

An Empirical Study on International Competitiveness of Litchi and Longan Industry in China

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Abstract—Based on the theories of comparative advantage and international competitiveness, this paper studies China's import and export trade of litchi and longan, and applies International Market Share Index (MS), Trade Specialization Coefficient (TSC), and Revealed Comparative Advantage Index(RCA) to carry out an in-depth analysis on the export competitiveness of China's litchi and longan. Research discovers that China's litchi and longan industry do not have international competitiveness. For the further development of the litchi and longan industry in China, The productions of litchi and longan should be put on a standardized, normalized and scientific administration track, the outputs and the exports of litchi and longan should be promoted, the mechanism of information flowing and reporting should be established, and the production should be organized according to market demand.

Keywords: Litchi and Longan Trade; International Competitiveness; International Market Share; Trade Specialization Coefficient; Revealed Comparative Advantage

Introduction

October 11, 2010, China's State Council issued "Commission on Promoting industrial development of the tropical crops", and stress promoting the construction of tropical crops industry development zones in a comprehensive way, with the industries of banana, litchi, longan and mango as the priorities. Against this background, along with overall implementation of zero tariff in China- ASEAN Free Trade Area, in-depth analysis of current situation of litchi and longan Industry in China is undoubtedly of great practical significance, as well as study of the strategy and measure on litchi and longan industrial Development in China from the perspective of international competitiveness. This paper attempts to study the international competitiveness of litchi and longan industry in China through the theories of comparative advantage and international competitiveness. And then explore the viable path to strengthen international trades of litchi and longan in China, and promote development of China's litchi and longan industry. The study of China's fruit industry mainly focused on the trade, You Jianqiang and Cui Yan(2006) Considered that the Chinese fruit did not have international competitiveness, addition to individual species(apples and pears), citrus and bananas had relatively small competitive disadvantage, and orange, grape and peach had significant competitive disadvantage. Liu Lifeng(2004) analyzed the China - ASEAN fruit trade status and characteristics, and forecasted the prospects for trade. He believed that China - ASEAN fruit trade had many advantages, including the complementary of production and consumption, convenient transportation and the setting up of China - ASEAN Free Trade Area and so on. But the

quality would be the most important determinant for full realization of the potential of China's fruit exports to ASEAN. Zhang Changmei(2002) though that China's price advantage of several major fruit was mainly from the cost advantages of production, while comparing China's and the world's major fruit exporter's producer price index. In recent years, the growth of non-productive costs greatly reduced this advantage. It can be seen that putting China's litchi and longan fruit imports and exports under the background of China's trade environment and policy changes, and analyzing international competitiveness of China's litchi and longan industry, is also a meaningful research. China - ASEAN Free Trade Area had a positive impact on China's overall economic development, but would also brings longan and litchi industry more challenges(Zhang Xiuqing, Han Yijun, Di Xueling, etc., 2008), the foreground of longan and litchi industry became an important issue(Di Xueling, Han Yijun, 2007). Domestic scholars on China litchi industry research, were mainly empirical analysis from the perspective of international competitiveness, one was calculating for the international competitiveness of fruits by building international competitiveness evaluation index system; another was exploring the causes of international competitiveness of litchi industry by ways of price and non-price competitiveness. Yin Ganjun, Wang Jubing(2008) believed that China's litchi industry in general had a strong international competitiveness, mainly in high market share, but competitiveness of different products were not the same. Ye Yanqiong, Zhang Jia-en, et al(2011) compared Guangdong with the other main litchi producing areas, and came to a conclusion that litchi industry in Guangdong had high market competitiveness. Zhuang Lijuan, He Meiyong(2010) based on survey data of Guangdong, Guangxi, Hainan, Fujian and other main producing areas of litchi, using multivariate Logit model to study the demand and influencing factors while farmers selecting technology services. The results showed that characteristics of households owned a great influence on decisions. The other factors such as acreage, non-farm income ratio, technical training also had an impact on the technology choice of households. Lan Hong, Rong Yang and Zhao Xian(2009) from the perspective of supply chain management, analyzed export problems of China's longan. Liu Weiwen, Zeng Xiangyou and Zhong Sheng (2005) explored China's strategy of improving the international competitiveness of of longan from the competitiveness point of view.

