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**PENZA STATE UNIVERSITY**

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|---|---|
| Institute of Economics and Administration | Department of Sociology, Economic Theory and International Processes |
| Field of study | 38.04.01 Economics |
| Master's degree programme | International Economics and Business |

# GRADUATION THESIS

**on the topic**

**Development of enterprises in countries of One Belt and One Road**

**Master's degree student** _____ Wang Pei
signature, date

**Academic adviser** _____ Skvortsova V.A.
signature, date

**Compliance supervisor** _____ Vlazneva S. A.
signature, date

**Reviewer** _____ Fudina E. V.
signature, date
Associate Professor of the Department of Finance and Business Informatization of Federal State Budgetary Educational Institution of Higher Education Penza State Agricultural University

*The thesis was approved for defence* (record of the department meeting dated _____ no.____)

**Head of the Department** _____ Rozhkova L.V.
signature, date

*The thesis was defended and marked* _____(record of the State Examination Board dated _____ no.____)

**Secretary of the SEB** _____ Rasskazova N. V.
signature, date

Penza 2024

**FSBEI HE Penza State University**

**Institute of Economics and Administration**
**Department of Economic Theory and International Relations**
**Field of study 38.04.01 Economics,**
**Master's degree programme International Economics and Business**

APPROVED BY:
Head of the Department
Doctor of Social Sciences,
Professor
Rozhkova L.V.
_____
«_____»_____20___

**ASSIGNMENT**
FOR THE GRADUATION THESIS OF

Master's degree student Wang Pei, group 22ЭЭВма1, full-time mode of study

1 The topic of the graduation thesis: "Development of enterprises in countries of One Belt and One Road"
was approved by the university order
dated «___»_____20__ no. _____
2 The deadline for the Master's degree student to complete the graduation thesis is 11.06.2024.
3 The input data for the graduation thesis is the regulatory and legal framework, scientific literature and reference books, and Internet data.
4 The list of issues to be studied includes: "Belt and Road Initiative" in the context of the development of Chinese multinational enterprises; The import and export trade of Chinese enterprises seeing "The Belt and Road Initiative"; "Belt and Road Initiative" under export trade measures for Chinese enterprises
5 The list of visuals contains tables and figures.
6 The date of setting the assignment is 28.11.2023.

Academic adviser _____/ Skvortsova V.A./
(signature) (full name)

The assignment was accepted by Master's degree student_____/ Wang Pei /
(signature) (full name)

## Schedule for completing the graduation thesis

| № п/п | Content of the thesis | Deadline for completion | Due date, signature of the academic adviser |
|---|---|---|---|
| First year of study | | | |
| 1 | Substantiating of the research topic and methodology, subject and object of research | 1.09.2022 – 31.10.2022 | |
| 2 | Framing the scientific concept of research | 1.11.2022 – 18.12.2022 | |
| 3 | Collection of scientific literature for the thesis | 19.12.2022 – 15.01.2023 | |
| 4 | Substantiating the relevance, concept, and novelty of the research | 16.01.2023 – 19.02.2023 | |
| 5 | Framing of a detailed plan and layout of the research | 20.02.2023 – 12.03.2023 | |
| 6 | Studying new literature sources within the topic of the thesis | 13.03.2023 – 26.03.2023 | |
| 7 | Conducting theoretical research within the first chapter of the thesis | 27.03.2023 – 30.04.2023 | |
| 8 | Preparing the first chapter of the thesis | 1.05.2023 – 30.06.2023 | |
| Second year of study | | | |
| 9 | Conducting analytical research within the second chapter of the thesis | 1.09.2023 – 22.10.2023 | |
| 10 | Preparing the second chapter of the thesis | 23.10.2023 – 24.12.2023 | |
| 11 | Conducting analytical research within the third chapter of the thesis | 25.12.2023 – 25.02.2024 | |
| 12 | Preparing the third chapter of the thesis | 26.02.2024 – 21.04.2024 | |
| 13 | Preparing the introduction and conclusion | 22.04.2024 – 12.05.2024 | |
| 14 | Completing the graduation thesis | 13.05.2024 – 26.05.2024 | |
| 15 | Handing in the thesis for compliance control and antiplagiat | 27.05.2024 – 9.06.2024 | |
| 16 | Getting acquainted with the feedback and review | 10.06.2024 | |
| 17 | Presenting the written thesis | 11.06.2024 | |

Academic adviser _____ / Skvortsova V.A./
(signature) (full name)

The assignment was accepted by Master's degree student _____ / Wang Pei /
(signature) (full name)

## Summary

The graduation thesis comprises 70 pages, 3 chapters, 4 figures, 9 tables, 52 sources.

KEY WORDS: “THE BELT AND ROAD INITIATIVE”, MULTINATIONAL ENTERPRISES, COOPERATION, INVESTMENT, INTEGRATION

The target of research is to focus mainly on the impact of the "Belt and Road" transnational operation on the high-quality development of enterprises, and summarize the impact of transnational operation on enterprise innovation and production in details.

The goal of work is to study the implementation process of the Belt and Road Initiative and the problems and challenges faced by enterprises in countries along the Belt and Road. Through theoretical research and empirical research, this study aims to propose strategies and methods to solve these problems and challenges, and provide theoretical and practical support for the smooth implementation of the Belt and Road Initiative.…

The methodological framework of the paper is formed by the complex of theoretical and practical methods such as literature research method, inductive method, deductive method.

The results of research include: defining of the impact of the transnational operation of the Belt and Road on the high-quality development of enterprises, which not only enriches the relevant research on the economic consequences of the Belt and Road Initiative, but also enriches the relevant research on the influencing factors of the high-quality development of enterprises.

The recommendations on disseminating and applying the results are as follows: at the enterprise level take proactive measures to reduce the investment risk, adopt targeted and differentiated investment strategies.

The theoretical relevance of the thesis is established by by processing and analysing a large amount of theoretical works, normative and legal documents governing the processes under study.

The target of research can be further explored through defining complementary effect from promoting high-quality development of enterprises in "Belt and Road "countries.

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## Introduction

Since the Belt and Road Initiative was formally proposed in 2013, the investment cooperation between China and countries along the routes has been steadily advanced, with the investment growth rate generally higher than that of China's outbound investment in the same period, and the regions along the routes have become an important growth point for China's outbound direct investment. However, with the continuous expansion of the scale of investment in the countries along the Belt and Road, the continuous extension of the industries involved and the increasingly diversified geographical distribution, the international investment environment faced by Chinese enterprises is increasingly complex, and the impact of the institutional environment of the host country is particularly prominent. The specific performance is that the political, economic, legal, cultural and other institutional environments of countries along the route have obvious characteristics of richness, diversity and complexity, and the institutional environment differs greatly. The convergence of multiple institutional environments, on the one hand, brings mutual integration, symbiosis and prosperity, and promotes the economic and trade development of the two countries; on the other hand, it further intensifies the risk of "clash of civilizations", and brings potential threats to the investment and economic relations between China and countries along the route.

Since the proposal was put forward, scholars have paid much attention to it. The existing researches on the "Belt and Road Initiative" mainly focus on the implementation effect of the "Belt and Road Initiative", and scholars have carried out a lot of discussions from the macro and micro levels. Since the "going out" strategy was put forward, the scale of China's foreign direct investment has grown rapidly. China's outward direct investment flows will increase from US $2.7 billion in 2002 to US $153.71 billion in 2020, with an average annual growth rate of 25.2%. Accordingly, the investment stock at the end of the year will increase from US $29.9 billion to US $2,580.66 billion, with an average annual growth rate of 28.1%.

The proposal and practice of the "Belt and Road Initiative" has made China's opening up a big step forward, and China's export trade has also developed rapidly.

China's commodity industry has increased foreign trade and entered the international market. Rich and Robinson believe that transnational business, as a field of research and practice, covers more than private or public business activities that have an impact on a country, region or household. In a situation of increasing liquidity of production factors, companies need to respond to the entire international market. According to John, transnational operation has a complex connotation, but it has one of the most basic characteristics: business activities involving at least two countries. Different scholars have different research purposes and different definitions of transnational operation, but in general, there are certain similarities in various definitions, that is, transnational operation means that an enterprise takes the international market demand as the guidance, invests in two or more countries, expands its production and operation activities to the international market, and carries out a series of business activities such as production, sales and research and development across borders. This paper mainly focuses on the impact of the "Belt and Road" transnational operation on the high-quality development of enterprises, and summarizes the impact of transnational operation on enterprise innovation and production in details.

Over the past 40 years of reform and opening up, the extensive growth model of China's economy, which mainly relies on the input of the three traditional factors of labor, capital and resources, has faced bottlenecks and constraints. The report of the 19th National Congress of the Communist Party of China made an important conclusion on the tr end of China's economic development: "China's economy has shifted from the stage of high-speed growth to the stage of high-quality development." Enterprises are micro-subjects of economic development, and high-quality economic development cannot be separated from the subjective role of enterprises in the final analysis. The key to its success lies in whether enterprises can achieve high-quality development. However, the problem of "big but not strong" of Chinese enterprises is more prominent, and the capacity of many enterprises ranks among the top in the world, but the quality of growth still lags behind that of developed countries on the whole, and the ability to resist risks is weak. For example, Sinopec, the third largest of the world's top 500 companies in 2018, has only 1/6 of the profits of ExxonMobil, which ranks 10th. Dongfeng Motor operating income, for

example, is twice that of Kia Motors, but its profit is only half that of the latter. Therefore, from the micro level, how to promote the enterprise development mode from scale driven to efficiency driven, improve the quality of enterprise development has become an important issue to be solved urgently by the academic circle and policy makers.

In March 2015, the National Development and Reform Commission, together with the Ministry of Foreign Affairs and the Ministry of Commerce, further promulgated the Vision and Action to Promote the Joint Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, and the "the Belt and Road Initiative" officially entered the practical promotion stage from the top-level design. Subsequently, the Ministry of Commerce, the Ministry of Finance, the Foreign Exchange Administration, the Securities Regulatory Commission and other departments proposed specific goals and tasks to promote the high-quality construction of the "the Belt and Road". With the support and leadership of the government, this initiative has achieved fruitful results in just a few years. According to statistics, as of 2018, China has signed cooperation documents on jointly building the "the Belt and Road" with 13 developed countries and 124 developing countries; 102 Chinese banks and institutions of all kinds have been established in 24 countries, and the RMB cross-border payment system covers 165 banks in 40 "the Belt and Road" countries; More than 700 international science and technology cooperation bases have been built, and cooperation in science and technology parks have been established with eight countries, including Indonesia and the Philippines. Five regional technology transfer platforms have been created in ASEAN, South Asia, Arab countries, Central Asia and Central and Eastern Europe, and 317200 students have been trained for countries along the "the Belt and Road". The signing of the "the Belt and Road" cooperation agreement, the establishment of multilateral and bilateral investment and financing mechanisms, the rapid development of science and technology platforms and the continuous implementation of human resources projects have provided strong support f or the high-quality construction of the "the Belt and Road". In this context, Chinese enterprises have accelerated the pace of "going global" and participated in the "the Belt and Road" transnational operations (referred to as "the Belt and Road" transnational operations), which has become a new phenomenon of internationalization. Research has

shown that enterprises can achieve economies of scale, ease financing constraints and promote enterprise innovation through direct investment in the "the Belt and Road" countries.

The research significance of this thesis mainly includes two aspects: theory and practice. First of all, the existing research mainly focuses on the impact of company characteristics and its internal and external environment on the high-quality development of enterprises. Based on the theory of organizational legitimacy, resource-based theory and endogenous growth theory, this research deeply discusses the "the Belt and Road" from the perspective of the Sino foreign cooperation agreement on the "the Belt and Road" and the relevant policies of the Chinese government on the "the Belt and Road" construction. The impact mechanism of transnational operation on high-quality development of enterprises not only expands the way for existing transnational enterprises to obtain the legitimacy of host country organizations, but also reveals the institutional roots of the "the Belt and Road" transnational operation to promote enterprise innovation and high-quality development, which enriches the research in the field of factors affecting high-quality development of enterprises. Second, there are existing studies on the "the Belt and Road". Scholars mainly discuss the economic consequences of the "the Belt and Road initiative" or policy from the macro level, while the research on the micro level is relatively small, and mainly focuses on financing constraints, enterprise innovation, enterprise investment, etc. This study, based on the perspective of the "the Belt and Road" multinational operation, discusses its impact on the high-quality development of enterprises. It not only provides a new research perspective for testing and evaluating the policy effects of the "the Belt and Road Initiative", but also enriches the relevant research on the economic consequences of the "the Belt and Road Initiative". Third, from the perspective of the absorptive capacity of enterprises, the heterogeneity of property rights and the uncertainty of world economic policies, we will deeply explore its regulatory mechanism for the relationship between the "the Belt and Road" transnational operation and the high-quality development of enterprises. Although scholars have examined the relationship between cross-border operations and corporate development.

The goal of this study is the analysis of the development of enterprises in countries of One Belt and One Road.

This goal is realized by solving the following objectives:

- definition of status quo and development status of Chinese multinational enterprises;
- analysis of the import and export trade of Chinese enterprises seeing the Belt and Road Initiative;
- research of precautions for multinationals in Belt and Road;
- definition of the future direction of high-quality development for multinationals.

The object of this study is the Belt and Road Initiative and the problems and challenges faced by enterprises in countries along the Belt and Road.

The subject of this study is the development of enterprises in countries of One Belt and One Road.

This study will deeply understand the implementation process of the Belt and Road Initiative and the problems and challenges faced by enterprises in countries along the Belt and Road. Through theoretical research and empirical research, this study aims to propose strategies and methods to solve these problems and challenges, and provide theoretical and practical support for the smooth implementation of the Belt and Road Initiative.

In addition, this study will also collect empirical data of enterprises through a questionnaire survey of national enterprises along the Belt and Road, and conduct a more in-depth study of these problems and challenges. Through the analysis of these data, this study will put forward more specific strategies and methods to solve these problems and challenges.

Research methods: (1) Literature research method. By collecting and sorting out the relevant literature on the Belt and Road Initiative and the high-quality development of enterprises, mastering the cutting-edge research on the influence of the Belt and Road Initiative on the high-quality development of enterprises not only lays a so lid literature foundation for this study, but also makes this study more innovative and targeted. (2) Inductive method finds out the mutual influence relationship between the Belt and Road Initiative and the high-quality development of enterprises from the existing related

research, and summarizes the similar viewpoints of the existing research, so as to draw general conclusions. (3) Deductive method. By collecting and sorting out relevant documents, we can master the theoretical systems related to this study, such as organizational legitimacy theory, resource-based theory and endogenous growth theory, and deduce the logical relationship between the transnational operation of the Belt and Road and the high-quality development of enterprises on the basis of existing research results, thus forming a scientific theoretical framework system.

Research perspective innovation. Different from the previous literature, which mainly focused on the economic consequences of the Belt and Road Initiative or policy, this paper studies the impact of the transnational operation of the Belt and Road on the high-quality development of enterprises from the perspective of transnational operation of enterprises, which not only enriches the relevant research on the economic consequences of the Belt and Road Initiative, but also enriches the relevant research on the influencing factors of the high-quality development of enterprises. In addition, the absorptive capacity of enterprises, the nature of property rights and the uncertainty of economic policies are also included in the research framework, which enriches the research on the relevant mechanisms of the "Belt and Road" transnational operation affecting the high-quality development of enterprises.

