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Article

Challenges for Chinese Companies due to Weak International Acceptance of the RMB

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Abstract: Against the backdrop of accelerating economic globalization, the international acceptance of the Renminbi (RMB), while advancing steadily, continues to lag significantly behind dominant global currencies such as the United States dollar and the euro. This seminar paper seeks to address two core research questions: first, the conceptual definition, key characteristics, and principal influencing factors of a currency's international acceptance; and second, the competitive risks arising in foreign trade and the consequential impact of currency acceptance fluctuations on enterprise operations. Methodologically, the study begins by defining essential concepts, framing RMB international acceptance as the degree of market trust in its utility for payment, settlement, transaction, and reserve purposes, with exchange rates serving as the primary representative indicator. Five principal factors driving RMB exchange rate fluctuations are identified: political and economic strategies, inflation dynamics, interest rates and balance of payments, international political and economic conditions, and foreign exchange market volatility. Employing Porter's Five Forces Model, the paper systematically analyzes the competitive structure of China's foreign trade industry and further applies this framework to examine the multifaceted challenges confronting Chinese enterprises operating under conditions of weak RMB international acceptance. An empirical analysis of Sino-Japanese bilateral trade confirms a statistically significant linear correlation between RMB exchange rate movements and import-export volumes. Additionally, a detailed case study of Jiangsu Oppeal Daily Chemical Co., Ltd. illustrates concrete operational challenges, including increased import costs, supply chain instability, intensified buyer price pressure, heightened competition from new market entrants, substitution threats from lower-cost alternatives, and fiercer intra-industry rivalry.

Keywords: rmb internationalization; exchange rate; porter's five forces; foreign trade; sino-japanese trade

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1. Introduction

1.1. Problem Definition

In the context of economic globalization, the international standing of a currency reflects not only a country's economic strength but also significantly influences the international competitiveness of its enterprises [1]. The degree of global acceptance of the renminbi directly affects the operational costs and access to financing for Chinese enterprises engaged in overseas markets.

On October 1, 2016, the renminbi was formally incorporated into the International Monetary Fund's Special Drawing Rights basket, becoming the fifth reserve currency globally. According to data from the Society for Worldwide Interbank Financial Telecommunication, the renminbi's share of global cross-border payments increased from

3.6% in October 2023 to 4.6% in November 2023, surpassing the Japanese yen to rank fourth among currencies used for international payments. As of May 2024, the renminbi retained its position as the world's fourth most active payment currency, accounting for 4.47% of global transactions. Nevertheless, the US dollar remains the dominant currency in international trade, followed by the euro, the British pound, and the renminbi [2].

Despite steady progress in internationalization, the renminbi still faces challenges in global trade adoption, with periodic fluctuations in acceptance levels. Factors such as rising import costs, declining foreign exchange reserves, and financial market pressures may intensify cost burdens, erode export competitiveness, and cause volatility in export order volumes—adversely affecting import-export operations and corporate profitability. This constitutes the core problem under examination.

1.2. Objective

This seminar paper examines the implications of limited international acceptance of the RMB for Chinese enterprises [2]. The objective is to enhance readers' understanding of the following two aspects:

- What constitutes international currency acceptance, and what are its defining characteristics and underlying determinants?
- How do fluctuations in currency acceptance affect foreign trade competitiveness and risk exposure for enterprises?

1.3. Structure of the Work

The contributions to this seminar are organized into two thematic areas: first, the underlying factors and observable manifestations of the renminbi's relatively low international acceptance; second, the operational challenges confronting Chinese enterprises engaged in foreign trade and corresponding strategic responses. The discussion addresses the interplay between currency acceptance and exchange rate dynamics, drivers of exchange rate fluctuations, and the classification and risk profiles of Chinese foreign trade enterprises. Chapter 3 examines competitive opportunities for such enterprises through Porter's Five Forces framework; Chapter 4 delineates key challenges; and the final chapter synthesizes findings and presents concluding insights [3].