1. The Basic Situation of Litchi And Longan Industry in China

With a cultivation history of over two thousand years, litchi is one of the most famous Ling-Nan fruits. But because of historical reasons, litchi did not receive due attention before, both acreage and annual output were at a low level. After Reform, with the development of cultivation technology and the improvement of people's living standards, litchi industry

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has developed rapidly and has become China's fourth largest fruit. Longan is a tropical fruit with about 68 million hectares growing area and 230 million tons production. Growing regions of longan are relatively concentrated, mainly in Asia, with China and Thailand as the two main producing countries. China is the origin country and the largest producer of longan, with advantages of rich germplasm resources, wide planting area and large production. China's longan acreage accounts for 70% of the world's and production accounts for more than 50% of the world's, ranking first(Luo Jun, Zhou Canfang, Wan Zhong, 2011).

1.1 Current Situation of Litchi And Longan Industrial Economy in China

1.1.1 Current Situation of Litchi Industrial Economy on China

Guangdong, Guangxi, Fujian, Hainan and other southern provinces are major producers of litchi. Guangdong is the largest producing area, producing more than 60% of the country's total output;

followed by Guangxi, mainly growing litchi in southeast and southwest area; Fujian, Hainan has geographical advantage with small acreage. In 2009 China has 557,200 hectares for litchi cultivation, and 1.6956 million tons of litchi output, accounting for 70% of world production.. Particular production and acreage for 2002-2009 are shown in Table 1. Since 2001 in which China joined the WTO(World Trade Organization), many industries have developed rapidly. litchi production in 2001 increased from 958,700 tons to 1,523,300 tons, reached an increase of 58.89%. Although the litchi production declined in 2003, it returned to 1.5584 million tons in 2004. Then litchi production increased in fluctuations, and reached 1.6956 million tons in 2009. The total litchi acreage was relatively stable. There was 570,800 hectares in 2002, and 600,000 hectares in 2004, reached the largest Acreage. Then the total acreage continued to decrease, and reduced to 557,200 hectares in 2009, below the lowest level over the past decade.

Table1 Litchi production in China

Years	2002	2003	2004	2005	2006	2007	2008	2009
Output (1000tons)	1523.3	1123.8	1558.4	1446.1	1507.8	1698.2	1507.3	1695.6
Acreage (1000he)	570.8	559.1	599.9	580.7	571.7	559.3	563.3	557.2

Source: FAO, calculated by the author

1.1.2 Current Situation of Longan Industrial Economy in China

The main planting areas of longan in China is relatively concentrated in Guangdong, Guangxi, Fujian and Hainan provinces. The four provinces account for more than 97% of the national total acreage and production(not including Taiwan Province). China's longan production for the past 10 years is shown in Table 2. From

2000 to 2008, longan acreage decreased slightly from 465,600 hectares to 460,000 hectares. During this period, the acreage gradually reduced, then restored, but sharply declined in 2009 to 39 million hectares. Since joined the WTO, China's longan industry developed rapidly. Longan production increased from 608,500 tons to 944,200 tons in 2002, and the average annual increase was 24.57%. Then total output of longan continued to grow, in 2004

Table 2 Longan Production in China

Years	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Output (1000t ons)	608.5	620.7	944.2	910.9	1018.4	1091.4	1107.7	1169.7	1270.6	1259.8
Acreage (1000hecs)	465.6	444.1	449.9	435.5	432.9	403.3	403.3	460	460	390

Source: FAO, calculated by the author

1.2 China Has Witnessed Rapid Growth in the Foreign Trade of Litchi And Longan

Since 2000, the import and export of litchi between China and ASEAN have showed an upward trend. On the export side, China's main markets are Hong Kong and Macao, ASEAN, Japan, the United States, Canada and the EU market. On the import side, the amount of ASEAN's export to China has accounted for more than 90% of China's total litchi imports for the last five years. China's foreign trade of litchi in 2009 amounted to 25,143 tons, which includes 8,027 tons of exports, 17,116 tons of imports, and litchi trade amounted to \$ 30,151,000. Export and import data on foreign trade in 2009 illustrated that China's litchi trade wasn't affected too much by the world financial crisis, and maintained a stable level of import and export volume. With the development of China - ASEAN Free Trade Area and the tariff reduction, it is expected that volume of litchi import from ASEAN will continue to grow. There

was few global trade of fresh longan. The annual export volume of longan was only about 40,000 tons between 2004-2007. Although China is the largest longan production country, the export volume is low. Since China joined the WTO in 2001, China's foreign trade of longan has witnessed rapid growth, and the data between 2001 and 2009 are shown in Table 2. However, the largest export volume was only 0.36 million tons in 2005, far lower than the import of 174,600 tons the same year. In 2006 China's exports of fresh longan was 0.31 tons, only about 2% of the import volume. Exports origins were mainly in Guangdong, Guangxi; other provinces accounted for a much smaller percentage. Import of fresh longan increased from 75,600 tons to 168,500 tons in 2001-2006, with the average growth rate of 17.4%. China's import and export trade of longan in 2009 reached \$ 158 million, amounted to 256,900 tons, which included 900 tons of exports, 256,000 tons of import. Export and import data showed that longan import to China in 2009 wasn't affected by the world financial crisis, even with a

