

Challenges In International Trading Practices of Select Business in Hubei China: Basis for Enhancing Internationally Based Trading Strategies

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Abstract: The cultural and trade exchanges between China and Southeast Asian countries have been very close and frequent since ancient times. As early as the early 1980s, China reached a consensus on economic and trade cooperation with Southeast Asian countries, so the economic, trade, and cultural development of both sides have achieved rapid growth. After the formal establishment of the China-ASEAN Free Trade Area (CAFTA), the two sides formally established the "strategic cooperative partnership" and opened the cooperation and development between China and Southeast Asian countries. The two sides have made great breakthroughs in many fields, especially in trade, finance, culture, science and technology, investment, and other fields. While China is being considered a global distributor and trader, not all businesses are operating internationally or doing business outside borders. How businesses expand their operation is an interesting endeavor since the challenges faced by these businesses are also on a different level. Coping with international and global challenges has been a serious matter for businesses doing international trading. Rationalizing the export, import, and investment practices of the select businesses may provide significant insights into doing international trading. Likewise, identifying the factors affecting trade and determining its influence is vital for international trade.

Keywords: Global distributor and trader; Export, Import, And investment; Capitalization.

1. The Problem and Its Background

1.1. Introduction

As reported by Fang, J et al (2023), China's foreign trade performance during the global COVID-19 pandemic using the monthly data in 2019–2021. This paper finds that: (1) China's exports to its major trading partners recover and continue to grow in the second half of 2020 and 2021, after falling significantly in the first half of 2020; (2) the mechanical & electrical and the high-tech industries have contributed significantly to the recovery of China's exports; (3) the exports of medical products, furniture and appliances show growth in line with the implementation of quarantine policies; (4) the exports of electronic products and electrical vehicles kept growing both before the outbreak and during the pandemic. It is posited that China should continue to expand trade with emerging markets while maintaining a steady trade volume with the developed economies.

The International Monetary Fund Report of 2023 mentioned rising geopolitical tensions can lead to financial fragmentation through cross-border capital reallocation and sudden reversals of international capital flows. Financial fragmentation induced by geopolitical tensions can increase banks' funding costs, reduce their profitability, and prompt them to contract lending, with potentially adverse effects on economic activity. Emerging markets and developing economies are more vulnerable to adverse geopolitical shocks than advanced economies. Countries can, however, mitigate these risks by holding adequate international reserves and by promoting financial development. In addition, banks can mitigate these risks by holding larger capital buffers. The analysis also shows that if geopolitical tensions persist, the long-term costs associated with reduced cross-border risk diversification in the form of capital flow and broader macro-financial volatility could be substantial. Added to the

International Investment Report of 2023, the global capital markets are the ultimate source for much of the investment needed for the energy transition. The growth rate of climate finance in those markets appears to have slowed and, despite the urgency of United Nations calls for immediate action, current financing levels remain inadequate. The trends in financial products, institutional investment, capital markets, and standards and regulations are by and large positive, but there is still room for improvement so that capital markets and sustainable finance can contribute further to sustainable energy for all. The market for sustainable financial products needs continued surveillance to avoid greenwashing. The increase in the fossil fuel exposure of sustainable funds in 2022, a result of higher valuations of oil and gas companies, is not a positive step for the credibility and growth of the market. In an environment of rising interest rates, sustainable fixed-income products such as green bonds need further support and wider availability, including in developing countries. The growing coverage of emissions trading and carbon pricing is positive, but still, more than three-quarters of global emissions are not covered and the spread in the price of carbon across different markets ranges from near \$0 per tCO₂ to over \$50 per tCO₂. Greater coordination and alignment are required, including a global or at the very least a benchmark price for carbon. Institutional investors such as pension and sovereign wealth funds are ideally placed to help finance sustainable energy. However, a majority of the world's largest funds have not yet committed to net zero in their investment strategies. They often lack access to investment opportunities. This especially affects funds from developing countries, which are often compelled to invest in developed-country assets instead of in assets in their own country. Policy action is needed to transform non-fiduciary investment opportunities in developing economies into fiduciary investment assets through international support for

de-risking activities. Stock markets play a crucial role in channeling capital to sustainable investment opportunities through listed companies or other products. Their public nature also makes them important sources of information about sustainability performance and compliance with a range of voluntary standards. There is growing concern that companies may opt to stay in the private market to avoid ever-expanding disclosure obligations. Policy action is necessary to enhance transparency and disclosure requirements in the private market.

