Focusing on the Cultivation of Unicorn Enterprises to Promote Higher Quality Development of the Industrial Economy in the Yangtze River Delta

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Abstract

The Yangtze River Delta region is one of the regions with the strongest comprehensive strength, the highest degree of openness and the most active economy in China, and its development has traditionally received high attention at the national level. General Secretary Xi Jinping made a series of important instructions on the development of the Yangtze River Delta region, asking Shanghai to further play a leading role to make the Yangtze River Delta region achieve higher quality integrated development and better serve the overall national development, followed by the announcement of supporting the integrated development of the Yangtze River Delta region and elevating it to a national strategy to make it a strong and active growth pole for China's development.

Keywords

The Yangtze River Delta Region; Unicorn Enterprises; Higher Quality Development.

1. The cultivation of unicorn enterprises is an inevitable choice for higher quality development of the regional economy.

1.1. The new mission of the national Yangtze River Delta integration strategy.

The report of the 19th National Congress clearly points out the need to promote high-quality economic development, build a modern economic system, pay more attention to the development of the real economy, pay more attention to the development of innovation power, and promote economic development quality change, efficiency change, power change. Since 2018, the integration process of the Yangtze River Delta has entered the fast lane, and industrial transfer cooperation, an important element of regional integration, is bound to accelerate. The unicorn enterprises reflect the entrepreneurial and innovative vitality of the regional economy, represent the growth momentum of the new economy, and play an important role in leading the upgrading of new technologies, new business models and new modes of industry. Combined with the development plan of the Yangtze River Delta and the comprehensive influence of unicorn enterprises, cultivating unicorn enterprises is crucial to creating several 100 billion Yangtze River Delta industrial clusters. The Yangtze River Delta Regional Cooperation Office, jointly formed by the three provinces and one city, has been set up in Shanghai, mainly focusing on five points of emphasis to promote regional integration, such as planning docking, strategic synergy, thematic cooperation, market unification and mechanism improvement, providing better basic and external conditions for regional collaboration to cultivate unicorn enterprises.

1.2. New requirements for building a superior global city in Shanghai.

Shanghai's "2035 General Plan" sets out the vision of building a global city of excellence, facing the world and the future, and promoting the construction of "five major centers": international economic center, financial center, trade center, shipping center, and science and innovation center, so as to turn Shanghai become the core and leading city of a world-class city cluster with global influence. Among them, especially the science and technology innovation center, need
more "unicorn" enterprises to play its leading role. In innovation more leading, better for the Yangtze River Delta, service to the country and other aspects of Shanghai for the Yangtze River Delta integrated higher quality development of the "leading" position. In innovation more leading, better for the Yangtze River Delta, service to the country and other aspects of Shanghai for the Yangtze River Delta integrated higher quality development of the "leading" position. Shanghai, as the core city of the Yangtze River Delta city cluster, although facing resource and environmental constraints, in a critical stage of economic power conversion, but at present, the municipal government has officially issued a policy document to promote the development of high-quality industry and high-quality use of land resources, in the space and industry on the precise layout, improve the efficiency of resource allocation efficiency to promote high-quality economic development. And to create a "unicorn" matrix, is to lock the "high quality" development to take strong steps.

2. The feasibility of G60 science and technology innovation corridor construction to promote the cultivation of unicorn enterprises.

2.1. The development characteristics of unicorn enterprises.

The concept of "unicorn" was first introduced by venture capitalist Aileen Lee in 2013 and refers to a company that has been in business for about 10 years and is valued at over $1 billion. Startups valued at more than $10 billion are known as "super unicorns". The Ministry of Science and Technology of China has defined the criteria for "unicorn" in its report: an enterprise registered in China with legal personality; established no more than ten years ago; having received private investment and not yet listed; meeting the above criteria and having a valuation of more than $1 billion.

From a global perspective, the enterprises number of China and the United States lead the world, and the high investment and financing growth rate promotes the number of newborn unicorns to emerge. The United States and China occupy more than 70% of the enterprises, followed by the United Kingdom, India, Germany, Israel and so on. Enterprises are mainly distributed in the three major areas of high-end manufacturing, Internet and high-tech, where technology-oriented high-tech and high-end manufacturing, mainly focused on transportation, hardware and big data and artificial intelligence.

From China’s perspective, the explosion of unicorn enterprises shows the improvement of China’s overall innovation strength, and these enterprises often become the leaders in leading the development of new forms of industry, developing themselves while promoting the development of upstream and downstream industries and even cross-border industries. First, "hard technology" has become a typical feature of Chinese unicorns. Second, the importance of "high-end energy manufacturing". Third, the impact is large, some unicorns have affected the economic operation of the industry, and even change the way of operation. Fourth, the industry is a strong driving force, unicorn enterprises tend to develop themselves while promoting the development of upstream and downstream industries and even cross-border industries, pulling the regional economy, becoming a strong support for the new economy.

From the perspective of regional development, the concentration of unicorns is high. Over 80% of unicorns are gathered in the four major cities of Beijing, Shanghai, Shenzhen and Hangzhou, with Beijing ranking first with 58 enterprises. As the Yangtze River Delta region, with two major cities, Shanghai and Hangzhou, there is a very good industrial base and business environment for developing unicorn enterprises.