2. Basic Definitions

2.1. Definition of International Acceptance of RMB

RMB acceptance denotes the extent to which individuals and institutions in international markets recognize, trust, and utilize the RMB for payments, transactions, and foreign exchange reserves, shaped by multiple interrelated factors [4].

Exchange rate dynamics serve as a key indicator of RMB acceptance in global financial markets [5].

2.2. Exchange Rates and Effects

An exchange rate is the rate at which two different currencies are exchanged, indicating how many units of one currency correspond to a unit of another [6]. Measures such as capital controls and foreign exchange market operations are employed to support stability and predictability in the value of the domestic currency.

For small and medium-sized enterprises engaged in foreign trade, fluctuations in the renminbi exchange rate directly affect revenue levels [7]. A depreciation of the renminbi increases export revenue for export-oriented firms, as the same U.S. dollar-denominated sales yield more renminbi. Conversely, an appreciation reduces import costs for import-oriented firms purchasing equivalent goods. Strategic responses to exchange rate movements are grounded in these economic mechanisms.

This seminar paper focuses on changes in the international exchange rate of the renminbi to examine evolving international usage patterns and underlying drivers [8].

2.3. Factors Influencing Currency Acceptance

Currency acceptance is influenced by multiple interrelated factors. Five primary drivers contribute to currency devaluation and exchange rate depreciation, as detailed below [8].

2.3.1. Political and Economic Strategy

In certain circumstances, governments may adjust exchange rates to support broader economic objectives, including enhancing foreign investment inflows or fostering growth in priority sectors [9].

This encompasses monetary and fiscal policy frameworks [10].

- Monetary policy constitutes a core component of macroeconomic management, focusing on maintaining the stability and external value of the domestic currency within international financial systems [11]. It involves decisions regarding exchange rate arrangements, capital flow management, and foreign exchange market operations, with the overarching objective of ensuring currency stability and predictability.
- Monetary policy refers to actions undertaken by central banks or designated monetary authorities to influence liquidity conditions and interest rate levels. Its primary goals are price stability and sustainable economic growth. Implementation relies on instruments such as policy interest rates, open market operations, and reserve requirement adjustments.

Common motivations for deliberate exchange rate adjustments include supporting employment expansion and domestic demand, addressing debt sustainability considerations, sustaining economic growth amid evolving market expectations, and strengthening export competitiveness and inbound tourism.

2.3.2. Inflation

Inflation and exchange rate changes exhibit reciprocal relationships [12].

Exchange rate fluctuations influence inflation dynamics. Currency depreciation tends to boost export competitiveness, potentially reducing domestic availability of raw materials and contributing to upward pressure on domestic prices. It may also increase foreign exchange inflows and broaden the domestic money supply, thereby heightening inflationary pressures [13]. Conversely, currency appreciation generally exerts downward pressure on inflation.

2.3.3. Interest Rates and Balance of Payments

The interest rate represents the ratio of interest accrued to the principal amount over a specified time period [3]. It constitutes a primary determinant of a firm's cost of capital and significantly influences corporate financing and investment decisions.

Interest rate levels affect the relative attractiveness of a country's financial assets, thereby influencing exchange rate movements. The balance of payments—defined as the net difference between a nation's total receipts and payments in international transactions—exerts direct pressure on exchange rate dynamics. A surplus (receipts exceeding payments) typically contributes to domestic currency appreciation, whereas a deficit tends to trigger depreciation [14]. Notably, declining interest rates often reduce foreign demand for the domestic currency, as investors reallocate funds toward higher-yielding assets abroad, thereby exerting downward pressure on the exchange rate.

Interest rates may be calculated using three fundamental approaches:

- Direct quotation method: the foreign currency serves as the base currency, with a fixed amount of foreign currency expressed in terms of one unit of domestic currency [7].
- Indirect quotation method: the domestic currency functions as the base currency, with a given amount of domestic currency used to express the value of one unit of foreign currency [15].
- Cross-rate method: a third currency is employed as an intermediary to derive the exchange rate between two otherwise non-traded currencies [16].