Bobek, V (2018), international capital flows have become significantly important since the increasing trend in globalization of the early 1990s. The diversified global market has become one single market, the investment sector has strengthened itself and countries have started to allow investment flows for economic growth. Bobek, V (2018), emphasized that empirical studies have revealed that political instability, political regimes, and the quality of existing institutions, in addition to the transition procedure of the nation itself, have a deterministic effect on the linkage of economic growth and corruption. Additionally, exchange rate risk that firms can be opposed to; therefore, exchange rate volatility is a crucial issue that central banks should monitor to prevent the contagion of negative microeconomic developments to macroeconomic activity and stability.

Ibe, J. (2024). a good grasp of supply chain digitalization-investing in digital technologies to enhance supply chain visibility and efficiency, local content development local content strategies to meet regulatory requirements and support local economies, partnerships and collaborations-fostering local partnerships and collaborations to navigate complex markets, supply chain resilience-developing resilient supply chains to mitigate disruptions and risks, trade facilitation and customs modernization-advocating for trade facilitation and customs modernization to reduce border crossing inefficiencies, supply chain visibility and traceability-implementing robust supply chain visibility and traceability solutions to address product authentication concerns, and emerging market intelligence- continuously monitor and adapt to changing market conditions and regulatory requirements can facilitate effective supply chain strategies in emerging market. Supported by Abeysekera, N. (2024), one of the key areas where this transformation can occur is through the effective application of Supply Chain Management and Marketing principles. The concepts of marketing and supply chain management were elaborated in different forums separately and as mentioned by Linton (2019), marketing delivers an essential balance in supply chain management which supports businesses and their associates to become more focused on customers rather than on the production process. As mentioned by Fransiska, N. et al (2024), supply chain management is not just about managing the flow of goods, but also a holistic business strategy that can create a competitive advantage.

1.2. Conceptual Framework

The research is anchored in the study of Galvez, ES & Raza, S (2022) focusing on the strategies, opportunities, and challenges for Multinational Companies. The study indicated challenges in managing international trade, how multinational companies trade their business with a plan, and adherence to new rules and regulations in foreign trade. Also, the OECD Policy Paper of 2023, focusing on understanding the impact on trade and the wider economy by the war, continues to

develop. This report contributes to this understanding by tracing trade dependencies and trade exposure, both direct and indirect, through supply chains, and by making a preliminary assessment of the wider economic effects of trade disruptions. Given said premises, the research used the following paradigm:

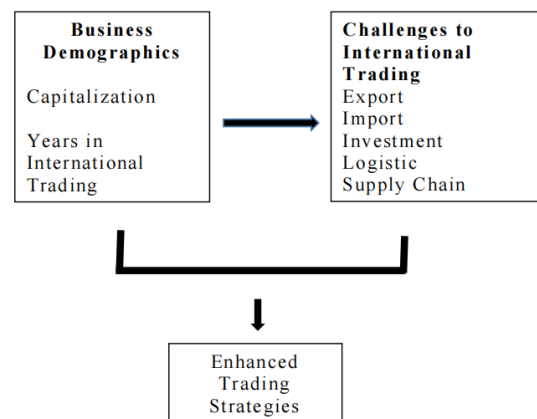


Figure 1. Research Paradigm

The research is focused on determining the extent of challenges experienced by the select businesses as regards their Export, Import, Investing, Logistics, and Supply Chain Practices. Capitalization and years in international trading are considered in the process and utilized as predictors of challenges in international trading.

1.3. Statement of the Problem

The research sought answers to the following statement of problem:

- (1) What is the profile of the business in terms:
 - Capitalization
 - Years in International Trading
- (2) What is the assessment of the select businesses towards challenges in international trading about:
 - a. Exportation
 - b. Importation
 - c. Investment
 - d. Logistics
 - e. Supply Chain
- (3) Can business profiles cause differences in the assessment of challenges in international trading?
- (4) Is there a relationship between business profiles and the challenges in international trading?
- (5) What internationally based strategies can be enhanced based on the results of the study?

1.4. Hypothesis

Premises given; the following hypotheses are derived:

- H1: Business Capitalization causes differences in the challenges of International Trading
- H2: Years in International causes differences in the challenges of International Trading
- H3: Business Capitalization significantly related to challenges in International Trading
- H4: Years in International Trading significantly related to challenges in International Trading

1.5. Scope and Delimitation

The research is focused on the extent of challenges experienced by the select businesses in Hubei China in terms of international trading, specifically, Exporting, Importing,

Investments, Logistics, and Supply Chain Practices. The research is limited to businesses residing in Hubei, China, and does not represent the experienced challenges of other businesses.

1.6. Significance of the Study

The results of the study may provide benefits in the following manner:

International Traders. The results may give them significant insights into how to further improve trading and relationships with Asian Countries

Local Traders. The results may give them significant insights into how to expand their operations internationally.