Table 3 China's Foreign Trade in Fresh Longan Unit: tons

	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total export	100	500	1400	1500	3300	3100	3600	2200	900
Total import	75600	107100	95100	109400	143400	168500	174600	196500	256000

Source: FAO, calculated by the author

1.3 Country Differences in Import And Export Trade of China's Litchi And Longan

1.3.1 Country Differences in Import And Export Trade of China's Litchi

On the export side, the total amount of China's litchi export has a overall wavy upward trend, with markets mainly in the United States, Hong Kong, Malaysia, Japan and Canada. In 2009, China exported 8,027 tons of fresh litchi to the world, with the growth of 27.00% comparing with that in

Table 4 The Flow of China's Litchi Exports Unit: 1,000 USD

Country	Hong	Indonesia	Japan	Macau	Malaysia	Singapore	Canada	Usa	Total
2002	757	37	3121	136	34	528	65	118	5034
2003	714	42	255	74	28	32	35	136	1363
2004	911	193	1611	98	511	35	38	1097	5718
2005	935	571	1177	72	490	11	230	2510	7520
2006	1166	-	1241	114	377	46	435	2207	5966
2007	1875	225	742	109	850	420	673	4168	9690

Source: FAO, calculated by the author

On the import side, the main import origins of litchi were Thailand and Vietnam, accounted for more than 99% of the litchi export to China. China imported litchi 24,927.27 tons

from Vietnam, Thailand and Malaysia in 2008, valuing \$ 8,819,100, and the average import price was \$ 355,800/tons. China's litchi import circumstances from

Table 5 Imports of Chinese Litchi in 2008

	Imports	Proportion	Import	Proportion	Average
Origins	(Tons)	(%)	(\$1,000USD)	(%)	(USD)
ASEAN	24927.67	100	8819.1	100	353.8
Thailand	5165.97	20.72	4684.4	53.12	906.8
Vietnam	19798.38	79.42	4129.3	46.82	208.7

Source: FAO, calculated by the author

1.3.2 Country Differences in Import And Export Trade of China's Longan China's main export countries of fresh longan are Southeast Asia, the United States and Japan. In 2005, China's total fresh longan export was 3251 tons, mainly to Hong Kong(39%), the United States(4.3%), Malaysia(13%), Philippines(11%) and Japan(6%). In 2004, large numbers of fresh longan and dried

longan ran into Chinese market from the ASEAN countries, mainly from Thailand and Vietnam. In the past five years, ASEAN's longan export to China has accounted for more than 90% of China's total longan imports. with in-depth development of China - ASEAN Free Trade Area, it's expected that the volume of longan imports from ASEAN will continue to grow. China's longan imports in 2009 are

Table 6 China's longan imports in 2009

	Imports	Proportion	Imports	Proportion
Origins	(Tons)	(%)	(million Usd)	(%)
ASEAN	256000	100	157.33	100
Thailand	140100	55	110	70
Vietnam	115900	45	47	30

Source: FAO, calculated by the author

It can be known by Comprehensive analysis of China's foreign trade in fresh litchi and longan that although China is the largest producer of litchi and longan, the trades deficit year after year, and the terms of trade have deteriorated.

2. The Empirical Analysis on International Competitiveness of Litchi And Longan Industry in China

2.1 International Competitiveness Evaluation Index

This chapter will choose International Market Share(MS), Trade Specialization Coefficient Index(TSC), Revealed Comparative Advantage Index(RCA) to build competitiveness evaluation index system for China's litchi and longan industry, and a detailed analysis of the global market competitive position of China's litchi and longan industry will be Dominated. 2.1.1 International Market Share (MS) International Market Share is the ratio of export value (or volumes) of a particular product in a particular country to that of the world. International competitiveness is strengthened if MS scales up, otherwise, drops. But sometimes the decline of MS does not mean that a product or a industry's international competitiveness drops. Because some cases of MS changes reflect the adjustment of country's industrial structure or product structure; in some cases, reflect changes in consumption structure. The index is calculated as:

