Empirical Analysis of the Impact of Trade Facilitation on China's Foreign Trade- based on Panel Data Analysis of Countries along the Belt and Road

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Original Research Article

ABSTRACT

Since China proposed the Belt and Road Initiative in 2013, new changes have taken place in China's economic and trade relations with countries along the routes. China has helped countries along the routes improve their economic and trade conditions through various diplomatic means. However, in recent years, the rise of trade protectionism, mainly in the United States, has made China's foreign exchanges, cooperation and trade difficult, making trade facilitation conditions appear particularly important in the complicated international competition. Therefore, I start from this initiative to explore the impact of trade facilitation on China's trade.
This paper selects 41 trade-related indicators from the World Economic Forum, and classifies all indicators into four first-level indicators: transportation infrastructure, government regulation, financial services and e-commerce. Then principal component analysis is used to concentrate and determine the weight of all indicators, among which the weight of transportation infrastructure is the highest. Then, trade facilitation in countries along the BELT and Road Initiative from 2007 to 2017 was measured and presented numerically. Then, other trade-related indirect factors were added, and panel data were used to build a multiple linear regression model to analyze the relationship between the level of trade facilitation of each country and the volume of trade between China and the country. Through collecting, sorting out and empirical analysis of the data, it is concluded that the level of trade facilitation measured in this paper has obvious regional distribution characteristics.

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On the whole, the level of trade facilitation in East Asia, Southeast Asia and Europe is higher. At the same time, there is a positive correlation between the trade facilitation level of the host country and the trade volume between China and the host country. Finally, some policy suggestions are put forward based on relevant results.

1. INTRODUCTION

In today's world, international trade faces mounting challenges and risks. Economic recovery is slow, downward pressure is high and growth lacks momentum. Economic imbalances across the world increase the likelihood of a financial crisis. Especially in 2018, the world's largest economy in the United States and the world's largest manufacturing countries suffered serious trade conflict, represented by the relevant state advocates of trade protectionism, they can raise tariffs, reduce domestic taxes, subsidies for domestic production, encourage domestic manufacturing regression, it seems very beneficial to its own development, However, the increase of unstable factors in the international market has prompted a series of countries represented by China to improve the division of labor and exchange of international production through a series of means such as building infrastructure, improving port efficiency and increasing policy support for trade, so that it can not only promote domestic economic development, but also promote international economic recovery. Among the most notable achievements, China put forward the Belt and Road Initiative in 2013 amid global economic instability, slowing growth and trade protectionism.

The Belt and Road Initiative, a new initiative proposed by China, aims to provide a new avenue for countries of different nature and stages of development to achieve economic development through international trade. Based on the basic norms of international relations of "equality, mutual benefit and mutual respect", it realizes the mutual benefit of international trade among countries through trade facilitation and other means, so that different development strategies of different countries can be matched in international trade. China in the overall planning of various domestic and international trade related resources and for countries to various enterprises to provide powerful policy to support the development of international trade, including the construction of a special bank for infrastructure construction investment in Asian countries, sponsored by related to the silk road foundation, promote each country of the bank set up overseas branches structure or as a middleman, Make the clearing business more convenient and fast. Actively carry out various measures to make the investment and trade between countries more convenient, accelerate the integration of cooperation in customs clearance, to facilitate the circulation of trade goods. On April 18, 2019, delegates in China set up a cooperation mechanism to ensure that tax revenue is more favorable among countries involved in the Belt and Road Initiative. On April 25 of the same year, China established energy exchanges and cooperation with other countries and established relevant partnerships. In order to ensure that people from countries involved in the Belt and Road initiative have no obstacles in information exchange, China has encouraged relevant units and enterprises in China to design and launch satellites related to the Belt and Road Initiative. It is worth exploring whether these policies, agreements and projects that have attracted worldwide attention have effectively improved the level of trade facilitation between China and relevant countries, and whether they have effectively improved China's economic and trade cooperation with other countries.

