

# Analysis of Factors Affecting Enterprise Export Product Structure

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**Abstract:** The improvement of enterprise export product structure is one of the important topics in economic research, which is affected by national policy, economic development level and foreign trade status. At present, China's economy is facing a new stage from telling growth to high-quality development, and the export product structure of enterprises needs to be further optimized and adjusted to adapt to the new development mode. This paper starts from the main factors that affect the export product structure of enterprises, and finds that external factors such as external demand and trade liberalization will affect the export behavior of enterprises. However, financing constraints, an internal factor, will restrict firms from participating in export or exploring new export markets. Based on the relevant literature, this paper studies the export product structure of Chinese enterprises, and discusses how to further optimize the export structure of Chinese enterprises, maintain the position of the world's largest trading country, and promote the steady development of the economy.

**Keywords:** Optimize the export structure of enterprises, External demand, Trade liberalization, Constraints on financing.

## 1. Introduction

Since 1978, China has persisted in opening up to the outside world, constantly optimizing its system, and its import and export trade has developed rapidly, and its international status has steadily improved. China has also begun to gradually grow from an unknown small country in the global economic structure to the world's largest foreign trade power. In 2013, China's total merchandise exports exceeded US\$2 trillion. At the same time, in 1978, the proportion of China's total exports of goods trade was only about 0.7% of the entire global share, and it reached 12% in 2013, surpassing the United States to become the world's largest commodity trading country. In 2022, in the post-epidemic era, China's economic operation will continue to pick up, forming a new development pattern, achieving new growth goals, and taking new steps. In particular, the growth of domestic production and consumer demand provides an effective guarantee for the steady growth of foreign trade. The total volume of imports and exports this year reached 6.05 trillion US dollars, a record high.

However, due to the constantly changing situation at home and abroad and the impact of the new crown virus epidemic, Chinese foreign trade enterprises still face difficulties and

challenges. At present, China's competitive export commodities mainly include clothing, daily necessities, footwear and traditional labor-intensive commodities. With the gradual increase in the capacity demand of Chinese domestic enterprises and the relative increase in the production cost of domestic enterprise labor, these "low-tech + low added value + labor-intensive" products are gradually being exported to countries such as Vietnam, Bangladesh, and Indonesia. migrate. At the same time, the repeated outbreaks of the new crown virus epidemic have seriously affected the foreign trade industry chain and supply chain, and the shortage of raw materials for high-tech products such as chips continues to plague Chinese companies.

Therefore, based on the current situation of China's economic development and the international situation, it is necessary for us to study the adjustment of the export product structure of enterprises in depth. This article will analyze from three perspectives what factors affect the export structure of enterprises and how to further optimize the export structure, maintain the status of the world's largest trading nation, and promote stable economic development.

The structure of this article is roughly as follows: the second part, the definition and explanation of the business environment, export product structure, etc.; the third part, the review of relevant literature, from the perspective of external demand, trade liberalization and financing constraints Analyze its different effects on product export structure; the fourth part, conclusions and policy recommendations.

## 2. Enterprise Export Product Structure of China

The general composition and situation of the proportion of the total amount of various products imported by a major country in the entire export and trade process in a certain economic period in the future. It is expressed by the relative proportion of the share in the total composition of the total amount. The "Standard International Trade Classification" standard, that is, the SITC standard, divides export products into the following two categories: primary products and general industrial products. Primary products are industrial resource-intensive products with low production technology requirements; industrial finished products generally include

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series products of capital technology and labor-intensive products and series of various capital technology-intensive products. Based on the above-mentioned complete export product classification system, we will further classify and study the products of export commodity production enterprises and the structure of main export products.

