

Research on Agricultural Trade Between China and Countries Along the BRI Route

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Abstract

This comprehensive research investigates the dynamics of agricultural trade between China and countries affiliated with the Belt and Road Initiative (BRI). Launched by President Xi Jinping, the BRI is a pivotal foreign policy designed to foster political rapport and economic integration by facilitating infrastructure development, synchronizing investments, and promoting global connectivity. Central to this paper is the transformative role of the BRI in refining China's agricultural framework, mitigating overcapacity challenges, and broadening its agricultural outreach on the global stage. The study underscores the inherent complementarity of agricultural products between China and BRI nations. However, it also brings to light pressing challenges, notably the persistent trade deficits, infrastructural gaps in BRI-associated countries, and the emergence of green trade barriers. On the brighter side, the research identifies significant opportunities, particularly in the realm of transnational agricultural resource allocation and the rapid internationalization of China's agriculture sector. In its conclusion, the paper strongly recommends the mutual acknowledgment of agricultural standards, infrastructural advancements, and a synergistic approach involving diverse stakeholders to fully harness the agricultural trade benefits of the BRI.

Keywords

Agricultural trade, economic integration, agricultural structure, green trade barriers

1. Research background

As a key foreign policy initiative of President Xi Jinping, the One Belt One Road initiative aims to promote political mutual trust and economic integration among countries along the BRI by constructing infrastructure, coordinating investment and policies, and establishing connectivity between China and other countries around the world [1].

BRI intends to lower economic obstacles on a physical, technical, and political level. China's economic activities through BRI involve not only interconnection and trade but also investment in agricultural trade [2]. In the new era, the process of agricultural modernization and internationalization is accelerating, and BRI will provide new strategic opportunities for the development of modern agriculture. Because most of the countries along the BRI are developing countries that rely on agriculture, agriculture has a large proportion and occupies an important position in the economy. As a result, it is critical for China and other countries to clarify the degree of agricultural trade liberalization, existing opportunities, and problems between China and the countries along the BRI in order to promote the development of agricultural trade and international cooperation among the countries along the BRI.

In order to better research and discuss the agricultural trade between China and BRI countries, this paper will analyze the impact of BRI on China's agricultural foreign trade and the agricultural trade cooperation between China and BRI countries. The paper will also present opportunities and challenges in the process of agricultural trade cooperation between China and BRI countries, as well as recommendations for China and BRI countries to adapt to the BRI's agricultural trade cooperation strategy's operation and development.

2. The influence of BRI on China's foreign trade of agricultural products

2.1 The industrial structure of China's agricultural products has been optimized

The quality of China's export agricultural products has increased greatly as a result of the BRI agricultural international cooperation, and the trading structure of agricultural products has changed dramatically. China's agricultural structure has improved as a result of the constant modification of the country's agricultural export structure. As a result of the completeness of their industrial structures, China's exports to nations along the BRI have an edge. In this circumstance, China should continue to relinquish its role as a global trade intermediary in order to expand its agricultural trade cooperation with nations along the BRI [3].

At the same time, as agricultural trade cooperation continues to expand, China's agricultural foreign trade has begun to diversify, which not only reduces the risk of China's agricultural foreign trade but also broadens the scope and content of agricultural cooperation between China and other countries along the route.

2.2 The high-level development of China's agricultural opening to the outside world has been promoted

Reshaping the new pattern of China's agricultural opening to the outside world and reshaping the value chain division structure of China's agriculture in BRI nations and regions are at the heart of China's agricultural opening to the outside world. China is eager to assist Asian countries in modernizing their infrastructure and improving essential infrastructure such as cross-border transportation through the BRI, which will help China create strong bilateral trade and economic integration with its Asian neighbors [4]. This will also help to boost regional commerce and connectivity between China and the nations and regions along the BRI route, as well as the cross-regional movement of factor resources. A new global value chain division of labor system in BRI countries and regions will be built through the free cross-regional allocation of economic factor resources, resulting in a new division of labor in the agricultural industry, leveraging the new growth of the BRI regional economy, and reshaping China and the world's agricultural economic structure.

2.3 The problem of China's agricultural overcapacity has been alleviated to some extent

Some agricultural goods in China have faced considerable overcapacity in recent years. Trade collaboration is a fundamental component of the BRI, and each country will focus on research to abolish trade barriers through trade cooperation, making cross-border trade more convenient [5]. The removal of trade barriers between nations will aid in breaking China's current agricultural export pattern and promoting the development of free trade.