2. LITERATURE REVIEW

2.1 The Construction of Domestic and Foreign Trade Facilitation Indicators

At present, the research on trade research facilitation is divided into two topics. The first topic is the discussion on the construction and measurement of trade facilitation indicators. The general way is to increase the indicators in the evaluation system of trade facilitation, so that the coverage of the evaluation system is wider and more diversified, and the indicators of trade facilitation are more objective and fair. The Doha Round negotiation failed on July 12, 2006. Kuang Zengjie [1] analyzed the failure of the negotiation, focusing on the level of trade facilitation, which mainly focused on the aspects of customs supervision, including the relevant

trade regulations, goods entry and exit procedures and standards. Considering trade facilitation from the perspective of government and macro benefits, Gao Zhengqiao and Zhu Yongqiang [2] proposed to improve the role of government in resource allocation, increase efforts to promote foreign investment in China, enhance the transparency of relevant departments of international trade, standardize trade procedures and increase the growth rate of goods in ports. Wei Wei, Wang Yifan and Chen Yanlong [3] added the threshold effect in the study of bilateral trade flows and trade facilitation conditions, divided all belt and Road related countries into four categories according to the size of population and the level of trade dependence, and proposed the problems of each category respectively. Wang Weiwei and Tan Yonglin [4] added the calculation of trade potential value when studying the level of trade facilitation, and found that if the level of trade facilitation of all relevant countries is improved by one level, then the bilateral trade volume will expand by 1.9. Many other relevant researchers use qualitative and quantitative methods and statistical analysis models to explore the impact of trade facilitation level on the volume of trade flows. Wilson et al. (2003)[5] used four overall indicators in his research: port construction infrastructure, port environment, government supervision and e-commerce, and then refined each indicator to obtain comprehensive data. This method has been widely recognized by the academic community, and most of the subsequent related studies are based on this basis.

2.2 Domestic and Foreign Influence Research on Trade Facilitation and Trade

NCTAD (1994)[6] analyses that trade facilitation is a reliable means of effectively reducing the cost of trade, which can reduce the total cost of global trade by 7-10%. Wilson et al.(2003) studied 75 countries or regions in the world and found that if the level of global trade facilitation is improved by one percentage point, the international trade volume will increase by nearly 10%. Hertel et al.(2001) analyzed the influence of free trade agreements on the development of bilateral trade between Japan and Singapore by studying the signing of agreements in a small scale. Liu Yu et al. (2016) [7] used the GTAP model to simulate the effect of trade convenience improvement between China and Kazakhstan, and found that it could effectively promote the

import and export trade between the two countries, and for China, the increase of import volume was greater than that of export volume. Song Weiliang and Jia Xiulu (2018) [8] used the extended gravity model to find that China's export volume was greatly influenced by the trade facilitation level of relevant G20 countries. Domestic scholars also analyzed trade facilitation and its impact by studying the data of countries related to "One Belt and One Road". Xie Juanjuan and Yue Jing (2011), Kong Lin and Ni Kaka (2013)[9] studied the development of 10 member countries of association of Southeast Asian Nations and its impact on China in recent years. It is found that trade facilitation has an obvious positive relationship with the increase of trade exports of China and ASEAN countries. In their study of central and eastern European countries, Ms Sun and Ms Su [10] found that a 1 per cent drop in trade barriers would raise Chinese exports to those countries by 1.14 per cent, and that improving road and rail transport would have a bigger impact on trade than improving sea transport. In a similar study, Zhang Jianping and Fan Ziyan [11] pointed out that the unstable political situation and sudden wars in some Central Asian countries brought uncertainty to the trade between China and these countries, and the economic development of the whole Eurasian plate was extremely unbalanced, and put forward relevant opinions on these reasons.

3. THE CONSTRUCTION AND MEASUREMENT OF TRADE FACILITATION INDEX SYSTEM

3.1 Construction of Index System

As the measurement of trade facilitation makes a very complex system, which covers many indicators, it is recognized as one of the most important indicators in international trade today. According to Wilson et al. (2003), this paper constructs four first-level indicators, including port efficiency, customs efficiency, rule-making and popularity of e-commerce, and then subdivides them. Finally, all indicators are used for comprehensive evaluation. In this paper, 41 trade indicators are selected from the Global Competitiveness Report (GCR), Global Trade Promotion Report (GETR) and Global Information Technology Network Development Report (GITR) released by the World Economic Forum (WEF) and the evaluation system of trade facilitation is constructed.