According to customs data, China's total exports in 2021 will reach US\$ 3,363.96 billion, a year-on-year increase of 29.9%. Against the background of the new crown epidemic and a difficult economic recovery, it is not easy to achieve such a strong level of growth. At present, the structure of China's export products has changed significantly. According to the Ministry of Finance's report on China's foreign trade statistics, China's exports of foreign trade products in the first 10 months of 2021 still maintained a rapid growth trend. Among them, industrial mechanical and electrical products achieved a substantial month-on-month increase in exports, which was an increase compared with the same period last year. It has increased by nearly 0.2%, injecting strong impetus into the overall export; the export of high-tech and high value-added products is strong, and the export value of labor-intensive products has declined compared with last year due to the epidemic, but the overall advantage continues to maintain, and the export of medical materials and drugs has increased. The commodity structure continued to be optimized. It is worth mentioning that since the outbreak of the COVID-19 epidemic, China has always adopted a positive attitude, worked hard to coordinate and promote close cooperation with international health and anti-epidemic fields, and provided and used donations to relevant international social organizations around the world. The global total of various emergency masks, protective clothing, biochemical reagents for testing and testing, vaccines and other important medical supplies for emergency medical and epidemic prevention has been supplied to the world for hundreds of millions of times. International and regional economic cooperation continued to promote the recovery process and other fields to provide the most powerful support

Since the reform and opening up, China has established friendly trade relations with many countries. With the advancement of the Belt and Road Initiative, China is actively expanding its trading partners, and emerging markets such as ASEAN, Southeast Asia, African countries, and India have increasingly frequent trade exchanges with China. The number of China's export enterprises continues to increase. Over the past 20 years, with the development of China's economy, the total foreign trade import and export volume of domestic private enterprises accounted for an increasing proportion of China's overall import and export volume, and this growth ratio will increase to 48.6% before 2021. The data shows that the customer loyalty and credibility of China's small, medium and micro enterprises in the global foreign trade market have further increased, and the product attractiveness has further increased, and the export efficiency has improved. In recent years, Chinese enterprises have paid more attention to product innovation and technology improvement, constantly injecting new impetus into the development of China's economy and foreign trade.

### 3. Influencing Factors Analysis

Based on the perspective of life cycle, this paper will summarize and analyze the impact on the export structure of enterprises from three aspects: external demand, trade liberalization and financing constraints.

The theory of enterprise life cycle first started in the 1950s, and so far there have been more than 20 models of enterprise life cycle stages. The enterprise life cycle theory summarizes the dynamic trajectory of each cycle in the growth and development process of an enterprise and divides it into four stages: development, growth, maturity, and decline of a company. Choose the corresponding strategy according to the life cycle of the company and choose different strategies for different life cycles of the company, so as to make the overall development strategy of the company more advanced, targeted and operable. But at the same time, because the company is a system, the rise and fall of its development is not caused by a single factor, but the result of the combination of the internal structure of the company and various external factors. Enterprises have different characteristics and problems in different stages of development. In the rising and peak periods that are conducive to the healthy growth of enterprises, a long-term and stable development-oriented enterprise management strategy is generally adopted first, so that the entire type of enterprise can maintain its basic level of its original development strategy and gradually rise to a higher level of stable development; In the stable period of enterprise capital operation, adopt a relatively stable strategy. First of all, whether it adopts a developmental strategy or a stable strategy, export enterprises will inevitably face the test of changes in external demand in the course of operation. Positive or negative changes in external demand will have an impact on the productivity of enterprises; further, with the deepening of economic globalization, the implementation of trade liberalization policies has had a great impact on external demand; at the same time, when enterprises reach a stable period and need to invest and obtain investment from the outside, they will face investment constraints. pressure.

#### *A. The Impact of External Demand on the Export Structure of Enterprises' Products*

According to the theory of enterprise life cycle, when an enterprise is in the growth stage, it is more easily affected by changes in external demand. The strange and rapid expansion in the growth period can produce a variety of products, the scale of the enterprise is further expanded, and the operation of the enterprise is complicated. The enterprise urgently needs to establish a reasonable regulation system and production system. Therefore, once external demand changes, enterprises need to respond quickly.