At the same time, many of the countries along the BRI and China have strong agricultural complementarities, so the BRI's construction will allow China to gain access to a larger international market for agricultural products, as well as help digest domestic excess production capacity and reverse the trade deficit.

3. The status of agricultural trade cooperation between China and countries along the BRI

3.1 The agricultural products of China and countries along the BRI have good complementation

In terms of product structure, considerable regional disparities in the trade competitiveness of agricultural products between China and the BRI regions [6]. The favorable agricultural goods of the nations along the BRI, particularly those of Southeast Asia, South Asia, and Central and Eastern European countries, differ significantly from those of China in terms of product structure.

Other favorable agricultural items, aside from fish and fish products, are complementary to China's agricultural products and have tremendous potential for agricultural trade cooperation. The complementary agricultural product trade structure has been developed at the agricultural product trade level precisely because China and the countries along the route have numerous variations in land resources, agricultural product trade types, and agricultural development situations.

3.2 China's total agricultural trade volume is growing rapidly, but the problem of trade deficit has not been effectively solved

The elimination of trade obstacles envisaged by the BRI can help China's agricultural exports rise. Although the Chinese government has expanded its support for agricultural exports in recent years, the problem of China's agriculture trade deficit has not been properly addressed. In 2017, China's overall agricultural imports and exports exceeded 200 billion US dollars, a rise of more than 9% year on year, although the trade deficit increased by more than 30% year on year to 50 billion US dollars. This issue will have a significant impact on China's agriculture international trade strategic direction [7]. The steady loss of China's agricultural demographic dividend, the relatively single export market, and the poor added value of China's agricultural products

are all contributing to this challenge. China's rising agricultural production costs and low added value of agricultural products have erased Chinese agricultural products' international price advantage, further reducing their competitiveness in international agricultural markets.

4. Opportunities in the process of agricultural trade cooperation between China and BRI countries

4.1 Transnational allocation of agricultural resources is conducive to jointly ensuring food security

Food security is a significant topic of discussion in today's society. Only when a country's food security is guaranteed can it be possible to conduct scientific research, spread the country's culture, and promote the country's development [8]. The cooperation and construction of BRI can give full play to the advantages of agricultural resources in various regions, so as to jointly achieve the goal of food security. China and nations along the BRI will boost agricultural production capacity, raise agricultural production and revenue, and increase global food supply while remaining food self-sufficient through agricultural trade exchanges, collaboration, and exchanges. It has the ability to not only assure its own food security but also to reduce global food security pressures.

Furthermore, China can increase agricultural investment in countries and regions along the route, as well as join forces with countries and regions along the route to gradually improve agricultural cooperation mechanisms in order to jointly build a new pattern of international agriculture and address global food security issues.

4.2 Open up the international agricultural market and speed up the process of China's agricultural internationalization

On the one hand, there is a problem in the development of China's agricultural trade in that the import and export market is overly concentrated. China's grain import market, for example, is dominated by the United States, Canada, and other countries, and the export market is similarly consolidated [9]. In the context of the BRI, China can choose to import higher-quality agricultural products from Southeast Asia, Russia, and other places with strong grain production capacity, thereby changing the situation of its single import market, and its agricultural trade cooperation provides more diversified options. Furthermore, China is committed to promoting agricultural cooperation with countries and regions along the BRI, gradually lowering or even eliminating trade barriers, creating a favorable environment for agricultural trade development, and effectively promoting regional agricultural trade and investment cooperation, particularly with Southeast Asia, South Asia, Central Asia, and other markets, through the use of complementary resources to achieve regional economies.

On the other hand, China may realize agricultural cooperation and exchanges between China and the rest of the world through the BRI's strategic framework. It can connect with the development of international agriculture and boost China's agricultural diplomacy by combining "bringing in" and "going out" in agriculture. China can offer high-quality agricultural products or learn from the agricultural technologies of countries and areas along the way to enhance its own agriculture, realizing complementarity to China's agriculture through technology "bringing in." At the same time, through international agricultural aid and investment, China's agriculture may aggressively "go out" and encourage collaboration.