# Chapter 1 “Belt and Road Initiative” in the context of the development of Chinese multinational enterprises

## 1.1The status quo of Chinese multinational enterprises

The Belt and Road (B&R) is the abbreviation of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, which originated from the ancient Silk Road. In September 2013, during his visit to Central Asian countries, General Secretary Xi Jinping delivered a keynote speech entitled "Promoting People's Friendship for a Better Future" at Nazarbayev University in Kazakhstan, and put forward an important initiative to jointly build the Silk Road Economic Belt with the construction of "five links" as the core for the first time [49].

In October of the same year, during his visit to ASEAN countries, General Secretary Xi Jinping delivered a keynote speech on "Building China-ASEAN Community of Destiny Together" in Indonesian Parliament, further proposing an important initiative to jointly build the "21st Century Maritime Silk Road". So far, the "Belt and Road" economic cooperation initiative has been formally and comprehensively put forward.

In November 2013, the Third Plenary Session of the 18th Central Committee of communist party, China formally adopted the Decision of the Central Committee of the Communist Party of China on Several Major Issues of Comprehensively Deepening Reform, which called for "accelerating the construction of infrastructure interconnection with neighboring countries and regions, promoting the construction of the Silk Road Economic Belt and the Maritime Silk Road, and forming a new pattern of all-round opening". In December 2013, the Central Economic Work Conference further proposed "promoting the construction of the Silk Road Economic Belt, stepping up the formulation of strategic plans, and strengthening the interconnection of infrastructure. We will build the 21st Century Maritime Silk Road, strengthen the interconnection of sea lanes and tighten the ties of mutual interests. ". As a result, the "Belt and Road Initiative" officially rose to the national economic development strategy, and became an important part of building a new pattern of all-round opening-up in China in the new era. In October 2017,

The 19th National Congress of the Communist Party of China passed the resolution of "Constitution of the Communist Party of China (Amendment)", which officially wrote the "Belt and Road Initiative" into party constitution, reflecting China's determination and confidence to attach great importance to and firmly promote the "Belt and Road Initiative". Internationally, in November 2016, the 71st session of the United Nations General Assembly adopted resolution A/71/9 by consensus, and for the first time, the Belt and Road Initiative was written into the resolution of the formal session of the General Assembly [35]. In March of the following year, the United Nations Security Council further wrote the concept of "building a community of human destiny" into resolution 2344 on Afghanistan, which reflected the recognition and support of the international community for the initiative to jointly build the Belt and Road Initiative.

Regarding the scope of countries or regions along the "Belt and Road", academic circles and government departments have not given an official consensus. According to the "Vision and Action for Promoting the Joint Construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road" jointly issued by the National Development and Reform Commission, the Ministry of Foreign Affairs and the Ministry of Commerce in March 2015, the countries related to the "Belt and Road" construction are "based on but not limited to the scope of the ancient Silk Road, all countries and international and regional organizations can participate, so that the joint construction results can benefit a wider region". This also reflects China's open and cooperative attitude towards the countries participating in the Belt and Road Initiative, without clearly defining specific countries, which makes this initiative more open, inclusive and flexible.

Table1.1 – Major Belt and Road countries [33]

| Plate | Major countries |
|---|---|
| East Asia<br>5 Central Asian countries | Mongolia<br>Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan |
| Asean free trade area | Singapore, Philippines, Myanmar, Malaysia, Thailand, Indonesia, Laos, Vietnam, Cambodia, Brunei Iraq, Turkey, Jordan, Lebanon, Palestine, Yemen, Oman, Saudi Arabia, |
| 17 countries in West Asia | United Arab Emirates, Qatar, Israel, Kuwait, Syria, Bahrain, Greece, Iran, Lu Si. |
| 8 countries in South Asia | Bangladesh, Afghanistan, Maldives, Sri Lanka, Nepal, Bhutan, India, Pakistan |
| 16 countries in Central and Eastern Europe | Poland, Estonia, Lithuania, Czech Republic, Latvia, Hungary, Slovakia, Slovakia.<br>Slovenia, Bosnia and Herzegovina, Croatia, Montenegro, Romania, Serbia, Bulgaria, Macedonia, Albania. |
| Africa<br>Seven CIS countries | Egypt<br>Russia, Georgia, Ukraine, Azerbaijan, Moldova, Armenia, Belarus. |

According to the statistics of the official website of China Belt and Road Network (www.yidaiyilu.gov.cn), as of February 6, 2022, China has signed more than 200 cooperation documents with 148 countries and 32 international organizations, covering six continents of Asia, Africa, Europe, Oceania, North America and South America.

In this paper, the countries along the Belt and Road are divided according to the list published by official website.

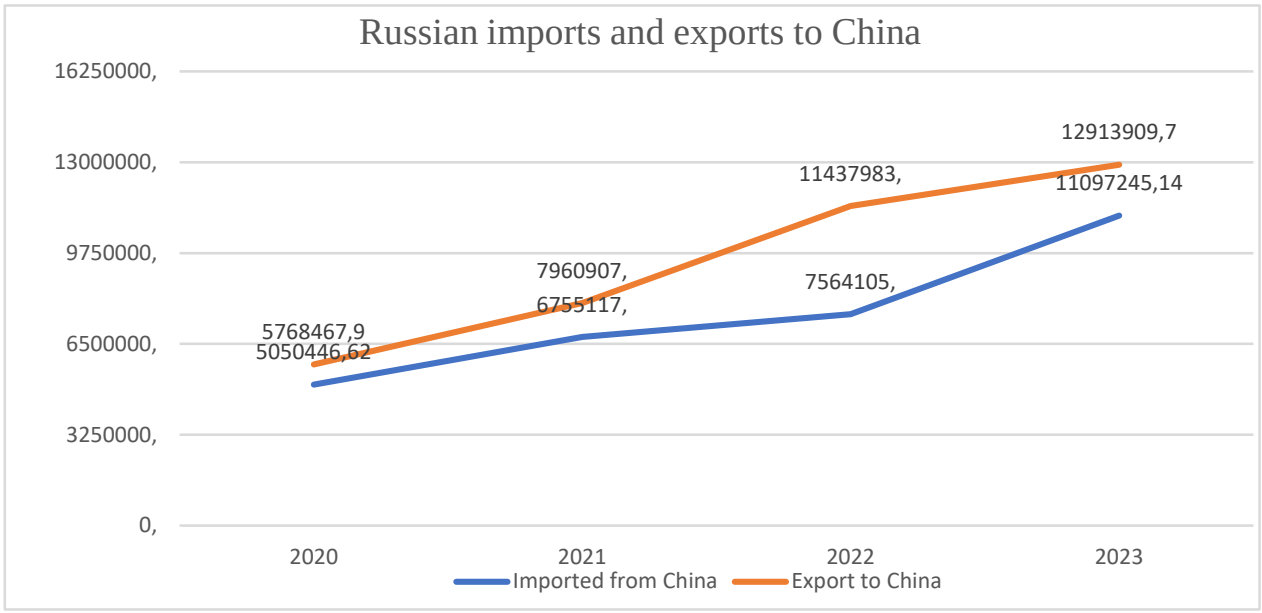


Figure 1.1 – Russian imports and exports to China [33]

Well-known sports shoes and clothing enterprises such as Anta, Li Ning, Peak, Hongxing Erke and 361 have moved from unclear development ideas to correct development routes. The proposal of "One Belt, One Road" has greatly increased the confidence of Peak's dealers in countries along the route. At present, Peak is expanding rapidly in the "Belt and Road" countries such as Russia, Ukraine, Slovenia, Serbia, Iran and the Philippines. Taking Anta as an example, Anta's performance is as strong as ever. In 2017, its operating income exceeded 16.69 billion yuan, and its market value exceeded 100 billion Hong Kong dollars, which enhanced its international competitiveness and gradually followed the footsteps of international brands Nike and Adidas, ranking third. In addition, in other products, although China has a good foundation compared with other developing countries, it can successfully make profits in foreign trade. However, there is no shortage of some Western European countries in the Belt and Road Initiative. These countries have relatively developed economies and sound scientific and technological foundations, so we must pay attention to the choice of goods when dealing with export trade in different regions.

### 1.2 The development status of Chinese multinational enterprises: import and export

Since the reform and opening up in 1978, China's foreign direct investment policy has generally gone through three stages: strict restriction (1978-1999), comprehensive relaxation (2000-2016) and strengthening control (2017-present). During 1978-1999, only state-owned enterprises were allowed to carry out foreign direct investment activities because of the strong planned economy in China. During this period, the overall scale of China's foreign direct investment was relatively small. Before 2000, the annual investment flow was below $5 billion, and the growth was generally slow.

From 2000 to 2016, with China's "going out" strategy and its successful entry into the World Trade Organization (WTO), China gradually changed from restricting foreign direct investment to deregulating and encouraging foreign investment. In 2004, the State Council announced that the foreign direct investment had changed from the examination

and approval system to the approval system, and issued the corresponding refinement policy. In 2009 and 2011, the Ministry of Commerce and the National Development and Reform Commission successively delegated the authority to approve overseas projects. In September 2014, the Ministry of Commerce further revised the Measures for the Administration of Overseas Investment, which also meant that China officially entered the era of "filing first, approval second". While relaxing the restrictions on foreign direct investment policies, China also provides financial support for enterprises' foreign direct investment through policy loans, financial subsidies and special funds (such as Silk Road Fund). During this period, the scale of China's foreign direct investment grew rapidly. In 2015, China became the second largest foreign direct investment country in the world for the first time. In 2016, the scale of foreign direct investment reached an all-time high of US$ 196.25 billion, 72 times that of 2002, and its proportion in the total scale of world foreign direct investment also increased rapidly from 0.5% in 2002 to 13.5% [51].

At the end of 2016, faced with the large-scale and unbalanced "irrational" foreign direct investment activities in China in 2016, the regulatory authorities began to strengthen the authenticity review of overseas investment and further standardize the foreign direct investment activities of enterprises. In August 2017, the National Development and Reform Commission and the Ministry of Commerce jointly issued the Guiding Opinions on Further Guiding and Regulating the Direction of Overseas Investment, which divided overseas investment activities into three categories: prohibited, restricted and encouraged, and standardized investment activities with the mode of "encouraging development negative list" to guide rational investment and prevent capital flight. In November of the same year, the National Development and Reform Commission promulgated the Measures for the Administration of Overseas Investment of Enterprises, which further promoted the "streamline administration, delegate power, strengthen regulation and improve services" reform, strengthened macro guidance for overseas investment, optimized overseas investment services, and improved overseas investment supervision. During this period, China's foreign direct investment began to show a downward trend. However, in 2020, due to the impact of the COVID-19 epidemic on the global economy, China's foreign direct

investment flow recovered to US$ 153.71 billion, up by 12.3% year-on-year, and ranked first in the world for the first time [51].

From the perspective of investment flow, according to the World Investment Report 2021 released by UNCTAD, the global foreign direct investment flow in 2020 was $739.9 billion, down 39.4% year-on-year. Among them, the foreign direct investment quota of developed economies was US$ 347.16 billion, accounting for 46.9% of the global investment market share, down 39.4% year-on-year; The foreign direct investment flow of developing economies was US$ 387.1 billion, accounting for 52.39% of the global investment market share, down 7.1% year-on-year. In contrast, in 2020, China's foreign direct investment flows reached US$ 153.71 billion, up 12.3% year-on-year, accounting for 20.2% of the global investment market, and ranked first in the world for the first time. Among them, China's foreign financial direct investment flow was US$ 19.66 billion, down 1.5% year-on-year, and its foreign non-financial direct investment flow was US$ 134.05 billion, up 14.6% year-on-year. According to the statistics of China's annual foreign direct investment released by the Ministry of Commerce and other departments in 2003, from 2002 to the end of 2020, China has been ranked among the top three in the world for nine consecutive years, with an investment flow increasing by 57 times, with an average annual growth rate of 25.2%, which has made important contributions to the activity and prosperity of the global investment market. From the statistical perspective of two-way investment, the scale of China's foreign direct investment in 2020 is slightly higher than that of attracting foreign investment (US$ 1,493.4) [51].

Table 1.2 – Statistical Results of China over the years since the establishment of the Foreign Direct Investment Statistical System [38]

Unit: USD 100 million

| Age | sum of money | Investment flow Global ranking | Year-on-year (%) | sum of money | Investment stock Global ranking | Year-on-year (%) |
|---|---|---|---|---|---|---|
| 2002 | 27.0 | 26 | | 299.0 | 25 | |
| 2003 | 28.5 | 21 | 5.6 | 332.0 | 25 | 11.0 |
| 2004 | 55.0 | 20 | 93.0 | 448.0 | 27 | 34.9 |
| 2005 | 122.6 | 17 | 122.9 | 572.0 | 24 | 27.7 |
| 2006 | 211.6 | 13 | 43.8 | 906.3 | 23 | 58.4 |
| 2007 | 265.1 | 17 | 25.3 | 1179.1 | 22 | 30.1 |
| 2008 | 559.1 | 12 | 110.9 | 1839.7 | 18 | 56.0 |
| 2009 | 565.3 | 5 | 1.1 | 2457.5 | 16 | 33.6 |
| 2010 | 688.1 | 5 | 21.7 | 3172.1 | 17 | 29.1 |
| 2011 | 746.5 | 6 | 8.5 | 4247.8 | 13 | 33.9 |
| 2012 | 878.0 | 3 | 17.6 | 5319.4 | 13 | 25.2 |
| 2013 | 1078.4 | 3 | 22.8 | 6604.8 | 11 | 24.2 |
| 2014 | 1231.2 | 3 | 14.2 | 8826.4 | eight | 33.6 |
| 2015 | 1456.7 | 2 | 18.3 | 10978.6 | eight | 24.4 |
| 2016 | 1961.5 | 2 | 34.7 | 13573.9 | six | 23.6 |
| 2017 | 1582.9 | 3 | -19.3 | 18090.4 | 2 | 33.3 |
| 2018 | 1430.4 | 2 | -9.6 | 19822.7 | three | 9.6 |
| 2019 | 1369.1 | 2 | -4.3 | 21988.8 | three | 10.9 |
| 2020 | 1537.1 | one | 12.3 | 25806.6 | three | 17.4 |

Source of data: The author collates according to the Statistical Bulletin of Foreign Direct Investment in China of the Ministry of Commerce and the World Investment Report of the United Nations Conference on Trade and Development (UNCTAD).

In terms of investment stock, by the end of 2020, the global stock of foreign direct investment was 39.25 trillion US dollars, and the stock of foreign direct investment in China reached 2,580.66 billion US dollars, an increase of 381.78 billion US dollars. Among them, the stock of foreign financial direct investment is US$ 270.06 billion, the stock of foreign non-financial direct investment is US$ 2,310.6 billion, and the total assets of overseas enterprises are US$ 5 trillion. From 2002 to 2020, China's investment stock

increased by 86.3 times, accounting for 6.6% of the global foreign direct investment stock market share, and it's ranking gradually rose from 25th to 3rd, which shows the influence of China's foreign direct investment in the global investment market.

