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Discussion on the Practical Issues of Enterprises Going Global and Cross-border Operations in the Adjustment of International Economic and Trade Patterns

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ABSTRACT

At present, the internationalisation of Chinese enterprises faces a difficult situation due to the acceleration of regional integration and intensifying great-power competition. Based on trade and investment data since 2025 and enterprise practices, the six contents of this study are the use of regional rules, supply chain reconfiguration, cross-border financial support, compliance barriers, deep local integration and overseas expansion models. Study the current situation and internal logic of multinational operations. The institutional benefits of the RCEP have expanded from tariff reductions to industrial chain cooperation; the "China + 1" strategy is constrained by structural deficiencies in the manufacturing ecosystem that are difficult to replicate, and the layout of supply chains has shifted from cost-efficiency-oriented to flexible-configuration-oriented; the scale of cross-border RMB remittance has increased and the nationwide implementation of cross-border fund pool policies has altered the financial logic of enterprises' multinational operations; data compliance and the carbon border adjustment mechanism are new entry barriers, and a system of compliance for multiple rules needs to be established. With the parallel development of deep local integration and light-asset overseas expansion, the path of internationalisation is changing from being driven by scale to being driven by capability. Whether coordination among institutional use, financial support, compliance construction and local operation can be achieved will determine the long-term competitive advantage of Chinese enterprises in the world market.

KEYWORDS

Outbound Enterprises; International Economic and Trade Landscape; Cross-border Operations; RCEP; Cross-border Finance; Compliance Management; Localisation

1. INTRODUCTION

In 2025, China's total amount of outbound investment reached 213.58 billion US dollars, up 11.1% year-on-year, and the stock rose to 3.4 trillion US dollars, making it one of the top three globally for nine consecutive years and accounting for 7.4% of the world's investment [1]. In the same year, China's trade volume with other RCEP member countries was 13.85 trillion yuan, up 5.3%, and this exceeded the overall growth rate of foreign trade [2]. The above figures show the general conditions of enterprise overseas expansion and large-scale, stable development.

However, the expansion of scale does not automatically lead to higher-quality businesses. At present, the institutional environment for Chinese enterprises engaged in cross-border activities is changing. Regional trade agreements provide new rule tools, and tariff wars among major countries have forced enterprises to reconsider the geographical distribution of their supply chains; the extraterritorial effect of data protection regulations extends to the internal management process of enterprises [3], and the carbon border adjustment mechanism has turned carbon emission accounting capabilities into a

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technical threshold for exporting to the EU market. At the same time, the infrastructure for cross-border RMB settlement continues to be enhanced, and cross-border financial management policies have moved from pilot programs to the national level. Although these changes belong to different parts of the policy, they are all the same trend: outbound enterprises are moving from a stage of "market entry" to one of "rule adaptation", and the source of their competitiveness has shifted from cost advantage and channel expansion to systematic construction of rule utilisation, financial management and organisational localisation.

Most of the previous research has focused on the scale and flow of outbound investment at the macro level, or has concentrated on the response strategy to a specific agreement or a particular type of compliance requirement, and has paid less attention to rule utilisation, supply chain adjustment, cross-border finance and compliance response in an integrated system. This paper studies the practical problems of outbound enterprises and cross-border operations from six aspects: rule utilisation, supply chain adjustment, cross-border finance, compliance response, localisation operations and model upgrading; using publicly available data and verifiable enterprise practices since 2025 as materials, it presents the actual situation and internal logic of Chinese enterprises' cross-border operations under the new pattern.

2. UTILIZATION OF RCEP INSTITUTIONAL BENEFITS: FROM TARIFF REDUCTIONS TO INDUSTRIAL CHAIN SYNERGY

With the implementation of the RCEP, the impact of trade facilitation on the regional distribution of Chinese enterprises extended further to alter industrial structures. By 2025, the amount of China's trade with ASEAN will surpass 1 trillion US dollars for the first time, reaching 1.05 trillion US dollars, an increase of 7.4% year-on-year. China has been ASEAN's largest trading partner for the past 17 years, and ASEAN has been China's largest trading partner for the past six years [4].

The Origin Accumulation Rule has modified the decision-making indicators for enterprises' regional production arrangements. Under the old rule, products needed to reach a certain proportion of added value in China to qualify for a reduced-tariff area. Under the accumulation rule, the original materials of other RCEP member countries can be counted as domestic original materials for accumulation to ease the difficulty of meeting the origin requirements for products. Zheng Jianbiao, the customs officer of Dongguan Chuang Electric Machinery Products Co., Ltd., stated that the company's lithium-ion battery packs have been exported to Oceania. With the implementation of the RCEP, raw materials from Malaysia and South Korea are now considered to be from the RCEP region's origin, and the products can meet the origin requirements for reduced tariffs of about 5%. In the first 11 months of 2025, the company applied for more than 364 RCEP origin certificates and gained value of over 43.88 million US dollars, with an estimated tariff reduction of about 15 million yuan [5].

