

# Research on the Influence of Free Trade Agreement on Our Digital Product Trade

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**Abstract:** The purpose of this study is to deeply explore the impact of free trade agreement on China's digital product trade. With the deepening of global trade and the rapid development of digital technology, free trade agreements are playing an increasingly significant role in promoting trade in digital products. By analyzing the characteristics of free trade agreement and combining with the current situation of China's digital product trade, this paper expounds the opportunities and challenges brought by free trade agreement to China's digital product trade. On this basis, this paper further discusses the strategy to enhance the international competitiveness of China's digital product trade, in order to provide a reference for China to gain greater advantages in the international trade.

**Keywords:** Free trade agreement; trade in digital products; influence research; international competitiveness.

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## 1. Introductory Paragraph

With the deepening of globalization, free trade agreements are increasingly becoming an important bridge and link for countries to deepen economic cooperation and promote trade liberalization. As a new form of trade rapidly emerging in recent years, digital product trade is playing a pivotal role in economic growth, industrial structure optimization and the promotion of international competitiveness with its unique advantages and vitality. As the largest developing country in the world and an important participant in the digital product trade, China is facing unprecedented development opportunities and challenges.

In this context, it is particularly important to deeply study the impact of free trade agreement on China's digital product trade. Through in-depth analysis of the positive role of free trade agreements in reducing tariff barriers, optimizing market environment and promoting technological innovation, a more comprehensive understanding of the mechanism of free trade agreements in the field of digital products trade. At the same time, by discussing the possible challenges and risks of free trade agreements, such as intellectual property protection, data security and other issues, it will provide strong theoretical basis and practical guidance for China to cope with the complex situation and grasp the development opportunities in international trade.

## 2. Overview and Characteristics of Free Trade Agreements

Free trade agreements, as an international cooperation mechanism, aim to promote trade liberalization among participating countries and further promote the prosperity and development of the global economy. Its origins can be traced back to the early international trade flows, and over time, free trade agreements have gradually developed into a more systematic and comprehensive framework for economic cooperation. It is not only an economic means, but also an important link between countries to strengthen political mutual trust and deepen cultural exchanges.

By definition, a free trade agreement is an agreement reached by two or more countries to eliminate tariff and non-

tariff barriers, expand market access, and optimize resource allocation. By lowering tariffs and eliminating non-tariff barriers, free trade agreements promote the free circulation of goods and services, thus driving the growth of trade between participating countries. In addition, free trade agreements often cover intellectual property rights protection, investment rules, dispute settlement mechanisms and other fields, providing a more stable and transparent trading environment for participating countries.

In terms of historical development, FTA agreements have undergone several stages of evolution. The early free trade agreements focused on trade in goods. With the continuous development of the global economy, issues such as trade in services and investment liberalization were gradually included. Modern free trade agreements not only involve a wider scope, but also focus more on fairness and sustainable development, aiming to achieve win-win and mutual benefit.

Free trade agreements usually include the following main aspects: firstly, tariff reduction is the core content of free circulation of goods and services; secondly, the elimination of non-tariff barriers, including reducing technical barriers and simplifying customs clearance procedures; moreover, the liberalization of trade in services is an important feature of modern free trade agreements, covering finance, communication, tourism and finally, the formulation of investment rules is also an important part of free trade agreements, aiming to promote transnational investment activities and promote transnational flow of capital elements.

In general, the free trade agreement, as an international cooperation mechanism, plays an important role in promoting trade liberalization and promoting economic growth. Its historical development and continuous improvement of the characteristics reflect the positive response and profound understanding of the trend of trade liberalization and economic globalization. At the same time, free trade agreements also provide more development opportunities and challenges for participating countries, which need countries to constantly explore and improve in practice.

### **3. The Present Situation and Characteristics of China's Digital Product Trade**

In recent years, China's digital product trade has shown a rapid momentum of development and become an important engine to promote high-quality economic growth. In terms of scale, China's digital product trade volume continues to grow, showing a strong growth trend. This growth trend not only reflects the rapid development of China's digital industry, but also reflects the gradual improvement of China's position in the global digital product trade. At the same time, the growth of trade in digital products has also promoted the transformation and upgrading of China's economy, injecting new impetus into high-quality development.

In terms of major fields, China's digital product trade covers many fields, such as communication, computer, software, etc. Among them, communication and computer products, as an important part of China's digital products trade, their export volume and import volume have maintained a steady growth. The rapid development of these fields has benefited from the continuous innovation of China's digital technology and industrial upgrading. At the same time, China's digital product trade also presents the characteristics of diversification, high added value. With the further application of digital technology, more and more high value-added digital products appear in China's digital products trade, such as intelligent hardware, cloud computing services, etc. These products not only improve the overall level of China's digital product trade, but also provide a strong support for the sustainable development of China's economy.