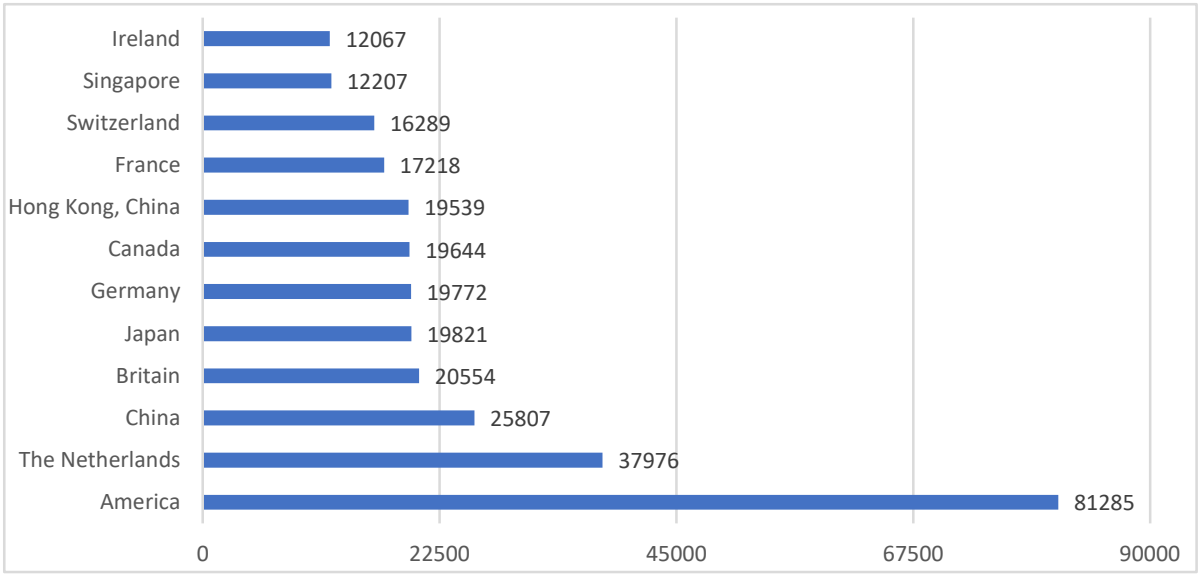


Figure1.2 – Stock size and global share of foreign direct investment of major countries (regions) in the world at the end of 2020 [42]

Source: The data of China's foreign direct investment in 2020 comes from the Statistical Bulletin of China's Foreign Direct Investment in 2020 of the Ministry of Commerce, and the data of other countries (regions) comes from the World Investment Report 2021 of UNCTAD.

By the end of 2020, China's foreign direct investment is distributed in 189 countries or regions around the world, accounting for 81.8% of the total number of countries in the world. As far as the regional distribution of global continents is concerned, Asia is the first choice region for China's foreign direct investment, and it is also the most important region, with a stock of US$ 1,644.89 billion, accounting for 63.7%. The countries or regions in the region that mainly receive China's investment are China, Hong Kong, Singapore, Indonesia, Macau, China, Malaysia and Laos. The second place is Latin China, with a stock of US$ 628.91 billion, accounting for 24.4%. The countries or regions in the region that mainly receive American investment are Cayman Islands, British Virgin Islands, Brazil, Venezuela and Argentina. Europe ranks third, with a stock of US$ 122.43 billion, accounting for 4.7%. The countries in the region that mainly receive China's investment are the Netherlands, Britain, Luxembourg, Germany and Russia, among which

the stock of investment in 17 countries in Central and Eastern Europe is US$ 3.74 billion, accounting for 3.1% of the investment in Europe. The fourth place is North China, with a stock quota of US$ 100.02 billion, accounting for 3.9%. The countries in the region that mainly receive US investment are the United States and Canada. The fifth place is Africa, with a stock of US$ 43.4 billion, accounting for 1.7%. The countries in the region that mainly receive China's investment are South Africa, Congo (DRC) and Zambia. The last place is Oceania, with a stock quota of US$ 40.11 billion, accounting for 1.6%. The countries in the region that mainly receive investment from China are Australia and New Zealand.

Table1.3 – China's foreign direct investment in each continent and its proportion [38]

Unit: USD 100 million

| age | Asia | Latin America | Europe | North America | Africa | Oceania |
|---|---|---|---|---|---|---|
| 2006 | 479.78(64.0%) | 196.94(26.3%) | 22.70(3.0%) | 15.87(2.1%) | 25.57(3.4%) | 9.39 (1.3%) |
| 2007 | 792.18(67.2%) | 247.01(21.0%) | 44.59(3.8%) | 32.41(2.7%) | 44.62(3.8%) | 18.30(1.6%) |
| 2008 | 1313.17 (71.4%) | 322.40(17.5%) | 51.34(2.8%) | 36.60(2.0%) | 78.04(4.2%) | 38.16(2.1%) |
| 2009 | 1855.47 (75.5%) | 305.95(12.4%) | 86.77(3.5%) | 51.85(2.1%) | 93.32(3.8%) | 64.19(2.6%) |
| 2010 | 2281.46 (71.9%) | 438.76(13.8%) | 157.10 (5.0%) | 78.29(2.5%) | 130.42 (4.1%) | 86.07(2.7%) |
| 2011 | 3034.35 (71.4%) | 551.72 (13%) | 244.50 (5.8%) | 134.72 (3.2%) | 162.44 (3.8%) | 120.07 (2.8%) |
| 2012 | 3644.07 (68.5%) | 682.12(12.8%) | 369.75 (7.0%) | 255.03 (4.8%) | 217.30 (4.1%) | 151.14 (2.8%) |
| 2013 | 4474.08 (67.7%) | 860.96(13.0%) | 531.62 (8.0%) | 286.10 (4.3%) | 261.86 (4.0%) | 190.17 (2.9%) |
| 2014 | 6009.66 (68.1%) | 1061.11 (12.0%) | 694.00 (7.9%) | 479.51 (5.4%) | 323.50 (3.7%) | 258.64 (2.9%) |
| 2015 | 7689.01 (70.0%) | 1263.19 (11.5%) | 836.79 (7.6%) | 521.79 (4.8%) | 346.94 (3.2%) | 320.92 (2.9%) |
| 2016 | 9094.45 (67.0%) | 2071.53 (15.3%) | 872.02 (6.4%) | 754.72 (5.6%) | 398.77 (2.9%) | 382.41 (2.8%) |
| 2017 | 11393.24 (63.0%) | 3868.92 (21.4%) | 1108.55 (6.1%) | 869.06 (4.8%) | 432.97 (2.4%) | 417.63 (2.3%) |
| 2018 | 12761.34 (64.4%) | 4067.72 (20.5%) | 1127.97 (5.7%) | 963.48 (4.9%) | 461.04 (2.3%) | 441.11 (2.2%) |
| 2019 | 14602.22 (66.4%) | 4360.47 (19.8%) | 1143.84 (5.2%) | 1002.26 (4.6%) | 443.90 (2.0%) | 436.13 (2.0%) |
| 2020 | 16448.94 (63.7%) | 6298.10 (24.4%) | 1224.32 (4.7%) | 1000.16 (3.9%) | 433.99 (1.7%) | 401.07 (1.6%) |

Source of data: The author collates the statistical bulletin of China's foreign direct investment over the years by the Ministry of Commerce and the World Investment Report over the years by UNCTAD.

From the perspective of various economies, the stock of China's foreign direct investment is mainly concentrated in developing economies, with a stock of US$ 2,299.83 billion, accounting for 89.1%; Followed by developed economies, its stock quota is 253.9 billion US dollars, accounting for 9.8%; Finally, there are transition economies, whose stock quota is 26.93 billion US dollars, accounting for 1.1%.

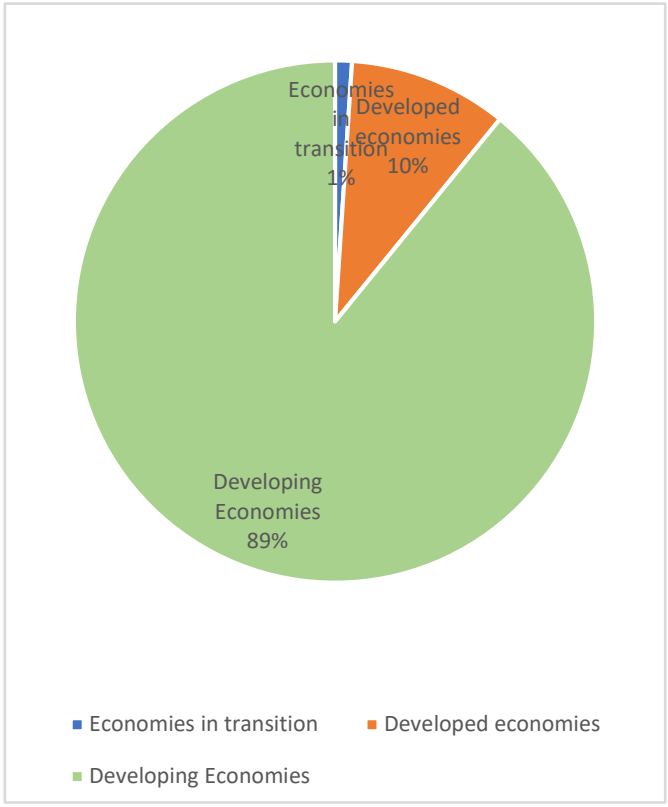


Figure1.3 – Composition of China's direct investment stock in various economies by the end of 2020 [44]

By the end of 2020, China's foreign direct investment covers all industries of the national economy, and the investment quota and its proportion of major industries in each year are shown in the table. Among them, the scale of more than 100 billion US dollars mainly involves six industries: leasing and business services, wholesale and retail, information transmission/software and information technology services, manufacturing, finance and mining. The total investment stock of the above six industries is as high as 2,198.68 billion US dollars, accounting for 85.2% of China's total foreign direct investment. In addition, important industries also involve real estate, transportation/warehousing and postal services, and construction. Judging from the three

industrial divisions, nearly 80% of China's foreign direct investment stock is concentrated in the tertiary industry (78.6%), with a stock of 202.2 billion US dollars; Followed by the secondary industry (20.9%), the stock is 5398 US dollars; Finally, the primary industry (0.5%) has a stock of $12.15 billion.

Table1.4 – Investment quota and its proportion in the top 10 industries of China's foreign direct investment [44]

Unit: USD 100 million

| | **2016** | **2017** | **2018** | **2019** | **2020** |
|---|---|---|---|---|---|
| Leasing and business services | 4740 (34.9%) | 6158 (34.0%) | 6755 (34.1%) | 7341 (33.4%) | 8316 (32.2%) |
| Wholesale and retail trade | 1692 (12.5%) | 2264 (12.5%) | 2327 (11.8%) | 2955 (13.4%) | 3453 (13.4%) |
| Information transmission, computer services and software industry | 648 (4.8%) | 2189 (12.1%) | 1936 (9.8%) | 2022 (9.2%) | 2979 (11.5%) |
| manufacturing industry | 1081 (8.0%) | 1403 (7.8%) | 1823 (9.2%) | 2001 (9.1%) | 2779 (10.8%) |
| financial industry | 1773 (13.1%) | 2028 (11.2%) | 2179 (11.0%) | 2545 (11.6%) | 2701 (10.5%) |
| mining industry | 1524 (11.2%) | 1577 (8.7%) | 1735 (8.8%) | 1754 (8.0%) | 1759 (6.8%) |
| realty business | 461 (3.4%) | 538 (3.0%) | 573 (2.9%) | 776 (3.5%) | 814 (3.2%) |
| Transportation, warehousing and postal services | 414 (3.1%) | 548 (3.0%) | 665 (3.4%) | 765 (3.5%) | 808 (3.1%) |
| Scientific research, technical services and geological exploration industries | 197 (1.5%) | 217 (1.2%) | 442 (2.2%) | 460 (2.1%) | 606 (2.4%) |
| Construction industry | 324 (2.4%) | 377 (2.1%) | 416 (2.1%) | 422 (2.0%) | 508 (2.0%) |
| Other industries | 719 (5.3%) | 793 (4.4%) | 971 (4.9%) | 946 (4.3%) | 1084 (4.2%) |

Source of data: Foreign Direct Investment in China over the years

By the end of 2020, 28,000 domestic investors in China had set up 45,000 foreign direct investment enterprises (overseas enterprises) outside the country (territory), an increase of nearly 1,000 compared with the end of last year. Among the financial foreign direct investment stocks, China Bank, China Industrial and Commercial Bank, China

Construction Bank, China Agricultural Bank and Bank of Communications are the main state-owned commercial banks in China. In the stock of non-financial foreign direct investment, the proportion of state-owned enterprises has decreased year by year, while the proportion of non-state-owned enterprises has gradually increased. In 2020, for example, domestic investors controlled by non-public economy will invest 67.16 billion US dollars, accounting for 50.1%, while those controlled by public economy will invest 66.89 billion US dollars, accounting for 49.9%. At the same time, state-owned enterprises accounted for 46.3%, and non-state-owned enterprises accounted for 56.7%, an increase of 3.8 percentage points year-on-year. Among them, limited liability companies account for the largest proportion (13%), followed by self-employed companies (11.2%), joint-stock companies (9.9%), private enterprises (6.3%), enterprises invested by Hong Kong, Macao and Taiwan businessmen (4.5%), foreign-invested enterprises (3.1%), joint-stock cooperative enterprises (0.4%) and collective enterprises (0.4%).

As an economic cooperation belt with the widest coverage, the largest number of countries and the greatest economic development potential in the world, the Belt and Road connects the Asia region with the most dynamic economic development, the economically developed Europe region, the resource-rich Africa region, Latin America region and Oceania region, and the countries along the Belt and Road region also have a relatively strong realistic demand for foreign investment for economic development and other purposes, so the investment potential of the Belt and Road region is huge. However, due to the significant differences in economic development stage, economic development demands, political environment, legal environment, infrastructure and human resources reserve, each country will put forward specific investment needs according to its own objective conditions and development goals of resource endowment. For example, Singapore, as a developed economy, hopes that foreign capital will enter the country's high-tech industries and modern service industries to maintain the development advantages of its high-end industries. However, the economies represented by energy powers such as Russia, Saudi Arabia and United Arab Emirates need foreign capital to boost the development of their petrochemical industries.