The change from "tariff utilisation" to "layout optimisation" is more apparent in the area of new-energy vehicles. Li Xiaoxiao, the Vice General Manager of Beijing Automobile International Development Co., Ltd., indicated at the 2026 Investment and Trade Fair that the regional accumulation origin rule has created space for the "Chinese technology + ASEAN manufacturing" cross-border division of labour model. Manufacturing of batteries in Indonesia, distribution and control in Malaysia, and assembly in Thailand can all be considered RCEP origin proportions. The RCEP will reduce tariffs and, at the same time, construct an institution system for production organisation in accordance with industrial logic rather than national borders [6].

The degree of utilisation of institutional benefits differs among enterprises of various sizes and industries. Outward-oriented manufacturing enterprises in coastal areas have established origin management and tariff planning capabilities earlier, but inland enterprises and small and medium-sized enterprises are still lacking in terms of understanding and application of the accumulation rule. The Yinchuan Customs has formed a special working group to design customised guidance plans for

characteristic-advantageous industries such as goji berries, wine and chemical products, according to the industrial structure and foreign-trade characteristics of Ningxia. They have introduced the fundamental terms and the areas of application of the regional accumulation rules. There is a "last mile" problem between the text and practice; thus, the full realisation of institutional benefits depends not only on the openness of the agreement but also on the organisational ability of enterprises to understand and implement the rules.

3. LOGICAL SHIFT IN SUPPLY CHAIN RECONSTRUCTION: FROM COST EFFICIENCY TO ELASTIC CONFIGURATION

The friction in Sino-US trade has been ongoing for several years, and as a result, the logic of global supply chain layout has changed. "China + 1" was once seen by many enterprises as a way to avoid tariffs, but after its implementation, the reality has been far more complex than anticipated.

According to a report by Reuters in August 2026, a reduction in SHEIN's leased area for logistics facilities in Vietnam from 15 hectares to 6 hectares had occurred, and some suppliers who had previously moved to Vietnam had returned to China. Data from the supply chain quality inspection company QIMA show the same trend: In the first quarter of 2026, China's share of QIMA's American customer purchases dropped to 27%, and then rose to 35% in the second quarter. The proportion in Southeast Asia fell to the pre-2025 level. The case of the shoe company Steve Madden is a typical one; in 2024, over 70% of its products were made in China. After Trump was re-elected, the company announced an accelerated transfer of its supply chain, but by February 2026, the proportion of Chinese procurement had already risen to around 40%. These cases show that the advantages of China's manufacturing industry are not limited to the low cost of individual products; the dense supplier network, skilled labour force and stable infrastructure are also difficult to replicate elsewhere in the short run [7]. For enterprises that wish to move their production facilities, the capital and time costs of building a complete supporting system for the new location are often too high relative to the cost savings from tariffs; thus, they may decide against moving. Factories in areas such as Vietnam and India still need to import many of the intermediate products and components from China after receiving orders. Capacity transfer refers only to a relocation of the final-assembly stage in terms of geography.

The first aim of supply chain restructuring is mobility. According to the 2024 Reshoring Initiative report, in 2024, the United States created approximately 244,000 new manufacturing jobs through reshoring and foreign investment. According to the Bank of America, only 20% of the companies are planning large-scale reshoring, and 40% hope to move modestly. According to the 2025 Capgemini survey, more than half of US companies have been investing in nearshoring or reshoring over the past year, and 35% plan to increase nearshoring investments in 2025. Therefore, in recent years, the need for cost reduction has been supplemented by an improved ability to allocate production facilities flexibly across different bases [8]. Enterprises are no longer seeking a single-optimum solution. Therefore, they will keep many alternative bases and use dual procurement and capacity reserves to hedge against policy risks. Although this flexible layout is less efficient in the short run, given the ongoing geopolitical risks, more enterprises have begun to be attracted by its strategic value.

4. IMPROVEMENT OF CROSS-BORDER FINANCIAL INFRASTRUCTURE AND UPGRADING OF ENTERPRISE FINANCIAL MANAGEMENT CAPABILITIES

With the expansion of cross-border cooperation, the difficulties in financial management are becoming more serious. Enterprises have moved from "selling products overseas" to "organising

production overseas", and the problems of accounts, multi-currency settlement, exchange rate hedging, and group fund transfer intertwining have become the core issues in financial management.

