

# The Impact of the Establishment of a Unified National Market on the New Material Industry

## -- Taking Bengbu City, Anhui Province as an Example

Yang Liu<sup>1, \*</sup>, Qiuying Ge<sup>1</sup>, Quan Xu<sup>2</sup>, Yihao Hei<sup>1</sup>

<sup>1</sup> School of International Trade and Economics, Anhui University of Finance and Economics, Bengbu 233030, China

<sup>2</sup> School of Law, Anhui University of Finance and Economics, Bengbu 233030, China

\*Corresponding Author 1075893405@qq.com

### Abstract

Since the reform and opening up policy in 1978, China's economic growth has brought an irreplaceable miracle to the world. In the past year, with a huge increase in international uncertainties, China has proposed the idea of building a unified national market, which is the fundamental support and inherent requirement for China to build a new development pattern in the new era. This article will be focusing on Bengbu City, Anhui Province, analyzing the current situation of the new material industry in Bengbu, analyzing the existing problems, and finally proposing relevant opinions to provide effective suggestions for the construction of a unified national market.

### Keywords

Bengbu City; National Unified Market; New Materials Industry.

## 1. Introduction

China is a manufacturing country, is in a critical period of industrial transformation and upgrading, many areas are inseparable from the support of new materials. First of all, to implement the strategy of manufacturing power and promote the high-quality development of the manufacturing industry, we must consolidate the foundation of the new material industry. Against the background of increasing global economic uncertainty and increasing downward pressure on domestic economic growth, the State Council issued the Opinions on Accelerating the Construction of a Unified National Market, it is considered to be a top-level system design with significant contemporary characteristics, especially the formulation of "national unified market," which has aroused extensive discussion and great concern. Civil aviation industry colleagues also from different angles to this positive thinking and discussion. It is believed that in the current situation of world's political and economic conflicts, the issuance of the "Opinions" is of extraordinary significance, and it is of great practical significance to explore the integration of the civil aviation industry into the national unified market.

## 2. Literature Review

In the current literature on the impact of domestic and foreign policies on the new materials industry, researchers have explored the future development and strategies from different theoretical perspectives, mainly from the perspective of government support, and put forward suggestions and strategies for the development of the new materials industry. Like Liu Wei (2021) Research on the existing problems and countermeasures of Bengbu Municipal Government's support for the development of bio-based new materials industry; Hao Bo (2018)

Research on the Problems and Countermeasures of Government Policies to Support Strategic Emerging Industry--Taking Nanjing as an example, research on supporting policies for industries that need high technology, would has less opportunity to need resources , more than this, they are more likely to burgeon better; Wang Yunbao (2017) from the user point of view, based on the Bengbu silicon based new material industry has entered a critical period of characteristic brand building, from the "glass city" to "100 billion Silicon Valley "This upgrade is a combination upgrade of industry chain, innovation chain and value chain.

A large number of domestic studies believe that the construction of a unified national market is the basic support and internal requirements for building a new development pattern, but most of them are discussed from a new development pattern and a global perspective, and no one has yet outlined the details of the new material industry. For example, the Qur'an (2022) shows that the sound of high standards and unified market rules and facilities to optimize resource allocation has a significant impact on the high-tech industry of new materials. Xu Hongcai (2022) and others believe that a unified national market can provide directional guidance for the flow of various resource factors. For the traditional manufacturing industry, the capital market should increase support in supporting its digital transformation, industrialization and digital integration, intelligent manufacturing, etc., and help the traditional industry to achieve secondary growth with digital and intelligent means, and the curve will take off.

The development of foreign new materials industry earlier, the development of these emerging industries is inseparable from the support of government policies., especially in the new material industry, the early basic research investment is large and the operation cycle is long. Li Jia scholar in the International Journal of Innovation, Management and Technology in 2017 The characteristics of policy tools to promote the development of new materials industry, and the loss and abuse of policy tools in China's new materials industry in the process of selection and construction, In 2015, Kim Jin-Han proposed new material industry through cooperative investment and non-cooperative investment. In the two types of cooperation, facility utilization, marketing cost savings, production efficiency and the performance of cooperative investment group and non-cooperative investment group are not correlated. Moreover, in the non-cooperative investment, the acquisition of new technology has a positive impact on the results, in cooperation investment, capital concentrated degree of pack ice has an active impact on results.

There are many researches on the new material industry at home and abroad, but the research literature on the positive impact of the domestic large market construction on the new material industry is less, and the current market tends to be nationalized, so it is necessary to conduct relevant discussions on this background. This essay contributes to a better understanding of the role of industrial policy in promoting high-quality development in the manufacturing sector. It has certain reference value to further optimize the implementation effect of industrial policy.

### **3. The Background of Establishing a Unified National Market**

The reshaping of the global value chain has begun. Multinational enterprises from developed countries occupy high value-added regions through the separation and transfer of the value chain. Emerging markets actively undertake the transfer of low-end industries in the value chain by taking advantage of factors such as resources and labor, and the living space of emerging industries is forced to compress. With the formation of new international trade barriers initiated by the Sino-US trade war in recent years, foreign advanced technology monopolies and export restrictions have forced China's core technology of new materials to achieve independent research and development, and key technologies must make key breakthroughs in the future.