Table1.5 – Investment Demand of Some Key Countries along the Belt and Road [44]

| country | Key development areas | investment demand |
|---|---|---|
| 1 | 2 | 3 |
| Singapore | Jurong Industrial Zone, Singapore | Biopharmaceutical, electronics, precision engineering, logistics, engineering and environmental services, consulting and media, etc. |
| Russia | Russia Skolkovo Innovation Center, St. Petersburg Innovation Special Economic Zone, Moscow Greentown Technology Innovation Special Zone, Tomsk Technology Innovation Special Zone | Petroleum production and processing; Natural gas industry; Power equipment and infrastructure |
| United Arab Emirates | Free trade zones and special economic zones in the United Arab Emirates | Increase the proportion of alternative energy, chemical industry, textile and other light industrial sectors in the gross national product to realize economic diversification. |
| the Philippines | Clark and subic regions | Manufacturing, infrastructure and logistics system construction, mining, oil/natural gas development |
| Cambodia | Sihanoukville Special Economic Zone and Hamarton Special Economic Zone | In manufacturing, the transformation and construction of industrial projects; In agriculture, agriculture Village infrastructure and water conservancy project construction; In terms of service industry, tourism public Construction of facilities |
| Malaysia | Iskanda Special Economic Zone and several export processing zones in China | Improve the modernization level of agriculture and actively develop cash crops; Diversification of energy supply sources; In manufacturing industry, improve the technical level of manufacturing industry; In service industry, vigorously develop tourism resources. |
| Myanmar | Tuwa Industrial Zone and Kyaukpyu Economic Technology Development Zone, Myanmar Muse 105 yards trade Easy development zone | Agriculture, forestry, mining, energy, electricity, transportation and communication, construction and trade industries. |
| Thailand | Several export processing zones in China | Urban infrastructure construction, farmland irrigation system, port and airport facilities construction |
| Indonesia, India | Sumatra, Kalimantan and Sulawesi, Jakarta, Surabaya, Hope to raise interest rates and Wanya old area | Alternative energy, manufacturing, infrastructure and telecommunications |
| Viet Nam | Hanoi-Haiphong-the north of Quang Ninh and the south centered on Hu Zhiming City | Energy industry, transportation industry, labor-intensive manufacturing industry |
| Kyrgyz stan | Self-established in Bishvik, Narun, Karakuol and Mayimak regions By the special economic zone | Agriculture, textile industry, mechanical and electrical products, transportation infrastructure |
| Tajikstan | Penchi and Sogde North and South Free Economic Zones | Agriculture, energy development, telecommunications services, non-ferrous metal industry |

Table continuation 1.5

| 1 | 2 | 3 |
|---|---|---|
| Uzbekistan | Tashkent City and Navai Free Industrial Economic Zone | Electronic products, auto parts, chemicals, hospitals, food processing. |
| Egypt | Suez economic and trade development zone | Agriculture and irrigation; Transportation, municipal infrastructure, electric energy, petrochemical industry; Tourism; Information and communication industry |
| Kuwait | Kuwait Free Trade Zone, North "Silk City" | Machinery, transportation equipment, industrial products, household appliances, clothing, finished products of textiles, etc. |
| Saudi Arabia | KAEC, JAZAN, Jubail and Yan-bu Industrial Zones | Expand the oil and gas production capacity, promote the diversification of economic development and reduce the number of people.<br>The dependence of economy on the export of oil and gas resources; Planning and developing economic cities and industries Industry city, accelerate the construction of urban infrastructure |
| Pakistan | Karachi, Sialkot, Risalpur and Gujran-wala Export Processing Zones | Agriculture, industry, mining, service industry |
| Bangladesh | Bogra 、 Jamalgonj、<br>Khalaspir and Phul-bari regions; Dinajpur county; export processing zones | In agriculture, agricultural products processing and agricultural modernization; In industry, drums<br>Encourage the use of solar energy instead of electric energy; Using modern food packaging technology to ensure and increase the normal supply of frozen food. |
| Laos | Special economic zones, special economic zones and border trade zones established in China | In agriculture, promoting agriculture is simply from supplying agricultural products to supplying economy.<br>Material transformation; In manufacturing, encourage and promote small and medium-sized enterprises and private enterprises.<br>Industry development; Encourage investment in the telecommunications industry |
| the Republic of Belarus | Brest 、 Vitebsk 、 Gomel-Raton, Grod-noinvest freedom economic region | Petroleum processing industry and electric power industry; Metal processing industry; Machine building industry; Transportation industry; Communication service industry |
| Mongolia | Sai yin shan da industrial park | Exploration, development and deep processing of mineral resources; Agriculture and animal husbandry, food processing industry; Road traffic industry; Power network industry; Coal deep processing industry |
| Ukraine | Black Sea and Azov Sea, Rivne Industrial Park | Technologies and facilities for mineral and energy development; Processing industry; modern agriculture |

Source: The author is based on "Guidelines for Foreign Investment Cooperation Countries (Regions)" and "Guidelines for Foreign Investment Countries' Industries" of the Ministry of Commerce over the years.

Since the "Belt and Road Initiative" was formally put forward in 2013, the areas along the "Belt and Road" have become an important expansion area for the development of China's foreign direct investment. In order to promote the construction of the Belt and

Road Initiative, the Ministry of Commerce of China, the National Development and Reform Commission and the People's Bank of China have issued a series of policies and measures to support China enterprises to invest in countries along the route. At present, China's investment in countries along the Belt and Road is developing well.

From the scale of investment flow, the author matches the participating countries of the Belt and Road announced by the China Belt and Road Network with the annual statistics of China's foreign direct investment released by the Ministry of Commerce and other departments in 2003, and finds that China's direct investment flow to countries along the Belt and Road has increased rapidly from 432 million US dollars in 2003 to 27.728 billion US dollars in 2020, with a total increase of 64 times. In the same period, the total flow of China's foreign direct investment increased from 2.85 billion dollars to 153.710 billion dollars, an increase of 57 times. It can be seen that the growth rate of investment flow to countries along the route is higher than that of China's total foreign direct investment in the same period. And since the beginning of 2010, the scale flow of investment in the areas along the line has been stable at more than 10 billion US dollars, with an overall upward trend except for fluctuations in individual years.

In terms of proportion, the proportion of investment in the "Belt and Road" region to the total foreign direct investment remained above 10% in most years, with an average proportion of 16.4%, and it reached 18.04% in 2020, an increase of 1.82 percentage points over the previous year. It is worth noting that in 2015, the scale of China's investment flow to countries along the route was US$ 11.959 billion, a sharp decrease of 45.28 percentage points year-on-year, which was the largest decrease during the sample period. By analyzing the data of Statistical Bulletin of Foreign Direct Investment in China in 2015, it is found that the largest divestment event occurred in the sample period in 2015, with China enterprises divesting US$ 11.453 billion from Luxemburg and US$ 2.51 billion from Kazakhstan, totaling US$ 13.96 billion, which even exceeded the actual investment scale of China in countries along the Belt and Road in the same year. If this abnormal divestment situation is excluded, China's direct investment in countries along the route will still increase in 2015.

Table 1.6 – Scale and proportion of China's direct investment flows to countries along the Belt and Road Initiative [38]

Unit: USD 100 million

| age | Total scale of direct investment flows to countries along the Belt and Road Initiative | growth rate | Total scale of China's foreign direct investment flows. | growth rate | Proportion |
|---|---|---|---|---|---|
| 2005 | 16.64 | 124.89% | 122.60 | 122.91% | 13.57% |
| 2006 | 18.42 | 10.69% | 211.60 | 72.59% | 8.70% |
| 2007 | 52.17 | 183.24% | 265.10 | 25.28% | 19.68% |
| 2008 | 100.17 | 92.02% | 559.10 | 110.90% | 17.92% |
| 2009 | 85.71 | -14.43% | 565.30 | 1.11% | 15.16% |
| 2010 | 122.34 | 42.74% | 688.10 | 21.72% | 17.78% |
| 2011 | 153.30 | 25.31% | 746.54 | 8.49% | 20.54% |
| 2012 | 198.07 | 29.20% | 878.04 | 17.61% | 22.56% |
| 2013 | 189.33 | -4.41% | 1078.44 | 22.82% | 17.56% |
| 2014 | 218.56 | 15.44% | 1231.20 | 14.16% | 17.75% |
| 2015 | 119.59 | -45.28% | 1456.67 | 18.31% | 8.21% |
| 2016 | 210.83 | 76.29% | 1961.49 | 34.66% | 10.75% |
| 2017 | 283.69 | 34.56% | 1582.88 | -19.30% | 17.92% |
| 2018 | 274.80 | -3.13% | 1430.37 | -9.63% | 19.21% |
| 2019 | 226.96 | -17.41% | 1369.08 | -4.28% | 16.58% |
| 2020 | 277.28 | 22.17% | 1537.10 | 12.27% | 18.04% |

Source of data: The author collates according to the Statistical Bulletin of Foreign Direct Investment in China over the years by the Ministry of Commerce.

From the scale of investment stock, China's direct investment stock in countries along the Belt and Road increased rapidly from $2.274 billion in 2003 to $276.557 billion in 2020, a total increase of 121 times, while the total stock of China's foreign direct investment increased from $33.2 billion to $2,580.66 billion in the same period, an increase of 77 times, which shows that the growth rate of investment stock in countries along the Belt and Road is higher than that in general. At the same time, from 2007 to 2013, it exceeded 100 billion US dollars, and then it exceeded 200 billion US dollars in 2017. The scale of China's investment in the areas along the route increased steadily, showing a relatively rapid upward trend as a whole. However, due to the continuous

expansion of the overall base, the growth rate of investment showed a downward trend year by year, with an annual growth rate of 9.05% in 2020. In terms of proportion, consistent with the investment flow, the proportion of investment deposits in the "Belt and Road" region to the total stock of foreign direct investment remained above 10% in most years, with an average of 13.09%, and it was 10.72% in 2020, a slight decrease of 0.8 percentage points over the previous year. It can be seen that the direct investment in countries along the Belt and Road plays an important role in the overall layout of China's foreign direct investment, and there is still huge growth potential and room for improvement in the future.

Table1.7 – China's direct investment in countries along the Belt and Road and its proportion [38]

Unit: USD 100 million

| age | The total scale of direct investment in countries along the Belt and Road Initiative | growth rate | Total size of China's foreign direct investment stock | growth rate | Proportion |
|---|---|---|---|---|---|
| 2004 | 36.19 | 59.13% | 448 | 34.94% | 8.08% |
| 2005 | 61.27 | 69.30% | 572 | 27.68% | 10.71% |
| 2006 | 91.20 | 48.85% | 906.3 | 58.44% | 10.06% |
| 2007 | 161.08 | 76.61% | 1179.1 | 30.10% | 13.66% |
| 2008 | 242.83 | 50.75% | 1839.7 | 56.03% | 13.20% |
| 2009 | 339.10 | 39.64% | 2457.5 | 33.58% | 13.80% |
| 2010 | 494.44 | 45.81% | 3172.1 | 29.08% | 15.59% |
| 2011 | 678.08 | 37.14% | 4247.81 | 33.91% | 15.96% |
| 2012 | 936.61 | 38.13% | 5319.41 | 25.23% | 17.61% |
| 2013 | 1140.64 | 21.78% | 6604.78 | 24.16% | 17.27% |
| 2014 | 1473.11 | 29.15% | 8826.42 | 33.64% | 16.69% |
| 2015 | 1672.32 | 13.52% | 10978.65 | 24.38% | 15.23% |
| 2016 | 1870.19 | 11.83% | 13573.9 | 23.64% | 13.78% |
| 2017 | 2240.07 | 19.78% | 18090.37 | 33.27% | 12.38% |
| 2018 | 2479.30 | 10.68% | 19822.66 | 9.58% | 12.51% |
| 2019 | 2536.10 | 2.29% | 21988.81 | 10.93% | 11.53% |
| 2020 | 2765.57 | 9.05% | 25806.6 | 17.36% | 10.72% |

Source of data: The author collates according to the Statistical Bulletin of Foreign Direct Investment in China over the years by the Ministry of Commerce.

By the end of 2020, China has signed more than 200 cooperation documents with 140 countries and 31 international organizations to jointly build the Belt and Road Initiative. Therefore, in theory, there are as many as 140 potential investment countries in China along the Belt and Road Initiative, accounting for 74.1% of the total number of foreign direct investment countries (189) in China in the same period, covering five continents: Asia, Africa, Latin America, Europe and Oceania. As far as the regional distribution of global continents is concerned, taking 2020 as an example, Asia is the first choice and the most important region for China to directly invest in countries along the route, with a deposit of US$ 181.847 billion, accounting for more than half, up to 65.8%. The countries or regions in the region that mainly receive China's investment are Singapore, Indonesia, Thailand, United Arab Emirates, Malaysia and Laos. Africa ranks second, with a stock of US$ 42.071 billion, accounting for 15.2%. The countries in the region that mainly receive China's investment are Kenya, Democratic Republic of the Congo, South Africa, Nigeria and Ethiopia. Europe ranks third, with a stock of US$ 37.092 billion, accounting for 13.4%. The countries in the region that mainly receive China's investment are Luxemburg, Italy, Russian Federation, Poland and Croatia. The fourth place is Latin China, with a stock of US$ 10.1 billion, accounting for 3.7%. The countries in the region that mainly receive US investment are Chile, Costa Rica, Bolivia, Guyana, Panama and Peru. The last place is Oceania, with a stock of US$ 5.447 billion, accounting for 2.0%. The countries in the region that mainly receive investment from China are New Zealand, Fiji, Papua New Guinea, Western Samoa and Micronesia.

As the Statistical Bulletin of Foreign Direct Investment in China over the years only gives the overall industry distribution characteristics of China's foreign direct investment, but does not disclose the industry distribution of investment in various countries in detail, it is temporarily impossible to separately calculate and summarize the industry distribution of countries along the route. Therefore, this section gives a general description of the industrial characteristics of China's direct investment in countries along the "Belt and Road" according to the overall data of the Statistical Bulletin of Foreign Direct Investment in China in 2020. According to published data, by the end of 2020, domestic investors in China had set up more than 11,000 overseas enterprises in 63 countries along the Belt and

Road, and the investment flow in that year reached US$ 22.54 billion, accounting for 14.7% of China's foreign direct investment flow in the same period, covering 18 industrial categories of the national economy.

Table 1.8 – China's investment stock scale and its proportion in all continents along the Belt and Road Initiative [38]

Unit: USD 100 million

| Age | Asia | Africa | Europe | Latin America | Oceania |
|---|---|---|---|---|---|
| 2005 | 36.25 (59.2%) | 15.66 (25.6%) | 5.90 (9.6%) | 2.84 (4.6%) | 0.63 (1.0%) |
| 2006 | 47.63 (52.2%) | 24.94 (27.3%) | 12.99 (14.2%) | 4.21 (4.6%) | 1.43 (1.6%) |
| 2007 | 87.50 (54.3%) | 43.34 (26.9%) | 19.94 (12.4%) | 6.81 (4.2%) | 3.50 (2.2%) |
| 2008 | 129.47(53.3%) | 75.57 (31.1%) | 25.51 (10.5%) | 8.20 (3.4%) | 4.08 (1.7%) |
| 2009 | 177.89(52.5%) | 90.22 (26.6%) | 54.35 (16.0%) | 11.97(3.5%) | 4.66 (1.4%) |
| 2010 | 243.00(49.1%) | 126.40(25.6%) | 98.72 (20.0%) | 19.81(4.0%) | 6.50 (1.3%) |
| 2011 | 365.39(53.9%) | 155.16(22.9%) | 125.69(18.5%) | 23.35(3.4%) | 8.49 (1.3%) |
| 2012 | 513.88(54.9%) | 207.87(22.2%) | 162.27(17.3%) | 41.44(4.4%) | 11.14(1.2%) |
| 2013 | 613.00(53.7%) | 248.59(21.8%) | 208.52(18.3%) | 56.13(4.9%) | 14.40(1.3%) |
| 2014 | 793.55(53.9%) | 312.54(21.2%) | 280.99(19.1%) | 67.49(4.6%) | 18.54(1.3%) |
| 2015 | 973.10(58.2%) | 330.69(19.8%) | 263.49(15.8%) | 68.60(4.1%) | 36.43(2.2%) |
| 2016 | 1092.87 (58.4%) | 379.20(20.3%) | 269.62(14.4%) | 80.40(4.3%) | 48.09(2.6%) |
| 2017 | 1338.14 (59.7%) | 416.87(18.6%) | 341.12(15.2%) | 88.82(4.0%) | 55.12(2.5%) |
| 2018 | 1516.65 (61.1%) | 444.00(17.9%) | 363.50(14.7%) | 99.74(4.0%) | 56.41(2.3%) |
| 2019 | 1611.00 (63.5%) | 426.44(16.8%) | 344.00(13.6%) | 100.58 (4.0%) | 54.10(2.1%) |
| 2020 | 1818.47 (65.8%) | 420.71(15.2%) | 370.92(13.4%) | 101.00 (3.7%) | 54.47(2.0%) |

Source of data: The author collates according to the Statistical Bulletin of Foreign Direct Investment in China over the years by the Ministry of Commerce.

Among them, 84 M&A projects were implemented, and the total amount of M&A reached US$ 3.15 billion, accounting for 11.1% of the total amount of foreign direct investment M&A in China in the same period. Judging from the composition of the top five industries, China's investment along the "Belt and Road" is mainly concentrated in manufacturing, with an investment flow of 7.68 billion US dollars, accounting for 34.1% of the total investment in countries along the route in the same period [32].