2.3.4. International Economic and Political Factors

Global economic conditions significantly influence currency valuation. For instance, interest rate adjustments in major economies affect international capital flows and

exchange rate dynamics. In recent years, policy tightening in certain advanced economies—characterized by substantial increases in benchmark interest rates—has drawn global liquidity toward those markets, exerting downward pressure on currencies of other jurisdictions. During the same period, monetary policy in China maintained a relatively accommodative stance, contributing to depreciation of the renminbi against the US dollar [17]. Such divergent policy paths reflect differing domestic macroeconomic priorities, including inflation control, growth support, and financial stability objectives. Furthermore, shifts in global capital allocation patterns—driven by changes in relative returns and risk perceptions—also play a role in shaping exchange rate movements.

2.3.5. Foreign Exchange Market Volatility

Foreign exchange market volatility can trigger currency depreciation; a decline in demand for the domestic currency on international foreign exchange markets typically results in a corresponding reduction in its value [9, 15].

3. Types of International Trading Companies

To support consistent analysis in subsequent sections, this section outlines several principal categories of enterprises primarily engaged in foreign trade activities within China, with common operational patterns examined later.

The principal categories of foreign trade enterprises in China are as follows:

- Comprehensive foreign trade service enterprises: These entities deliver integrated services—including import and export agency, logistics coordination, and financial facilitation—and typically possess strong capabilities in international market development and extensive foreign trade experience [15].
- Import and export trading enterprises: Specialized in cross-border trade of goods and technologies, these enterprises manage the international movement of merchandise [3].
- Cross-border e-commerce enterprises: These operate digital platforms to sell products directly to overseas consumers, managing end-to-end processes including procurement, warehousing, international logistics, and cross-border payment settlement [10].
- Foreign trade agencies: Acting as intermediaries between domestic and overseas parties, they provide agency services for import or export transactions without direct involvement in the trade itself [17].

Collectively referred to herein as foreign trade enterprises.

4. The Impact of Exchange Rate Fluctuations on Businesses

Exchange rate fluctuations introduce several operational challenges for businesses, including transaction risk, operational risk, and accounting risk, all of which can significantly affect financial performance and strategic decision-making [2].

4.1. Impact on Business Strategy and Company Costs

Currency depreciation directly affects corporate import and export costs through exchange rate fluctuations: the international selling price of domestically produced exports typically declines, while the procurement cost of imported goods rises. For firms engaged in long-term trade contracts, such fluctuations may substantially alter agreed-upon pricing terms and erode profit margins. Exporters, in particular, may face reduced pricing flexibility and diminished competitiveness in global markets due to rising input or operational costs.

4.2. Influencing the Company's Production Decisions

Fluctuations in exchange rates influence the procurement cost of imported raw materials, prompting firms to explore alternative inputs or supply sources to mitigate cost escalation.

4.3. Impact on a Company's Financial Decisions

Exchange rate movements influence corporate financial financing, international fund transfers, cash flow management, and financial reporting [3]. Such fluctuations increase uncertainty in settlement timing and capital planning, necessitating strategic adjustments to financial policies and operational frameworks.

4.4. Impact on Companies' Exchange Rate Gains and Losses

When engaging in international investment, companies must account for foreign currency conditions, and exchange rate fluctuations can affect investment returns, influence strategic decisions regarding overseas investment projects, and introduce financial risk.

4.5. Accounting Risk

Exchange rate fluctuations generate foreign exchange gains and losses, introducing collection risks that directly impact the company's financial position and operating performance. Depreciation of the importer's or exporter's local currency may alter the real value of payments received or made. Furthermore, exchange rate movements influence the price competitiveness of exported goods, thereby affecting market share and profitability [15].

Currency depreciation can yield mixed economic effects, including enhanced export volume, increased non-trade income, accelerated capital outflows, and improved import affordability. However, as this paper focuses on challenges associated with reduced international acceptance of domestic currency—reflected in exchange rate depreciation—the subsequent discussion emphasizes its adverse implications for domestic enterprises.