The cross-border settlement infrastructure of the RMB offers such tools. In 2025, the amount of cross-border RMB settlement reached 70.6 trillion yuan and became China's top settlement currency for overseas trade [9]. CIPS has 193 direct members and conducts business in 190 countries and areas. A company in Ya'an had a 15-day delay in the US dollar settlement for a Nepalese hydropower station project and switched to RMB settlement via CIPS, completing the cross-border fund transfer in just three days [10]. RMB settlement has the feasibility of replacing the traditional US dollar channel, and enterprises are no longer exposed to the risk and exchange loss of US dollar transfers.

Cross-border Fund Management Policies address the enterprise's needs for overseas operations at the institutional level. In August 2026, the People's Bank of China and the State Administration of Foreign Exchange jointly issued the "Notice on Matters Concerning Cross-border Monetary Funds Concentration Business of Multinational Corporations" (Yinfa [2026] No. 163), expanded the scope of application from large multinational groups to medium-sized enterprises operating abroad, and introduced a gradient access and unified account system for both domestic and foreign currencies. On the first day of policy implementation, Wankai New Materials Co., Ltd. in Zhejiang Province completed the first business filing in the province, and three private enterprises in Fujian Province, such as Hengshen Group, also implemented it at the same time. The person in charge of Hengshen Group said that the company can use the idle funds for production and operation in both China and abroad. The cross-border fund pool will prevent the funds from lying idle in the separate accounts of many countries and coordinate and use the funds in accordance with the rules.

The first requirement for the use of the above instruments is the capacity to control foreign-currency risk. Van Cauwenberge et al. (2021) used Dutch firm-level data to show that the extent of a company's exposure to exchange rate risk is closely related to the structure of foreign market destinations and the degree of participation in international trade. The more spread out the destinations of exports and the more complex the trade network, the lower the enterprise's exposure to exchange rate risk. The study found that the company that hedged before the market decline had a lower level of foreign-currency risk than the unhedged company. Therefore, the settlement tools and hedging instruments offered by cross-border financial infrastructure are not guaranteed to reduce risk. The ability of a company to consider exchange rate fluctuations in its finance and choose an appropriate hedging method based on the structure of its exports and imports will directly affect the degree of risk control. Having moved from passive exposure to foreign exchange risk, management has begun to deal with this risk proactively and incorporated exchange rate factors into the financial decisions for cross-border transactions systematically. Cross-border financial infrastructure provides tools, and their effectiveness depends on the financial management ability and risk awareness of enterprises [11].

5. UPGRADE OF COMPLIANCE BARRIERS: DUAL CONSTRAINTS OF DATA PROTECTION AND CARBON BORDER MECHANISM

In addition to tariffs and supply chains, the two types of compliance requirements are increasing the difficulty of cross-border trade in an understated manner. One controls the flow of information; the other limits carbon emissions.

In May 2025, the Irish Data Protection Commission imposed a fine of 530 million euros on TikTok; of this amount, 485 million euros related to non-compliance with data transmission and 45 million euros related to transparency violations [12]. The core is the legal reasoning of the DPC: TikTok stores data on users in the European Economic Area on servers in the United States, Singapore and Malaysia, and ByteDance's Chinese employees can access it remotely. DPC considers that remote access itself constitutes temporary processing of data in China and is thus subject to GDPR regulations for data transmission. The access is regular, repetitive and continuous; several

applications such as trust and security, operation, monetization and payment are used, and there are no exceptions for occasional transmission.

Therefore, the range of data compliance has also been expanded. In the past, the company only knew where the data were; now, it also needs to know who is accessing the data and from where. Internal activities, such as technical support, R&D cooperation and operation management, if they involve cross-border access to overseas user data, may be subject to the jurisdiction of a particular country. Chinese enterprises also face the problem of compliance with the data regulations of the host country and, at the same time, meeting the outbound management requirements stipulated in the "Data Export Security Assessment Measures" of the domestic country. Coordination of the two sets of rules is already a difficult problem.

The Carbon Border Adjustment Mechanism will also restrict imports. On January 1, 2026, the CBAM will officially take effect. Chinese enterprises that export steel, aluminium, cement, fertilisers, hydrogen and related finished products to the EU need to report on their carbon emissions. The channel will reach the EU importers directly and apply pressure to the supply chain. Collection, calculation and verification of carbon emission data are the responsibility of the exporting enterprises. Jinhua Hals Vacuum Apparatus Co., Ltd. in Zhejiang Province used the time-based and area-based electricity carbon factor accounting platform to calculate the carbon emission intensity of each process. They organised the polishing work during the high-production period of solar power in the afternoon and reduced the carbon emissions per unit by 27% [13]. Carbon compliance capability is now required by law for exports to the EU and is no longer optional. The functions listed above require continuous investment in data collection systems, accounting and third-party verification, and place a considerable financial strain on export groups led by small and medium-sized enterprises.

