

Research on Export Strategies of Flowers from Yunnan under the RCEP Framework

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Abstract: In response to the new situation brought about by the entry into force of the Regional Comprehensive Economic Partnership Agreement (RCEP), this study focuses on core markets such as Thailand, Japan, and Vietnam. After analysis, it was found that Yunnan flowers face several prominent bottlenecks during the export process, including a lack of variety, high dependence on seed sources, high logistics costs, and insufficient brand influence. Therefore, this paper proposes a series of targeted countermeasures, suggesting that efforts should be made through industrial upgrading, innovation-driven development, optimization of the logistics system, and strengthening brand building, in order to effectively enhance the overall competitiveness of Yunnan flowers in the RCEP region.

Keywords: RCEP; Yunnan flowers; export trade; countermeasure research

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Introduction

The entry into force of the RCEP agreement has established the world's largest free trade zone, bringing brand-new development opportunities for Yunnan's flower export work. As China's largest flower export base, Yunnan's exports to RCEP member countries have significantly increased. At the same time, this agreement has also intensified competition within the region. Vietnam, with its low-cost advantage, has squeezed the mid-to-low-end market, while Japan's high standards have constituted technical barriers. The structural problems of Yunnan's flowers have become increasingly prominent. This study conducts a systematic analysis of the issue of Yunnan's flowers' export to core markets under the RCEP context and proposes targeted countermeasures and suggestions.

1 Current Situation of Flower Exports from Yunnan and Competitor Analysis

1.1 The development of flower industry in Yunnan

Yunnan is an extremely important base for flower production and export in China and even in Asia. In the year 2024, the province's output of fresh cut flowers reached 20.6 billion stems, accounting for over 709% of the national total. The export value was 760 million yuan, with a year-on-year growth of 34.2%. It has ranked first in the country for six consecutive years. The core advantage of this industry lies in its unique low latitude plateau climate and the largest trading market cluster centered in Kunming Dounan, which ensures the quality of the products and the efficiency of the supply chain.

2 Overview of Flower Exports from Yunnan

2.1 The export volume of flower products from Yunnan

The flower exports from Yunnan Province have maintained a rapid growth trend and are leading the country. According to the statistics released by Kunming Customs, in 2024, the total value of fresh cut flower exports from Yunnan Province reached 760 million yuan, achieving a significant increase of 34.2% compared to the previous year. This export figure has ranked first in the country for six consecutive years. By the first quarter of 2025, the quantity of fresh cut flowers exported from Yunnan reached 9,134 tons, and the export value was 270 million yuan, with year-on-year growth rates of 109% and 48.2% respectively. Japan, Thailand, and Vietnam constitute the top three export markets, as shown in Figure 1.