5. Porter's Five Forces Analysis for Analyzing Foreign Trade Companies

5.1. Methodological Approach

The five forces model serves as a strategic management framework for industry structure analysis, widely applied in business planning and competitive strategy formulation.

Rooted in industrial economics, the model posits that market attractiveness is fundamentally shaped by structural characteristics. These structural features influence corporate strategic behavior—including competitive positioning—and ultimately affect performance outcomes. Consequently, organizational success is closely linked to underlying industry architecture. The framework identifies five primary competitive forces that collectively determine sectoral appeal:

- Intensity of competitive rivalry among incumbent firms (intra-industry competition)
- Threat posed by potential new entrants (barriers to entry)
- Bargaining power of suppliers
- Bargaining power of buyers (customers)
- Threat of substitute products or services

Higher levels of competitive pressure within an industry generally constrain the ability to sustain long-term competitive advantage [10, 12]. However, firms may strategically reshape one or more of these forces through deliberate positioning, thereby enhancing overall industry attractiveness.

5.2. Analysis of the Foreign Trade Sector Using Porter's Five Forces Analysis

Building on the classification of international trading companies outlined in Section 2.3, Porter's Five Forces framework is applied to examine structural characteristics and competitive dynamics within the foreign trade sector. The following analysis evaluates the sector and representative foreign trade enterprises through the five forces lens.

5.2.1. Bargaining Power of Suppliers

The bargaining power of suppliers varies according to product or service characteristics. When supplier numbers are large, products are highly homogeneous, and foreign trade enterprises possess broad selection flexibility—or when such enterprises maintain cooperative relationships with numerous suppliers and the required goods are

abundantly available in the market—supplier bargaining power tends to be relatively weak, granting the enterprise greater leverage.

This enhanced leverage typically manifests in improved negotiating capacity regarding pricing and transaction terms [3].

Conversely, suppliers possessing unique technologies, proprietary patents, or control over scarce resources—such as those providing specialized high-tech components or goods produced through exclusive processes—exert stronger bargaining power. Similarly, when import-export enterprises rely heavily on a limited number of dominant suppliers for critical inputs or raw materials, those suppliers may unilaterally adjust prices, impose restrictive delivery conditions, or demand preferential contractual provisions.

5.2.2. Bargaining Power of Buyers

Buyers of foreign trade enterprises typically include foreign importers, wholesalers, and retailers. When buyers are large-scale entities with substantial procurement volumes—such as major retailers or wholesale distributors—and face a highly competitive supplier landscape with numerous alternative foreign trade enterprises, their bargaining power tends to be strong, enabling them to negotiate for lower prices, higher product quality, and enhanced service terms.

In contrast, when buyer demand for a specific product is robust and the foreign trade enterprise delivers distinctive value—such as access to scarce resources or superior service capabilities—its relative bargaining position strengthens.

Similarly, offering differentiated, high-quality products or services, or maintaining long-term, stable cooperative relationships with buyers, can constrain buyer bargaining power [15].

5.2.3. Threat from New Entrants

Entering the international trade sector demands substantial capital investment, specialized expertise, established market access, customer networks, and familiarity with applicable trade frameworks. Moreover, the intricacy of global trade procedures and elevated geopolitical uncertainties have constrained both the volume and speed of new entrants. Nevertheless, ongoing advancements in global trade infrastructure and the integration of digital technologies—particularly through cross-border e-commerce platforms—have reduced certain entry barriers, enabling emerging enterprises and online service providers to participate more readily, especially within niche markets or specific product categories where they can exert competitive influence.

Furthermore, evolving policy environments and broader trends toward trade facilitation may open additional pathways for new participants [6, 7].

5.2.4. Threat from Substitute Products

For products sold by foreign trade enterprises, the risk of substitution varies according to product type and market demand, and may arise from technological advancements, shifts in consumer preferences, or the introduction of competing alternatives [14].