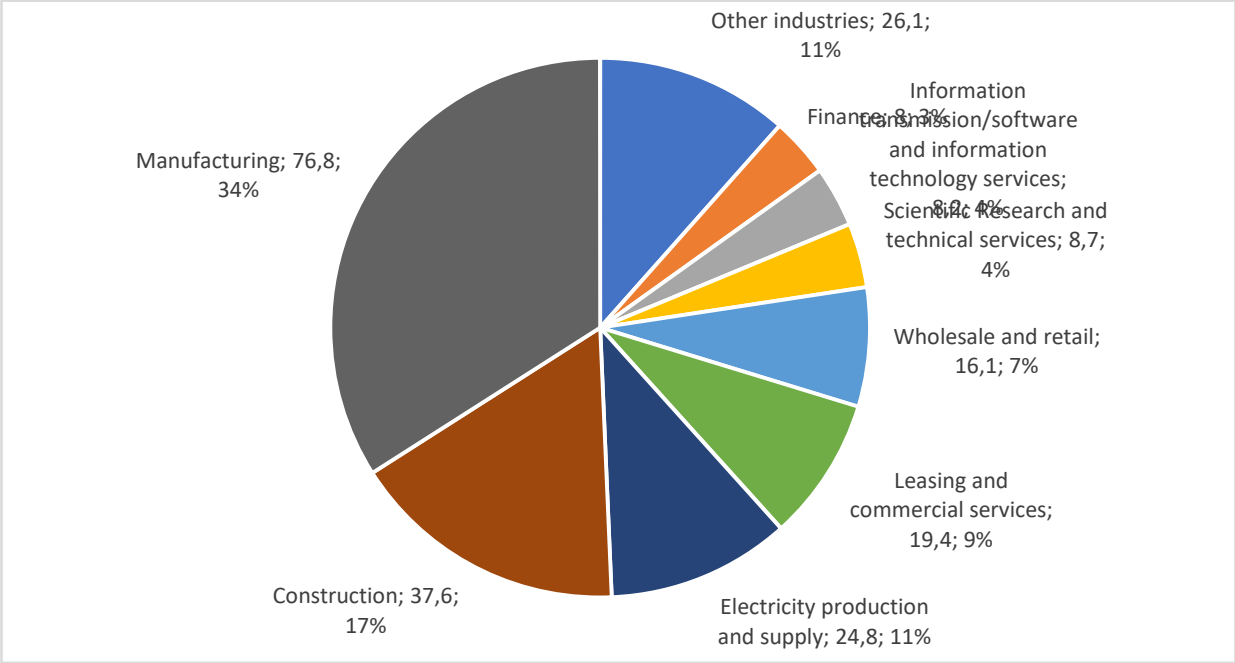


Figure 1.4 – China's direct investment in the countries along the industrial scale and its share in 2020 [44]

The second place is the construction industry, with an investment flow of US$ 3.76 billion, accounting for 16.7%. The third place is the power production and supply industry, with an investment flow of US$ 2.48 billion, accounting for 11%. The fourth place is leasing and business services, with an investment flow of 1.94 billion US dollars, accounting for 8.6%. The fifth place is the wholesale and retail industry, with an investment flow of US$ 1.61 billion, accounting for 7.1%. The proportion of the top five industries is more than 5%. It can be seen that China's direct investment in countries along the route also has obvious characteristics of industry concentration.

## Chapter 2 The import and export trade of Chinese enterprises seeing “The Belt and Road Initiative”

### 2.1 Impact on Multinational corporations in the context of Belt and Road

The Belt and Road Initiative is an important measure for our country to carry out exchanges and cooperation with other countries along the belt and road and to promote multilateral trade. It has laid the foundation for our commodity industry to trade with relevant countries and created favorable external conditions. With the continuous construction of the Belt and Road industry, China has formed a relatively perfect mode of international trade with other countries. It has also brought great opportunities and challenges for our commodity exports [41].

Positive impact concerns the transformation of traditional ideas.

China’s commodity industry has made certain development, as well as the formation of a certain scale, and made a certain contribution. With the implementation of the “Belt and Road” strategy, the zero international commodity industry expositions to be held in Jinjiang in 2019 will continue to strengthen cooperation with countries along the “Belt and Road”, in conjunction with the Bangladesh Chamber of Commerce and Industry, the Iran trade promotion agency, the Pakistan Shoes Association, the Pakistan Commodity Association, the Uzbek Leather Association and other business associations, more representative enterprises to join the “Belt and Road” brand Hall. Through the use of high-quality resources, the Expo will improve the import and export trade between countries, enhance the level of services and help small and medium-sized enterprises to solve the problems of traditional foreign trade, it‘s good for the Belt and Road market. In this impact will promote our commodity industry to change the traditional mode of production and management. By means of the integration of Belt and Road and the trend of opening up, the commodity industry will be promoted to upgrade the high-end products more quickly, and quickly understand and comply with the international market requirements and standard system, we will further improve the industrial structure [41]. With the economic

globalization, our country's commodity industry actively realizes the fundamental traditional idea change, carries on the industrial adjustment reasonably, through the merger and reorganization among the enterprises, actively implement the "Going out" strategy to integrate enterprises, expand the scale of enterprises, give full play to the fair competition market environment, participate in the international market competition and make good use of their competitive advantages.

Cross-border electronic commerce, which can also be called cross-border e-commerce, is a brand-new trade form under the premise of the popularization of the Internet, in which information and communication technology and traditional international trade interact and combine with each other. Cross-border e-commerce has broad and narrow concepts. The first is a broad concept. Cross-border e-commerce is a form of international trade and business activities, in which the trading subjects belonging to different customs areas display traditional foreign trade commodities on the Internet, make inquiries and bid, sign contracts and pay money, and perform contracts well offline. Cross-border e-commerce mainly refers to the application of information technology such as e-commerce to international trade business, thus making international trade business procedures virtual, online and digital. It includes commodity information display, online discussion, data conversion, online fund transaction and freight tracking. The second is the narrow concept. Cross-border e-commerce is a network retail business model, and cross-border business buyers and sellers on the network also belong to different fields. In this commercial form, the buyer only needs to complete the online payment, and the seller uses various cross-border logistics to transport the goods to the buyer. Cross-border e-commerce mainly refers to the online cross-border purchase of foreign goods or services by consumers.

With the deepening implementation of the "Belt and Road Initiative", the different demand for commodities in the countries along the route has brought development opportunities for our commodity enterprises. The "Belt and Road" has involved many countries, developed countries are among them. This economic area connects with our country, the advanced idea of the country along the line, the technical innovation will

bring the enormous help to our country commodity industry, the Jinjiang Economic and trade mission “Heath Row” has attracted the active participation of leading enterprises such as Anta, Peak, 361 degrees, XTEP, Shuhua and so on. Up to now, China has set up cross-border e-commerce comprehensive experimental zones in large and medium-sized cities such as Beijing, Shanghai, Shenzhen, Chongqing, Hangzhou, Guangzhou, Harbin, Changchun and Ningbo, and cross-border e-commerce has been widely recognized and welcomed nationwide, and various attempts and explorations have been made. In particular, Hangzhou has established a network free trade zone for cross-border e-commerce, and Shanghai has gradually formed a free trade zone and a China e-commerce model [41]. At present, there are more than 20,000 cross-border e-commerce platforms in China, and as many as 400,000 enterprises are developing cross-border business activities in various business platforms. At the same time, the relevant state departments have issued a large number of encouraging policies and regulations for the development of cross-border e-commerce, which has promoted the rapid development of cross-border e-commerce.

Study and observe the advanced industrial park, explore and find the road of Enterprise Innovation and upgrading. Exploring the huge potential of “Belt and Road industry” shows our determination to actively integrate traditional industries such as commodities into the construction of “Belt and Road industry”. The limited production capacity of our country’s commodity is not conducive to participate in international competition, but we can learn from the experience of the developed countries along the line, carefully analyze and summarize the management concept of the commodities along the line. To bring more learning opportunities for themselves, to find out the shortcomings of our enterprises to correct, through strengthening technology and management means, enhance the competitiveness of commodity market. Experience is the best teacher, let us step less, pay less price, quickly acquire valuable knowledge, so that the correct use of successful experience to narrow the gap between us and the advanced level of the developed, make Our brand bigger and stronger, further expand the market share of our commodity industry, so that our country into an innovative society to accelerate the pace.

Negative impact concerns trade protectionism.

China is getting closer and closer to its neighbors, and international development is moving towards economic globalization. However, some countries impose high import tariffs on imported goods, the purpose of restricting the import of goods and protecting the competitive advantage of domestic products in the domestic market. This will have a certain impact on the export of our country's commodity industry and limit the momentum of rapid development of our country, because of our country's commodity industry in the technical and production links of the restrictions, it is very difficult for the export commodities of commodity industry to break through the barrier formed by developed countries against our country's manufacture, then these export products will be affected by international trade protectionism and prices will fall, which will promote the decline of trade exports, not conducive to the economic stability of our commodity industry. Our country's commodity innovation ability is insufficient, the independent brand lacks the international competitiveness, has to imitate, even "The imitation" the same profession leader, produces the product mostly not to form own characteristic and the superiority, the technical barriers to international trade will restrict the export of our country's goods, making the export products in the international market competitiveness decline.

Differences in the level of national development.

The individual countries along the "Belt and Road" have a low level of development and their economic development is still at a relatively backward level. Before the implementation of the "Belt and Road policy", there were still large economic gaps between the countries along the routes, and the economic development of each region was relatively unbalanced, in Eastern Europe, North Africa, West Asia, south-east Asia and other regions of individual countries GDP growth rate of less than 1% ,and even a small number of countries to negative growth. This has seriously increased the economic development gap with other countries, not conducive to our commodity industry and countries along the line for better economic exchanges. There are also obvious cultural differences among the countries along the route, which will lead to the problem of cultural

disharmony in the export commodities of our country's commodity industry. Our country has not made specific and targeted research on the culture and law of the countries along the route, this will encounter greater difficulties.

Table 2.1 – Top 10 failed projects of Chinese investment in countries along the Belt and Road [41]

Unit: hundreds of millions of dollars

| Time | investors | host country | investment | industry | model |
|---|---|---|---|---|---|
| May 2018 | CEFC China Energy | Russia | 91.8 | Energy mergers | acquisitions |
| January 2015 | China Railway Engineering | Venezuela | 75 | transportation | acquisitions |
| April 2014 | China National Petroleum Corp | Iran | 25 | Energy mergers | acquisitions |
| June 2018 | China National Petroleum Corp | Malaysia | 24.7 | Energy mergers | acquisitions |
| January 2015 | China Energy Engineering | Pakistan | 23.3 | Energy mergers | acquisitions |
| August 2018 | China National Petroleum Corp. | Malaysia | 22.9 | Energy mergers | acquisitions |
| January 2018 | China Communications Construction | Bangladesh | 20.6 | transportation | acquisitions |
| November 2020 | Power Construction Corp. | Malaysia | 19.1 | transportation | acquisitions |
| August 2014 | China Petroleum and Chemical | Kazakhstan | 18.5 | Chemical Industry | acquisitions |
| August 2016 | China Railway Construction | Nigeria | 18.5 | transportation | acquisitions |

Data source： CGIT

## 2.2 Problems in the high-quality development of Multinational corporations

Some scholars think that multinational operation has a positive effect on enterprise innovation from the perspectives of Resource Base, organizational learning and technology spillover. Branstetter argues that by investing directly in developed countries, firms can embed themselves deeply in technology hubs and gain reverse technology

spillovers; by investing directly in developing countries, access to rich and cheap raw materials and low-cost labor, reduce R & D costs, and thus enhance enterprise innovation. Based on the research data of innovation survey in the UK, Salomon found that the export of enterprises can obtain the scarce knowledge resources in domestic production, which can greatly promote product innovation and professional application. Research based on German enterprise data shows that multinational enterprises can create more knowledge than enterprises that only operate in their own countries, and these knowledge resources can effectively promote the improvement of enterprise innovation capability. Based on the data of Italian small and medium-sized manufacturing enterprises, it is found that the enterprises that actively participate in multinational operation can obtain more innovation resources from outside and promote enterprise innovation. Based on the micro-data of China's manufacturing industry, it is found that export can promote enterprise innovation, but the promotion is heterogeneous in different industries. The study draws a positive conclusion that the internationalization of enterprises is conducive to the promotion of their own innovation capacity. However, some studies have found that transnational operations tend to crowd out domestic investment, which has a negative impact on enterprise innovation. Liu Hayun's research found that cross-border investment may lead to real interest rates rise, inhibit domestic capital re-formation, crowding out enterprises'; R&D investment. Xiao Peng and Sun Yuhong's research also shows that the breadth and depth of internationalization has a inhibiting effect on enterprise innovation [29].

As for the impact of transnational operations on enterprise productivity, some scholars believe that transnational enterprises have higher productivity, which may be the improvement of total factor productivity brought by the "learning effect" of enterprises in transnational activities. Through "learning", multinational enterprises can obtain the relevant information of products and production earlier and faster, learn more new technologies, improve the existing process flow, reduce the dependence on labor and capital, help reduce the cost of products and services, improve product quality, and promote the improvement of the total factor productivity of enterprises. Based on the export trade perspective, Van Biesebroeck uses the data of South African national

manufacturing enterprises to find that after controlling the self-selection effect of firms, exports are positively correlated with the total factor productivity of firms [26].

The presence of the mouth learning effect. Similarly, Kraay, Zhang Jie.

Ming enterprises improve the total factor productivity through "export learning". Based on the data of Chinese enterprises from 2005 to 2011 and from the perspective of OFDI, Xiao Huimin and Liu Guanghui found that OFDI can significantly improve the technical efficiency and production efficiency of enterprises. Imbriani, using data from Italy, and Singla and George, using data from India, came to similar conclusions. Based on the perspective of cross-border M&A, Stiebale and Trax verified the relationship between cross-border M&A and total factor productivity of British and French enterprises and found that cross-border M&A significantly improved the total factor productivity of technology-intensive enterprises. On the basis of controlling the self-selection problem, Takechi investigated the relationship between the two using the data of Japanese enterprises and found that cross-border mergers and acquisitions significantly promoted the improvement of total factor productivity of enterprises. However, some scholars have pointed out that transnational activities are negatively correlated or not correlated with total factor productivity of enterprises. Bertrand and Betschinger's research on the M&A activities of Russian multinational enterprises shows that the long-term performance of enterprises has not been improved due to the lack of transnational experience, but the profitability and productivity of enterprises have declined in different ways. Braconier made use of the data of Swedish enterprises and found that OFDI did not lead to the improvement of total factor productivity of enterprises. Bitzer and Kerekes used the data of 17 OECD countries and generalized least square method to study and find that OFDI has no obvious effect on the improvement of total factor productivity of enterprises.

As for the driving factors of high-quality development of enterprises, the existing research mainly discusses the following two aspects:

The macro environment of the enterprise. Government governance. Nwachukwu believe that government governance affects the development of enterprises through many ways, such as reducing the level of investment, human capital and the share of private investment. Shi Daqian's empirical test results show that civilized city construction can

improve the level of urban environmental regulation, reduce external transaction costs, and improve the production efficiency of enterprises in civilized cities Rate, and then promote the high-quality development of enterprises; Chen Taiyi’s research found that: optimizing the business environment can promote the high-quality development of enterprises, and the mechanism test shows that the business environment mainly improves the quality of enterprise development by boosting enterprise confidence [17]; Li Qiang studied the relationship between intellectual property protection and high-quality development of enterprises by using the data of micro enterprises in China's manufacturing industry, and found that there is a "U-shaped" relationship between the two, that is, when the cost of intellectual property protection exceeds a certain value, it will "force" enterprises to carry out technological innovation and improve the development quality of enterprises. Fiscal and tax policies [28]. Chen Zhao and Liu Yingman found that government subsidies can promote high-quality development of enterprises through technological innovation.