3.2 Data Processing

Due to different data sources, units and value ranges, it may cause dimensional influence and lose comparability of values, so I normalized all values first. On the basis of existing or in the source file is more use of the numerical method for 1-7 (best) score, will open roads budget data points, the quality index, the mobile phone subscriptions, fixed broadband subscriptions, import goods or services in the proportion of GDP, the government online services index of the initial data according to the formula (1) process, The initial values of the bank's non-performing loans, import and export expenses, import and export time, and quantity of different tariffs are processed according to Formula (2).

$$6 \times (X - min)/(max - min) + \qquad （1）$$

$$-6 \times (X - min)/(max - min) + 7 \quad （2）$$

All indicators are indexed according to Formula (3) and standardized between 0 and 1, so as to prepare for horizontal comparison and data analysis below.

$$X/max \qquad （3）$$

3.3 Determine the Weight

In order to reduce the multicollinearity of the selected index and avoid inaccurate index weight assignment due to subjective factors, I used the principal component analysis method of factor analysis in SPSS.24 to weight all indexes. Firstly, KMO test is used. The higher the calculated value is, the stronger the partial correlation between the variables of its statistics is. Bartlett's test is used to determine whether the correlation matrix is identity matrix.

KMO test result is 0.751, indicating that there is a certain degree of information overlap between variables, which is suitable for factor analysis. In Bratlett's test, the significance was 0.000, less than 0.01, which indicated that the selected index variables were significantly correlated and suitable for principal component analysis. Then, the variance maximization rotation is used to obtain the square of rotation load and the variance percentage, and the total variance interpretation.

According to the total variance interpretation, the first 7 principal components have included information of 81.366% of the 41 indicators, so the corresponding index weight can be determined through the 7 components. Firstly, the proportion of contribution rate of each component in total contribution rate is determined. Finally, the corresponding principal component score of each indicator is multiplied and added to obtain the score of each indicator. Then, the weight of each indicator is obtained through standardization, as shown in Table 1.

After obtaining the weight of each indicator from the above Table, I multiplied the weight of each indicator by the corresponding index of each country, thus obtaining the trade facilitation index of each country.

3.4 Trade Facilitation Level Measurement and Result Analysis

The corresponding trade facilitation index can be obtained by multiplying the weights of each index by the relevant indexes of each country, as shown in Table 2. In Table 2, we divide all countries by region, so that the gap between countries in terms of trade facilitation can be more clearly seen, and the degree of inter-regional trade facilitation can also be visualized. It can be seen from the calculated data that Singapore has the highest level of trade convenience (0.89472908) among the 18 countries in Southeast Asia, and its economic prosperity is also high. Among the 18 countries in Central and Western Asia, the highest score is Uae (0.79631929) and the lowest score is Yemen (0.33163021). Among the 28 Countries in Europe, the highest score is Estonia (0.76109) and the lowest score is Bosnia (0.479459).

Table 1. Index Balance

First indicators	code	Secondary indicators	weight	source
Government control and regulation	G1	Open data score	0.024254	GCR
	G2	Independence of the judiciary	0.022704	GCR
	G3	Challenge the efficiency of the legal framework in the regulations	0.021137	GCR
	G4	Government regulatory burden	0.023288	GCR

First indicators	code	Secondary indicators	weight	source
	G5	Effectiveness of legal framework in dispute resolution	0.020467	GITR
	G6	The government ensures policy stability	0.023189	GCR
	G7	Intellectual property protection	0.031104	GCR
	G8	Strength of auditing and accounting standards	0.029604	GRTR
	G9	Universality of non-tariff barriers	0.036959	GCR
	G10	Tariff complexity	0.008432	GETR
	G11	Efficiency of border clearance	0.038242	GCR
	G12	The number of different tariffs	0.01209	GCR
	G13	Government Online Services Index	0.030544	GITR
	G14	Time of import and export	0.026118	GCR
	G15	Import and export expenses	0.008512	GCR
Logistics and transportation infrastructure	T1	Road quality index	0.015579	GETR
	T2	Road quality	0.031683	GCR
	T3	Railway density index	0.006093	GCR
	T4	Train service efficiency	0.032311	GETR
	T5	The connectivity of the airport	0.018398	GCR
	T6	Efficiency of air transport services	0.036992	GETR
	T7	Efficiency of shipping services	0.034674	GETR
	T8	Availability and quality of aviation infrastructure	0.037223	GCR
	T9	Availability and quality of railway infrastructure	0.031147	GCR
	T10	Availability and quality of port infrastructure	0.038681	GCR
	T11	Availability and quality of road infrastructure	0.030727	GCR
	T12	Convenience and accessibility of transportation	0.030644	GCR
Electronic Commerce	E1	Mobile phone subscriptions	0.028491	GITR
	E2	Mobile broadband subscriptions	0.017838	GITR
	E3	Fixed broadband subscriptions	0.032401	GITR
	E4	The degree of competition in network services	0.028149	GITR
Financial Services	F1	Financing for small and medium-sized enterprises	0.022039	GCR
	F2	The soundness of banks	0.015634	GCR
	F3	Bad loans from banks	0.000392	GCR
	F4	The proportion of imported goods or services in GDP	0.027939	GCR
	F5	Buyer maturity	0.026919	GCR
	F6	The proportion of non-conventional payments in imports and exports	0.032442	GETR
	F7	Get a financial index	0.022961	GCR
	F8	Affordability of financial services	0.023675	GITR
	F9	The viability of the loan	0.012121	GCR
	F10	Index of openness to foreign investment	0.032383	GCR