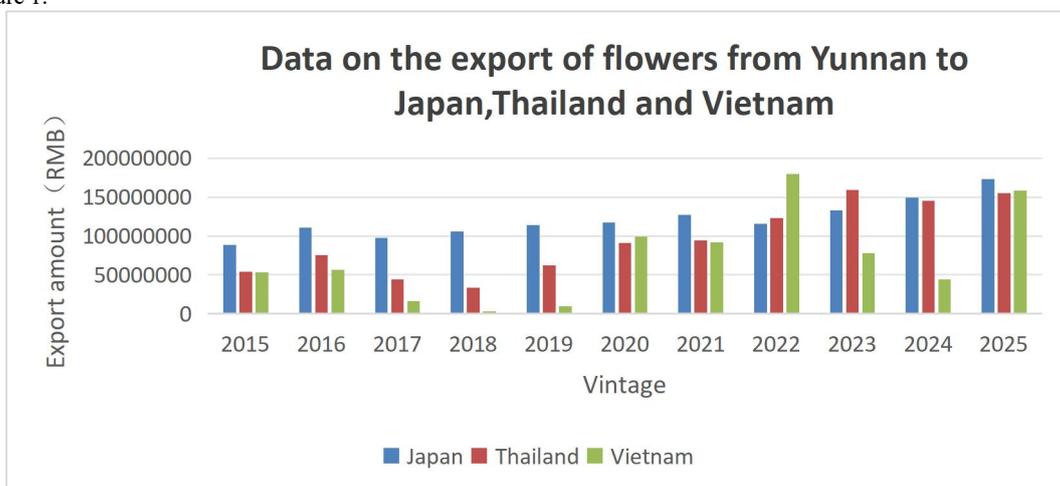


Figure 1 Data on Yunnan's Flower Exports to Japan, Thailand and Vietnam

2.2 Export Structure of Flower Products from Yunnan

Although the scale of Yunnan's flower exports is huge, its export structure remains relatively simple, and the added value of its products still needs to be further enhanced. Analyzed from the perspective of category structure, the export products are highly concentrated in fresh cut flowers, which occupy an absolute dominant position in terms of export value. Products with higher technological content and added value, such as potted plants and bulbs and seedlings, have relatively smaller export scales. From the perspective of variety structure, within the fresh cut flower category, the export varieties are still mainly traditional bulk varieties such as roses, carnations, lilies, and chrysanthemums. These varieties face fierce competition in the international market, and their profit margins are relatively limited. The proportion of various varieties of fresh cut flowers in Yunnan is shown in Figure 2.

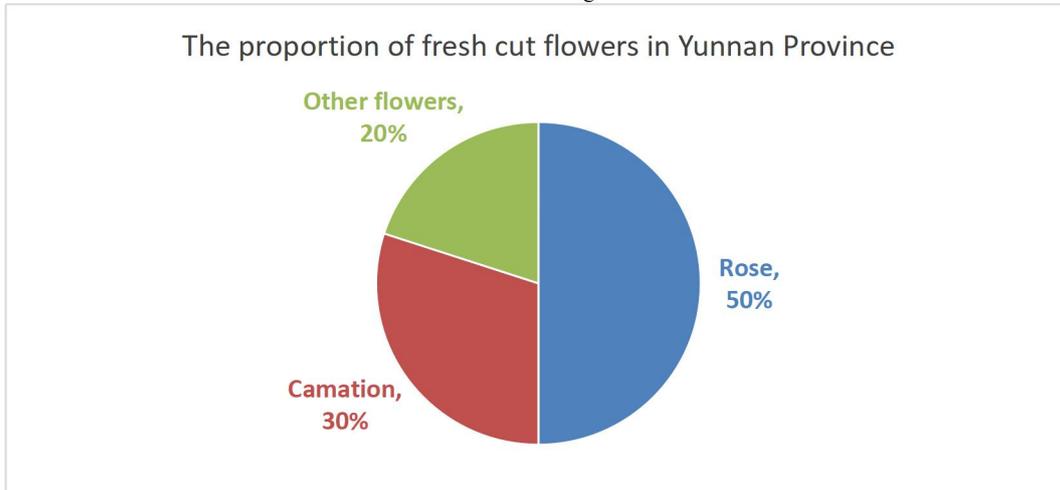


Figure 2 Proportion of Output of Each Variety of Cut Flowers in Yunnan Province in 2024

2.3 Sources of Flower Products in Yunnan

Yunnan's flowers exhibit a highly concentrated characteristic in terms of export, mainly concentrated in the central part of Yunnan Province. Kunming City, along with its subordinate counties of Jinning and Songming, and Chenggong District which houses the Dounan Flower Market, is the largest production and export distribution center for fresh cut flowers in the province. Yuxi City is an important base for high-quality fresh cut flowers. Qujing, Honghe, Chuxiong and other places actively participate in the export of the flower industry by relying on modern agricultural parks. The clustered development model is conducive to the integration of resources and the formation of scale effects. As shown in Figure 3.