Market development. Asteriou and Spanos study found that the development of financial market can ease financing constraints, which is conducive to improving the development quality of export enterprises [18].

Micro characteristics and behaviors of enterprises themselves. Capital structure. Shi Benzhi and Tang Haibin found that there is a significant inverse U-shaped relationship between leverage ratio and high-quality development [30]. When the enterprise leverage ratio is low, it is conducive to the high-quality development of enterprises, and when the enterprise leverage ratio exceeds a certain range, it will inhibit the high-quality development of enterprises.

According to Cheng Hong's research, management efficiency has a significant promoting effect on labor productivity. When management efficiency is increased by 10%, its marginal contribution to labor productivity is about 14.2% [20].

Innovative behavior. Using the data of Shanghai and Shenzhen A-share listed companies in China from 2007 to 2017, Chen Lishan and Fu Yuanhai found that technological innovation inhibited the development quality of enterprises in the current period, but promoted the development quality of enterprises in the lagging period. Gu Junjian and Zhao Yulin believe that the impact of overseas R&D investment on the quality

of green development of enterprises is heterogeneous, that is, overseas R&D investment can promote the quality of green development of state-owned monopoly industries and low-technology industries, but does not promote the quality of green development of the overall manufacturing industry, medium-high competitive industries, and medium-high technology industries.

Through literature review, it is found that the existing literature has launched a lot of discussions on the "Belt and Road" and high-quality development of enterprises, but there are still some shortcomings:

In 2013, China put forward the "Belt and Road" Initiative. Most scholars' researches focus on the economic consequences of the "Belt and Road" initiative or policy. However, whether the "Belt and Road" construction can achieve results depends on whether enterprises are willing to participate in the "Belt and Road" transnational business activities. And whether enterprises participating in the "Belt and Road" transnational business activities can integrate domestic and foreign resources to improve their ability level. Unfortunately, few scholars have conducted research from the perspective of enterprises' participation in transnational business activities under the Belt and Road Initiative.

Studies on the implementation effect of the Belt and Road Initiative mainly focus on the macro and micro levels, and most of the macro-level studies focus on the economic and technological complementary effects of the Belt and Road Initiative on China and countries along the route; At the micro level, scholars focus on its impact on enterprise innovation and productivity. In the critical period when China's economy has shifted from the stage of high-speed growth to high-quality development, whether enterprises, as an important subject of microeconomy, can achieve high-quality development is related to the success or failure of high-quality development of China's economy. Unfortunately, there is no literature to examine the actual impact of "One Belt, One Road" on high-quality development of enterprises.

Existing literature on the measurement of enterprise high-quality development mainly includes single index method and multi-index synthesis method, but the advantages and disadvantages of the two methods have not been unified. The single-index

method mainly includes economic added value, total factor productivity, labor productivity and other indicators, which are highly objective and operable, but cannot include the connotation of environmental protection and energy saving. Although the multi-index comprehensive method comprehensively covers the multi-layer connotation of high-quality development, its index system is usually subjective, difficult to obtain data and other defects.

Most scholars have found that innovation is the fundamental path to achieve high-quality development of enterprises, but the innovation activities of enterprises will face the constraints of innovative resources such as capital and talents, which will inhibit the high-quality development of enterprises. Transnational operation provides opportunities for enterprises to obtain innovative resources in host countries to promote their high-quality development, but transnational operation will face organizational legitimacy obstacles such as stereotyped judgment, unfair discrimination and exclusion of "intruders" in host countries. In order to obtain the legitimacy of the host organization, multinational enterprises

Selection and avoidance, isomorphism and catering, manipulation and reconstruction are usually adopted, but these three strategies need enterprises to pay a high price. The choice and avoidance strategies make enterprises abandon countries with high organizational legitimacy threshold, and also make enterprises lose potential opportunities for development. However, under the Belt and Road Initiative, China has signed agreements with countries or regions along the Belt and Road.

The cooperation agreement, as well as the support policies and measures of the Chinese government to the countries along the route in terms of capital and technology, have greatly reduced the obstacles for enterprises to obtain the legitimacy of the host country organizations, and are conducive to the "Belt and Road" multinational enterprises to embed in the host country's business network and innovation ecology, access to the host country's innovation funds and innovative talents and other resources, and promote the smooth progress of enterprise innovation activities.

Specifically: Participating in the "Belt and Road" transnational business activities is conducive to enterprises' access to financial resources. Capital is the blood of an enterprise

and the necessary guarantee for enterprise innovation. Because of the long-term nature, high risk and weak mortgage of enterprise innovation, enterprise innovation faces serious financing constraints. Participating in the "Belt and Road" transnational operation is conducive to easing the internal and external financing constraints of enterprises. First, we will ease constraints on domestic financing. First of all, the signing of the Sino-foreign "Belt and Road" investment cooperation agreement has reduced the organizational legitimacy barriers for Chinese enterprises to invest in host countries. On the one hand, at present, China's economic growth has slowed down, the industrial structure is unreasonable, enterprises have long faced with high leverage, high inventory, excess capacity and other problems, enterprises "going out" to participate in the "Belt and Road" transnational business activities, can expand the sales market from the domestic to the countries along the route, obtain more potential customers, achieve economies of scale and scope economy, and improve the sales revenue of enterprises. On the other hand, although most of the "Belt and Road" countries are economically underdeveloped regions, they have relatively rich natural resources, dense population and low labor costs. Enterprises participating in the business activities of countries or regions along the route can obtain cheaper raw materials and lower cost labor, reducing production costs. Secondly, the signing of the Sino-foreign "One Belt and One Road" investment and trade cooperation agreement has reduced the organizational legitimacy barriers for Chinese enterprises to trade in the host country. The continuous improvement of the infrastructure of the "Belt and Road", the opening of the "European Express", and the facilitation of investment and trade will help reduce the circulation cost of commodities. Finally, the signing of the "Belt and Road" tax agreement between China and foreign countries has reduced the organizational legitimacy barriers for Chinese enterprises to obtain tax incentives in host countries. In order to encourage enterprises to participate in the operation of the "Belt and Road", not only the Chinese government has granted tax incentives to enterprises, but also countries along the Belt and Road have introduced a large number of preferential tax policies to attract investment from high-quality Chinese enterprises and provide facilitation and support for enterprises. Enterprises participating in the "Belt and Road"

multinational operations can obtain greater tax incentives and reduce the tax burden of enterprises.

## Chapter 3 “Belt and Road Initiative” under export trade measures for Chinese enterprises

### 3.1 Precautions for multinationals in “Belt and Road”

The enterprise completes the upgrade and transformation, and defines the product positioning.

The export trade of China's commodity industry is going out under the strategy of "Belt and Road". In the choice of export direction, we should fully understand many international commodity markets and classify them carefully after investigation, so that enterprises can make better decisions for these classifications, carry out all-round upgrading and improve the industrial chain. Adjust the corresponding export structure, optimize the quality of its export products, and meet the different needs of different markets. In the past, commodity enterprises in Jinjiang have set off a wave of transformation movement. For example, core enterprises such as Anta have gradually transformed from OEM to self-owned brands, from a single footwear enterprise to a comprehensive commodity enterprise that produces sportswear, sports shoes and sports accessories. They have accumulated a lot of skills, strengthened industry internal control, adjusted management system, learned modern management models, improved product quality management level and accurately positioned the target market. Use modern information technology to transform enterprises, further expand trade exports and promote the development of enterprises. Enterprises should give full play to the advantages of connecting with the "Belt and Road", promote the upgrading of industries through the transformation and adjustment of enterprise structure, and accelerate the transformation of enterprises from low-end traditional models to technological upgrading and product innovation through the rational distribution of production scale in countries along the route. China's commodity industry is still a labor-intensive product in the low-end field. The international competitiveness is weak, which is not enough to meet the multi-level and diversified needs of consumers in the international market, and it is difficult to define their market positioning and competitive advantages because of the lack of loyal target

consumer groups. In today's complex economic environment, if enterprises want to achieve stable and progressive development, they can't be obsessed with the old traditional business model. We must explore and adapt to the changes in the market and industry, define the positioning of products, and transform and upgrade enterprises, so as to realize the sustainable development of enterprises [36]. China's commodity industry needs differentiated positioning, matching with personalized service, transforming the original ordinary consumers into loyal consumers based on China's commodity brands, enhancing competitiveness and being more durable in export trade competition.

The establishment of risk management and control mechanisms to strengthen comprehensive prevention.

In the process of the gradual implementation of the "Belt and Road Initiative", many international risks represented by "geographical risks" are the difficulties and challenges that Chinese commodity enterprises will face. Therefore, it is of great significance to reasonably evaluate the external risks of enterprises to ensure the development safety of commodity enterprises in China. Our government should establish a forward-looking assessment mechanism for all risks in countries along the route, establish a corresponding emergency control mechanism, and establish a risk monitoring service platform for enterprises' overseas investment with the participation of relevant government departments, China Credit Insurance Company, banks and legal service institutions, so as to help enterprises establish and improve the risk assessment system, risk prevention mechanism and overseas risk emergency system for overseas operations and effectively avoid investment risks. At the same time, promote the construction of monitoring and evaluation system for overseas investment projects, formulate effective security measures and emergency mechanisms, standardize the insurance mechanism for overseas personnel, funds and goods, and earnestly safeguard the legitimate rights and interests of overseas enterprises and personnel. At the enterprise level, before investing, we should thoroughly analyze and study the market, carefully study the industrial policies of the destination country, fully consider the international political trends, political changes in the destination country, international trade trends, exchange rate fluctuations and other factors, carefully calculate the investment income expectations, and make prudent decisions.

Establish a public information service platform, update the risk assessment and risk information of countries and key areas along the "Belt and Road" in real time, and comprehensively and objectively evaluate the risk degree of major investment transactions; Carry out comprehensive and multi-faceted public relations activities, integrate into the local society, and ease conflicts.

Make full use of the advantages of Zhejiang's land-sea linkage to build an important hub of the Belt and Road Initiative.

With the in-depth development of the Belt and Road Initiative, the European market has gradually become one of the important markets developed by the Belt and Road Initiative. Zhejiang is located in the coastal area and has a superior geographical position. It is necessary to give full play to its land and marine advantages, build a China-Europe train from the sea, achieve a systematic development, and integrate Yixin Europe train with Ningbo train to form an important port for China's maritime trade. Moreover, Zhejiang enjoys a superior geographical position, and there are dense industrial parks in this area, which can directly export goods, save road freight and increase the competitiveness of export trade. At the same time, it is necessary to pay attention to land transportation and connect the original land silk road with the maritime silk road to form a land-sea combined silk road.

Formulate policies to attract high-quality foreign investment.

By 2017, 179 Fortune 500 enterprises have been attracted to settle in Zhejiang, and the cumulative number of foreign-funded enterprises has reached 61,080, attracting foreign capital totaling 194.13 billion US dollars. However, compared with Jiangsu and Guangdong, there are still shortcomings in Zhejiang's utilization of foreign capital, mainly due to the small number of large multinational enterprises. In view of this, the Zhejiang provincial government has put forward a plan to fully implement the negative list management and the national treatment system before entry, so as to make the "entry threshold" for foreign capital more spacious and it is more convenient to start enterprises. At the same time, speed up the formulation of local laws and regulations that are in line with high-standard international economic and trade laws, strictly fulfill all kinds of policy

commitments made to enterprises and investors, and protect all kinds of intellectual property rights equally in strict accordance with the law.

The traditional internationalization theory holds that transnational operation can bring monopoly competitive advantage, internalization advantage, ownership advantage and location advantage to enterprises, but at the same time, it also makes enterprises face the disadvantages of outsiders such as rigid judgment, unfair discrimination and "intruder" rejection by stakeholders in the host country [10]. The key to the success of transnational operation strategy lies in whether the advantages brought by transnational operation can offset its costs. Before the "Belt and Road Initiative", enterprises participating in national activities along the "Belt and Road Initiative" will not only face high environmental uncertainties, such as political risks, trade barriers and price fluctuations, but also face organizational legitimacy barriers built by powerful host governments. Enterprises with high transnational operating costs and few resources have weak enthusiasm for participating in the "Belt and Road Initiative". Under the "Belt and Road Initiative", The cooperation agreements signed between China and the Belt and Road countries or regions, as well as the relevant supporting policies and measures of the China government for the construction of the Belt and Road Innovation Road, have greatly reduced the political risks and economic risks faced by enterprises, created a good business environment for enterprise operation, and urged enterprises to increase their participation in the transnational operation of the Belt and Road, so that they can be deeply embedded in the innovation network of the host country, obtain innovative resources, and promote the high-quality development of enterprises. Therefore, from a policy perspective, the "Belt and Road Initiative" can promote the high-quality development of enterprises. The transnational operation of enterprises in countries along the "Belt and Road" is mainly divided into three ways: one is to set up a sales organization. Through the establishment of overseas sales organizations, enterprises can expand their sales network from China to countries along the route, gain more potential customers, expand sales revenue, and realize economies of scale and scope, thus improving their business performance. The second is to set up production institutions. Through the establishment of overseas production institutions, enterprises can make full use of the rich and cheap natural resources and

human resources of countries along the Belt and Road, reduce production costs, provide products with reasonable prices for countries along the route or neighboring countries, and gain competitive advantages in cost. The third is to set up research and development institutions. By setting up R&D institutions in countries along the Belt and Road, enterprises can make full use of different preferential tax policies or market imperfections in countries along the Belt and Road to reduce R&D costs. They can also take advantage of the host country's human capital endowment to hire diversified foreign R&D talents and technical experts with different ideas, creativity, knowledge and capabilities to engage in innovation activities, improve the speed and quality of enterprise innovation, or conduct joint design and development with foreign high-quality R&D institutions to reduce innovation risks and break through the bottleneck of core technologies. The improvement of business performance, product competitive advantage or enterprise innovation ability all contribute to the high-quality development of enterprises [23]. However, which transnational operation mode is the most critical factor to promote the high-quality and quantitative development of enterprises is further explored in this paper.

The location choice of transnational operation is one of the main issues in the field of international investment. This paper holds that compared with non-Belt and Road countries (regions), enterprises engaged in transnational business activities in countries (regions) along the Belt and Road have a stronger role in promoting the high-quality development of enterprises. The main reasons are as follows: 1. Although most countries in the Belt and Road are economically underdeveloped countries, they are rich in natural resources, densely populated and have low labor costs. Enterprises participating in the "Belt and Road" transnational business activities can make use of the cheap raw materials and labor resources of countries along the route, reduce production costs, and then lay an economic foundation for promoting the high-quality development of enterprises. 2. The cooperation agreement signed between China and the Belt and Road countries or regions has greatly lowered the threshold of organizational legitimacy for enterprises to enter the Belt and Road countries, which can encourage enterprises to gain recognition and acceptance from the stakeholders in the host country, embed them into the local R&D network at a deeper level, and obtain technical resources, thus promoting enterprise

innovation and high-quality development. 3. The China Municipal Government and countries along the Belt and Road provide more financial and talent support for enterprises involved in the cross-border operation of the Belt and Road, such as loan interest concessions, tax incentives and financial support policies provided by financial institutions, stock exchanges and the General Administration of Taxation for enterprises related to the Belt and Road, which provide sufficient financial support for the cross-border operation of the Belt and Road, which is conducive to the smooth development of high-quality and quantitative development projects.