Enterprises will make several strategic choices when faced with changes in external demand: one is to adjust the scope of export products. Enterprises implementing the price competition strategy will first focus on the core products of export commodities, while enterprises implementing quality competition will expand the scope of exports, thereby reducing the concentration of export commodities. The second is to

promote technological innovation. The expansion of the external market uses the scale effect to promote the company's technological innovation, and uses the competition effect to restrain the company's technological innovation. The scale effect and the competition effect have different impacts on the innovation level of high-productivity enterprises and low-productivity enterprises: high-productivity enterprises can be in the external market. The level of innovation will increase in the expansion of demand, while the level of innovation of low-productivity enterprises will decrease.

First, changes in external demand change the range of export products. External demand shocks may cause multi-product firms to add or drop products, resulting in changes in product range.

External demand is divided into positive external demand and negative external demand. As far as the country is concerned, the demand for domestic goods in foreign markets has increased, the external demand of enterprises has increased, and the scale of foreign markets for local enterprises has expanded. In this case, domestic enterprises existing in foreign markets will gradually expand their exports to foreign markets. However, domestic companies that have not yet entered foreign markets choose to gradually enter overseas markets. Regardless of the model, the expansion of external demand will increase the intensity of competition in the international market, and the market share of enterprises will also decrease. Therefore, enterprises should take measures to enhance their core competitiveness. Faced with the increase of external demand, multi-product export enterprises adopting quality competition strategy will increase the price of core products, and this effect will weaken as the distance from core products increases. Multi-product export enterprises adopting the cost competition strategy reduce the price of core products, and the effect decreases with the increase of the distance from the core products.

Zhong and Yu (2020) believe that the product scale of enterprises adopting quality competition strategy is generally larger than that of enterprises adopting cost competition strategy, that is to say, enterprises adopting quality competition strategy tend to manufacture and export more commodities, namely Dispersion is higher. When external demand increases and competition is fierce, enterprises adopting quality competition strategy will seek higher sales and competitive advantages by improving the production quality and value of their core products, and their export structure will be more concentrated on core products. The resources of enterprises are limited, and it is more conducive to them to improve the efficiency of resource allocation by concentrating on the production of core products. But on the other hand in order to diversify business risks and avoid putting all resources in one place, the company may also choose to maintain the original diversified product categories, thereby expanding the scope of production to a certain extent. However, most of the enterprises adopting the cost competition strategy respond to the competition caused by the growth of external demand through gradual reduction, and some products that are difficult to further improve production efficiency and reduce costs in the short

term will be abandoned by enterprises. This step improves the quality of the firm's resource allocation and enables a reduction in the size of production by shedding fringe operations and by increasing the production of more efficient core products to fit the market.

Second, changes in external demand affect corporate innovation, thereby affecting corporate export structure. Gu *et al.* (2022) in Mayer *et al.* (2014) established a theoretical model of external demand affecting the innovation behavior of multi-product enterprises based on the model, and divided the industries of enterprises into high-tech industries and low-tech industries. The conclusion is that positive external demand will promote enterprise innovation through scale effect and inhibit enterprise innovation through competition effect. High-productivity firms have high scale effects and low competition effects, and vice versa for low-productivity firms. Its generation mechanism is as follows:

First of all, under the influence of increased external demand, enterprises will expand their production scale and form economies of scale, production costs will decrease, and profits will increase; at this time, there will be additional resources and funds for technological innovation, process innovation and product technology innovation, and by actively participating in international trade and learning while exporting, we can enhance the innovation ability of enterprises. This reflects the role of positive external demand in promoting the innovation and development of enterprises.

In this case, external demand has different effects on high-productivity firms and low-productivity firms.

Enterprises with high productivity can improve their products by increasing technological investment, thereby avoiding market competition, and their scale effect will be further improved. At the same time, the expansion of external demand will also allow more enterprises to enter the international market, and more intense market competition will also reduce the profitability and market share of enterprises, thereby reducing innovation funds and forming a competitive inhibitory effect.