Chinese Government. The results may give them significant insights into developing more support strategies to encourage more international trading.

Other Asian Countries. The results may give them significant insights to encourage more of their local businesses to do international trading.

2. Methodologies

This chapter presents the research designs, research instruments, research locale, respondents of the study, sample and sampling techniques, data gathering procedures, and data analysis.

2.1. Research Design

The research utilized Quantitative Design, which is descriptive, associational, and comparative. Descriptively, the research assessed the challenges that arise from the international trading practices of the select business. Further, the research used correlational measures to determine whether the profile of the selected business could affect its trading practices. Likewise, a comparative measure is used to determine differences among the results.

2.2. Research Instrument

The research utilized a self-made 4-point scale instrument focused on challenges in international trading. Part I includes the profile of the business focused on the size, capitalization, and years in internal trading while Part II is focused on the challenges specifically for Export, Import, Investment, Logistics, and Supply Chain practices.

The instrument is subjected to reliability testing and validity testing by way of Cronbach Alpha and Pearson Product Moment Coefficient Correlation. Results showed an acceptable coefficient as follows: 0.922, 0.884, 0.755, 0.931, and 0.912 respectively while the significance of 0.000 is obtained for validity testing.

2.3. Decision Criteria

For correlational and comparative analysis, the following criteria are considered: if the P-value is less than 0.05, the result is SIGNIFICANT and if the P-value is greater than 0.05, the result is NOT SIGNIFICANT.

For descriptive analysis, the following criteria will be used:

Rate	Scale	Adjectival	Verbal (on Challenges)
4	4.00 – 3.51	Highly Agree	Highly Experienced
3	3.50 – 2.51	Agree	Moderate Experienced
2	2..50 – 1.51	Less Agree	Less Experienced
1	1.00 – 1.50	Not Agree	Not Experienced

3. Results and Analysis

This chapter presents, interprets, and analyzes data on demographics, challenges in International Trading, data relationships, and comparative aspects.

Table 1. Business Profile in terms of Capitalization

Capitalization	f	%
Less than 10 million	5	10
11 – 20 million	16	32
21 – 30 million	16	32
31 million and above	13	26
Total	50	100

The table shows the profile distribution of the select businesses in terms of their Capitalization. Results revealed that most of the businesses have an average capitalization between 11 million to 30 million with a combined frequency of thirty-two. Most of the businesses have at least 11 million to support their international trading operations, especially those catering to the demands of various countries. The operation of international trading requires a large amount of capitalization due to increasing demand in the global market. Thus, businesses tend to create provisions for their business expansion both for local and international markets.

Table 2. Business Profile in terms of Year of Operation

Years in International Trading	f	%
Less than 5 years	12	24
6 – 10 years	16	32
11 – 15 years	14	28
16 years and above	8	16
Total	50	100

The table shows the profile distribution of the selected businesses in terms of their Years in International Trading. Results revealed that businesses have been operating international trading for at least six to ten years and followed by businesses operating for at least eleven to fifteen years.

Managing challenges in international business requires a thorough experience in support of the business resources, and capabilities. Most of the businesses in Hubei China are engaged in international trading for at least six years.

Table 3. Extent of Challenges in terms of Export Practices

Export Practices	Mean	Adjectival Interpretation	Verbal Interpretation
Production (export) capacity committed in the international export market	3.6000	Highly Agree	Highly Experienced
Commitment to developing export markets to boost the international trading industry	3.5600	Highly Agree	Highly Experienced
Financial resources to support demand from the international market	3.4200	Agree	Moderate Experienced
Increasing sales and profit by reaching new markets and presenting opportunities for expansion	3.6200	Highly Agree	Highly Experienced
Management of risks using scientific and systematic solutions	3.6200	Highly Agree	Highly Experienced
Utilization of a letter of credit from its counterpart to ensure greater faith in the transaction	3.6400	Highly Agree	Highly Experienced
Fixing of exchange rate at which goods being exported will be sold based on the agreed currency	3.5600	Highly Agree	Highly Experienced
Overall	3.5743	Highly Agree	Highly Experienced

Legend: 4.00 – 3.51 Highly Agree; 3.50 – 2.51 Agree; 2.50 – 1.51 Less Agree; 1.50 – 1.00 Not Agree

Results revealed that participants “highly agree” on the extent of challenges in Export Practices with an overall mean value of 3.5743. To further interpret, businesses highly experience these challenges since their operation requires a lot of compliance both for country of origin and country of destination. This means that, before the business can export its products to its destination, products undergo a lot of clearance processes from their authority, added to the procedures applied in the country of destination. Though all indicators are assessed to be challenges that are highly experienced by the business, financial support is assessed as Agree or Moderately Experienced by the select businesses with a mean value of 3.4200. This means that financial capability as indicated in their capitalization can support their

international trading operation, specifically the growing demand both from local and international markets.

