

**СЕКЦІЯ 7. ЕКОНОМІКА ТА ТЕХНОЛОГІЇ**

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**SECTION 7. ECONOMICS AND TECHNOLOGY**

**Bai, Q.,**

PhD student, Department  
of International Economics,  
National Technical University  
of Ukraine "Igor Sikorsky Kyiv  
Polytechnic Institute", Kyiv

**Kukharuk, A.,**

PhD in Economics, Associate professor,  
Department of International Economics,  
National Technical University  
of Ukraine "Igor Sikorsky Kyiv  
Polytechnic Institute", Kyiv

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**INTERNATIONAL COMPETITIVENESS OF  
INNOVATION-ACTIVE ENTERPRISES IN THE CONTEXT OF GLOBAL  
TRADE CHAIN TRANSFORMATION: THE EXPERIENCE OF CHINA**

The global economy has been undergoing profound structural changes in recent years. The intensification of protectionist measures, trade conflicts and growing geopolitical tensions have created new challenges for national economies and businesses. The most striking example is the escalation of trade disputes between China and the United States, which lasted from 2018 to 2023 and had far-reaching consequences for international production chains. Previous research by the authors, as well as analysis of scientific sources, in particular [1-3], made it possible to identify directions for further transformations in this area.

The increase in US tariffs on Chinese products forced many companies to look for new solutions: part of the production capacity was transferred to countries in Southeast and South Asia, in particular to Vietnam and India. This made it possible to reduce costs and avoid the direct impact of tariff barriers. At the same time, it should be emphasised that the process of "deindustrialisation of China" did not take place. On the contrary, the country has retained key positions in high-tech industries such as electronics, mechanical engineering and telecommunications, where the combination of production scale, infrastructure and skilled labour creates unique competitive advantages.

For Chinese companies, competitiveness is no longer just about price factors. With tariff barriers and technological restrictions in place, the focus has shifted to innovation, flexibility and the ability to quickly restructure business models. This process can be described as a transition from a "cost economy" to an 'opportunity economy,' where success is determined by the ability of companies to integrate into global value chains at a new level of quality.

Chinese companies have increased their investment in research and development, especially in areas subject to US sanctions. For example, in the semiconductor industry, R&D spending increased by 25% in 2020. Huawei has begun developing its own chips and is actively investing in the creation of new technology platforms, including 5.5G. This proves that the ability to innovate is becoming a key factor in long-term competitiveness.

In response to restrictions on access to the American market, companies are reorienting themselves towards countries in Asia, Africa and Europe. Haier is implementing a "3-in-1" localisation strategy (production, R&D, marketing), opening factories and research centres in Vietnam, Thailand and Indonesia. Xiaomi is successfully developing not only the smartphone market, but also financial and corporate services, creating a more sustainable business model.

Companies are investing in the development of digital supply management platforms, creating alternative routes and diversifying their supplier base. This reduces dependence on a single source of risk and provides greater resilience in the event of shocks. This approach is consistent with the theory of minimising transaction costs, where the efficiency of resource flows plays a key role.

Chinese companies are increasingly working to build their own brands with global positioning. For example, Haier is adapting its products to cultural and religious characteristics (Halal certification) in Southeast Asian countries, which allows it to quickly capture new consumer segments.

China's experience shows that, even with external restrictions, companies with innovative potential not only withstand competitive pressure but also find new opportunities for growth. It is also important that trade conflicts have stimulated Chinese companies to modernise internally – improving efficiency, digitising business processes and strengthening quality control. This confirms the thesis that external challenges can serve as an impetus for innovative renewal of enterprises.

For innovation-active enterprises seeking to establish themselves in the global market, the following become strategically important: increasing investment in R&D, developing new markets and customer segments, building strong brands, and integrating into international scientific, technological, and business networks. Thus, the experience of Chinese companies is a telling example of how external challenges can be transformed into drivers of development. For developing countries, this case study can serve as a basis for forming their own strategies to increase the international competitiveness of innovation-oriented enterprises.

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