Products with distinctive functions or attributes face relatively lower substitution risk. In contrast, commoditized products—especially those replaceable by more advanced, environmentally sustainable, or cost-efficient alternatives—require continuous innovation and enhancement of value-added features to remain competitive.

Meanwhile, the expansion of cross-border e-commerce platforms has enabled consumers to procure goods directly from overseas suppliers, thereby intensifying competitive pressure on conventional trading enterprises.

5.2.5. Rivalry among Existing Competitors/Intra-Industry Competition

The foreign trade industry exhibits intense intra-industry competition, characterized by a large number of enterprises spanning diverse scales and capabilities, including both major corporations and numerous small- and medium-sized enterprises. Competitive

dynamics operate across multiple dimensions, such as pricing strategies, product quality, service standards, delivery efficiency, and market share acquisition.

Larger enterprises often leverage economies of scale, established brand recognition, and extensive customer networks to maintain competitive advantage, whereas smaller firms typically differentiate themselves through specialized offerings, operational agility, and capacity for innovation [10].

6. Analysis of Challenges for Chinese Companies Due to Weak International Acceptance of the RMB Using Porter's Five Forces Analysis

6.1. Presentation on the International Acceptance of RMB

With the ongoing globalization of the economy, the degree of economic interdependence between countries is increasing. In China, investment, consumption, and exports constitute three key drivers of economic development, underscoring the significance of import and export trade to national income. In recent years, as China's share of global import and export business has steadily expanded, the process of RMB internationalization has correspondingly accelerated. Changes in the international acceptance of the RMB directly influence the formulation and implementation of business decisions by small and medium-sized foreign trade enterprises. Since RMB acceptance is an abstract indicator, this paper uses exchange rate movements as a proxy for assessing the international standing of representative currencies.

Current global financial conditions reflect heightened volatility, driven by multiple macroeconomic factors including sustained monetary tightening by major central banks, shifts in global capital flows, and elevated uncertainty in international markets. As a result, the US dollar has strengthened significantly, and the RMB has experienced depreciation against it; the offshore RMB exchange rate has approached 7.2, while the US dollar index has risen above 114—reaching a level not seen in two decades. Under such conditions, Chinese foreign trade enterprises must implement robust risk management frameworks to mitigate three principal categories of exchange rate exposure: transaction risk, accounting risk, and economic risk. In daily operations, the domestic currency serves as the primary unit for measuring enterprise economic performance. From contract initiation through production and settlement, each stage involves time lags during which exchange rates may fluctuate. This temporal dimension introduces exchange rate risk: deviations between contracted and realized exchange rates arise from movements in international foreign exchange markets. Exchange rate risk fundamentally arises from the interaction among three elements: the domestic currency, the foreign currency, and the time interval over which exposure persists.

RMB exchange rate fluctuations stem from a confluence of macroeconomic determinants—including monetary and fiscal policy settings, inflation differentials, interest rate dynamics, balance of payments positions, and broader international financial market conditions [13].

This paper conducts empirical analysis comparing China and Japan, using annual data from 2002 to 2020. The selected variables include the RMB-JPY exchange rate (defined as the number of RMB per Japanese yen) and the total value of China's goods imports from and exports to Japan [10]. All underlying data are drawn from the Statistical Yearbook of China. Import and export totals are analyzed jointly to assess the relationship between exchange rate movements and bilateral trade volumes.

Statistical analysis yields the following findings: the significance (sig) value for the correlation between exchange rate and total imports/exports is below 0.05, indicating a statistically significant linear relationship; the correlation coefficient is 0.456, reflecting a positive but weak association, as values between 0.3 and 0.8 denote moderate to weak linear dependence; in contrast, the correlation between total imports and total exports reaches 0.99, indicating a very strong and highly significant relationship. Correlation significance is confirmed at the 0.05 level (two-tailed); **Correlation is significant at the 0.01 level (two-tailed).