On the other hand, the utilization of letter of credit as form of payment has been the major challenge in international trading especially the use of multi-currency in every transaction with a mean value of 3.6400. Exportation brings various challenges including but not limited to volume of documentary requirements, logistics coordination and legal requirements. Likewise, the different financial system of each country serves also as a challenge for exporting practices of international trader which greatly impacted the financial operation of the business. Though, challenges in exportation are inevitable by nature, the effect of such should be reduced in a sense that it will not become deterrent to the organization and businesses must always be ready to anticipate such challenges to ensure smooth operation of international trading.

Table 4. Extent of Challenges in terms of Import Practices

Challenges to Import Practices	Mean	Adjectival Interpretation	Verbal Interpretation
Licensing and compliance before shipment of goods, Materials, and other importing requirements	3.6400	Highly Agree	Highly Experienced
Licensing and compliance in terms of transport, inventory, and warehousing	3.4400	Agree	Moderate Experienced
Customary clearance and pay taxes before release of goods or materials	3.3800	Agree	Moderate Experienced
External Information used to update subscriber database or data extension	3.4200	Agree	Moderate Experienced
Supply of materials that are considered scarce, high-cost, or low-quality	3.2200	Agree	Moderate Experienced
Provision of high-quality goods and introduction to the new import market	3.3800	Agree	Moderate Experienced
Reducing manufacturing costs using effective and efficient importing strategies	3.4000	Agree	Moderate Experienced
Overall	3.4114	Agree	Moderate Experienced

Legend: 4.00 – 3.51 Highly Agree; 3.50 – 2.51 Agree; 2.50 – 1.51 Less Agree; 1.50 – 1.00 Not Agree

Results revealed that, with regards to Import Practices, businesses agree on the challenges with an overall mean value of 3.4114 and further interpreted to be Moderately Experienced. However, in terms of Licensing and Compliance, the assessment is Highly Agree or Highly Experienced with a mean value of 3.6400. This means that, fewer challenges as compared to export practices since the business concern is within their country only, particularly the requirements of their customs authority. Nonetheless, select businesses still experience challenges on import in terms of supply of raw materials, transport, inventory, etc affecting their productions and eventually their international trading operation. Considering scarce of raw materials is the least

assessed challenge with mean value of 3.2800 while licensing and compliance is given the highest assessment with mean value of 3.6400.

The challenge in importing raw materials is less experienced by the select businesses since most of the raw materials in their operation is sourced from Hubei China and very few are sourced from other provinces or countries while the licensing and compliance prior to shipment when they highly experienced due to factors such as currency exchange, transit problems, delays and hold-ups at ports. Same as the challenges in exportation, challenges in importation are also inevitable and cannot be eradicated, however, international trading organization must adapt to continuous improvement framework to ensure that the effect of each of the challenge is managed properly.

Table 5. Extent of Challenges in terms of Investment Practices

Investment Practices	Mean	Adjectival Interpretation	Verbal Interpretation
Technological requirements to ensure systematic processes in trading	3.4200	Agree	Moderate Experienced
Customary accreditation for releasing of goods, materials, or components	3.3400	Agree	Moderate Experienced
Creation of wealth of unique and compelling investment opportunities	3.4000	Agree	Moderate Experienced
Establishment of inventory or warehousing facilities to cater to manufactured and imported goods	3.4000	Agree	Moderate Experienced
Foreign direct investment in technology, facilities, green energy, and export-oriented sectors	3.5000	Agree	Moderate Experienced
Provision to business expansion using investment in infrastructure	3.3000	Agree	Moderate Experienced
Overall	3.3933	Agree	Moderate Experienced

Legend: 4.00 – 3.51 Highly Agree; 3.50 – 2.51 Agree; 2.50 – 1.51 Less Agree; 1.50 – 1.00 Not Agree

Results revealed that participants provided an overall agreement on the extent of challenges about Investment Practices with a mean value of 3.3933. This means that businesses moderately experience these challenges as they are dependent on business decisions. This simply means, that if the business decides not to invest in infrastructure, facilities, and other physical assets, the business may or may not experience these challenges as it focuses on expansion of operation. Nonetheless, said international business is not immune to such challenges. Results also revealed that provisions on expansion are the least assessed challenge that they experienced with a mean value of 3.3000. This could mean that, though, expansion or establishing a satellite

business is a common practice for most of the business doing international trading, select businesses from Hubei China are capitalizing partner entity to distribute their goods not just locally but also internationally.