For low-productivity enterprises, they are far away from the world's technological frontier, so even if they carry out technological innovation, they cannot really curb the increasingly fierce competition at home and abroad; the disorderly competition has intensified and reduced the impact on their technological innovation. The overall enthusiasm for research and development has indirectly led to the fact that this type of enterprise can only use low prices to avoid competition risks as a means to avoid ineffective competition, that is, to lower market prices to gain market share has a higher competitive effect. Generally speaking, compared with inefficient firms, the market size effect of external demand is higher for efficient firms, but the competition effect is lower. The expansion of external demand will promote the innovation of high-productivity enterprises and inhibit the innovation of low-productivity enterprises.

### *B. The Impact of Trade Liberalization on the Export Structure of Enterprises*

Trade liberalization refers to gradually reducing restrictions on the import of foreign goods and services through policy support, generally by providing preferential trade treatment to importing countries, eliminating trade discrimination, and eliminating trade barriers. Trade liberalization has always been a very important topic on the road of China's economic development. Since the reform and opening up, China is gradually exploring the right path of developing an open economy and marketization and realizing the goal of trade and investment liberalization. Significant progress has been made gradually.

According to the theory of product life cycle, product enterprises in the sense of life cycle of different historical stages have their own different types of product element requirements. It is reflected in: enterprises in the growth stage continue to develop new technologies and products, which require advanced technology and funds to realize; while enterprises in the mature stage have formed large-scale production and rely more on cheap labour costs. In other words, new products should first appear in developed countries that have mastered advanced high-tech, and be monopolized for a period of time to come. Subsequently, other manufacturing companies began to try to imitate and manufacture this new product, until large-scale mass production was formed, and relatively low-cost low-end labour resources were needed to continue to support the large-scale manufacturing of new products, resulting in this new product. The gradual maturity of the product loses some comparative advantages. Developing countries should rely on the cheapest and most efficient domestic labour force to form their economies of scale and industrial competition advantages, and start exporting the product abroad to gain benefits until the product gradually becomes an old product. From the above process, we can easily see that new products often appear in advanced enterprises in developed countries, and only when the technology continues to mature and product demand grows, new products will be transferred to developing countries.

Liu and Sheng (2021) found that trade liberalization will change the production and export of products at different life cycle stages, which is reflected in the promotion of enterprises to export new products.

First, trade liberalization will accelerate the export of enterprises. Trade liberalization affects the export behavior of enterprises from two aspects of import and export. As far as import trade is concerned, trade liberalization helps domestic enterprises obtain more resource sources. Enterprises can obtain raw materials and intermediate goods of higher quality and variety at lower prices, reduce production costs and improve production efficiency. Among them, the import of capital goods is still a way for national enterprises in many development fields to improve their international competitiveness, increase the export of new products and manufacturing technologies, and increase the opportunities for China's new products, scientific and technological innovation, production and processing exports. Cost and economic efficiency (Helpman, 2006). As far as export trade is concerned,

trade liberalization helps domestic enterprises open up the international market and provides a way to enter the international market. The fierce competition in the international market and the diversification of demand are important motivations for enterprises to develop new products and improve technology.

Second, the higher the degree of trade liberalization, the greater the proportion of new products exported by developing countries. Trade liberalization has significantly reduced production costs and improved the overall profitability of enterprises themselves. On the one hand, it enables enterprises to have additional funds for product innovation and export, and the export intensity of new products increases. On the other hand, the price preference policy brought about by the complete liberalization of trade has greatly reduced the average market price of the export cost of new products of Chinese enterprises, enabling the products exported by enterprises to gain competitiveness in the highly competitive international market and seize the international market.

In addition, in different industries and different enterprises, the impact mechanism of trade liberalization on the export of new products is also different.

Liu and Sheng (2021) found that with the deepening of trade liberalization, companies in highly competitive high-tech industries tend to be more sensitive to the competitive response brought about by trade liberalization. Enterprises in the high-tech enterprise industry tend to have more capital and ability to carry out technological innovation and improve the export structure; while enterprises in the low-competition industry tend not to respond quickly.