The ANOVA results (Table 3) show $\text{sig} = 0.043$, which is less than 0.05, confirming that the overall linear regression model relating exchange rate to total import/export volume is statistically significant.

Collectively, the correlation and statistical analyses indicate that RMB exchange rate movements exert measurable influence on China's import and export sectors. A decline in international acceptance—reflected in exchange rate depreciation—introduces operational challenges for enterprises engaged in cross-border trade [7].

6.2. Analysis of Sample Companies

Jiangsu Oppeal Daily Chemical Co., Ltd. (Dr.OPPEAL) is a small and medium-sized enterprise integrating industrial production, international trade, and commercial operations, with foreign trade and industrial upgrading as core strategic pillars. Established in October 2009, the company specializes in tourism-related cultural products, research and development, manufacturing, and distribution of hotel supplies and personal care items, including hotel toiletries and skincare formulations, alongside technology import and export services. It maintains A-class supplier status with numerous internationally recognized hospitality brands.

In international markets, the company pursues a dual-channel strategy combining proprietary brand development with original equipment manufacturer (OEM) customization. Primary export channels include direct client acquisition through digital platforms and industry trade exhibitions, supplemented by collaborative arrangements with professional trading firms.

According to the company's 2023 annual report, foreign exchange risk constitutes a material financial exposure: overseas customers account for over 61.21% of total revenue, with sales proceeds predominantly denominated in US dollars or other foreign currencies; similarly, the majority of accounts receivable and advance payments are held in foreign currency denominations. Consequently, fluctuations in the RMB exchange rate against major foreign currencies may materially affect reported revenue and asset valuations.

A strategic assessment using Porter's Five Forces framework identifies key competitive pressures confronting the enterprise:

6.2.1. Bargaining Power of Suppliers

The production and research and development of the products rely heavily on imported components and materials. Fluctuations in exchange rates increase import costs, prompting suppliers to revise their supply strategies—including reducing volumes or delaying deliveries—thereby undermining supply chain stability. When seeking alternative, cost-effective foreign suppliers, the company faces potential risks related to product quality, delivery reliability, and brand reputation; supplier transitions also entail significant time and financial investment.

Moreover, certain critical imported items must meet stringent technical and quality specifications; reduced import volumes—potentially triggered by RMB depreciation—may constrain technological advancement and compromise quality assurance for the company's hotel-related products.

6.2.2. Bargaining Power of Buyers

The enterprise's purchasers typically comprise international importers, wholesalers, and retail distributors. Given the abundance of foreign trade enterprises currently available in the global market, these buyers generally possess substantial bargaining power, consistently demanding reduced prices, superior quality, and enhanced services [5]. To endure intense price competition, firms often reduce their operational costs to a certain degree, which may subsequently compromise overall product quality. Alternatively, they might neglect strategic brand development due to an excessive focus on short-term pricing strategies and market share.

Conversely, if the enterprise provides distinctive, premium products or specialized services, or cultivates enduring and stable customer relationships, buyer bargaining power can be effectively constrained to a certain extent. Presently, Dr.OPPEAL serves as

a premier tier supplier for numerous global hotels, including prestigious international brands like ELEMIS and Ritz-Carlton ASPREY. Nevertheless, during periods of global economic volatility or diminished market demand in specific regions, clients might decrease their procurement volumes due to financial apprehensions, potentially preventing overall export volumes from achieving their anticipated growth targets and projections.

6.2.3. Threat from New Suppliers

The depreciation of the RMB exchange rate may create opportunities for new market entrants [13, 17].

With the continuous development of global trade and the application of digital technologies, emerging business models—including cross-border online retail—have reduced certain market entry barriers, facilitating participation by start-ups and digital platforms. These new entrants often employ innovative strategies or technologies to enhance efficiency and mitigate cost pressures arising from RMB depreciation, thereby intensifying competitive pressure on Dr.OPPEAL.