Data source: Calculated by principal component analysis

Table 2. Trade Facilitation Index By Country

East Asian countries	Index	Central Asian countries	Index	European countries	Index
Thailand	0.661	Iran	0.499	Lithuania	0.695
Mongolia	0.474	Israel	0.726	Morocco	0.635
Malaysia	0.748	Jordan	0.619	moldova	0.516
Singapore	0.895	yemen	0.332	Macedonia	0.549
China	0.724	Lebanon	0.509	Montenegro	0.578
Pakistan	0.529	The united Arab emirates	0.796	Estonia	0.761
Indonesia	0.613	bahrain	0.673	The Greek	0.601
India	0.67	Oman	0.685	The Czech republic	0.701
Vietnam	0.569	Kuwait	0.567	Poland	0.655
Hong Kong, China	0.875	Qatar	0.703	Romania	0.602
Sri Lanka	0.572	Armenia	0.574	Russia	0.622
Laos	0.469	azerbaijan	0.648	Slovakia	0.649
In Cambodia,	0.491	Saudi Arabia	0.663	Slovenia	0.677
Nepal	0.449	Tajikistan	0.517	Ukraine	0.537
The Philippines	0.545	Turkey	0.641	Croatia	0.614
Bangladesh	0.49	Kazakhstan	0.604	In Hungary,	0.654
brunei	0.548	Cyprus	0.648	Serbia	0.569
Taiwan, China	0.736	Algeria	0.477	Bulgaria	0.612

Data source: Calculate

4. EMPIRICAL ANALYSIS OF THE IMPACT OF TRADE FACILITATION IN COUNTRIES ALONG THE BELT AND ROAD ON BILATERAL TRADE FLOWS

4.1 Model Construction

In the stage of economic recovery shortly after the second world war, Isard & Peck (1954) and Beckerman (1956) based on their subjective intuition and objective experience inferred that the volume of international trade was related to the location of trading countries. Countries with close geographical relations had relatively frequent population flows, thus promoting trade flows. On this basis, Nobel Prize winners Tinbergen and Poyhonen, P.(1963) established a preliminary model of trade volume between countries. This model applies gravity model to bilateral trade between countries for the first time, and the trade volume between two countries is also related to the total economic volume of each country. Subsequently, Lineman (1966) added the number of population as a variable in a similar analysis of trade gravity model, and concluded that population is also an important factor of trade volume. After research, it is found that the weighted tax index released by the World Bank every year is also an index conducive to trade development, so it is added and an index system is reconstructed for research and analysis. To sum up, I used the multiple linear regression model in this paper to add the trade facilitation degree index calculated above to construct the following new basic regression model, as shown in Formula (4) :

$$\ln trade = a_1 + a_2 twtif + a_3 lnGDP + a_4 lnPOP + a_5 lndistance + a_6 tariff + v_i \quad (4)$$

Where, a_1 is a constant term, $twtif$ represents the trade facilitation level of each country calculated above, and its coefficient a_2 is expected to be positive, which not only reflects the research object of this paper: the more convenient a country's trade is, the higher its trade volume with China; It also reflects the correctness of the indicators selected above.

GDP represents the GROSS national product (GNP) of each country, and the expected value of its calculation coefficient a_3 is positive, indicating that the higher the GDP of a country, the higher the international trade volume between China and it.

POP represents the population of each country, and the value coefficient is a_4. The expected value is still positive, indicating that the larger the

number of an artificial is, the stronger its trade intention will be with China and the higher its trade volume will be.

$tariff$ is a weighted average tariff rate of all commodities given by the World Bank, which is used to measure the tariff rate imposed by a country on all imports from other countries. Its coefficient is expected to be negative, indicating that the higher the tariff level of a country is, it is not conducive to the development of trade.

v_i is a random interference term.

In this model, the explanatory variable is the trade volume between China and countries along the Belt and Road, and the explanatory variable is the GDP, population, tariff rate and trade facilitation level of each country calculated above.

