

The Comparison of Development of Sino-US service trade and Revelation

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Abstract- Nowadays, the focus of global economic competition is from goods trade to service trade, which made service trade developed rapidly. U.S. long-term leading in science and technology and has a highly developed service industry, which has always come out on top in the international trade in services, while services in China access to an unprecedented rapid development after the reform and opening up, in recent years service trade has made rapid progress, but the overall level is low. In this paper through the comparison of the development overview, the structure and other aspects of service trade of Sino-US, corresponding measures for the problems of service trade.

Keywords- Sino-US service trade; Development situation; Comparison; Conclusion

1. Introduction

With the deepening process of global economic integration and rapid economic growth, the development of trade in services has gradually become the main force of economic growth, the focus of global competition is transferred to the service industry after joining the WTO, China's import and export volume of service trade has an unprecedented rapid development and has increasingly become an important part of the national economy, However, due to the long time in China on the development of service industry attention and a number of reasons, leading to the development of the service industry behind other industries, compared to developed countries, the pace of development of the domestic service sector is relatively slow, U.S. long-term leading in science and technology and has a highly developed service industry, which has always come out on top in the international trade in services, Therefore, comparison and analysis of the development and the problems of service trade between China and the United States in recent years, which plays a very important role for the future development of China's service trade. Through the comparison of Sino-US service trade development situation and service structure, in the light of service trade development situation, from the service trade occupies world service trade, total service trade and service trade balance in three aspects to analysis. According to the existing problems in the development of service trade, exploring a development path suited to China's service trade.

2. The Comparison of Sino-US Service trade development Status

The United States has a highly developed service industry and its service trade has always been a world

leader. China's service trade started late, and to achieve sustained and steady development in recent years, total service trade is growing very rapidly, but compared with the United States, the overall level of development of China's service trade is still a considerable gap, the specific performance in the following aspects:

2.1 The two countries service trade occupies world service trade proportion

From the perspectives of the two countries service trade accounted for the proportion of total world service, as part of a highly developed service industry representatives, the U.S. proportion of world service trade is much higher than China. The proportion of China's service trade volume in 2000 accounted for 2.24%, Although the total import and export of service trade accounted for the proportion of world service trade is on the rise year by year, but the growth range is not great, average annual growth rate of only 0.35% Exports of service trade accounted for the world service trade in exports proportion of total service trade is the main reason for the low proportion of total world service trade, The pace of development is too slow, which is closely related to the low proportion of service trade in China's total foreign trade volume, In 2010, for example, China's total trade in goods reached \$ 29740 billion, accounting for 89.1 percent of China's foreign trade volume, contrast, China's service trade totaled only \$ 3624 billion, accounting for only 10.9% of the total of foreign trade, which indicates that the development of China's service trade is insufficient, the national economy pulling effect is not enough.

For United States, leading in the word service trade, in 2000 the proportion of import and export of service trade has reached 16.28%, higher than the same period of the China 14 percentage points, As global economic

integration, the increasing number of countries in the global economy plays an important role, International transfer of the service industry promote the rapid development of global service trade, the internationalization of production has led the international services, To a certain extent affect the United States service trade import and export volume accounted for the world service trade import and export amount proportion, appeared the trend of declining, especially in the financial crisis in 2008 has the largest effect, The United States import and export volume of

service trade year-on-year has negative growth of 0.07%. In 2008 the world's total trade amount proportion dropped to the lowest point 11.89%, pick up somewhat after 2009, rising to 12.51%, according to UNCTAD, by 2011 the United States service trade still accounted for 12.08% of world trade in services, dominant in the development of the world service trade, contrast to China, the United States of service trade in import and export volume is mainly composed of services trade in exports contributed, it has maintained a trade surplus in services and always kept on the top of international service trade.