Among different enterprises, the impact of trade liberalization on the export of new products is also different. Generally speaking, the technical content of products produced by technology-intensive enterprises is much higher than that of labour- and capital-intensive enterprises. Therefore, the impact of trade liberalization on technology-intensive enterprises is relatively limited, and the development of new products by such enterprises relies more on their own R&D capabilities. The production technology content of labour-intensive enterprises is too low, and the space for technological improvement is small, and the promotion effect of trade liberalization on the production and innovation of new products is not significant. Capital-intensive enterprises can obtain opportunities for technological upgrading and new product export through the international market opened up by trade liberalization, which has the most significant promotion effect.

In addition, enterprises with greater R&D intensity receive more prominent positive effects. Enterprises with high R&D density pay more attention to technological innovation, can respond to the development opportunities brought about by trade liberalization in a timely manner, learn new technologies quickly, produce new products and export them. Non-R&D-intensive companies do not have enough ability to learn technology in a timely manner. By the time non-R&D-intensive companies are able to produce, the product is no longer in the early stage of its life cycle and has lost its competitive advantage.

Therefore, based on the product life cycle theory, trade liberalization will reduce costs, increase profits, open up international markets, promote research and development, production and export of new products, optimize the export structure of enterprises, and improve their competitive advantages.

### *C. The Impact of Financing Constraints on the Export Structure of Enterprises*

Chinese enterprises generally face strong financing constraints (Song, 2011), and high financing costs have become one of the key issues threatening China's macroeconomic stability (Yu, 2014). Financing constraints refer to the restrictions on external financing of enterprises. Higher external financing constraints indicate that it is difficult for enterprises to quickly raise funds from other external institutions in the short term, thereby increasing the cost of internal financing and easily causing many enterprises to fall into financial difficulties for a long time. crisis. If an enterprise wants to continue to develop, financing difficulties must be a problem it needs to face. Single financing channels, limited financing scale, and high financing costs due to information asymmetry and agency conflicts are all financing constraints that enterprises may encounter.

Mayer (2014) defines the product with the highest export value among the products produced by the multi-product enterprise as the core product. Generally speaking, a firm with a larger scale and higher productivity sells more products, but most of its sales revenue, exports and profits come from its few core products.

The existing ranking of product exports can be divided into efficiency ranking and quality ranking. Under different sorting methods, financing constraints have different impacts on the export product structure of enterprises. Manova and Yu.(2017) believe that in the same export market, export price and sales revenue are directly proportional to quality ranking, and inversely proportional to efficiency ranking. That is, under the quality ranking, the core product of the enterprise is the product with the highest marginal production cost and the highest price among its export products; under the efficiency ranking, the core product of the enterprise is the product with the lowest marginal production cost and the lowest price among its export products. Under quality sorting, firms can choose to produce higher-quality core products at higher marginal costs by increasing production inputs. Companies with stronger capabilities can provide products with higher quality, sell more products, enter more markets, and earn higher income. Within the firm, higher priced, higher quality products lead to higher trade and profits. Under efficiency sorting, higher productivity is associated with lower marginal costs, lower prices, and higher sales. The division of core products is based on production efficiency, and companies will choose to use lower marginal costs, through Improve efficiency to produce more core products. Therefore, when enterprises face financing constraints, if they are sorted by quality, financing constraints will reduce the R&D investment of enterprises, making enterprises lack sufficient funds to further improve the quality

of core products, and the competitive advantage of core products cannot be sustained. Therefore, enterprises will reduce the proportion of core products and produce other products instead. The structure of export products of enterprises will become richer, and the distribution skewness of export products will be relatively reduced. On the contrary, if sorted by efficiency, the core product of the enterprise has the lowest marginal cost. When the enterprise faces financing constraints, the proportion of the production of marginal products with relatively high marginal cost will decrease, and resources will be allocated to core products with higher efficiency. On the other hand, the production of core products with the lowest marginal cost is concentrated instead, and the skewness of the distribution of export products increases. Therefore, although the impact mechanism of financing constraints on the export of core products of enterprises is different under the ranking of quality and efficiency, it will inevitably lead to the adjustment and optimization of the export structure of enterprises.

Wei (2020) found that financing constraints affect the export product structure of enterprises from two aspects: the intermediate input mechanism and the innovation input mechanism.