4.2 Descriptive Statistics of Data

Due to the economic development of each country, the relevant information is not perfect. Therefore, the relevant variables of 53 countries are selected as panel data with a time span from 2007 to 2017. The detailed description of relevant variables is shown in Table 3. For the trade facilitation index measured by the same method above, due to the convenience of panel data regression, the measured trade facilitation index is no longer the standard value.

It is estimated that each country has different trade facilitation levels. According to the above assumptions, this is probably the reason for the different trade volume between China and different countries. However, the trade facilitation index of each country also fluctuates in the economic development, and we will test the stability of these data.

4.3 Correlation Coefficient Matrix

Carl Pearson was the first to design the index of correlation coefficient to study the degree of correlation between variables. In this paper, Pearson correlation coefficient was used to test the degree of linear correlation among variables LNTRADE, lnGDP, lnPOP, TWtif, tariff and LNDistance. Table 4 shows the correlation coefficient matrix.

The first line of each indicator is Covariance, and the second line (the line with 1) is the correlation coefficient. The positive sign is positive correlation, and the negative sign is negative correlation. The closer the absolute value gets to 1, the greater the correlation. In general, the correlation coefficient between two variables is low, and there is basically no multicollinearity.

4.4 Stationary Test

In the empirical analysis, since the panel data used involves a long period of time, the stability of variables should be tested before modeling. In this paper, LLC test and PP test are used. If both methods are detected to reject the null hypothesis, it means that the data is stable. The results are shown in Table 5.

Table 3. Variable Description Statistics

	Name	Series of meaning	source	describe
Explained variable	Lntrade	Trade volume between China and the country	National Bureau of Statistics	Data from 2007 to 2017 were extracted from the National Bureau of Statistics and logarithms were taken
Explanatory variables	Twtif	Trade Facilitation Index	According to the above method	Repeat all trade facilitation indices from 2007 to 2017 using the above method
	lngdp	Gross domestic product of each country	The world bank	Take logarithms from the World Bank
	Lnpop	Nations of the world population	The world bank	Take logarithms from the World Bank
	Tariff	Weighted rate	The world bank	Take logarithms from the World Bank
	Lndistance	The distance between capitals and Beijing	Google maps	Take the logarithm of Google Maps

Table 4. Correlation Coefficient Matrix

Correlation	Lnpop	LNDISTANCE	LNGDP	TARIFF	TRADE	TWTIF
LNPOP	1					
LNDISTANCE	-0.15533	1				
LNGDP	0.698654	0.046796	1			
TARIFF	0.413098	-0.16551	-0.07841	1		
TRADE	0.588664	-0.38443	0.807823	-0.11246	1	
TWTIF	-0.00934	-0.05479	0.520219	-0.36527	0.605677	1

Table 5. Stationary Test

Name	Method	Statistic	Prob.
lngdp	LLC	-22.1102	0
lngdp	ADF	276.208	0
lngdp	PP	441.847	0
lnpop	LLC	-44.0327	0
lnpop	ADF	471.551	0
lnpop	PP	118.855	0.1854
lntrade	LLC	-23.895	0
lntrade	ADF	247.651	0
lntrade	PP	375.248	0
tariff	LLC	-16.035	0
tariff	ADF	178.214	0
tariff	PP	410.396	0
twtif	LLC	-13.0699	0
twtif	ADF	161.853	0.0004
twtif	PP	293.493	0

*Data source: Derived from EVIEWS results

Table 6. Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	18.613635	4	0.0009

Table 7. Result

Variable	Coefficient	t-Statistic	Prob.
C	0.274365	0.124404	0.901
TWTIF	0.428324	6.235616	0
LNGDP	1.099547	19.8537	0
LNPOP	0.016567	0.247045	0.805
LNDISTANCE	-1.942434	-8.831446	0
TARIFF	-0.053709	-5.6161	0
R-squared	0.665774		
F-statistic	229.4774		

In this paper, LLC, ADF, and PP were used to test variables LNTRADE, lnGDP, TWTIF, tariff, and lnPOP, and the results are shown in Table 5. Based on the RESULTS of LLC, ADF and PP unit root tests, the original sequence rejected the null hypothesis ($P > 0.05$), so the sequence was stable.

4.5 Selection of Panel Data Model

This paper uses The Hausman test in Eviews software to test the selection of fixed or random effect models. The results in Table 6 are the results of Hausman's test.