The policy implications of the above research conclusions are as follows:

China enterprises should seize the development opportunities provided by the Belt and Road Initiative and incorporate the transnational operation of the Belt and Road into the company's development strategy. After the "Belt and Road Initiative" was put forward, only a small number of China enterprises went to the "Belt and Road" countries to engage in transnational business activities, and most enterprises are still in the wait-and-see stage. Although most of the "Belt and Road" countries are developing countries, enterprises will face many challenges when they go global, but opportunities and challenges coexist. Enterprises participating in the "Belt and Road" transnational operation can obtain rich and heterogeneous innovation resources, improve their innovation ability, and then promote the high-quality development of enterprises [19]. Enterprises in the two countries should give full play to their advantages in resource acquisition and risk resistance, actively participate in the "Belt and Road" transnational business activities, and constantly improve their own development quality.

In order to enhance the absorption and transformation of enterprises' overseas innovation resources, enterprises participating in the "Belt and Road" transnational operation should actively cultivate their absorption capacity and accelerate the absorption and transformation of their external innovation resources; In order to cope with the impact of the uncertainty of world economic policy, enterprises should scientifically predict the uncertainty of world economic policy, seize the opportunity window of innovation, and adopt offensive innovation strategies when the uncertainty of world economic policy is

low; When the uncertainty of world economic policy is high, we should adopt contractive innovation strategy to promote high-quality development to the greatest extent.

In the choice of transnational business areas, enterprises should take into account the countries along the Belt and Road and the non-Belt and Road countries, because enterprises' participation in the transnational business activities of both the Belt and Road countries and non-Belt and Road countries has complementary effects on their high-quality development; In the choice of "Belt and Road" transnational operation mode, enterprises should not only participate in "Belt and Road" transnational production and sales activities, but also actively participate in "Belt and Road" transnational R&D activities, because enterprises' participation in "Belt and Road" transnational R&D activities has a stronger role in promoting their high-quality development [17].

"Belt and Road" countries should continuously increase the intensity of open cooperation, constantly improve the regional governance environment, and actively cultivate the business environment and innovation ecology of the "Belt and Road" region. Because the perfection of the business environment and innovation state in the Belt and Road region can lower the threshold for enterprises to enter the host country and overcome the disadvantages of outsiders, it can not only attract more enterprises to participate in the country's economic construction, but also reduce the cost for multinational companies to embed into the host country's social network and innovate the system, and accelerate the utilization efficiency of innovation resources in the host country, which can not only achieve a win-win situation between the country and multinational companies, but also provide a successful demonstration for the construction of the "Belt and Road" regional cooperation agreement arrangement and governance environment design.

### 3.2 The future direction of high-quality development for multinationals

Participating in the "Belt and Road" transnational business activities is conducive to enterprises' access to financial resources.

Capital is the blood of an enterprise and the necessary guarantee for its innovation. Because of the long-term, high-risk and weak mortgage of enterprise innovation,

enterprise innovation faces serious financing constraints. Participating in the "Belt and Road" transnational operation is conducive to alleviating the internal and external financing constraints of enterprises. The first is to ease the internal financing constraints. First of all, the signing of the "Belt and Road" investment cooperation agreement between China and foreign countries has reduced the organizational legitimacy obstacles for China enterprises to invest in the host country. On the one hand, at present, China's economic growth is slowing down, its industrial structure is unreasonable, and enterprises have long faced problems such as high leverage, high inventory and overcapacity [14]. Enterprises "going out" to participate in the "Belt and Road" transnational business activities can expand the sales market from China to countries along the route, gain more potential customers, realize economies of scale and scope, and improve their sales revenue. On the other hand, although most of the "Belt and Road" countries are economically underdeveloped areas, they are rich in natural resources, densely populated and have low labor costs. Enterprises participating in business activities in countries or regions along the route can obtain cheaper raw materials and lower-cost labor and reduce production costs. Secondly, the signing of the "One Belt, One Road" investment and trade cooperation agreement between China and foreign countries has lowered the obstacles to the legitimacy of China enterprises' trade in the host country. The continuous improvement of the "Belt and Road" infrastructure, the opening of "European trains" and the facilitation of investment and trade are conducive to reducing the circulation cost of goods. Finally, the signing of the "One Belt, One Road" tax agreement between China and foreign countries has reduced the organizational legitimacy obstacles for Chinese enterprises to obtain tax benefits in the host country. In order to promote enterprises to participate in the "Belt and Road" operation, not only the government of China gives enterprises tax incentives, but also countries along the route have introduced a large number of tax incentives to attract investment from high-quality enterprises in China and provide convenience support for enterprises. Enterprises participating in the "One Belt, One Road" transnational operation can obtain greater tax incentives and reduce the tax burden of enterprises. The second is to ease external financing constraints. First of all, the signing of the "Belt and Road" financial cooperation agreement between China and foreign countries has lowered the

threshold of organizational legitimacy for China enterprises to obtain financial support. Enterprises participating in the "Belt and Road" transnational operation can enjoy the convenience of financing brought by the "Belt and Road" financial interconnection. Secondly, the China Municipal Government gives financial policy support to enterprises involved in the "Belt and Road" transnational operation. Only enterprises participating in the "Belt and Road" can enjoy these financial policy support. For example, the credit support provided by major commercial financial institutions for the Belt and Road project, the long-term financial support provided by national policy banks and the Silk Road Fund established by the government, and the investment and financing support provided by stock exchanges for institutions and high-quality enterprises related to the Belt and Road countries will help enterprises raise sufficient funds. In short, the signing of the Sino-foreign "One Belt, One Road" cooperation agreement has reduced the organizational legitimacy obstacles for enterprises to participate in the "One Belt, One Road" transnational business activities, effectively eased the internal and external financing constraints faced by enterprise innovation, and promoted enterprise innovation investment. Participating in the "One Belt, One Road" transnational business activities is beneficial for enterprises to obtain human resources. Kafouros believes that diversified innovative talents with different ideas, creativity, knowledge and abilities are the key factors for the success of enterprise innovation. According to the statistics of the Belt and Road Network in China, by the end of October 2019, the China municipal government had signed cooperation documents with 13 developed countries and 124 developing countries to jointly build the Belt and Road, which is beneficial for enterprises to embed in the commercial network, social network and innovation network of the host country, hire high-level technical experts along the route and optimize the team of innovative talents. One is to hire talents from developed countries. Enterprises in developed countries have more advanced science and technology, more perfect corporate governance mechanism and more abundant human resources, so they have more competitive advantages in the international market, while multinational enterprises in China are inherently weak in science and technology, corporate governance and human resources. Enterprises participate in the "Belt and Road" transnational operation, and the competition with

enterprises in these developed countries will force enterprises to increase investment in research and development, hire high-level technical experts along the route, and enhance their innovation ability. The second is to hire high-tech talents from developing countries. China's human resources are scarce, but within a few years after the "Belt and Road Initiative" was put forward, the China Municipal Government has helped developing countries along the "Belt and Road Initiative" to train a large number of high-quality scientific and technological personnel, and provided innovative talent support for China enterprises going global [28]. For example, within five years after the "Belt and Road Initiative" was put forward, the Chinese Academy of Sciences set up nine overseas science and education cooperation centers in countries along the route, and trained more than 5,000 scientific research talents and management talents for countries along the route, including more than 1,500 overseas students. In the "Belt and Road" developing countries with low human resource cost, enterprises can hire more diversified and heterogeneous technical experts at lower cost and achieve the same innovation output with lower innovation investment. In short, enterprises participating in the business activities of countries along the Belt and Road can hire more diversified and heterogeneous technical experts and lay a talent foundation for the smooth progress of innovation activities.

To sum up, enterprises' participation in the "Belt and Road" transnational operation is beneficial for enterprises to obtain rich innovation resources, stimulate the motivation of enterprises' innovation investment and promote the smooth progress of innovation activities [28]. At the same time, the cumulative effect and spillover effect produced in the process of innovation investment can improve the stock of scientific and technological knowledge of enterprises, which is reflected in the continuous improvement of technical level including learning, application and improvement, which is conducive to improving the product quality and market competitiveness of enterprises, thus promoting the high-quality development of enterprises. Based on the micro-data of manufacturing enterprises in China, it is found that increasing investment in innovation is conducive to improving the productivity of enterprises, and it is also found that enterprise innovation can promote their high-quality development, which can be achieved mainly through two ways: first, by developing new products, promoting product upgrading and realizing product

differentiation and high-end, so as to meet the needs of different consumers, obtain product monopoly advantages and monopoly rents, and promote the high-quality development of enterprises; Second, by improving the existing process flow, we can reduce the dependence on labor and capital, reduce the product cost and service cost of enterprises, stabilize product performance and improve product quality, so as to promote the high-quality development of enterprises.

Absorptive capacity is the ability for an enterprise to transform knowledge, information, technology and other resources obtained from the outside into new available knowledge through evaluation, digestion and application. Not all the acquired resources can be reasonably utilized and transformed by enterprises, and the inherent absorptive capacity of enterprises is the prerequisite for acquiring, digesting and applying innovative resources. Cohen and Levinthal also put forward the same conclusion that the absorptive capacity of enterprises is the basic guarantee for absorbing technology spillovers, and enterprises with strong absorptive capacity can absorb more external technology spillovers and enhance their competitive advantage. Participating in the "Belt and Road" transnational operation puts enterprises in a rich and heterogeneous environment of innovative resources, and enterprises with strong absorptive capacity can speed up the acquisition, absorption and transformation of innovative resources in the "Belt and Road" countries, thus enhancing the role of "Belt and Road" transnational operation in promoting enterprise innovation. Specifically, first, enterprises with strong absorptive capacity can obtain more innovative resources. In the process of participating in the "Belt and Road" transnational operation, enterprises can be exposed to more diversified and complementary innovative resources. Enterprises with strong absorptive capacity can scientifically identify and evaluate these external resources, and then selectively obtain more resources that are conducive to the high-quality development of enterprises. For example, by integrating and absorbing the knowledge and information of market players (customers, suppliers and partners), they can adjust their strategic direction in time, gradually improve their supply chains and accurately manage their customers. Or by embedding into the local R&D network, we can absorb more cutting-edge innovative knowledge and information from local R&D institutions, help enterprises break through technical bottlenecks, and

improve innovation efficiency and development quality. In addition, the absorptive capacity is not only reflected in the ability to acquire external resources, but also in the independent learning ability of enterprises. On the basis of acquiring new knowledge and resources from outside, new knowledge and technologies are developed, which promotes the generation of "world-class new technologies" and improves the innovation competitiveness and development quality.

Second, enterprises with strong absorptive capacity can transform external innovation resources more efficiently. In the rapidly changing business society, effective use of external knowledge resources and rapid product improvement or new function development are the keys to avoid the "lock-in effect", break the obstacles to innovation and promote the high-quality development of enterprises. Generally speaking, enterprises with strong absorption ability have good knowledge analysis ability, which is beneficial to enterprises to digest external resources dynamically according to the real environment, and to promote enterprises to improve product quality or develop new products faster and gain the advantage of being the first Mover. It is found that enterprises with strong absorptive capacity can better understand the resources acquired by integration and apply them. Research shows that enterprises with strong absorptive capacity can make better use of new knowledge and promote enterprise innovation. Escdibano research shows that absorptive capacity is beneficial for enterprises to manage internal and external knowledge more efficiently, and then enhance their competitive advantage.

At present, state-owned enterprises are the main force in the construction of the Belt and Road Initiative, but with the continuous promotion of the Belt and Road Initiative [18], the willingness of non-state-owned enterprises to participate in the transnational business activities of the Belt and Road Initiative is also increasing. Under the special institutional background of China, enterprises with different property rights have different governance mechanisms, and the influence of participating in the "Belt and Road" transnational operation on the high-quality development of enterprises may also be different. This paper predicts that compared with non-state-owned enterprises, the participation of state-owned enterprises in the "Belt and Road" transnational operation is

more conducive to their high-quality development. There are some reasons for this assumption.

First, state-owned enterprises have the advantage of obtaining resources. According to resource dependence theory, enterprise innovation depends on external resources. State-owned enterprises are the backbone of China's national economic development and an important pillar of Socialism with Chinese characteristics, and they are significantly superior to non-state-owned enterprises in terms of resource acquisition. First of all, in the initial stage of the Belt and Road Initiative, infrastructure construction is the foundation for the interconnection between China and countries along the route. The state will give priority to supporting the foreign direct investment of state-owned enterprises that dominate the infrastructure field in China, and realize the transfer of production capacity, so as to obtain abundant funds to support their technological innovation [18]. Secondly, state-owned enterprises and the government have an innate political "blood relationship". This highly connected "political bond" can be used as a "supporting hand", giving state-owned enterprises more preferential policies and subsidies for innovation, facilitating their innovative activities and improving their development quality.

Second, state-owned enterprises have stronger risk-taking ability. Enterprises in China will face greater risks and uncertainties when conducting business activities in countries along the Belt and Road, which is not only reflected in the interweaving of macro risks such as politics, religion, law and environment in the host country, but also in the overlapping of macro risks and micro risks such as operation, management and finance of innovative projects. Compared with non-state-owned enterprises, state-owned enterprises have stronger risk-taking ability. First of all, most state-owned enterprises are in the leading position in the industry, with relatively mature technology and products, certain competitive advantages in the international market and strong ability to bear innovation risks. Secondly, the "Belt and Road" construction was initiated by the China Municipal Government, in which state-owned enterprises played an important role. When enterprises faced with financial difficulties, the government would instruct banks and other financial institutions to provide financial support and assistance to help enterprises tide over the difficulties. Non-state-owned enterprises are at a relative disadvantage in

terms of resource acquisition and risk resistance. In the turbulent international market, enterprises need to put more energy into short-term market response, and the investment in technological innovation is relatively limited, which is not conducive to the improvement of the quality of enterprise development.

Uncertainty of economic policy means that economic subjects cannot predict whether, when and how economic policies will change [24]. In recent years, in order to promote the steady development of their own economies, governments around the world have constantly adjusted their economic policies, and the uncertainty of economic policies has increased. Enterprises are an important unit of macroeconomics, and macroeconomic policy fluctuations are bound to have an impact on the relationship between the "Belt and Road" transnational operation and the high-quality development of enterprises. According to the real option theory and financing constraint theory, this paper predicts that the "Belt and Road" transnational operation will promote the high-quality development of enterprises more strongly in the situation of low economic and political policy uncertainty.

First, the real option theory holds that in the case of high external uncertainty, enterprises tend to wait for more information to be disclosed and the investment environment becomes clearer before making a decision on whether to invest, so as to avoid the loss of investment income. Therefore, on the whole, uncertainty has a delay effect on enterprise investment, especially on irreversible projects. Enterprise's innovation investment has obvious specificity and high irreversibility, and its delay effect is more obvious. When the uncertainty of economic policy is high, corporate executives will remain more cautious, delay making R&D investment decisions, and curb corporate innovation and high-quality development.

Second, the financing constraint theory holds that the uncertainty of economic policy increases the financing constraint of enterprise innovation investment [36]. From the inside of the enterprise, the large fluctuation of economic policy uncertainty will aggravate the difficulty of forecasting the future market demand of the enterprise, and the cost, income and cash flow of the enterprise will face greater uncertainty. In order to cope with the changes in the future operating income and expenditure of the enterprise, the enterprise tends to hold some funds to reduce the impact of the capital chain break on the

enterprise, thus inhibiting innovation investment. From the creditor's point of view, when the uncertainty of economic policy is high, the systemic risk of the financial system will increase, and it is difficult for the bank to accurately identify the real repayment ability of the enterprise and the loan risk it actually bears. It will adopt ways such as reducing the loan scale or raising the loan interest rate to collect high financing fees from the enterprise in order to obtain risk compensation, which will make borrowing capacity more restricted, aggravate the financing constraints of the enterprise, and inhibit the innovative investment and high-quality development of the enterprise.