5. Problems existing in the process of agricultural trade cooperation between China and BRI countries

Although the level of agricultural trade between China and the BRI countries has steadily improved, the process of China's agricultural trade cooperation with the BRI countries has not been without bumps, and there are still numerous issues that impede the healthy development of agricultural trade between them to varying degrees.

5.1 Agricultural trade cooperation faces the problem of backward infrastructure construction in countries and regions along the BRI

Because most of the countries along the BRI are developing, their economic development levels are relatively low, and their investment in transportation, trade logistics, and information infrastructure has long been insufficient, resulting in generally poor infrastructure. One of the key goals of the BRI is to develop interconnected transportation infrastructure and effective logistical services between BRI countries, thereby reducing the bottleneck of cross-border trade [10]. The cost of transnational transportation has risen dramatically as a result of the inadequate transportation facilities that logistical transportation relies on, and in some situations, it will even impair normal import and export across countries.

Furthermore, agricultural products have seasonal features and it is difficult to maintain freshness, therefore agricultural product trade logistics are particularly expensive. The keys to improving and encouraging the development of agricultural commerce between China and nations along the BRI include interconnected transportation, logistics, information construction, and efficient

logistics and distribution services.

5.2 Green trade barriers between countries are escalating year by year

Trade would always yield winners and losers, the impact of trade protectionism on agricultural commerce between China and nations along the BRI must not be overlooked [11]. As trade protectionism has grown, China has faced increasing green trade hurdles when exporting agricultural products to nations along the BRI. They've developed high-quality agricultural product inspection and quarantine criteria for agricultural imports. When China exports vegetables, fruits, tea, and other items, they are frequently returned owing to non-conforming chemical fertilizers and pesticide residues, resulting in significant losses for export businesses and hurting the healthy development of China's agricultural trade.

In addition, China's agricultural environment and production practices differ from those of the nations and areas along the BRI, making it challenging to harmonize agricultural export criteria. Due to disparities in standards, certain countries and areas erect green trade barriers and restrict China's agricultural exports, resulting in frequent trade frictions.

5.3 The trade and investment environment in some countries and regions has deteriorated, bringing risks to trade cooperation

Due to various reasons, some countries and regions along the BRI lead to unstable domestic investment and trade environment, which brings security risks to bilateral trade cooperation. For example, in Russia, affected by the Ukrainian crisis, the United States and the European Union continue to exert pressure, which has caused an extremely negative impact on Russia's economy [12]. In addition, the Islamic forces in Central Asia are strong, and the terrorist forces are rampant, which seriously endangers security in Central Asia. As a region with more exchanges and cooperation in China's agricultural trade, Central Asia will have broader prospects for future cooperation. This insecurity factor will become a "time bomb" affecting trade cooperation between China and Central Asia.

6. Conclusion and recommendation

This paper mainly studies and discusses the agricultural trade between China and the countries along the BRI. Firstly, it expounds that BRI can optimize China's agricultural industrial structure, alleviate the problem of overcapacity of agricultural products, and enable China's agriculture to obtain a higher level of opening to the outside world. Then, this article introduces the two status quo of China's trade deficit and strong complementarity in agricultural trade cooperation with countries along the BRI. It also analyzes the opportunities and problems existing in the agricultural trade cooperation between China and the countries along the BRI and concludes that it has opportunities in the transnational allocation of agricultural resources and in accelerating the process of China's agricultural internationalization. At the same time, it also faces the risks of backward infrastructure construction in countries and regions along the route, escalating green trade barriers between countries and deteriorating trade and investment environment in some countries and regions.

With the BRI's continued and steady expansion, agricultural trade cooperation between China and the nations along the route is bound to reach a new level of development. China should advocate for the gradual realization of mutual recognition of agricultural product technical standards with countries and regions along the BRI, as well as promote the unification of agricultural product import and export standards, in order to adapt to the new stage and requirements of agricultural trade cooperation. At the same time, infrastructure between China and the nations along the route should be enhanced, and agricultural product logistics, transportation, and communication systems should be improved between China and the countries along the BRI. China should coordinate the efforts of all stakeholders, including the government, businesses, and citizens, to develop an effective trade cooperation operating mechanism and a favorable trade and investment environment. China and BRI nations must address current issues as quickly as possible, embrace the opportunity, and capitalize on the trend in order to better adapt to the operation and development of BRI's agricultural trade cooperation plan.

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