P =.05, rejecting the null hypothesis, indicating that the data selected in this paper from 2007 to 2017 are in line with the fixed effect model. However, due to the model setting in this paper, I will adopt the mixed effect model in order to fully consider all variables.

4.6 Regression Analysis

In this paper, regression analysis was conducted on the whole sample, and the mixed effect model was established with LNTRADE as the dependent variable. The results are shown in the following Table 7.

From the regression results we can get the mixed utility model :

$$TRADE = 0.274 + 0.428 * TWTIF + 1.100 \\ * LNGDP + 0.017 * LNPOP \\ - 1.942 * LNDISTANCE \\ - 0.054 * TARIFF + [CX = R]$$

5. CONCLUSIONS

It can be seen from the results that the coefficient of trade facilitation index is positive, and it can be concluded that a country's improvement of trade facilitation level can effectively improve its trade with China, which again conforms to the above hypothesis, and also reflects that the construction of trade facilitation index is effective. Similarly, the population, economy and trade index of a country can effectively promote the trade between the country and China. Trade facilitation in belt and Road countries has improved significantly in recent years, but there is still a significant gap between different countries and regions. Trade facilitation has a significant impact on international trade. From the above index weights, logistics and transportation infrastructure have a significant impact on a country's international trade level, while government regulations, financial services and e-commerce have a relatively small impact on trade flows. Trade facilitation is not a single factor affecting international trade flows. The geographical distance, population and GDP between two countries also have a significant correlation with national foreign trade.

6. POLICY SUGGESTIONS

1. 1, Strengthen infrastructure construction, improve the transport conditions of goods. Under the advocacy of "area", the close cooperation of China and other countries in Mombasa - in Nairobi, Kenya's construction of the railway, realize the major across the region logistics transportation, after that China's growing regional transportation conditions, including the construction of Karachi - Lahore highway, through china-pakistan economic corridor, to strengthen the circulation and facilitation of pipeline transport goods, China is carrying out the Central Asian natural gas pipeline project, which will be directly connected with China's West-east natural gas transmission project. In 2016 to start Laos railway, improve transportation system between China and Laos, transportation project for the construction of the same series, make a marked increase in the level of trade facilitation, promote the trade of China and, therefore, China will further enhance the construction of infrastructure, improve efficiency of cargo transport, reduce transportation costs.

2. Promote inter-governmental exchanges and cooperation and strengthen trade communication. In order to strengthen exchanges and cooperation with leaders of other countries, China took the lead in signing a memorandum of Understanding with Hungary in 2015, and quickly invested and built the Asian Infrastructure Investment Bank and the Belt and Road Investment Promotion Center in Ukraine in 2018. On the basis of the Chinese government still need perseverance to strengthen cooperation with related countries, expand variety, multidimensional, multi- channel exchanges, to properly use of regional cooperation organization, improve in every BBS in China, organization, meeting, influence of dialogue, to promote effective communication, and as much as possible to make more countries involved. We will organize and improve various achievements of the Belt and Road Initiative, such as import expo and international Culture Expo, to attract extensive participation from all countries.

3. Enhance financial and technical support, and provide capital and technical support for international trade of various regions and enterprises. Since 2009, economic recovery has been slow, growth has been sluggish, and the financial sector is visibly exhausted. The development of trade needs strong financial support, whether it is the inter-regional infrastructure construction or the daily operation of each enterprise, all need a stable economic environment and financial guarantee. Countries should strengthen mutual assistance in policy, establish a sound financial system, strengthen the construction of the Asian Investment and Development Bank and the Silk Road Fund, and make each institution more effective, convenient and accurate in drawing funds. Banks or payment institutions should work more closely together to enhance e-commerce functions, make cross-border payments convenient and quick, and speed up the efficiency of capital operation.

4. Governments of all countries should enhance national stability, strengthen the construction of relevant laws and regulations, and improve the construction of customs ports. Political stability is the primary prerequisite for economic prosperity and development. There are still frictions and violent conflicts in some countries related to the Belt and Road Initiative, which have seriously affected the development of international trade. China must strengthen communication with various parties and consult with other countries to promote regional peace and stability. In addition, governments should strengthen their credibility, improve the comprehensive reliability of laws and regulations in trade, and provide strong conditions for the settlement of trade disputes. Through these measures to establish a good image of each country's government, attract foreign investors, trade participants. The construction of ports in all countries should be modernized and scientific, improve the efficiency of handling affairs, speed up the time for customs clearance of goods, reduce hidden barriers to trade, and promote the integration of economic development of all countries.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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