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Development of Service Trade and Its Impact on Economic Growth: Empirical Evidence from China

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ABSTRACT

The service industry has become the backbone of the global economy and the most dynamic component of international trade. In an economic era dominated by the service industry, service trade is playing an increasingly important role in economic growth. Based on the development capabilities, internal benefits, external competitiveness and external participation, a service trade evaluation system of China is constructed, and the entropy method is used to calculate the weight of each indicator, and a weighted summation scoring model is used to comprehensively evaluate the development of China's service trade from 2003 to 2018. To measure the relevance between the development of China's service trade and economic growth, the Gray Relation Analysis (GRA) is used. The study finds that there is a good correlation between the comprehensive development level of service trade and various indicators of economic growth. Among them, total investment in fixed assets has the highest correlation with the comprehensive development level of service trade.

Keywords: service trade, economic growth, entropy method, grey correlation analysis