

Research on Business Environment Issues in Guangdong Qianhai Free Trade Zone

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Abstract: At a time when China's economy is entering a new normal and realizing high-quality medium-speed growth, it is inextricably linked to the forty-two years of reform and opening up. As a pioneer of reform and opening up, Guangdong Province has been at the forefront of domestic economic development, demonstrating courage and practice in response to the changes of the times. As China's relationship with the world economy grows closer, changes in the international economy have prompted the deepening of regional economic integration and international trade. The application of free trade in international trade has been increasing, and FTAs have been widely practiced globally. As the world's second largest economic complex, China is still in the developing stage of free trade zone reform and practice compared with other developed countries. Wang Linghao (2019) pointed out that China's value and status in the global economy is increasing, and the development of free trade zones can help to enhance China's position in the global industrial chain. He emphasized that the influence of free trade can be enhanced through the development of free trade zones and the influence of the "Belt and Road" policy. Wang Under the guiding ideology of deepening reform and opening up of FTZs, China has promoted the experimentation and construction of Guangdong Qianhai FTZ and Hainan FTZ. Although the specific research on the business environment of Guangdong Qianhai FTZ has not yet formed a scale, it can be seen from the development research of other domestic FTZs that the business environment has an important impact on the construction of free trade zones. Therefore, this paper will deeply analyze the current situation and relevant initiatives of the business environment in Guangdong Qianhai FTZ from various aspects.

Keywords: Free trade zone, Business environment, Microfinance.

1. Introduction

In the current study, although the relevant targeted research on the business environment of Guangdong Qianhai Free Trade Zone has not formed a large-scale study, but from the development of other domestic free trade zones, it can also be found that the construction of free trade zones has an important impact on the business environment, so in this paper's research, it will be analyzed in depth from different aspects of the business environment of Guangdong Qianhai Free Trade Zone. Current Situation and Initiatives.

2. Status of the Business Environment in Guangdong Qianhai FTZ

2.1. Overview of the business environment in Guangdong Qianhai FTZ

Guangdong Qianhai FTZ as China's deepening reform and opening up of the free trade zone test area, in its development in order to create the world's best business environment in the process, has developed a relatively rich system of innovation, through the implementation of investment, trade, finance and other aspects of the implementation of the policy, the formation of a more prominent driving force for the development of the development of the area, but also really achieved a more impressive development results.

In the overall development, Qianhai FTZ has attracted many foreign enterprises and domestic capitals to settle in the FTZ through an open business environment, and the growth of enterprises in the FTZ has also brought about a competitive business environment for tax revenue, which completed 36.147 billion yuan of tax revenue in 2018, a year-on-year increase of 31.1%. And in 2019, it was further boosted,

completing 41.942 billion yuan, an increase of 18.8% year-on-year.

It is in the current overall business environment on the system innovation, the implementation of innovative initiatives, so that the Qianhai Free Trade Zone has become a domestic business environment development in the development of the region with great potential for development. In the development of its business environment, the Qianhai Free Trade Zone initiatives are more diversified, in this paper is divided into, mainly from the investment, business operations, trade development and other aspects of the relevant initiatives to be analyzed.

2.2. Measures to improve the business environment in Guangdong Qianhai FTZ

(1) Investment facilitation measures

In the development of business environment in Guangdong Qianhai FTZ, it has clearly defined the industrial development direction focusing on the development of financial industry and business services, so in the development of Qianhai FTZ, in order to create a better business environment, more diversified facilitation measures have been taken in investment facilitation to create an internationally competitive and attractive investment environment.

In enhancing the investment environment, the opening of offshore accounts and settlement business for Chinese-funded enterprises in 2015 further satisfies the needs of Chinese-funded enterprises for the receipt and payment of funds from abroad, and further simplifies the receipt and payment links for enterprises in the Qianhai FTZ in the process of participating in trade. In the process of enterprises participating in international trade, the convenient payment and receipt link can bring good promotion to the investment

environment, and the efficiency of the use of funds can be improved, which can also improve the efficiency of the use of foreign capital in the Qianhai FTZ, thus bringing good optimization of the business environment for the whole region.

(2) Measures for business facilitation services

A good business environment needs to provide sufficient facilities for the operation and development of enterprises, not only to vigorously support the establishment of enterprises, but also to provide the necessary service support to meet the needs of enterprise management. In the current process of optimization of the business environment in the Qianhai Free Trade Zone, for the business services, first of all, to simplify the overall processing time to run the enterprise, meet the qualifications for the establishment of enterprises, the fastest in two working days will be able to obtain the issuance of enterprise qualifications.