6. DEEP LOCALIZATION AND LIGHT-ASSET MODEL: PARALLEL EVOLUTION OF TWO PATHS

The overseas operations of Chinese enterprises are developing in two parallel ways. One is represented by Haier Smart Home and Sany Heavy Industry, which has built a full-chain system of R&D, manufacturing and marketing in the host country for deep localisation; the other is represented by Gan & Lee Pharmaceuticals and Zhongwang Software, which, through light-asset methods such as technology licensing and standard output, participates in international competition.

Haier Smart Home's overseas revenue in 2025 was approximately 154.545 billion yuan, an increase of 8.15% year-on-year, and the proportion of overseas revenue exceeded 50% and grew at a higher rate than that of the domestic market [14]. In terms of regional distribution, the revenue from the US market for high-end brands rose by 7%; the revenue from the European market for white goods products saw double-digit growth and an average unit price increase of more than 10%; the revenue from the South Asian Indian market increased by 15%; and the revenue from the Pakistani market exceeded 30%. This pattern directly corresponds to Haier's long-term construction of the "three-in-one" localisation model, which has set up R&D, production and sales in the destination market simultaneously to meet local demands.

Sany Heavy Industry's overseas revenue in 2025 reached 55.856 billion yuan, up 15.14% from the previous year, and made up about 64% of the company's total revenue; the gross profit margin of overseas business also increased to 31.64%, an increase of almost 11 percentage points year-on-year [15]. By region, the African area had a year-on-year growth rate of over 55% and a revenue of about 8.31 billion yuan; the Asia-Australia area had a revenue of 23.89 billion yuan and increased by 16.17%; the European and American areas had revenues of 12.5 billion yuan and 11.16 billion yuan, respectively [15].

The rise of the light-asset outbound model differs from the heavy-asset path mentioned above. Gan & Lee Pharmaceuticals signed a "Technology Transfer and Supply Agreement" with the public

laboratory Fiocruz under the Brazilian Ministry of Health and local pharmaceutical company Biomm in September 2025, with cumulative orders of no less than 3 billion yuan over ten years, and was the first Chinese pharmaceutical company to participate in the Brazilian PDP project [16]. The main reason for this case is not how much money was involved; rather, the new form of output by Chinese enterprises is no longer just products, but also technical skills and quality control systems. Zhongwang Software's overseas revenue in 2025 was approximately 274 million yuan, up 35.32% year-on-year, and its revenue share overseas increased to 30.67% [17].

The two paths are not mutually exclusive; rather, they belong to different industries and have different enterprise characteristics and strategic choices at various times in their internationalisation. The barrier of the heavy-asset path is organisational capacity and capital investment, and the barrier of the light-asset path is the level of technology and standard-setting ability. The problem of determining a suitable balance point between the two is the foundation of the company's foreign-invested manufacturing plan.

7. CONCLUSION

This paper studies the current situation of Chinese enterprises' overseas expansion and multinational operations in light of the adjustments in the international economic and trade system from six aspects: institutional utilisation, supply chain adjustment, cross-border finance, compliance response, local operation and model upgrading. The degree of institutional environment complexity is relatively high, according to the study. The three categories of rules in the RCEP, GDPR data protection requirements and CBAM carbon emission accounting obligations will all affect a company's cross-border activities in trade, data and environment simultaneously. Given the fine of up to 530 million euros imposed for violating the regulations, even a small violation of the rules will have serious economic consequences. In recent years, as shown by the development of "China + 1", the focus of supply chain design has moved from cost reduction to flexibility. Tianrui has a low-utilisation base in Vietnam, and Fajia has built a cross-border production capacity allocation mechanism. The above practices show that the economic rationality is to acquire order qualifications and organisational capabilities to deal with changes in policy. Strengthening the construction of cross-border financial infrastructure provides new instruments for corporate financial risk management, and their effectiveness requires the concurrent strengthening of corporate financial management abilities. The parallel development of the deep localisation and light-asset outbound paths shows that the internationalisation capacity of Chinese enterprises is changing from scale-driven to capability-driven.

The shortcomings of this paper are that the selected cases mainly focus on the manufacturing industry, and little attention has been paid to the pharmaceutical and software sectors; coverage of the service industry and small and medium-sized enterprises is also insufficient; specific quantification of compliance costs and the long-term effects of technology output under the light-asset model have not been fully analyzed. Future research can track the actual effect of multiple rule overlays on the organisational structure of enterprises, as well as the degree of embedding of cross-border financial tools in enterprise decision-making. The Overseas Expansion of Chinese Enterprises is Shifting from "Quantity Expansion" to "Capability Building". Their ability to build a system of institutional use, finance, compliance coordination and organisation will determine their position in the future world of international economics and trade.

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