$$MS = \frac{X_k}{X_w} \times 100\%$$

2.1.2 Trade Specialization Coefficient (TSC)

Trade Specialization Coefficient is an indicator which can figure out the ratio of net export to total value of import and export of a particular product in a particular country. As a relative value of total trade, the indicator eliminated the effects caused by macroscopically fluctuation and is comparable at various times in different countries. TSC is to indicate that whether a product in a country is a net importer or a net exporter, and to calculate relative size of net import or net export. TSC also can be used to reflect if a particular product is competitive advantage in production efficiency comparing to the rest of the world's major exporter of the product. Without considering the influence of foreign-invested enterprises, the indicator is calculated as:

$$TSC = \frac{X_{jk} - M_{jk}}{X_{jk} + M_{jk}}$$

In the equation, j is on behalf of goods, k represents the state, X represents the export value(volume), and M is on behalf of the import value(volume). TSC values between -1 and 1. its value closer to 1, the competitiveness stronger; its value closer to -1, the competitiveness weaker; and 0 indicates a neutral state of competitiveness. If the TSC>0, it indicates that the country is a net exporter of product j, and its production efficiency is higher than the international level, with strong international competitiveness. The greater the absolute value of TSC is, the stronger the

international competitiveness of the product j is. If TSC<0, it indicates that the country is a net importer of the product j, and the j production efficiency is lower than the international level, and the international competitiveness of the product j is weaker with greater absolute value of TSC. If TSC=0, it indicates that the import and export of the country offset, and the j production efficiency is close to international standards. 2.1.3 Revealed Comparative Advantage Index (RCA) In order to reflect a country's comparative advantage in the import and export more accurately, Balassa proposed a Revealed Comparative Advantage" indicator. Revealed Comparative Advantage Index (RCA) was the ratio of a specific value of a particular country to that of the world, and the specific value was the ratio of export of a particular product to total export value of all products. A common attitude is that, if RCA is larger than 2.5, export competitiveness of the product is super; between 1.25-2.5 is superior; between 0.8-1.25 is moderate; lower than 0.8 is weak. With the equation as:

$$RCA = \frac{X_{ik} / X_i}{X_k / X}$$

In the equation, X_{ik} is on behalf of exports of k goods in i country; X_i represents total exports of the i country; X_k represents the world's total exports of k goods; X is on behalf of the world's total exports.

2.2 Litchi's International Competitiveness Evaluation

2.2.1 International Market Share Analysis

As a small case of trade in the international fruit market, the proportion of litchi fruit is relatively low, mainly produced in countries as China, India, Vietnam, mainly exported by Thailand, China, Vietnam, South Africa, and mainly imported to the United States, Japan, Canada and Singapore. Litchi trade is domestic-based, with 5-8 million tons of international trade each year, accounting for 2% of the total production (Tang Shuna, 2009). China's litchi export markets are Hong Kong, Singapore and other Southeast Asian market, followed by the United States, Canada. Traditional export markets of fresh litchi in China Taiwan are North America and East Asia and other countries, with actively exploration in the European market. Thailand's litchi export markets are broader, in addition to the traditional Southeast Asian, also the Middle East and the southern hemisphere, and be involved in European markets. Litchi export market of India are mainly Bangladesh and Nepal, while sporadic exports to the UAE. Madagascar and South Africa's main export market places the EU market, supplemented by the market of the United States and Canada. China's MS of fresh litchi in 1997-2006 is shown in Table 7. In that decade, MS of China's fresh litchi fluctuated a lot, on average of 11.97%. In 1999, the international market share reached the largest value, but then fell into the bottom, only 4.71% annually in 2000 and 2001. Although the gradual recovery exited in 2002, there was still a strong fluctuation in world market share every year. Thus available, China's competitiveness in international markets of fresh litchi needs to be strengthened.

Table 7: China's MS Comparison of Fresh Litchi in 1997-2006 units: %

Years	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Average
China	11.97	7.48	21.27	4.71	4.71	11.6	6.75	16.09	12.54	12.21	11.97

Source: FAO, calculated by the author

2.2.2 Trade Specialization Coefficient Analysis (TSC)

Table 8 shows that China's export of fresh litchi is at a disadvantage. From 2000 to 2009, The TSC mean of China's fresh litchi was 0.03, and was very close to the neutral state value 0, indicating that China's import and export of fresh litchi nearly balanced, and production efficiency of fresh litchi was close to the

international level. From 2001 to 2002, China's TSC of fresh litchi continuously increased to 0.14, but fell sharply in 2003, fell to -0.20 in 2005, then rebounded to 0.53 in 2007, reaching its highest point. but in 2008 and 2009, the TSC was negative, indicating that China was gradually changed from the original to a net exporter of fresh litchi Its production efficiency was lower than the international level, and the international competitiveness of fresh litchi