The intermediate input mechanism means that financing constraints will lead to a decline in capital liquidity, inhibit enterprises from importing intermediate products and other materials needed for production, and reduce the scale and quality of enterprises' intermediate inputs. First of all, financing constraints will lead to a decline in the overall intermediate input scale of the enterprise (including intermediate input of manufacturing costs, intermediate input of management costs, intermediate input of sales costs, etc.), while core products have the largest export value in the export product structure of enterprises and are most affected significantly. Enterprises will reduce the production and export of core products. Second, enterprises tend to import relatively higher-quality intermediate goods and capital goods to produce their core products with the most competitive advantage. When enterprises face financing constraints, the import scale of intermediate goods and capital goods decreases, which will significantly reduce the proportion of core product exports.

The innovation input mechanism means that financing constraints will reduce the source of R&D funds for enterprises, so that enterprises do not have enough funds to support product innovation and productivity improvement, enterprises cannot realize product innovation and upgrades, and the quality of export products improves slowly or even declines. At the same time, because the core products exported by enterprises often account for the largest share of the company's export product categories, enterprises often invest in innovation in core products, so the significant reduction in the strength of enterprise innovative product development capabilities will have a more significant impact on enterprises. The proportion of export products of core products. When the technical level of the core product of the enterprise is much higher than that of the secondary product, the impact of financing constraints on reducing the export ratio of the core product of the enterprise is more significant. This is because the higher the technical level

of the core product, it means that the enterprise will invest more innovation in the core product, and the impact due to insufficient funds will be greater.

In general, financing constraints will inevitably lead to the adjustment of the export structure of enterprises, which will not only reduce the total export volume of enterprises, but also reduce the proportion of core products produced by enterprises.

#### 4. Conclusions and Policy Implications

To sum up, based on the research on the impact of external demand on the export structure of enterprises from the perspectives of external demand, trade liberalization and financing constraints, this paper puts forward the following policy suggestions:

##### A. External Demand

During the "14th Five-Year Plan" period, China is facing a major era background of profound adjustments of major changes unseen in a century, a severe impact of a major epidemic unseen in a century, and a century-long goal of striving for a new stage. In the post-epidemic era, people's working methods have changed, the global order has accelerated changes, digital transformation has accelerated, the e-commerce economy has further developed, the international economic cycle has undergone major adjustments, and the domestic economy has shifted to a medium-speed growth platform. In this context, the government and enterprises need to fully realize the important impact of changes in external demand on exports.

1. It is recommended that enterprises adopting a quality competition strategy respond to positive external demand changes through channels such as improving the quality of core export products, expanding product range, and increasing product distribution concentration, and vice versa for negative ones; for example, in recent years, under the Sino-US trade friction The United States has adopted export restrictions on China, which is a negative change in external demand. At this time, enterprises adopting quality competition should reduce the quality of core products, narrow the range of products and reduce the concentration of products, and avoid using too many resources. The risk of being restricted by allocation to core products is used to deal with Sino-US trade frictions.
2. It is recommended that enterprises adopting a cost competition strategy reduce the marginal cost of core export products when responding to positive external demand, Respond to changes in positive external demand through narrowing the scope of products and reducing the concentration of product distribution; when dealing with negative external demand shocks, it is recommended that enterprises actively participate in domestic competition, seek alternative export markets in a timely manner, and increase the diversification of export destination countries. At the same time adjust the structure of export products.

3. The government should continue to insist on opening up to the outside world, and enterprises should actively realize the diversification of export destinations. Only when the export destinations of enterprises increase, can the risks brought about by drastic changes in external demand to a single export destination be realized; At the same time, enterprises should make different policy changes in the face of different external demand shocks. Under the influence of positive external demand, enterprises face a larger market size, but it will also attract more enterprises to enter the market, which will lead to more competitors for established enterprises in the market. Therefore, when faced with positive external demand, we should adjust and optimize export policy and product structure in a timely manner according to our original competition strategy and future competition development trend.
4. Enterprises should also adjust their innovation and export strategies according to changes in external demand. When responding to the impact of positive external demand, high-productivity enterprises and high-tech enterprises should increase their innovation input and export product quality, participate in the competition in the international market through quality competition, and improve their international competitiveness; low-productivity enterprises and processing trade enterprises should Expand export scale through price competition, gradually increase enterprise productivity through technological innovation, talent introduction, and improvement of production methods, and complete the transition from low productivity to high productivity.