6.2.4. Threat from Substitute Products

A depreciation of the RMB exchange rate may intensify competitive pressure from substitute products. The company's core operations encompass the manufacturing, research and development, and distribution of hotel supplies, hospitality toiletries, and skincare products, as well as technology import and export activities. These products are standardized commodities with relatively low differentiation, making them susceptible to replacement by alternatives offering superior performance, enhanced environmental sustainability, or lower cost. For instance, biodegradable disposable hotel amenities are increasingly displacing conventional plastic-based items.

Meanwhile, the growth of international e-commerce platforms enables consumers to access foreign-sourced goods more efficiently. Such channels facilitate the entry of substitute products at comparatively lower price points, compelling enterprises to optimize cost structures or revise pricing strategies—thereby exerting downward pressure on profitability.

From a technological innovation perspective, sustaining competitiveness against substitutes necessitates sustained investment in research and development to enhance product quality and functionality—or to introduce novel offerings—resulting in elevated operational expenditures.

Furthermore, the proliferation of substitutes may erode customer retention, as end users may shift allegiance to alternative suppliers, thereby undermining long-term client relationships.

6.2.5. Rivalry among Existing Competitors/Intra-Industry Competition

A depreciation of the RMB exchange rate intensifies intra-industry competition, as the sector comprises numerous enterprises with diverse scales and capabilities.

Competition for market share—where firms within the same industry vie for greater customer penetration—often triggers price competition and compresses profit margins; simultaneously, customer acquisition becomes more challenging due to expanded consumer choice.

Pressure to advance research and development (R&D) and innovation rises significantly; sustained investment in these areas is necessary to maintain competitive differentiation. However, intense intra-industry rivalry facilitates rapid imitation of innovations, diminishing the likelihood of commensurate returns on such investments.

Competition for skilled personnel intensifies, prompting firms to enhance compensation packages and professional development opportunities to retain and attract qualified staff—thereby elevating human resource expenditures.

Brand differentiation grows increasingly difficult amid a crowded competitive landscape, leading to higher marketing expenditures with diminishing marginal returns on brand-building efforts.

Financial strain escalates as firms pursue competitive parity through capacity expansion, technological upgrades, or process modernization—capital-intensive initiatives that may impair liquidity and constrain operational stability if financing is insufficient.

Collectively, RMB depreciation exposes Dr.OPPEAL to multifaceted risks affecting strategic planning, cost management, production optimization, financial structuring, and capital allocation decisions [4].

Summary

7. Conclusion

The analysis achieved its stated objective:

- RMB acceptance refers to the degree of confidence and usage by individuals and institutions in the renminbi as a medium of exchange, transactional currency, or reserve asset. It is empirically reflected in exchange rate dynamics, driven by macroeconomic fundamentals—including monetary and fiscal policy frameworks, inflation differentials, interest rate differentials, balance of payments positions—as well as broader international economic and geopolitical conditions influencing foreign exchange market sentiment.
- In international trade, firms face structural constraints including supplier and buyer bargaining power, competitive intensity, and threats from new entrants or alternative payment arrangements. A decline in RMB acceptance amplifies operational challenges, affecting strategic planning, cost structures, production scheduling, financial risk management, capital allocation, and exposure to exchange rate fluctuations. Consequences may include elevated transaction costs, reduced competitiveness, diminished profitability, increased uncertainty for overseas investment initiatives, and heightened difficulties in accessing external financing.

7.1. Limitations of the Work

The analysis is constrained by temporal scope: all information presented reflects current or historical conditions, and future developments may shift the landscape of challenges confronting Chinese foreign trade enterprises.

7.2. Future Research Opportunities

Future international markets are expected to grow more competitive, with heightened uncertainty and increased risk of RMB depreciation. Firms will need to align with globalization trends by adopting multi-currency trading frameworks, strategically deploying financial instruments, and implementing robust risk mitigation strategies. Concurrently, enhancing corporate trading structures and advancing industrial modernization will be critical to strengthening firm-level competitiveness.

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