Around the business environment for enterprises, the Qianhai Free Trade Zone has also formulated corresponding convenient measures in the business environment for taxation, and has implemented the "one-window-through" tax management convenience in the tax system of the Qianhai Free Trade Zone. In the tax area, tax procedures are optimized and simplified. Specifically, through the optimization of the front-end service of tax handling, the preparation of the tax handling money of the enterprises, the establishment of the business fast channel and the tide window to improve the efficiency of tax handling business, together with the establishment of the 24-hour special hall for tax handling, to further improve the coverage and convenience of tax handling business, and to comprehensively give the necessary service support to the enterprises in the course of their operation, so as to create a good business environment.

(3) Measures to promote trade development

In the total business environment construction of the Qianhai FTZ, the optimization of the trade environment is one of the important factors that directly determine the competitiveness of the business environment. In the current trade development of the Qianhai FTZ, relevant initiatives have also been formulated to promote trade development.

Among them, Hong Kong-funded enterprises are the basic components of foreign-funded enterprises in Qianhai FTZ. In promoting trade, Qianhai FTZ focuses on the development of Hong Kong-funded enterprises, and has formulated corresponding enterprise support policies for Hong Kong-funded enterprises. Through the integration of central financial funds and local financial funds, Qianhai FTZ combines different ways to give corresponding support to Hong Kong-funded enterprises. By providing different support to Hong Kong-funded enterprises in different industries, it guides the trade development of the enterprises and promotes the improvement of the trade level of the whole region.

In addition, in the process of promoting the development of trade, Qianhai FTZ in the trade management for enterprises, from the past "heavy approval" mode, to a more open "wide access, strict supervision" mode, trade activities in the implementation of the implementation of loose beforehand management, and in the strict supervision of the aftermath can promote the healthy development of the trade market, and further create a healthy business environment. Trade activities will be managed loosely beforehand, while strict supervision after the event will promote the healthy development of the trade market and further create a healthy business environment.

3. Problems in the Business Environment of Guangdong Qianhai Free Trade Zone

In the current process of building the business environment in the Qianhai Free Trade Zone, the development initiatives launched are extremely rich, and only the innovative system has been up to 520, as China's most promising area for business environment development, the business environment construction of the Qianhai Free Trade Zone has accumulated more successful experience, and it has also been promoted and popularized to the Shenzhen Municipality, Guangdong Province and even other cities in China, which is evident in the effectiveness of the decision-making of the Qianhai Free Trade Zone in business environment. It can be seen that the decision-making on business environment in Qianhai FTZ is effective to a certain extent. However, as a developing experimental field for opening up to the outside world, Qianhai FTZ still has some problems in the construction of its business environment, and this paper will discuss the current imperfections.

(1) Mismatch between the construction of the legal environment and the development of the business environment

In the current development of the business environment of the Qianhai Free Trade Zone, has formed a more prominent achievements, according to the analysis of the economic situation of the Qianhai Free Trade Zone in the first quarter of 2020, just in the first quarter of 2020, the Free Trade Zone has realized a positive growth in the value-added of enterprises, while the tax revenue has also had a more substantial growth, import and export business compared to the same period last year, an increase of 77.5%. In 2018, the overall economic development of the Qianhai FTZ, the region achieved a tax revenue of 44.594 billion yuan, a year-on-year increase of 30.3%, but also exceeded the development task of the year, in which the region's fixed assets grew by 8%, completing 100.72% of the annual plan. In 2019, the value added of registered enterprises in Qianhai FTZ increased by 14.4% year-on-year compared with 2018, and the industrial differentiation was more prominent, with the structure of the secondary and tertiary industries accounting for 6.1:93.9, which can be seen in the industrial structure, Qianhai FTZ has formed an industrial structure dominated by tertiary industries.

In the process of continuous achievements in the business environment of Qianhai FTZ, Qianhai FTZ has formulated relevant and convenient initiatives for the comprehensive development of the business environment, which has a leading position in the whole country. However, compared to the development of its business environment advantages and status, in its current legal environment construction, and not fully utilize the Qianhai FTZ's own special geographic location, as a special area in the Shenzhen Special Administrative Region (SAR), the Qianhai FTZ in the construction of the legal system in the SAR's SAR advantages, but its current legal environment construction does not play a good role in its own advantages.