Challenges affecting investment practices of a select business are focused on the challenges brought about by political, economic and social factors affecting the international market both business and consumer market. On the other hand, the foreign direct investment is the given the highest assessment with mean value of 3.5000. This means that, it is evident that very few or limited external investment are made to support the operation in international market. One possible reason is that international trading has a lot of risks that may affect the return on investment and investor tend to seek investment that generate great sales and income.

Table 6. Extent of Challenges in terms of Logistics Practices

Logistics Practices	Mean	Adjectival Interpretation	Verbal Interpretation
High or reducing carrier costs to cater to more customers both local and international	3.4000	Agree	Moderate Experienced
Maintaining the quality during transit to ensure goods are received in good condition	3.5000	Agree	Moderate Experienced
Continuous rise in the fuel price and other operational costs related to the transit of goods	3.4800	Agree	Moderate Experienced
Resilience to demand variability, and unexpected outages due to reliance on manual effort across logistics operations	3.4600	Agree	Moderate Experienced
Inconsistent tracking of goods, visibility of orders, and the integrated communication	3.5000	Agree	Moderate Experienced
Delays in the delivery of raw materials, components as well as the finished/ordered items	3.5000	Agree	Moderate Experienced
Overall	3.4733	Agree	Moderate Experienced

Legend: 4.00 – 3.51 Highly Agree; 3.50 – 2.51 Agree; 2.50 – 1.51 Less Agree; 1.50 – 1.00 Not Agree

Results revealed an overall assessment of agreement about challenges to Logistics Practices in international trading with a mean value of 3.4733. Likewise, an indication of Moderate experience in terms of said challenges. Logistics practices are focused on the transit of goods from point of origin to point of consumption giving paramount importance to but not limited to time, quality, and transportation costs. Resiliency to changes in demand and reliance on logistics operation is the least assessed challenge when it comes to logistics practices since most businesses are doing outsourcing practices when it comes to transportation, thus, these outsourcing industries oversee the full management of

challenges arising from the transit of goods.

Logistics involves various external factors affecting the goods in transit. These factors includes but not limited to delays, pavement and proper tracking of products from point of origin to point of destination or consumption. Results revealed that, delays in raw materials are given the highest assessment of 3.5000 in terms of challenges in logistics. This challenge will affect the entire production and supply chain practices of international business, simply means any delay in supply is a delay in production and any delays in production will affect its distribution. Likewise, tracking and maintaining quality are also given the highest assessment of 3.5000 respectively.

Table 7. Extent of Challenges in terms of Supply Chain Practices

Supply Chain Practices	Mean	Adjectival Interpretation	Verbal Interpretation
Insufficient inputs or scarcity of materials due to sudden consumer/customer demand	3.4000	Agree	Moderate Experienced
Increasing freight prices due to the need for container shipping have increased considerably throughout the pandemic.	3.5000	Agree	Moderate Experienced
Port congestion because of capacity indication and backlog – creating bottlenecks in the process	3.4800	Agree	Moderate Experienced
Switching suppliers must be carefully coordinated so that you don't run out of inventory during the transition period.	3.4600	Agree	Moderate Experienced
Climbing costs due to inflation often translate to excess or surplus inventory, mounting storage fees, smaller margins, and lowered revenue for your product-based brand.	3.5000	Agree	Moderate Experienced
Overall	3.4680	Agree	Moderate Experienced

Legend: 4.00 – 3.51 Highly Agree; 3.50 – 2.51 Agree; 2.50 – 1.51 Less Agree; 1.50 – 1.00 Not Agree

Results revealed that when it comes to supply chain practices, respondents provide an overall assessment of 3.4680 further interpreted as Agree. This also means that businesses moderately experience supply chain challenges concerning their international trading. Raw material affective production is the least assessed challenge with a mean value of 3.4000. The supply chain is a complex process and involves a lot of factors coming from the internal and external environment of the business. While internal factors are easy to identify and manage, external factors are uncontrollable on the side of the business. Thus, along the way, most businesses rely on the management of challenges and or problems for their partners from the transportation Industries and their Intermediaries.

Table 8. Summary of Extent of Challenges in International Trading

International Trading Practices	Mean	Adjectival Interpretation	Verbal Interpretation
Export	3.5743	Highly Agree	Highly Experienced
Import	3.4114	Agree	Moderate Experienced
Investment	3.3933	Agree	Moderate Experienced
Logistics	3.4733	Agree	Moderate Experienced
Supply Chain	3.4680	Agree	Moderate Experienced

Legend: 4.00 – 3.51 Highly Agree; 3.50 – 2.51 Agree; 2.50 – 1.51 Less Agree; 1.50 – 1.00 Not Agree

Table shows the summary of results about the extent of challenges experienced by International Business in Hubei China. Based on the results, it is from the Export Practices that most of the challenges are experienced with overall mean value of 3.5743 and Investment Practices are the least assessed challenges with mean value of 3.3933.

