimize the function layout and operation management mode of Zhanjiang port, speed up the planning and construction of Wushi Port, give full play to the advantages of Zhanjiang Port, strengthen the route layout with RCEP member states, expand the sea passage with RCEP member states, and promote the economic and trade exchanges with RCEP member states by using the standard exchange and mutual recognition of qualifications with RCEP member states. Second, deepen international production capacity cooperation with RCEP member states, make use of the unified rules of investment and trade and the preferential tariff rates agreed by the RCEP member states in a scientific manner, comply with production rules, expand markets, effectively address tariff barriers and technical barriers to Chinese goods, unblock trade routes, improve trade structure, and build a secure, reliable and stable global industrial chain and supply chain system. Third, give full play to the role of the RCEP, improve the trade and investment environment, promote foreign trade and investment, and actively attract capital and talent from within the region.

5. Conclusion

Zhanjiang should seize the benefits of the RCEP policy, open up the "golden channel" of trade with RCEP member countries, continuously optimize the layout of the industrial chain, and accelerate its rise up the value chain. Through the policy dividends of RCEP, the RCEP will provide support for the development of Zhanjiang, integrate the "coastal economic belt + Zhanjiang +RCEP", and further promote Zhanjiang's high-quality connection with RCEP, so as to provide a solid guarantee for the sustained and healthy economic development of Zhanjiang.

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