Table1: Sino-US service trade import&export volume and trade balance from2000 to 2011

Unit: Billions of Dollars

Year	china's export volume	china's import volume	trade balance	U.S export volume	U.S import volume	trade balance
	Amount	Amount	Amount	Amount	Amount	Amount
2000	301.46	358.58	57.12	2758.81	2031.70	-727.11
2001	329.01	390.32	61.31	2648.91	2002.75	-646.16
2002	393.81	460.80	66.99	2702.27	2056.77	-645.50
2003	463.75	548.52	84.77	2811.99	2178.16	-633.83
2004	620.56	716.02	95.46	3254.95	2528.98	-725.97
2005	739.09	831.73	92.63	3562.89	2717.32	-845.57
2006	914.21	1003.27	89.06	3973.77	3063.16	-910.61
2007	1216.54	1292.54	76.00	4656.22	3358.61	-1297.61
2008	1464.46	1580.04	115.58	5125.85	3701.57	-1424.28
2009	1285.99	1581.07	295.08	4804.72	3449.59	-1355.13
2010	1702.48	1921.74	219.26	5225.10	3670.18	-1554.92
2011	1820.47	2364.79	544.32	5779.83	3905.52	-1874.31

2.2 Total service trade volume

China's service trade started late in 1982, world trade in services amounted to \$ 772.1 billion, while China's trade in services imports and exports totaled \$ 4.342 billion, accounting for less than 1% of the proportion of world trade in services, since 2000, China's service trade is developing rapidly(reference table 1),from 2000 to 2008, The total import and export of trade in services has been in a steady growth trend, from \$ 66.004 billion in 2000 to \$ 304.45 billion in 2008 to an average annual increase of 40.14%. Among them, the exports of service trade grew from \$ 30.146 billion in 2000 to \$ 146.446 billion in 2008, As of 2011, according to UNCTAD statistics, total trade in services has reached 418.526 billion U.S. dollars, which trade in services imports and exports respectively in the world service trade of 6.11% and 4.39%, ranking fifth in the world ranking in 2010 compared to a slight decrease.

Since 2000, the total amount of U.S. service trade has grown significantly (reference table 1), from \$ 479.051 billion in 2000 to \$ 882.742 billion in 2008, average annual growth rate of 9.36%, which exports increased from \$ 275.881 billion to \$ 512.586 billion, an average increase of 9.44%; imports increased from \$ 203.17 billion to \$370.157 billion, the average annual growth of 9.13 percent. By the financial crisis, the total trade in services in 2009 fell to \$ 825.431 billion, after 2010, with the gradual economic recovery, the total trade in services in 2011 reached 968.535 billion U.S. dollars. Although

China's total trade in services has been in the growing trend, the total trade in services in the United States is far higher than China. U.S. total trade in services in 2011 is 2.31 times that of China, the export volume is 3.17 times that of China's import volume is 1.65 times that of China.

2.3 Trade Balances in Services

From the point of trade balance in services, China's service trade deficit gradually expanded in recent years, U.S. trade in services surplus increased year by year. Can be seen from Table 1, the deficit amounted to \$ 5.712 billion in 2000 and since then it has reached a record high of \$ 9.546 billion in 2004. China's service trade deficit has dropped slightly since 2005, but after the financial crisis, the services trade deficit from 2008 appear to significantly increase and to 2011 deficits have reached \$ 54.432 billion, exceeding the 2004 record high of \$ 44.886 billion, is deficits of \$ 21.926 billion and 2.48 times in 2010. This fully demonstrates that in the overall China's service trade lack of comparative advantage, especially under the impact of the crisis, international competitiveness is relatively too weak.

In contrast, the United States is just the opposite, since 1971, the U.S. trade in services maintain a surplus year after year, which compensate for the huge trade deficit of goods playing an important role. Seen from Table 1, in 2000 U.S. service trade surplus up to \$ 72.711 billion, although next four years the favorable balance has

declined, but remained at more than \$ 60 billion a huge balance , since 2005 the favorable balance has a steady growth, to 2008, the favorable balance has reached \$ 142.428 billion, favorable balance decreased slightly in 2009, is still as high as \$ 135.513 billion, 2010 also appear to grow substantially, grow 14.74% compared to the same period, closing in 2011, the favorable balance has reached \$ 187.431 billion. Which all sated that service trade of United States have obvious advantages, even after the financial crisis can maintain a high surplus, and can be quickly restored, has a sustained growth of favorable balance .