In addition, China's digital products trade also shows a strong market competitiveness. With a sound industrial chain, rich talent resources and the technical ability of continuous innovation, China's digital products have won wide recognition in the international market. More and more domestic digital enterprises have begun to enter the international market and actively participate in the global competition, which has laid a solid foundation for the further development of China's digital products trade.

To sum up, China's digital product trade shows the characteristics of rapid development and diversification in terms of scale and field. With the continuous innovation and application of digital technology, China's digital product trade will continue to maintain a strong growth momentum in the future, and make greater contribution to the sustainable development of China's economy.

### **4. The Influence Mechanism of Free Trade Agreement on China's Digital Products Trade**

#### **4.1. Market access and trade facilitation**

The impact of free trade agreement on China's digital product trade is first reflected in market access. By reducing tariffs and eliminating non-tariff barriers, the agreement opens the door for China's digital products to enter the international market. This means that China's digital products can more easily enter the market of the countries and enjoy more preferential trade treatment. This will not only help China's exports of digital products, but also enhance its visibility and competitiveness in the international market.

In addition, free trade agreements also promote trade

facilitation. The relevant provisions in the agreement are designed to simplify trade procedures, reduce trade costs and improve trade efficiency. This will help China's digital products to circulate faster in the international market and reduce the missed business opportunities due to the red tape and high costs. At the same time, trade facilitation will also help enhance the position of China's digital products in the global value chain and promote industrial upgrading and transformation.

#### **4.2. The docking and mutual recognition of technologies and standards**

Through the agreement, China's digital products can be produced and exported in accordance with internationally recognized standards and technologies, which greatly enhances the competitiveness and credibility of China's digital products in the international market. At the same time, the free trade agreement also promotes the exchanges and cooperation between China and other countries in the field of digital product technology and standards, which not only helps us to learn from and absorb international advanced experience and technology, but also promotes the continuous upgrading and innovation of China's digital product technology. In addition, through the docking and mutual recognition of technologies and standards, China's digital products can be better integrated into the global industrial chain and value chain, providing a strong guarantee for the sustainable development of China's digital economy. Therefore, the technology and standard docking and mutual recognition mechanism in the free trade agreement has provided a strong support for the healthy development of China's digital product trade.

#### **4.3. Promotion of investment and cooperation**

In the process of promoting the development of China's digital products trade, the free trade agreement has not only opened the door of the market, but also injected new vitality into China's digital industry through the promotion of investment and cooperation. The investment provisions in the agreement provide a clearer and more favorable investment environment for domestic and foreign investors, attract a large number of foreign capital into China's digital industry, and provide financial support for the technological innovation, quality improvement and market expansion of China's digital products. At the same time, the entry of these foreign capital also brings advanced management experience and technical concepts, and further promotes the upgrading and internationalization process of China's digital industry. In addition, the FTA also promotes the in-depth cooperation between China and other countries in the field of digital industry, strengthens the exchanges and cooperation in technology research and development, talent training, market development and other aspects, and opens up a new path for the international development of China's digital product trade. These measures to promote investment and cooperation together constitute a strong support for the free trade agreement on the development of China's digital products trade.

## **5. Analysis of the Influence of Free Trade Agreement on Our Digital Product Trade**

### **5.1. Enhance export competitiveness**

Free trade agreements play a vital role in promoting China's digital products trade, especially reflected in enhancing the export competitiveness of China's digital products. In the international trade environment, tariff and non-tariff barriers often become the main obstacles to the export of digital products. The signing of the free trade agreement means that these barriers will be reduced or removed in the trade between the participating countries, opening up a broader international market for China's digital products. In this context, China's digital products can more easily and efficiently enter the markets of other countries in the agreement, and can compete directly with similar foreign products. This not only helps to expand the international market share of China's digital products, but also helps to China's digital products to establish a good brand image and reputation in the international market.

In addition, the trade facilitation measures in the free trade agreement also provide strong support for China's digital exports. These measures usually include simplifying customs procedures, improving the efficiency of customs clearance, and promoting the application of e-commerce, which can help reduce the time cost and capital cost of the export process of China's digital products. By reducing export costs and improving export efficiency, the price competitiveness of China's digital products in the international market has been further enhanced.