##### B. Trade Liberalization

14th five-year plan focuses on promoting the high-quality leapfrog development of China's free trade zone ports, relying on high-level projects, high-standard strategies, and high-quality planning to build national-level free trade port pilot areas and national free trade center ports, and build coastal The reform and opening up will lead to a new high ground for development, and promote the construction of a new important inland hub where the dual-cycle development of the port's domestic economy and international integration promotes each other. At present, with the steady development of the Hainan China Free Trade Zone port area, the Shanghai Pilot Free Trade Zone aims to explore and further explore the innovative model of liberalization of the financial service industry; and the Guangdong Hong Kong Free Trade Port Pilot Zone will highlight the promotion of Guangdong Hong Kong and Macao regional in-depth development cooperation development goals. The 14th Five-Year Plan proposes that China should further promote institutional opening, accelerate the interconnection of each trade zone, strengthen international exchanges and cooperation and technological innovation, and provide impetus for economic development.

1. According to the product life cycle theory, China is in

the position of an imitation country, and there is an obvious imitation lag compared with the innovation country, the United States. In the initial stage of development, it is necessary to obtain the advanced technology of the innovative country through imitation, and shorten the imitation lag time as much as possible, narrow the gap between itself and the innovative country, and gain a competitive advantage in the international market. Second, it is necessary to gradually complete the transition from an imitation country to an innovation country. Improve the encouragement and guidance mechanism for the growth of high-tech talents, encourage scientific research in universities, support the healthy development of the National High-tech Enterprise Research Institute, vigorously develop high-tech, and independently achieve technological breakthroughs.

2. For some capital-intensive or technology-knowledge-intensive enterprises, their development focuses on the development of technology. Only by continuously making technological breakthroughs can high-tech industries maintain their vitality and develop rapidly. On the other hand, Chinese enterprises should improve their own innovation capabilities, strengthen the development of high-tech, realize the transformation and development of enterprises in a timely manner, improve their own scientific and technological level, increase R&D investment, especially the core products of high-tech industries, and improve product competition strength, actively participate in market competition, and further enhance international competitiveness.

### C. Financing Constraints

In the "14th Five-Year Plan" section of "Deepening Pragmatic Cooperation in Economic, Trade and Investment", it is proposed to "follow international practice and the principle of sustainable debt, and improve the diversified investment and financing system". At present, the global epidemic is recurring frequently, economic growth and recovery still face many challenges, the global political landscape has undergone profound and major adjustments, and corporate reform is facing an unprecedented complex internal and external economic environment, financing policy constraints and problems have become more problematic severe.

1. From the standpoint of the country, the changes in the export product structure of enterprises in the global market should be the focus of our attention, and we must especially prevent the deterioration of the global export product structure of enterprises with a large proportion of core product exports. The government needs to ensure that the policy support and capital support for export enterprises can truly serve the

export trade of enterprises. At the same time, more opening-up measures for the financial industry should be introduced successively as needed to promote financial institutions to highlight their main business, lower their focus, and enhance their ability to serve the real economy; strengthen the effective supply of finance, continuously optimize the financing structure, and improve the financial system. Reduce import tariffs, increase policy support, give full play to the role of intermediate input mechanisms and innovation input mechanisms, promote the quality improvement of core products of enterprises, and further optimize the structure of enterprise export products.

2. The enterprise itself can improve the efficiency of the enterprise's allocation of social resources by taking advantage of the company's own network information advantages and rebalancing the company's funds internally or in the capital market. When there is a huge potential friction in the internal capital market liquidity, the company can effectively take liquidity risk management measures to timely respond to and seize major investment opportunities in the future. But in the long run, enterprises still need to improve their operating capabilities as their main goal.

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