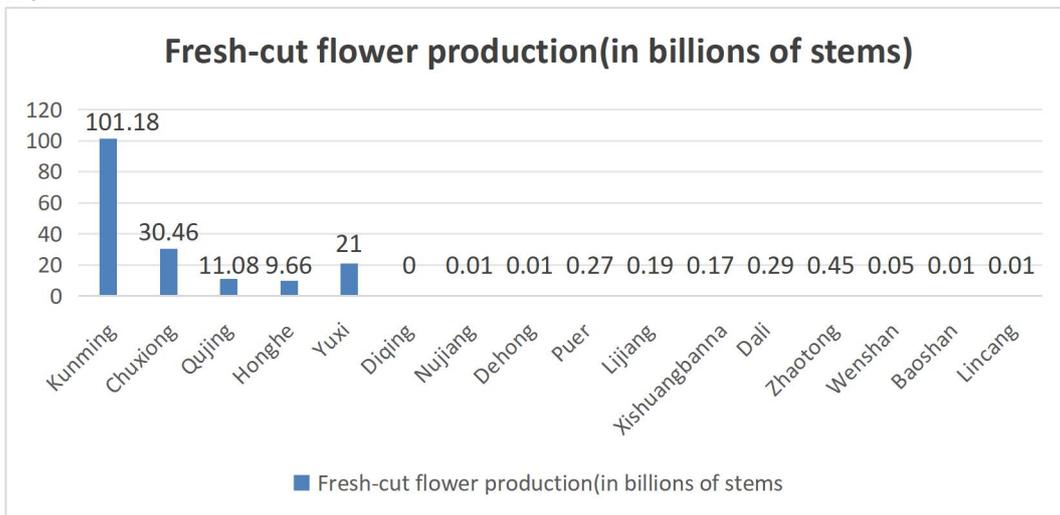


Figure 3 Distribution Map of Fresh Cut Flower Production in Yunnan Province in 2024

3 Core Target Market and Competitor Analysis

When focusing on the three core RCEP markets of Thailand, Japan, and Vietnam, the competitive situation faced by Yunnan's flowers presents distinct characteristics. For the Japanese market, the main challenge is not in terms of cost but rather the extremely strict plant quarantine and quality standards there, which actually form a high technical barrier. Yunnan's flowers still have some deficiencies in post-harvest processing and standardization, which affects their ability to consistently meet standards. In terms of exports to Thailand and Vietnam, direct cost competition and variety competition need to be faced. Vietnam, relying on lower labor costs, has been continuously expanding its share in the mid-to-low-end fresh-cut flower market, putting pressure on Yunnan that is irreplaceable. Thailand itself is also a

flower-producing country, making local market competition particularly fierce.

Compared with those international flower powerhouses, Yunnan's situation is "big but not strong". Looking at the Netherlands' situation in terms of variety innovation and global brands, as well as Colombia and Kenya in terms of specialization and access to the European and American markets, Yunnan has obvious gaps in terms of having its own intellectual property rights varieties, global cold chain logistics, and international brand influence. Domestically, it forms a differentiated pattern with Guangdong and Fujian. Although Yunnan leads in the export volume of fresh-cut flowers, it also needs to be vigilant about the market risks brought about by a relatively single product structure.

4 Problems and Analysis in the Export of Flowers from Yunnan

4.1 The export product structure is monotonous, making it difficult to meet the diversified market demands.

In terms of flower exports in Yunnan Province, the products mainly focus on relatively traditional large-scale fresh-cut flower varieties such as roses, carnations, and lilies. These three types account for over 60% of the total output. The relatively monotonous structure becomes evident when facing markets with distinct differences like Thailand, Japan, and Vietnam. In exports to Thailand and Vietnam, the phenomenon of product homogeneity is severe. Mainly relying on cost and scale advantages, this leads to a situation of low-price competition with local and Vietnamese flowers. The profits are very thin, and it is vulnerable to market fluctuations. When facing the high-end market in Japan, traditional varieties are unable to meet its strong demand for novel and unique floral materials. This results in Yunnan's flowers being long excluded from the lucrative flower design and high-end retail chains, and also misses the good opportunity to build a high-value-added product system. Additionally, the development of the diverse value of flowers in terms of medicinal and edible uses is basically in a blank state, thus missing the good opportunity to build a high value-added product system.

4.2 Heavy reliance on self-grown sources, with the core competitiveness of the industry being constrained by external factors.

The core "chip" of Yunnan's flower industry, namely the source of seeds, has an external dependence rate of up to 92.2%. The annual payment for variety patent fees exceeds 200 million yuan. The fundamental weakness lies in the export market, where it brings dual constraints. The high patent costs directly erode export profits and weaken price competitiveness. When facing the low-cost competition from Vietnam, it is very passive. In addition, the lack of self-owned intellectual property varieties leads to insufficient product uniqueness, unable to establish a sustainable variety barrier. The organizational level of the industry is low, mainly consisting of scattered small and medium-sized producers, and is unable to support long-term, high-investment breeding and research. Although the market share of self-developed varieties has increased to around 15%, the weak awareness of variety rights and inadequate market protection have led to rampant counterfeiting, severely dampening the enthusiasm for innovation, and making the industrial upgrading lack core driving force.