Table 8: China's TSC Comparison of Fresh Litchi in 1995-2009

Years	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Average
china	0.02	0.12	0.14	0.06	-0.07	-0.20	0.08	0.53	-0.04	-0.37	0.03

Source: FAO, calculated by the author

2.2.3 Revealed Comparative Advantage Analysis (RCA)

RCA in Table 9 shows that China's competitiveness in international trade of fresh litchi gradually weakens. RCA of fresh litchi in China in 1997 was 3.91, with strong international competitiveness, but the data after that year showed that there was a serious recession in 1998, and RCA fell to 1.25. Although it rebounded to 5.76 in

1999, but then RCA had been in the range of 0.8 to 1.25, which was the medium level of international competitiveness. The RCA fell to 0.68 in 2003, the weaker level. From 1997 to 2006, the average RCA of China's fresh litchi was 2.18, at a medium level, but only two years of the data were higher than 2.5, overstating the average. In 2001, after joining the WTO, China has lost its previous high competitiveness in the international market of fresh litchi.

Table 9: China's RCA Comparison of Fresh Litchi in 1997-2006

Years	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Average
china	3.91	1.25	5.76	1.26	1.54	1.97	0.68	1.88	1.35	0.88	2.18

Source: FAO, calculated by the author

2.3 Longan's International Competitiveness Evaluation

2.3.1 International Market Share Analysis (MS)

As a small case of trade in the international fruit market, the main producing countries of longan fruit are China, Thailand and Vietnam. Longan trade is domestic-based, and China's major export markets are Indonesia, Malaysia, Philippines, Singapore, and Vietnam. The highest fresh longan exports in China was 3.6 thousand tons between 2001-2009, far less than the world production of 2.3 million tons, and the MS was almost 0. The international competitiveness of China's fresh longan needs to be strengthened.

2.3.2 Trade Specialization Coefficient Analysis (TSC) From Table 10, it could be seen that trade competitiveness of China's fresh longan export was at an absolute disadvantage. TSC was between -1 and 1, its value closer to 1 meant that competition was stronger; the closer to -1, weaker the competitiveness was; 0 indicates a neutral state. TSC of China's fresh longan reached an average of -0.97, indicating that China was a net importer of fresh longan, with production efficiency lower than the international level. The TSC of fresh longan was -1.00 in 2001, which was the weakest international competitiveness over the past decade. Then the competitiveness experienced a slight slow increase, began slowly slight in 2008, and decreased to -0.99 in 2009, with the same level as in 2002. This indicated that with very few export of fresh longan,

Table 10: China's MS Comparison of Fresh Longan in 2001-2009

years	2001	2002	2003	2004	2005	2006	2007	2008	2009	Average
china	-1.00	-0.99	-0.98	-0.97	-0.96	-0.95	-0.95	-0.96	-0.99	-0.97

Source: FAO, calculated by the author

2.3.3 Revealed Comparative Advantage Analysis (RCA)

China's total export and export data of longan in Table 11 showed that since joining the WTO, China's total export increased year by year, and in 2007 exceeded \$ 1 trillion. Despite the financial crisis of 2008, total exports of 2009 was less than data of 2007, but still

more than \$ 1.2 trillion. China's fresh longan exports is also growing year by year, but longan belonged to careen fruit and was mainly in domestic sales, China's fresh longan export was far lower than China's total export, of minimal proportion which can be negligible. So the RCA approximately equaled to 0, indicating the weak international competitiveness of China's fresh longan.

Table 11: China's Longan Exports And Total Exports in 2001-2009 Unit: U.S. \$ 1 million

years	2002	2003	2004	2005	2006	2007	2008	2009
longan exports	0.13	0.454	1.131	1.348	2.16	2.718	2.77	0.857
Total exports	325596	438228	593326	761953	968978	1220060	1430693	1201612