3. Comparison of Sino-American service trade structure

3.1 Highlighted structural imbalances of Chinese service trade

Services exports are mainly dependent on tourism, transportation and other commercial services and other resource-intensive, labor-intensive services, while emerging knowledge, technology and capital-intensive services, the proportion is small. according to the China Trade in Services and the annual China Statistical Yearbook 2007-2011 data, we can find that such as tourism, transportation and other business services resources, labor-intensive traditional trade in services has been the main sectors of China's services exports, with the exception the proportion of the year, the three traditional service sector export sum accounted for total services exports in more than 80%. Relatively rapid development of the proportion of total exports of consulting services, has been in a steady growth trend, in the same period computer and information services grow slowly, In addition, finance, insurance, telecommunications, royalties and license fees as well as film, audio-video the industry trend is not obvious, five accounted for only less than 3% of the total services exports.

Traditional imports of services change a lot and emerging services imports has a rapid growth, the three largest sectors of China's service trade import is transportation, tourism and other business services. The three branches of the total imports is more than 70 percent: the proportion of imports for which the transport and tourism relatively stable, since 2003 the transport industry began more than tourism and occupy first import ; imports of tourism in recent years gradually falling in second place and in 2010 has been significantly improved, accounts for 28.6% of the share of total imports; other business services features, showing the remarkable gentle rise and then a sharp decline from \$ 23.12 billion in 2009 to \$ 17.18 billion in 2010, appearing a negative growth of 8.5% compared with 2009 and always has been ranked third. Emerging service trade imports increased year by year, notably insurance, the exclusive right to share and license fees and consulting sector grew more pronounced, significantly narrowing the gap with other business services.

3.2 Reasonable structure of U.S. trade in services

Highly developed and reasonable structure of service industry set a good foundation for the development of service trade development in United States, The United States is the most developed country in world service trade, the service trade development showing a virtuous circle of the situation, providing services to technology and knowledge-intensive industries. In the structure of U.S. service trade, the top ten service industries in the United States a leading position in the world, they are travel, transportation, finance, education and training, business services, communications, equipment installation and maintenance, entertainment, information and medical health care. The larger proportion of exports industries include tourism, other business services, proprietary rights use fee and license fee, transportation and financial services; larger proportion of imports industries include transportation, travel, and other commercial services and insurance services.

The tourism industry topped at the first in the United States service trade exports, the consumption of foreign tourists in hotels, car rental and ticket costs account for about one-third of the annual U.S. total exports of services. The U.S. is a world leader not only in traditional services such as transportation and tourism, also emerging service sector based on capital, technology-intensive export share is more outstanding and in the dominant position in the export structure of service trade. Based on technology-intensive, proprietary royalties and license fees, finance, insurance and consulting projects maintain a large surplus. Copyright royalties and rental fees (including the cost of renting movies and television programs) is also an important service trade in the United States income. Education (especially graduate tuition), financial services, professional technology transfer and services (in particular architectural design and municipal engineering, legal services, medical and health services), computer programs and data services, telecommunications, and other service sector has earned for the United States substantial revenues.

4. Conclusion

The above analysis shows that the overall level of service trade of China is relatively backward, although service trade import and export growth rate is faster than the United States, the service trade total amount is low, in 2011 the amount reached \$ 182.047 billion, less than the U.S. total service trade in services 1/3 and accounted for small proportion of the share of world total service trade , By the end of 2011 accounted for only 5.22%, and service trade deficit is bigger and bigger, in stark contrast with the huge U.S. services trade surplus. The unreasonable structure of Chinese service trade, service trade exports is concentrated in the labor force, resource-intensive and traditional service sectors, the proportion of knowledge-intensive and capital-intensive services exports is quite low, in the wake of the financial crisis,

the deficits increase quickly; in the structure of United States services trade export dominated by knowledge and technology-intensive service sector, in contrast to China, the service trade surplus continues to expand.

Response to these problems, China should take the necessary measures to change the situation of such deficits growing, by accelerating the development of the service industry, regulating service standards and improving the competitiveness of the domestic service industry; to adjust the internal structure of the Services Sector and upgrade traditional the competitiveness of the service industry, vigorously support the development of emerging services and improve the overall level of the service sector; improve the service trade laws and regulations, establish systematic service trade legal system.

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