4.3 The bottlenecks in cross-border logistics are prominent, and quality and cost control are facing challenges.

For perishable products like flowers that require extremely high timeliness, the logistics process directly determines the success or failure of the export. The logistics shortcomings of Yunnan flowers in the export process are very obvious, which severely restricts our competitiveness in markets such as Japan and Thailand. Analyzing from the perspective of loss rate, due to the incomplete whole-chain cold chain system from post-harvest pre-cooling to cross-border transportation, the logistics loss rate is as high as 15% to 20%. This situation has a significant impact on the Japanese market, which has extremely strict quality requirements. The decline in the quality of flowers upon arrival at the destination will directly damage the reputation of "Cloud Flowers". In terms of transportation, export mainly relies on air transportation. The logistics chain is relatively long and involves many more links. The proportion of air freight cost in the total export cost often reaches 30% to 50%, and it is even higher during peak seasons. This greatly reduces the profit margin of enterprises. Although the high-speed rail cold chain for the domestic market has achieved an excellent performance with a loss rate of less than 0.37%, the international export channels still rely mainly on air transportation. A stable, efficient and low-cost "air-rail-road" multimodal transport system has not yet been formed.

4.4 Lack of international brand building and weak market premium capacity.

In the international market, Yunnan flowers have long been in a state of "having products but no brands". This greatly limits the enhancement of their market value. The vast majority of exported flowers enter the markets of countries such as Thailand, Japan, and Vietnam in the form of no-brand products, through auctions or wholesale methods. Although "Yunhua" has a certain level of recognition as a geographical origin concept, it lacks enterprises or product brands with international influence, and thus cannot obtain brand premium. It has been trapped in the mid-to-low-end market for a long time. From the perspectives of marketing channels and strategies, the industry has limited deep cooperation with international flower giants, mostly remaining at the production and supply stage, and failing to integrate into the marketing and retail of the global high-end value chain. Although it actively participates in international exhibitions, it lacks localized and systematic brand promotion strategies for specific markets such as Japan, resulting in the proliferation of counterfeit products, which damages the overall image and long-term interests.

5 Strategies to Facilitate the Export of Yunnan's Flower Industry

5.1 Optimize product structure and develop high-value-added varieties targeting the target markets

To effectively address the issue of the homogeneity of export varieties, the Yunnan flower industry needs to implement a systematic differentiated product strategy, redefining its core competitiveness based on the characteristics of different markets. Given that high-end markets such as Japan continue to have a demand for "new, strange, and unique" flowers, the industry should concentrate its resources and focus

on conquering those flower varieties with independent intellectual property rights and unique flower shapes and colors. This includes vigorously promoting the breeding of cut flower varieties of Yunnan's unique flowers such as Rhododendron, Mountain Camellia, and Yunnan Lilac, to create an irreplaceable "Cloud Flower" unique identifier. At the same time, actively promoting "Muduo" and "Zhi Zi Xin Zhong" series of "Chinese-style" self-developed roses, participating in top-level professional exhibitions, and establishing in-depth cooperation with Japanese high-end floral artists and brand retailers, in order to effectively meet their demand for innovative flower materials. For Thailand, Vietnam, and the broader mass consumer market, a "quality revolution" needs to be carried out for traditional bulk varieties such as roses and carnations. This is not simply about giving up the scale advantage, but by relying on large-scale promotion of high-end intelligent greenhouses, water and fertilizer integration and other precise facilities, to achieve standardization of production and stable consistency of quality. This not only can enhance product competitiveness to cope with low-cost pressure from places like Vietnam, but also better align with Thailand's market's pursuit of high-quality, reliable supply sources. On this basis, the industry needs to extend the value chain, go beyond the traditional ornamental use, systematically develop the potential of flowers in medicinal, edible, and high-end processing fields, such as setting up special projects to focus on developing the mature and high-value immortal flower industry, promoting its upgrade from primary raw material export to terminal products such as high-end artistic decorations and brand cultural gifts, and striving to build a regional brand. At the same time, strengthening research and product development on functional flowers such as edible rose and Dendrobium, and developing extracts and terminal products for the health consumption market, building a three-dimensional profit model of "appreciation consumption" and "functional consumption".