2.2. G60 Science and Technology Innovation Corridor is an important exploration practice for the integration of Yangtze River Delta

The G60 Science and Technology Innovation Corridor has been developed into a general spatial layout of "one corridor, one core and nine cities" across three provinces and one city in the
Yangtze River Delta, and is included in the "Three-Year Action Plan for Integrated Development of Yangtze River Delta Region". In 2018, the Yangtze River Delta G60 Science and Technology Innovation Corridor Joint Conference Office was set up in Songjiang, Shanghai. On May 30, 2019, the G60 Science and Technology Innovation Corridor was incorporated into “The Outline of the Yangtze River Delta Regional Integrated Development Plan”, rising to be an important part of the national strategy for the integrated development of the Yangtze River Delta.

Scale advantage. The area of the nine cities is about 76,200 square kilometers, with a resident population of about 49 million and a total GDP of about nearly 6 trillion yuan, accounting for nearly a quarter of the total of the three provinces and one city in the Yangtze River Delta, respectively.

Traffic advantage. Relying on the G60 highway and the Shanghai-Suzhou-Huzhou high-speed railway, it radiates through nine cities in three provinces and one city in the Yangtze River Delta, and the "2-hour commuting circle" effect is obvious, which facilitates the free flow of people, logistics, capital flow and other factors.

Industrial clustering advantages. The nine cities have 42 nationally and even world-renowned science and technology industrial parks, including Zhangjiang High Tech Park, Suzhou Industrial Park, Hangzhou National Innovation Demonstration Zone, Hefei Comprehensive National Science Center, and Shanghai Lingang Songjiang Science and Technology City.

Science and innovation resources advantage. In 2019, the R&D investment in the nine cities reached 194.2 billion yuan, more than 34,000 invention patents were granted, and there were more than 20,000 high-tech enterprises, as well as 1,262 national and provincial key laboratories and engineering and technology research centers.

3. Suggestions for focusing on the cultivation of unicorn enterprises and boosting the integrated development of the Yangtze River Delta of higher quality.

3.1. Establishing a scientific and dynamic mechanism for enterprise discovery relying on market forces.

Establish a dynamic screening mechanism for key enterprises. Research and develop classification standards for unicorn enterprises, which can be divided into three classes, namely, benchmark enterprises, superior enterprises and potential enterprises. The market-oriented force will be utilized to carry out the screening of unicorn enterprises by relying on industry associations, venture capital funds, big data discovery and enterprise portraits. In addition, a "unicorn enterprise cultivation database" will be established and regularly updated to strengthen quality services to promote the incoming enterprises to maintain the vitality of science and innovation, and support the incoming enterprises to grow bigger and stronger.

3.2. Strengthen the synergy of work, and establish an orderly promotion of service supervision mechanism

Improve the service mechanism for unicorn enterprises. Establish and improve the work system of regular contact, demand coordination and communication feedback for enterprises, and take the initiative to solve their problems. Strengthen the coordination of work, establish a system of issue referral and regular exchange and notification system, focus on cracking the universal, urgent and systematic major enterprise-related demands, and promote the processing of enterprise demands, policy implementation and services in place.
3.3. **Strengthen the elements of security, the implementation of accurate and practical enterprise development policies.**

Promote investment and financing policy reform. Encourage unicorn enterprises and incubated enterprises to promote restructuring and listing, and open up green channels for listing. Optimize credit support for science and innovation enterprises, play the function of policy financing guarantee fund, and provide credit guarantee with high amount above 10 million for qualified high-growth science and innovation enterprises. Strengthen the leverage of venture capital guidance funds to form a 100 billion scale equity investment fund. Gradually deregulate the registration and name change of venture capital institutions, and implement the system arrangement of inverse linkage between the IPO release period and the investment period of the enterprises invested by venture capital funds. Promote the optimization and improvement of talent policy, strengthen land policy guarantee, and enhance brand creation support. Support unicorn enterprises and incubated enterprises to apply for original and distinctive corporate trademarks and trade names, focus on improving the core competitiveness of manufacturing enterprises in quality, standards, R&D, design and management, and form a number of internationally competitive science and innovation brands. Promote unicorn enterprises and incubated enterprises to enhance their brand operation capabilities and expand the market influence of their brands through patent research and development, advertising planning, brand acquisition, franchising and capital operation.

3.4. **Reflect the wisdom of leading, the formation of efficient and smooth service support environment.**

Optimize project investment guidance services. Strengthen the preparation, construction and use of industrial maps, industrial guidance catalogs, industrial land and real-time dynamic data systems for business buildings, and assist enterprises to speed up the site selection and landing of investment projects. Create an integrated platform of information service. Comprehensively promote the construction of "one network to do", process reengineering, data sharing and business collaboration for online and offline government services related to enterprise project investment, so as to make a fundamental change from "the masses run" to "data run".

3.5. **Optimize the system supply and strengthen the organizational guarantee of service development.**

Strengthen the organization and coordination. Rely on the joint meeting mechanism of the G60 Science and Technology Innovation Corridor to obtain full support from all regions and make full efforts to collaborate on various efforts to serve innovation and support the development of unicorn enterprises. Implement action plans. Refine and formulate action plans for key tasks, form implementation plans, operation paths and milestones. Strengthen guidance and coordination at the joint meeting level, establish and improve the system of division of responsibilities to localities, implement work performance assessment, and develop corresponding assessment mechanisms.

**References**