(2) Insufficient financing support for private enterprises

In the construction of the business environment of the Qianhai FTZ, it is mainly for Hong Kong-funded enterprises to provide more comprehensive financial support, but for other enterprises, the source of financing for their operations is mainly through commercial banks to obtain development funds. Even though the Qianhai FTZ has already provided

corresponding financial support for the development of small and medium-sized enterprises (SMEs), the fact is that there is still a more obvious directionality, and the problem of policy bias is prominent, and the policy does not provide the necessary financing policy support for the huge number of SMEs, especially small and micro enterprises.

Take Ping An Bank as an example. In 2012, Ping An Bank granted a credit line of up to 20 billion yuan to the Qianhai Free Trade Zone. However, this 20 billion yuan credit line was basically given to large state-owned enterprises to develop infrastructure projects, and ultimately small and medium-sized enterprises did not receive relevant financing support. In October 2014, Bank of Communications signed a strategic cooperation agreement with Shenzhen Qianhai Development and Investment Holding Co. and Shenzhen Qianhai Financial Holding Co. respectively, with an intended credit amount of RMB 2 billion and RMB 5 billion respectively. The agreements also finalized the cooperation of Qianhai Financial Holding to jointly establish the Qianhai Mother Fund to promote the development and construction, investment attraction and institutional innovation of the Qianhai Shenzhen-Hong Kong Cooperation Zone.

Commercial banks have complicated approval procedures for SMEs' financing needs, coupled with long approval times and high costs. Although private commercial banks, such as China Merchants Bank and Ping An Bank, have made systematic innovations in the financing of SMEs, state-owned banks, for example, still provide insufficient support for SME financing.

(3) Shortfalls in the introduction of high-level human resources still exist

As a region still in the early stage of development, Qianhai FTZ has already attracted talents through numerous policy guidance and talent attraction means, especially for master's degree and doctoral degree holders, who are given corresponding economic subsidies. However, there are still deficiencies in the attraction of high-level talents.

The deepening of the business environment in the Qianhai Free Trade Zone needs to further strengthen the international trade, but also need to strengthen the familiar with international trade trade personnel and legal talent, trade personnel to help expand the international trade market, enhance the competitiveness of enterprises, and legal talent in the current international trade environment is becoming increasingly complex stage, the legal system talent resources to help enterprises adapt to international trade in the relevant laws and regulations. At present, the supply of high-level talents in these two areas in the Qianhai FTZ is still relatively lacking, making the Qianhai FTZ can not provide comprehensive talent support for enterprises in the region, which will limit the development of some enterprises, for the development of the regional business environment is unfavorable.

(4) Overly homogenous investment sectors in the business environment

In the development of the business environment, a diversified business environment can make the industrial structure of the entire region more stable and better able to withstand risks. In the past, many regions in China have overdeveloped a single industrial structure, and the business environment has been too monolithic, which has had a devastating impact on the local business environment during the financial crisis, such as the garment manufacturing industry in Dongguan City, which is the most notable example.

As a testing ground for free trade, Qianhai FTZ is also an important component of increasing cooperation between Guangdong, Hong Kong and Macao. In deepening the cooperation between Shenzhen and Hong Kong, Qianhai FTZ has attracted many Hong Kong-funded enterprises to settle in Qianhai FTZ. In 2018, the number of Hong Kong-funded enterprises in the FTZ was 10,800, and the registered capital of Hong Kong-funded enterprises was 1,074,904 million yuan, with a total of 3,698 new enterprises. And in 2019, there are 12,102 Hong Kong-funded enterprises, with 1,336 new ones, and the registered capital of Hong Kong-funded enterprises is 1302.043 billion yuan.

It can be found that, in the development of Qianhai Free Trade Zone, the formation of the financial industry, business services and other industries as the core industrial structure, but from the current industrial composition of foreign investment can be found, the industrial structure of the Qianhai Free Trade Zone is still very obvious single structure.

4. Optimizing the Development Countermeasures of Business Environment in Guangdong Qianhai Free Trade Zone

(1) Improvement of the legal environment adapted to the development of FTZs

As Qianhai FTZ should formulate the basic law for the comprehensive management of the FTZ, it can reasonably draw on the experience of the relevant legal systems of the maturely developed FTZs, and strengthen the construction of the legal provisions in terms of fair competition in the business process, business operation, and the handling of market disputes. The existing Administrative Measures of Qianhai Shekou Experimental Free Trade Zone should be further expanded, combined with the negative list model, and other existing laws and regulations should be strengthened and updated to meet the needs of the development of the business environment in the FTZ.