Table 9. Differences based on Capitalization

International Trading	Capitalization	Mean	F	Sig	Interpretation
Export Practices	Less than 10 M	3.5714	.649	.587	Not Significant
	11 - 20 million	3.4821			
	21 – 30 million	3.6875			
	31 M and Above	3.5495			
Import Practices	Less than 10 M	3.7143	1.086	.364	Not Significant
	11 - 20 million	3.3304			
	21 – 30 million	3.3839			
	31 M and Above	3.4286			
Investment Practices	Less than 10 M	3.5667	1.667	.187	Not Significant
	11 - 20 million	3.2396			
	21 – 30 million	3.4583			
	31 M and Above	3.4359			
Logistics Practices	Less than 10 M	3.5333	1.961	.133	Not Significant
	11 - 20 million	3.2917			
	21 – 30 million	3.6771			
	31 M and Above	3.4231			
Supply Chain Practices	Less than 10 M	3.5200	2.094	0.114	Not Significant
	11 - 20 million	3.2750			
	21 – 30 million	3.6750			
	31 M and Above	3.4308			

** Significant at alpha 0.05

Results revealed that there are no significant differences in

the assessment of the participants on the extent of challenges in international trading specifically for Export, Import,

Investment, Logistics, and Supply Chain when Capitalization is considered. The F-values of 0.649, 1.086, 1.667, 1.961, and 2.094 respectively with probability values of 0.587, 0.634, 0.187, 0.133, and 0.114 are all not significant to alpha 0.05. Since most of the challenges are external factors affecting their international operation all these businesses are experiencing the same regardless of the capital invested in their business. Similarly, businesses all around the world are encountering or encountered the same challenges concerning their Export, Import, Investment, Logistics, and Supply Chain

practices and as such are inevitable in the operation of international trading.

Capitalization may not be a source of challenges in international trading but it plays a critical role in identifying and managing operational challenges of businesses involved in trading goods both locally and internationally. The more resources a business, the more they can cope up with the challenges they currently experience and can predict or identify potential problems in the future.

Table 10. Differences based on Years in International Trading

International Trading	Years in Int. Trading	Mean	F	Sig	Interpretation
Export Practices	Less than 5 years	3.5357	.203	.894	Not Significant
	6 – 10 Years	3.5357			
	11 – 15 Years	3.6020			
	16 years and above	3.6607			
Import Practices	Less than 5 years	3.5833	1.646	.192	Not Significant
	6 – 10 Years	3.2679			
	11 – 15 Years	3.3571			
	16 years and above	3.5357			
Investment Practices	Less than 5 years	3.4444	1.797	.161	Not Significant
	6 – 10 Years	3.2292			
	11 – 15 Years	3.4643			
	16 years and above	3.5208			
Logistics Practices	Less than 5 years	3.4722	.604	.616	Not Significant
	6 – 10 Years	3.3750			
	11 – 15 Years	3.6071			
	16 years and above	3.4375			
Supply Chain Practices	Less than 5 years	3.4500	.566	.640	Not Significant
	6 – 10 Years	3.3750			
	11 – 15 Years	3.6000			
	16 years and above	3.4500			

** Significant at alpha 0.05

Results revealed that there are no significant differences in the assessment of the participants on the extent of challenges in international trading specifically for Export, Import, Investment, Logistics, and Supply Chain when Years in International Trading are considered. The F-values of 0.203, 1.646, 1.797, 0.604, and 0.566 respectively with probability values of 0.894, 0.192, 0.161, 0.616, and 0.640 are all not significant to alpha 0.05. This means that challenges in international trading exist from the very beginning of the business operation. Through the years, some challenges may be addressed by scientific approaches, however, other challenges can only be managed and therefore reduce their effect along the process.

Table 11. Capitalization and Extent of Challenges on International Trading.

Capitalization correlated to challenges in International Trading in terms of:	Coefficient of Correlation	Sig	Interpretation
Export Practices	0.060	0.681	Not Significant
Import Practices	-0.075	0.602	Not Significant
Investment Practices	0.075	0.603	Not Significant
Logistics Practices	0.074	0.610	Not Significant
Supply Chain Practices	0.093	0.519	Not Significant

** Significant at alpha 0.05

Results revealed that there is no relationship between business capitalization and the extent of challenges on Export, Import, Investment, Logistics, and Supply Chain Practices. The coefficient of correlation values 0.060, -0.075, 0.075, 0.074, and 0.093 respectively manifest weak and negative associations with probability values 0.681, 0.602, 0.603, 0.610, and 0.519 are all not significant to alpha 0.05. This means that regardless of the capitalization of the business, the challenge in international trading is inevitable, however, capitalization may support the management of such challenges in terms of investments in improvement activities.