It is worth mentioning that free trade agreements can also help China's digital products adapt to international trade rules and standards. Under the framework of the Agreement, China's digital products need to meet internationally recognized standards of quality, safety and environmental protection, which will encourage China's digital products to continuously improve their quality and technical level to better adapt to the needs of the international market.

### **5.2. Optimize the import structure**

While promoting the development of digital products trade, the free trade agreement also has a positive impact on the import structure of China's digital products. First of all, through the free trade agreement, China can introduce more foreign high-quality digital products and services, which often have advanced technology, excellent performance and unique innovation points, bringing new development impetus and opportunities for China's digital industry. Through introducing and absorbing these advanced products and services, we can learn from foreign advanced technology and management experience, promote the technological innovation and product upgrading of China's digital industry, and improve the overall competitiveness and development level of China's digital industry.

Secondly, the market competition mechanism in the free trade agreement also helps to optimize the import structure of digital products in China. Under the framework of the agreement, domestic and foreign digital products will compete in a fairer and more open market environment, which will stimulate the vitality and innovation of China's digital products market. Through market competition, we can screen out high-quality products that are more in line with market demand and consumer preferences, and promote the

development of China's digital product market to a more diversified and efficient direction.

In addition, optimizing the import structure also helps to improve the welfare level of Chinese consumers. By introducing more high-quality digital products and services, we can provide consumers with more diverse and personalized choices to meet their growing needs for a better life. At the same time, the market competition brought about by the free trade agreement will also promote the rationalization and transparency of domestic digital products prices, so that consumers can enjoy more affordable and high-quality digital products and services.

To sum up, free trade agreements play an important role in optimizing the import structure of digital products in China. By introducing foreign high-quality products and services, stimulating the vitality of market competition and improving the level of consumer welfare, the free trade agreement has injected new impetus into the development of China's digital product trade and promoted the upgrading and development of China's digital industry.

### **5.3. Promoting innovative industrial development**

As an important driving force of China's digital product trade, the free trade agreement has played an irreplaceable role in promoting industrial innovation and development. Through the signing and implementation of free trade agreements, China's digital industry can further broaden its international vision and deeply integrate into the cooperation and development of the global digital economy, thus bringing unprecedented opportunities for the innovation and development of the industry.

First of all, free trade agreements have accelerated the exchange and integration of China's digital industry and international advanced technologies. Through the agreement, the digital industry at home and abroad can more easily share each other's research results, technical experience and market dynamics, so as to bring more abundant innovation resources to China's digital industry. These resources provide a steady stream of innovation power for China's digital industry, and promote the continuous update and upgrading of China's digital technology.

Secondly, the free trade agreement promotes the connection between China's digital industry and the international market. Market opening and trade liberalization under the framework of the agreement have provided a broader market space for China's digital products to enter the world. Domestic digital enterprises can use the convenience of the agreement to expand the international market, enhance the brand influence, and realize the expansion of industrial scale and the improvement of economic benefits. At the same time, the competitive pressure in the international market will also promote China's digital industry to continuously improve the product quality and service level, so as to accelerate the innovative development of the industry.

In addition, the intellectual property protection clause in the free trade agreement also provides a strong guarantee for the innovative development of China's digital industry. These provisions clarify the scope and standards of intellectual property protection, and provide legal protection for the innovative achievements of China's digital industry. This will not only help to stimulate the innovation vitality of China's digital industry, but also can attract more domestic and foreign innovation resources to invest in China's digital

industry, and further promote the innovative development of the industry.

To sum up, free trade agreements have played an important role in promoting the innovative development of China's digital industry. By promoting technological exchange and integration, expanding the international market and strengthening intellectual property protection, the FTA has brought more innovation opportunities and development space for China's digital industry, and pushed the development of China's digital industry to a higher level and deeper direction.

## 6. Conclusion and Outlook

The impact of the free trade agreement on China's digital products trade is multifaceted and far-reaching. It not only provides a more convenient way for China's digital products to enter the international market, but also promotes the innovative development and international cooperation of China's digital industry. However, in the face of the constant change of international trade situation and the increase of competition pressure, China still needs to further strengthen the negotiation and implementation of free trade agreements, and promote the internationalization process of digital products trade.

In the future, with the continuous development of digital technology and the continuous adjustment of the international trade pattern, the role of free trade agreements in promoting the trade of digital products will be more prominent. China should continue to deepen trade cooperation with other countries, strengthen exchanges and cooperation in digital technology and standards, constantly enhance the international competitiveness of China's digital products, and contribute to promoting the sustainable development of China's economy.

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