It is also necessary to further provide the necessary mechanism for resolving market disputes that may arise in the development of the current business environment, which can be achieved by opening up and developing the legal services industry, enhancing the business scope of affiliated law firms, and expanding the participation of partnership law firms in market disputes, so as to ensure that the market is able to operate in an orderly legal environment. Through the corresponding system innovation and support in the legal environment, to give enterprises more legal support, can effectively give enterprises better development support.

(2) Increased financing support for SMEs

In the construction of the business environment, it is necessary to attract corresponding small and medium-sized enterprises to build a more three-dimensional business structure. In the current development of the Qianhai Free Trade Zone, although relevant policies have been introduced to support small and medium-sized enterprises, the relevant policies still have a more obvious policy bias, and the financing needs of small and medium-sized enterprises have not been met. The operation of enterprises needs capital, the source of funds for small and medium-sized enterprises is generally commercial banks, as the Qianhai Free Trade Zone needs to be aimed at the current financial system, further innovation in the financial system, combined with the financing needs of small and medium-sized enterprises, to

give the necessary financial support.

(3) Accelerating the development of high-level human resources

In the development of Qianhai District, it is necessary to further accelerate the construction of high-level professional talent resources. Need to encourage the flow of talent, further open up the green channel for the flow of talent, in the policy to establish a corresponding coordination mechanism of talent resources, through the establishment of the establishment of the corresponding higher talent attraction of financial support, to attract more talent to focus on the development of the Qianhai Free Trade Zone. As the Qianhai Free Trade Zone should be aimed at the current regional talent gap, such as the legal system, international trade talent needs, to carry out targeted talent attraction, to give specific talents to more favorable talent attraction policies, such as household indicators, residential subsidies, technical subsidies, etc., with the help of economic support to attract talent.

At the same time, for high-level talents from abroad, it is necessary to set up corresponding foreign talent attraction mechanism, give them specific visas to adapt to the development needs of the FTZ, and give them long-term visas with a validity period of less than 5 years, so as to use high-level talents from abroad to promote the construction of the overall talent supply environment in the region, so as to make the Qianhai FTZ able to gradually improve the quality of its own talents, and to attract more high-level talents to enter the region, thereby supporting the better development of the enterprises in the region. This will enable Qianhai FTZ to gradually improve its own talent quality and attract more high-level talents to enter the zone, thus supporting the better development of enterprises in the region.

(4) Promotion of diversified industrial clusters

In promoting the construction of the business environment in the Qianhai FTZ, it is also necessary to further promote the development of the region by focusing on the construction of its current business environment. First of all, for the current financial industry and commercial service industry that have been developed and matured, the Qianhai FTZ can further deepen the perspective of supply chain to carry out the construction of industrial clusters. Industrial cluster is an industrial structure concentrated by diversified industries. Attracting enterprises and improving the industrial structure around the supply chain will enable the existing industries to communicate with enterprises in the supply chain with higher efficiency and lower cost, strengthen the technical cooperation among enterprises in the region, and deepen the upgrading and transformation of industries. Strengthening the construction of industrial clusters around the supply chain can form a more diversified industrial structure and enhance the ability to resist industrial risks in Qianhai FTZ.

5. Reach A Verdict

In the research of this paper, the business environment of Guangdong Qianhai Free Trade Zone is explored in depth, and the overall development of the current business environment in Qianhai Free Trade Zone is analyzed in what aspects of the construction process is still deficient, in order to be able to further analyze the current situation of the problem, and put forward the corresponding recommendations for solving the problem. In the specific study, the development status of business environment in Guangdong Qianhai FTZ is analyzed, and it is believed that the system innovation and the implementation of innovative

initiatives in the current overall business environment have made the Qianhai FTZ an area with great development potential in the development of business environment in China.

In the development of its business environment, Qianhai FTZ's relevant initiatives are more diversified, in this paper's analysis, mainly from the investment, business operations, trade development and other aspects of the analysis of relevant initiatives. In the analysis of the current business environment in Qianhai FTZ business environment construction problems, this paper argues that there is still a mismatch between the construction of the legal environment and the development of the business environment in the Qianhai FTZ, the financing support for private enterprises is insufficient, the attraction of high-level talent is still lacking, and a diversified business environment has not yet been fully formed. According to the existing problems, this paper puts forward the suggestions of improving the legal environment adapted to the development of the FTZ, increasing the financing support for small and medium-sized enterprises, accelerating the development of professional talents and promoting the construction of diversified industrial clusters.

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