Table 12. Years of Operation and Extent of Challenges on Supply Chain.

Years in Int. Trading correlated to challenges in International Trading in terms of:	Coefficient of Correlation	Sig	Interpretation
Export Practices	0.106	0.463	Not Significant
Import Practices	-0.039	0.787	Not Significant
Investment Practices	0.134	0.353	Not Significant
Logistics Practices	0.055	0.703	Not Significant
Supply Chain Practices	0.075	0.605	Not Significant

** Significant at alpha 0.05

Results revealed that there is no relationship between the Years in International Trading and the extent of challenges for Export, Import, Investment, Logistics, and Supply Chain

Practices. The coefficient of correlation values 0.106, -0.039, 0.134, 0.055, and 0.075 respectively manifest weak and negative associations with probability values 0.463, 0.787, 0.353, 0.703, and 0.605 are all not significant to alpha 0.05. This means that, though years in the business may help in the management of problems in international trading, it cannot be assumed that is directly related to the challenges experienced by the business.

4. Discussions

This chapter presents the summary of the findings, the derived conclusions and recommendations based on the results, and the proposed Enhancement of International Trading Practices.

4.1. Summary of Findings

Regarding the business's capitalization, results revealed that the capitalization of the select international business in Hubei China averages at 11 million to 30 million, and most of the businesses operate for at least six (6) to fifteen (15) years. As regards participants, the research utilized at least ten (10) participants for each of the selected five (5) businesses. Businesses in Hubei the 7th largest provincial economy in China focused on manufacturing and trading of cash crops, optical electronics, iron, steel manufacturing, and automobiles. This type of industry requires a large amount of capitalization and years of experience to sustain, identify, and manage challenges in their international trading practices. As emphasized by Li, T. (2022), to make China's international trade in agricultural products develop more quickly and steadily, this study, through the analysis of the development of international trade and the import and export of agricultural products under the strategy of "The Belt and Road (B&R)," in terms of agricultural products, the problems about the international trade in China are discussed.

Regarding the extent of challenges in international trading in terms of export, import, investment, logistics, and supply chain practices, participants provided an overall assessment of "Agree" on Import, Investment, Logistics, and Supply Chain with mean values of 3.4114, 3.3933, 3.4733 and 3.4680 respectively while a "Highly Agree" assessment is given to Export Practices with a mean value of 3.5743. International trading is a complex business operation and requires a thorough understanding of the current business situation as well as business capability since a lot of challenges are embedded in the process. The restrictions in the trade process and other uncontrollable factors include but are not limited to an increase in cost due to inflation, an increase in demand in the global market, unfavorable events, and currency exchange rates. In global trade, international competition is very high not just with the businesses directly operating as an international trade but also transportation, warehousing, and intermediaries are intensively competing. The competition in global trade brings forth the rise of challenges in trading and these are experienced by all businesses. The export restructuring activities of the trade system are challenges for businesses as they affect not just the products but also the practice of trade in a specific country. As mentioned by Zhang, H & Ding, Y (2024), the global value chain restructuring is helpful to the upgrading of product structure and conducive to the upgrading of export products. Given the said statement, restructuring may address challenges in export practices since the activity will not be focused on just the product but also the entire export process. Another concern in China's export

practices is the high completion that leads to the diversification of practices affecting their operation. As the international market is diversified, it requires diverse practices or strategies, and this is a challenge for internationally operating businesses. The challenges in diversified markets must be addressed and transformed into opportunities and eventually business growth. Supported by Guo, Q et al (2023), having a diverse related export market facilitates regional export growth, and the many unrelated export markets hurt export growth. As indicated in the findings, though challenges in export practices are external by nature and often treated as uncontrollable, these challenges can be transformed into business opportunities by rationalizing factors that contribute to the existence of the challenges in export processes.

As regards the challenges in importation such as raw materials, components, accessories, semi-finished products as well as parts for maintenance purposes of equipment and machinery. The challenges in these factors are considered by international traders since the same are governed by customs procedures and laws that may hinder the smooth operation of the business. The growth of the food and crop production industry in Hubei China gives rise to challenges in the importation of goods, and raw materials. As mentioned by Bittisnich, D (2024), international agri-food trade has grown significantly over recent decades with food and socio-economic security in many countries increasingly reliant on safe and efficient import and export regulations that are harmonized with international standards. The intense competition in import activities also contributes to the challenges experienced by international traders in the distribution and transportation industries as they play a critical role in the import practices of international businesses. As highlighted in the study of Hao, X (2023), the import competition pressure network has a significant hierarchy among importers, and importers adopt differentiated policies according to the import competition pressure and likewise, only a few major importers put larger competition pressure on their competitors. Thus, both export and import practices of an international business must be given paramount importance in terms of their effective and efficient implementation as well as the basis for international trading.