5.2 Break through the bottleneck in the seed industry and build an independent intellectual property system

The seed industry is the "chip" of modern agriculture, and it is particularly crucial for the flower industry in Yunnan, which highly relies on variety innovation. To address the problem of 92.2% of the seed sources being dependent on external sources, the flower industry in Yunnan needs to achieve self-control and safe development. The core lies in building a modern flower seed industry innovation ecosystem that is centered around enterprises as the innovation entities, guided by market demand as the fundamental orientation, linked by capital as the key link, and guaranteed by strict intellectual property protection as the basic guarantee. We need to increase investment in flower research, strengthen collaborative innovation between local enterprises and research institutions, establish the "Yunnan Flower Seed Industry Innovation Alliance" at the provincial level, clarify the responsibilities of the government in providing basic support and platform construction, the application basic research and germplasm gene exploration of research institutions, the breeding target proposal and market transformation of enterprises, as well as the technology financial support of financial institutions, etc. We should implement the governance mechanism of "risk sharing and benefit sharing", draw on mature models such as "production-research small courtyards" in Jinning to help scientific research results to be quickly implemented, and apply modern breeding technologies to shorten the traditional breeding cycle, continuously increase the investment of fiscal and social capital in the basic research of flower breeding, and also need to strengthen the protection and incentive of flower variety rights, establish a joint law enforcement mechanism, build a flower variety DNA map database, carry out special rights protection actions, precisely crack down on infringement behaviors, reduce the cost of rights protection, strengthen intellectual property protection, design market incentive mechanisms, and establish a complete protection and incentive system to nurture innovation vitality.

5.3 Build an efficient cross-border logistics system to ensure quality and reduce costs

The value of flowers diminishes rapidly over time and with increasing distance. Therefore, establishing a modern supply chain that is both efficient and low-cost, as well as transparent and traceable, is crucial for converting the advantages of the Yunnan production area into international market competitiveness. This requires promoting a complete transformation of the flower supply chain from the "first mile" to the "last mile". We need to promote the model of the Jinning International Flower Comprehensive Logistics Center in the main flower production areas of the province and build international standard post-harvest processing centers equipped with automated sorting lines and 2 to 6 degrees pre-cooling rooms to systematically solve the problem of high post-harvest loss. We aim to reduce the post-harvest loss rate of flowers from 15% to 25% to below 10%, firmly grasping the "golden eight hours" that determine the quality and lifespan of flowers. Additionally, we need to integrate local logistics resources and collaborate with international enterprises. In the aviation sector, we need to consolidate cooperation with airlines to secure stable flower freight dedicated flight slots and favorable freight rates. In the land transportation sector, we will launch flower cold chain trains, relying on the green channel for fresh-cut flower exports and the relevant facilitation policies of RCEP, to continuously optimize the customs clearance process and solve the problems of multiple logistics links and high costs in flower export logistics.

5.4 Implement the internationalization strategy of the "Yunnan Flowers" brand and enhance market premium

In the buyer's market of the flower industry, "Yunnan Flowers" needs to complete the transformation from a bulk product supplier to a well-known brand operator. It needs to integrate culture, technology, marketing and channels to carry out three-dimensional brand building work, implement the brand strategy to expand the international market. It is necessary to establish a "regional brand + enterprise brand" matrix. The government should take the lead in registering and promoting the "Yunnan Flowers" geographical indication in the target market, formulate international group standards for "Yunnan Flowers" that are higher than national standards and cover the entire chain. After certification, the brand logo can be used. At the same time, support leading enterprises like Jin Yuan Flowers to create characteristic commercial sub-brands, forming a brand tier and collaborative development pattern. The marketing and communication should be fully digitalized and content-based. A multilingual team should be formed, and activities should be carried out through cross-border e-commerce, social media and cross-border live streaming. The origin story should be transformed into brand value-added. In addition, actively layout overseas marketing

channels, deepen international joint ventures and cooperation, support local e-commerce platforms to open international sites, guide enterprises to enter global platforms, build online channels directly facing overseas small and medium-sized wholesalers and retailers, conduct cross-border live streaming to showcase the grand scene of the Dounan Flower Market transactions and flower varieties, cultivate local cross-border live streaming talents to tell the research and cultural stories of domestic varieties, and at the same time, the government should take the lead in creating "Yunnan Flowers" regional public brands in major export markets, unify standards and visual images, continuously participate in brand activities to build it into a high-quality, diverse and reliable international flower brand name, breaking through the channel barriers of mainstream markets.

6 Conclusion

This study mainly analyzed the development changes faced by Yunnan's flower exports after the formal entry into force of the RCEP. Although this agreement brought about tariff reductions and expanded market opening opportunities for "Yunnan flowers", it also magnified the structural weaknesses, restricting the entire industry from climbing to the higher end of the global value chain. In response to this situation, the study proposed solutions to achieve coordinated upgrading of the entire value chain, thereby converting the market potential of RCEP into sustainable international competitive advantages, and providing a practical model for China's agriculture to integrate into high-level regional economic integration.

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