Source: FAO, calculated by the author

3. Analysis Conclusion

Firstly, exports, imports and productions of China's litchi and longan have been in fluctuations in the upward trend since 1990. However, the increase in production dues to the improvement of cultivation techniques and the promotion of agricultural machinery. Acreages of litchi and longan have been reduced, as a constraint bottleneck to industrial development. With more intensified international trade competition of litchi and longan, the meager profits of exports have been insufficient to raise the planting enthusiasm, to attract farmers to expand acreage in large-scale, to improve cultivation techniques, and to promote agricultural mechanization production level and production efficiency. Secondly, by International Market Share analysis, Trade Specialization Coefficient analysis and Revealed Comparative Advantage analysis, it is showed that the international trade competitiveness of China's fresh litchis and longan gradually weaken, exports of the two fruits are at a disadvantage. Export is the foundation and key of foreign trade. So active developments of export products and brands which are competitive in international markets can increase foreign exchange earnings, and provide the basis for more imports to meet domestic demand. Thirdly, China's MS, TSC and RCA of fresh litchi show a relatively large fluctuation, and a worrisome declining trend, indicating the instability of China's litchi industry. On the other hand, China's fresh longan export slumps, while the import grows year by year with a high speed and a large magnitude. Import and export of fresh longan are uneven, leading to not effectively protection of farmers' benefits. Thus attacks the planting initiative, further exacerbate instability of the industry, which is easy to form a vicious cycle. To ensure China's fresh litchi and longan exports, the existing litchi, longan acreages should be maintain instead of decline, the technological level of cultivation should be improved, agricultural mechanization level of production should be promoted, and production efficiency should be improved. In order to maintain steady growth in litchi and longan exports year after year, China should fully play the comparative advantage of exports, and promote exports by promoting production.

4. Inspiration on Industrial Development of China's Litchi And Longan

China's accession to WTO and China - ASEAN Free Trade Area increase China's litchi and longan imports significantly, enrich consumer market of litchi and longan, widen people's consumer choice, and improve the economic efficiency of industrial trade, but also make the China's litchi and longan productions facing a severe test. It can be seen from the empirical analysis that the International Competitiveness of litchi and longan industry in China is at a disadvantage. Agriculture is a weak industry so that the government should be supported in all respects. Furthermore, litchi and longan industries has made great sacrifices for overall development of China-ASEAN Free Trade Area, it is recommended that the Government should establish assistance mechanism for

longan and litchi industry trade as soon as possible. In the face of competitive advantage of ASEAN countries in litchi, longan production and trade, there is an urgent need to solve the problem on industry development path and strategies by the relevant departments, industry associations, industry organizations, manufacturers and growers. To promote China's litchi and longan exports, Chinese government's policy guidance should be further strengthen, with the establishment of related policies matching the fruit-trade policies of ASEAN countries. First, the Government should establish a reporting mechanism for China - ASEAN litchi and longan trade environment and circumstances by collecting, analyzing and publishing information on litchi and longan production, supply and marketing of the China - ASEAN countries, making the timely market information understood, as well as providing a scientific basis for government policy, corporate strategy and fruit production plan(Chen Xinjian, Chen Daoming, 2010). Second, production of China's litchi and longan should be arranged according to market needs. The production layout and varieties structure should be adjusted in a targeted manner. Besides, the government should encourage farmers and agricultural enterprises to apply science and technology for improving the quality, to increased yield per unit area, and to implement scale production. Second, standardized production management should be promoted to improve litchi and longan production. China's litchi, longan cultivation has a long history. Through research for many years, technologies of high production, stable yield and comprehensive cultivation have matured. However, due to poor promotion, many farmers are not good at pruning off twigs, fruit protecting and pest control, resulting in low yield and poor quality (Yi Ganjun, Wang Jubing, 2008). Following theories of Simplification, Unification, harmonization and optimization, Popularization of agricultural standardization can transform scientific achievements, advanced technology and mature experience into standards. As agricultural standardization applied, standardization, intension and scalization production can be implemented, thus substantially increase litchi and longan productions, and improve China's international competitiveness of longan and litchi industry. Implementation of agricultural standardized production and management is the trend of global agricultural development, representing the development of modern agriculture. According to survey of Guangxi Agriculture Department in 2004, the dumping margin for Thai longan to China reached 265%, and seriously impacted on the domestic longan market (Zhang Xiuqing, Han Yijun, Di Xueling, 2008). The Government should vigorously strengthen the industry injury investigation. Damage surveys should be carried out according to longan, litchi trade development and the actual industry injury of the domestic industry. Appropriate remedy measures such as anti-dumping and countervailing can be taken if necessary. At the same time, the department concerned should perfect the inspection and quarantine system for imported fruit and strengthen drug residues inspection and pest inspection of longan and litchi products. Through technical means, excessive imports can be restricted, and the impact on the domestic industry can be reduced.

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