On the aspect of logistics practices, the main concern of international businesses is the transport of goods and services from point of production to point of consumption including but not limited to carrier costs, delays, and fuel costs. Businesses tend to increase their prices due to increases in operational costs, especially expenses incurred in the transportation of their products. Though challenges in this aspect are also external by nature and uncontrollable on the side of the producer, there are methods to address such. As highlighted by Mohit, M. (2024), it is important to have collaboration between manufacturers, logistics companies, and policymakers in achieving significant progress towards sustainable practices, and the standardized sustainability metrics and government incentives are seen as crucial factors for long-term success. Given said premise, a strategic relationship between the international business and their partner industries could reduce if not eradicate the immediate and long-term effect of logistics challenges by fast and accurate communication as to the status of transit of goods, raw materials, components, and parts. Logistics is also a complex process especially when demand is very high for the products as well for the logistics business, some facets must

improve to ensure smooth implementation of the logistics practices. As mentioned by Zhao, Y et al (2023), the development of the modern logistics industry should be promoted, the upstream and downstream divisions of the logistics supply chain labor cooperation system should be improved, cross-border integration of the logistics industry should be promoted, the construction of export logistics infrastructure and cross-border intelligent logistics systems should be accelerated, and the customs clearance and logistics hub capacity must be enhanced. As indicated in the results, the major concern of logistics is the transit or transportation of goods from production to consumption and this must be addressed to enhance logistics practices. As mentioned by Singh, S. (2024), the biggest challenge facing the industry today is the limited integration of transportation networks, information technology, storage, and distribution facilities.

4.2. Conclusions

Based on the results of the study, the following conclusions are derived:

International business is a complex operation and requires skills, organizational resources, and capabilities to face challenges specifically for their five major practices: Export, Import, Investment, Logistics, and Supply Chain. Based on the results, the challenges in Export practices are the most highly experienced by international businesses. This is due to unclear customs procedures both from the country of origin to the country of destination, and this affects the total export of goods. On the other hand, challenges in the import practices, although, not highly experienced should also be given paramount importance as the practices are also governed by certain customs procedures which also affect the total entry of raw materials, semi-finished products, components, parts, and finished products.

The logistics and supply chain practices should also be given paramount importance as they both play a critical role

in terms of the distribution and transit of goods and services. Most of the challenges in these areas are caused by external factors including but not limited to transportation problems like construction and pavement enhancement, fortuitous events, and changes in the transportation industry. Moreover, these challenges can be transformed into opportunities with proper communication, monitoring, and management.

Investing in infrastructure may require businesses large capitalization, especially for expansion of operations due to high and growing global demand. However, this challenge is treated by international businesses as an opportunity to expand their market and to produce and develop more new products.

4.3. Recommendation

Based on the results of the study, the following are recommended:

Compliance with Customs Procedures. Businesses should prepare all the requirements for importing and exporting goods. This may provide ease in the processes while being compliant with border procedures.

Coordination and Communication. Businesses should have strategic relationships with their partners to communicate properly about the status of goods in transit. This may help reduce the effect of challenges in logistics and transportation.

Government Initiative. The government may provide support to the operation of international trading. Support from the government through subsidies or financial support will help businesses to expand and eventually generate more income.

Adaptation and Full Utilization of Technology. Businesses dealing with international trading should take advantage of emerging technologies. This can help their operation implement strategies such as forecasting demand, reducing delays, quality checks, and communication procedures.

Table 13. Proposed Strategies on International Trading Practices

Area	Strategies	Implementation	Budget (Yuan)	Responsibility	Timeframe
Compliance with Customs Procedures	Regular Reorientation on Compliance Procedures	Personnel handling the preparation of documents for customs compliance should review all procedures esp. when the customs implement new guidelines and policies	12700	Government and Businesses	Quarterly
Coordination and Communication	Proper and Appropriate use of communication Channels	Businesses should utilize existing communication mediums to inquire, track, and monitor the status of trade	6350	Businesses and Partner Entities	Quarterly
Government Initiative	Identification and Evaluation of Potential Investment	The government may provide financial support to businesses with high potential as this is beneficial to the government and their economy	N/A	Government	Yearly
Technology	Utilization of Emerging Trading Technologies	Businesses should adopt technologies to strengthen their position by making their operation fast and smooth.	63502	International Businesses	All Year round

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