Enterprises' participation in the transnational operations of countries along the Belt and Road provides more rich and heterogeneous innovation resources for their innovation activities, which lays the foundation for the high-quality development of enterprises. However, carrying out innovation activities will lead to corresponding costs (performance decline or loss of other investment opportunities), and whether enterprises will finally invest in innovation is the result of the game between risk and income. Therefore, the innovation activities and development quality of enterprises participating in the "Belt and Road" multinational operation may be restricted by internal and external conditions. This part starts from three dimensions: the absorptive capacity of enterprises, the nature of property rights and the uncertainty of world economic policies, and examines the differences in the impact of "One Belt, One Road" transnational operation on the high-quality development of enterprises in different situations.

Participating in the "One Belt, One Road" transnational operation has a stronger role in promoting the high-quality development of enterprises in enterprises with strong absorptive capacity, because enterprises with strong absorptive capacity obtain more innovative resources, accelerate the transformation of innovative resources into quality and efficiency, and then promote the high-quality development of enterprises [36]. Participating in "One Belt, One Road" transnational operation plays a stronger role in promoting the high-quality development of enterprises in state-owned enterprises. The reason is that state-owned enterprises pay more attention to long-term profitable technological innovation projects in the international market with uncertain external environment, thus promoting the high-quality development of enterprises. Participating in

the "Belt and Road" transnational operation has a stronger role in promoting the development quality of enterprises in the group with low economic policy uncertainty, mainly because enterprises participating in the "Belt and Road" transnational operation will be more cautious about innovation activities, delay innovation investment, and then inhibit the high-quality development of enterprises.

Policy suggestion: the policy implications of the above research conclusions are as follows.

Chinese enterprises should seize the development opportunities provided by the "Belt and Road" Initiative and incorporate the "Belt and Road" transnational operation into their corporate development strategies. After the "Belt and Road" Initiative was proposed, only a small number of Chinese enterprises engaged in transnational business activities in the "Belt and Road" countries, and most enterprises were still in the wait-and-see stage [37]. Although most of the "Belt and Road" countries are developing countries, enterprises will face many challenges in "going out", but opportunities and challenges coexist. Enterprises participating in the "Belt and Road" transnational operation can obtain rich and heterogeneous innovation resources, improve the innovation ability of enterprises, and then promote the high-quality development of enterprises. Chinese enterprises should give full play to their advantages in resource acquisition and risk resistance, actively participate in the "Belt and Road" transnational business activities, and constantly improve the quality of their own development.

In order to enhance the absorption and transformation of overseas innovation resources, enterprises participating in the transnational operation of the "Belt and Road" should actively cultivate their absorption capacity and accelerate the absorption and transformation of external innovation resources; In order to cope with the impact of the uncertainty of world economic policy, enterprises should scientifically predict the uncertainty of world economic policy, grasp the opportunity window of innovation, and adopt the offensive innovation strategy when the uncertainty of world economic policy is low. When global economic policy uncertainty is high, contractionary innovation strategies are adopted to maximize high-quality development.

In the selection of transnational business areas, enterprises should take into account the countries along the "Belt and Road" and the countries along the "Belt and Road", because the transnational business activities of enterprises participating in the "Belt and Road" countries and non-" Belt and Road "countries at the same time have complementary effects on the promotion of their high-quality development. In the choice of the "Belt and Road" transnational business mode, enterprises should not only participate in the "Belt and Road" transnational production and sales activities, but also actively participate in the "Belt and Road" transnational research and development activities, because the enterprise's participation in the "Belt and Road" transnational research and development activities has a stronger role in promoting its high-quality development. The "Belt and Road" countries should continuously increase the intensity of opening up and cooperation, constantly improve the regional governance environment, and actively cultivate the business environment and innovation ecology of the "Belt and Road" region because the improvement of the business environment and innovation ecology in the "Belt and Road" region can lower the threshold for enterprises to enter the host country and overcome the disadvantage of outsiders, it can not only attract more enterprises to participate in the economic construction of the country, but also reduce the cost of transnational corporations to embed in the social network and innovation system of the host country, and accelerate the utilization efficiency of innovation resources in the host country. Not only can it achieve a win-win situation between the state and multinational companies, but also through the successful demonstration effect of the "Belt and Road" regional cooperation agreement arrangement and governance environment design, it can contribute wisdom and solutions to the construction of a new type of global relationship and the realization of a community with a shared future for mankind.

Policy recommendations: based on the above research and combined with empirical results at the national level, enterprise level and regional network level, this paper puts forward the following policy recommendations.

Policy recommendations at the national level.

First, on the basis of respecting institutional differences, we should strengthen our own institutional construction. It can be seen from the conclusion that maintaining a

proper formal institutional distance between China and the host country can effectively improve the level of outbound investment. Therefore, in the process of promoting the construction of the "Belt and Road", on the one hand, we must respect the right of countries along the route to independently choose their own development paths and models, not to lose their own systems, and respect the diversity and difference of institutional environment. At the same time, we should strengthen political, economic and other connectivity and enhance political mutual trust by improving the mechanism of mutual visits by bilateral high-level leaders and building sister cities. On the other hand, on the premise of confidence in our path, theory, system and culture, we should strengthen our own institutional development, strengthen corruption control, improve the regulatory system, improve the rule of law, improve the quality of government public services, and create a favorable business environment. Strive to maintain "appropriate formal institutional distance" in interactions with other countries along the route to enhance investment effectiveness.

Second, we need to strengthen cultural exchanges and enhance people-to-people ties. On the basis of respecting the cultural diversity and differences of countries and ethnic groups along the route, it is necessary to strengthen the cultural exchanges and interactions between China and countries along the route, and promote people-to-people bonds. In particular, it is necessary to pay attention to the specific informal institutional dimensions that hinder bilateral investment and reduce cultural barriers. Specifically, the government should establish a corresponding information collection system to comprehensively and timely transmit the relevant cultural information (such as national customs, local customs, etc.) of the countries along the route to the investment enterprises to help them make scientific investment decisions and reduce the potential investment risks caused by cultural gap. At the same time, we should strengthen the social foundation for bilateral cooperation by establishing a multi-tiered and multi-channel mechanism for international cultural and people-to-people exchanges, promoting both official cooperation and non-governmental exchanges, strengthening the construction of Confucius Institutes, setting up cultural and tourism festivals between China and countries along the Belt and Road, launching Sino-foreign cultural exchange Year and Chinese Bridge activities, and

expanding the scale of exchange visits between young students studying abroad. Enhance friendship with the people of countries along the Belt and Road, promote people-to-people exchanges, and provide a "soft boost" for the construction of the Belt and Road.

Third, in the face of the huge differences in political, economic, legal and social environments between China and countries along the Belt and Road, we should always adhere to the concept and principle of "harmony without diversity" and "seeking common ground while reserving differences". On the basis of respecting the environmental diversity of various countries, we should objectively and comprehensively examine the impact of formal and informal institutional distance of specific dimensions on China's OFDI, especially the specific subdivision dimensions that hinder bilateral investment and economic and trade cooperation, so as to provide a good institutional support space for further promoting the construction of the "Belt and Road". At the same time, it is necessary to make policy formulation more targeted and effective, focus on strengthening connectivity in relevant areas, learn from and complement each other in exchanges, achieve win-win cooperation, mutual benefit and common prosperity, and make the Belt and Road truly become a "symphony" with the participation of all countries.

Policy recommendations at the enterprise level.

First, the opportunities and challenges brought by the distance between formal and informal institutions to enterprises' OFDI should be viewed objectively. The results of this paper show that formal institutional distance has a positive effect on the increase of investment intensive margin, while informal institutional distance inhibits the increase of investment expansion margin [28]. Therefore, enterprises can try to choose the countries along the line with large differences in formal institutional environment to carry out investment, and can appropriately increase the investment scale of the project when selected, and give full play to the "outsider advantage" to obtain greater benefits. At the same time, we should pay attention to the inhibitory effect of informal institutional distance on investment, avoid investing in countries with large differences in cultural and other informal institutional environments, and carefully expand the scope of investment.

Second, take proactive measures to reduce the investment risk of informal institutional distance. Objectively speaking, it is inevitable for enterprises to encounter

cultural differences and cultural conflicts in the process of foreign investment. In this regard, enterprises can take proactive measures to alleviate the negative impact of informal institutional distance on enterprise investment, which can be specifically started from the following aspects: First of all, transnational corporations should recognize the objective existence of cultural differences between regions, take the initiative to understand the particularity of foreign cultural environments, and correctly understand and grasp the specific differences and degrees of differences in informal environments between different countries. Besides, it is necessary to enhance the awareness of investment and operation risk, strengthen the training of cross-regional and cross-cultural operation and management talents, and train a group of high-quality talents familiar with international operation for overseas investment. Then, try to establish an effective cultural communication mechanism within the enterprise, create a loose and active cultural atmosphere, promote the cultural identity within the enterprise, in order to achieve the mutual integration of cultures. Finally, the company should actively fulfill its social responsibilities, improve the working environment and living conditions of local employees by increasing investment, actively donate to local social welfare undertakings such as education, health, environmental protection and medical care, and actively integrate into the local society, so as to win the trust and goodwill of the host government, social organizations and the public, and thus make up for the negative impact of "the disadvantage of outsiders".

Third, distinguish the heterogeneity of the investment structure effect of institutional distance in different countries and different industries, and adopt targeted and differentiated investment strategies. When enterprises carry out investment activities in low - and middle-income countries, they should pay attention to the differences in formal environments such as political environment, economic system and legal environment, while in high - and middle-income countries, they should pay special attention to avoiding the negative effects of differences in informal environments such as culture, psychology and social customs [28]. On the basis of rational and objective assessment of investment cost and income and risk tolerance of enterprises make prudent decisions about increasing the size of investments or diversifying investments. In the energy industry and

transportation industry, which are most strongly affected by institutional distance, enterprises should, on the one hand, actively seek the support and protection of the home government and the host government within the framework permitted by law, so as to alleviate the negative effects of the differences in institutional environment. On the other hand, we should strive to improve our own ownership advantages, strengthen the ability to resist investment risks by strengthening scientific and technological innovation and research and development, improving the production and operation process and internal risk prevention and control system. In terms of specific business strategies, we can consider the mode of coordinated development by going to sea together. That is, according to different economic development stages and resource endowment conditions of countries along the route, relevant enterprises from upstream and downstream of the industrial chain will be "grouped together" to carry out foreign direct investment by adopting the geese model of going to sea, and jointly "going out" under the guidance of brand enterprises. Promote all-round, multi-field and deep-level investment exchanges and cooperation with countries along the Belt and Road. Compared with the "fighting alone" of a single enterprise, the "group sailing" approach can not only improve the investment efficiency of enterprises, but also reduce the risk and uncertainty of enterprises investing in countries along the route by sharing investment information and resources and exchanging what they have.

Policy proposals at the regional level for the Belt and Road Initiative.

First, countries in the Belt and Road region should take more proactive measures to further mitigate the negative effects of the distance between formal and informal institutions. On the one hand, the focus should be on "controllable" factors such as formal institutions, and measures such as actively carrying out bilateral friendly state diplomatic visits in the region and signing more bilateral/multilateral investment cooperation agreements should be taken to bridge political differences and enhance mutual trust. On the other hand, we should pay particular attention to the inhibitory effect of cultural, psychological and other informal institutional environment differences. By holding intra-regional folk sports and cultural events, exchanging scholars and students to visit, exchange and study, and other measures, we should enhance the communication and

integration between people of countries along the Belt and Road, so as to create good external conditions for deepening investment and cooperation between countries in the region. Further optimize the overall investment network structure in the region.

Second, attach importance to the sub-network construction of the direct investment network between China and countries along the "Belt and Road". Some countries in the region cannot directly carry out investment cooperation due to many factors such as geographical distance, differences in political systems, cultural conflicts and higher investment risks. In this regard, we can try to build a local investment network to promote investment links between key countries in the sub-network and core countries in the overall investment network, and then promote indirect investment relations between peripheral countries and other countries along the region. The analysis results of the individual characteristics of this paper show that Italy, China, South Korea and Singapore are the core of the investment network. Therefore, it is suggested that the economies at the edge of the network, such as Ghana, Mali, Zambia, Rwanda and Suriname, should first try to establish good investment cooperation relations with neighboring countries and actively build local investment networks. By leveraging the "springboard" role of the core countries in the sub-network.

Further seek to carry out investment interaction with China and other countries with high central status, and ultimately further deepen the investment cooperation relationship within the "Belt and Road" region.

Third, countries in the Belt and Road region should continue to uphold the concept of cooperation and development featuring peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit, and further deepen investment and cooperation relations with other countries in the region on the basis of respecting the differences in political, economic, cultural and customs between the two countries. In the investment network, no matter the core countries represented by China or the less developed economies in the marginal position, in addition to the above construction of sub-investment network, they should take a more proactive attitude of investment openness based on their national conditions, such as lowering domestic investment barriers, improving infrastructure construction and improving investment facilitation. It is

committed to improving the level of domestic investment opening and promoting the improvement of intra-regional investment network, in order to share more investment and development dividends in the process of deepening regional economic and trade cooperation.

# Conclusion

After the Belt and Road Initiative was put forward, Chinese enterprises have participated in the transnational operation of the Belt and Road Initiative, which has become a "new phenomenon" of economic globalization. In the context of the current economic transformation, the high-quality development of transnational enterprises under the Belt and Road Initiative is in line with future economic growth and development goals. However, few literatures have investigated the relationship between participating in transnational operations under the Belt and Road Initiative and the high-quality development of enterprises. This paper discusses the relationship between participating in the "Belt and Road" transnational operation and the high-quality development of enterprises, and its internal influence mechanism. The results show that:

The participation of enterprises in the "Belt and Road" transnational operation can promote their high-quality development.

The results of the mechanism test show that the promotion effect of enterprises' participation in the "Belt and Road" transnational operation on their high-quality development is mainly achieved through the intermediary mechanism to promote their innovation investment. Compared with the group with weak enterprise absorption capacity, the group with non-state-owned enterprises and the group with high economic policy uncertainty, the promotion effect of participating in the "Belt and Road" transnational operation on the high-quality development of enterprises is stronger in the group with strong enterprise absorption capacity, the group with state-owned enterprises and the group with low economic policy uncertainty.

Considering the policy impact of the "Belt and Road" initiative, it is found that the "Belt and Road" initiative has a positive effect on the high-quality development of enterprises. From the perspective of the type of transnational operation of the "Belt and Road", the "Belt and Road" transnational production, sales and research and development can promote the high-quality development of enterprises, and compared with the "Belt and Road" transnational production and sales, the "Belt and Road" transnational research and development has a stronger role in promoting the high-quality development of enterprises.

In addition, in terms of promoting the high-quality development of enterprises, the "Belt and Road" transnational production and "Belt and Road" transnational sales have a substitution effect, and the "Belt and Road" transnational production and "Belt and Road" transnational research and development have a complementary effect.

From the perspective of location heterogeneity of transnational operations, compared with non-"Belt and Road "countries, enterprises' participation in transnational operations in" Belt and Road "countries has a stronger role in promoting high-quality development, and transnational operations in "Belt and Road "countries and non-"Belt and Road" countries have complementary effects in promoting high-quality development of enterprises.

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