### **3.1. Local Protection**

China has a significant growth in economy, of which the investment-driven and export-oriented development model has played an important role. However, in recent years, the impact of various uncertain factors has exacerbated the long-term stagnation of the global economy, and the economic pull role of external demand has declined significantly. Relying on domestic demand to maintain steady progress of China's economy has become the first choice. Compared with the opening to the outside world, domestic opening also faces a series of challenges, such as market segmentation and local protectionism in China. Local protection is the destruction of the boundary between the government and the market function. The local government officials take their own interests as the point of departure, rely on the key resources and policy decision-making power, distort the allocation path of factor resources, optimize the domestic business environment, Strategic measures such as improving the independent innovation ability of enterprises, building a new type of pro-government and business relationship to achieve the dialectical unity of promising government and effective market will have a very adverse impact and become an important blocking point restricting the realization of domestic circulation under the new development pattern of China.

### **3.2. The Importance of a Unified National Market**

The construction of a unified national market is the main support and requirement for the construction of a new development era. At the same time, the construction of a unified national market will also stimulate consumption and better play the role of consumption in economic development. When the downward pressure on the economy increases, local governments "can't help but" protect the market and set up barriers. in the dire global economic situation as the international telecommunication, the center becomes more and more volatile, populist politicians continue to hype anti-globalization sentiment and use political weapons to crack down on international trade, China needs a moat. New materials, as a need for a large number of scientific and technological innovation capabilities of the industry, combined with the size of the domestic unified market, if the domestic market can become unified and strong in the face of the resistance of the external cycle, the internal circulation on the sustainable promotion of the domestic market efficient smooth and scale expansion. Efforts should be made to form a domestic circulation in which supply and demand promote each other, production and marketing go hand in hand, and smooth and efficient, expand the size and capacity of the market, continue to make and develop a well-developed China's market. This would allows global enterprises to come and invest in China.

## **4. Current Issues of New Materials Industry in Bengbu**

Although there are a lot of progress been made so far, yet there are still some issues need to be pointed out. Base on the fact that many companies are still struggling in a lot of areas. Such as protection of intellectual property rights, support of technological innovation and local preferential tax policy.

### **4.1. Inadequate Protection of Intellectual Property Rights.**

In the field of new materials, intellectual property is the core of enterprise development. Having protection of intellectual property rights is important because it would reduce the number of similar cases in different places been treated unfairly. First, the processing organization is not complete, and when there are relevant intellectual property disputes, they cannot solve problems quickly, which may lead to corresponding economic losses. Also, Professional legal professionals are still not taking a large part in Bengbu to provide effective support for the development of intellectual property protection. Another one is the idea of protecting is not understood widely enough, some areas, some people do not have any concept of intellectual

property rights, in the new material industry, this will be resulting that a considerable part of enterprises do not have awareness of intellectual property rights. Imitation, piracy rampant are still popular among companies. This will strongly discourage innovative new materials companies. What's more, the judgment result is not unified, which will reduce the efficiency of the enterprise, which comes to the coordination between market and government. Information communication are not moving efficiently.

#### **4.2. Insufficient Support for Technological Innovation.**

First, there are still a great number of obstacles to the transformation of scientific and technological achievements. Systems and related requirements will make the new material-related achievements hard to become physical products. Besides, the relevant assessment mechanism is not detailed enough, and scientific and technological innovation cannot play an important role in the building of a unified national market. On the other hand, the training of relevant enterprises is still lacking. Sometimes they want to do business but do not have the ability to achieve it.

#### **4.3. The Phenomenon of Local Preferential Tax Policy Still Exists.**

Some local governments, in order to attract investment, will give specific enterprises some preferential policies in terms of taxation. This is also a more common means of local protection, from a legal point of view, local governments cannot implement tax concessions on their own without the approval or authorization of the State Council. But there are many ways for local governments to circumvent the law, for example, to reward enterprises with a portion of the taxes left at the local level in the form of fiscal spending. In this way, fiscal expenditure is not counted as a tax relief law, and it is beyond the control of the law. All parts of the country are so flexible from provinces to counties. As a result, the market order has been seriously disrupted and the state macro-control has been affected. After the 18th National Congress, the State Council issued a special circular calling for cleaning up and standardizing the financial discipline of local tax concessions. However, as a result, the hidden rules of local policy are still prevailing. Just two months after the document on the unified market was issued this year, the State Council immediately issued guidance to promote the reform of the financial system below the province. It once again mentioned the need to gradually clean up the subsidy or return policy linked to improper intervention in the market and income from taxes and fees.

### **5. Suggestion**

Although there are some problems and concerns, everyone is closely related to this. To build a unified market, it is fundamental to continue to promote an efficient and smooth domestic market, it is needed to expand our scale and leverage the advantages of the market in promoting competition and deepening the division of labour. To further open up channels for improving market efficiency, increasing labour productivity, increasing household incomes, expanding market players, improving the quality of supply, and optimizing and upgrading demand. Striving to create a channel in which supply and demand promote production, making the market more convenient for everyone to make a profit, meanwhile, spending less time to make more money. Spend more time to spend money. To do so, especially in the new material industry, we need to improve rule, increased competition and innovation, reduce cost, improve efficiency and make national level planning.

#### **5.1. Improving Unified National Market System Rule**

The establishment of a unified national market has expanded the market space for Bengbu's new material industry. This will also break the barriers among different regions, allowing Bengbu's new material industry to expand its sales channels and reach a wider market. This

has led to increased demand for new materials from other parts of the country, boosting the development of the new material industry in Bengbu City. This will be conducive to the comprehensive promotion and application of new material products, and expand its market share and sales.

## **5.2. Increased Competition and Innovation**

The establishment of unified market rules across the country will help the cooperation and resource integration between new material enterprises, improve the efficiency of resource integration, and promote technological innovation and development in the industry. Strengthen the information platform construction between enterprises, timely communication about the new material industry market and technology information, so that the information is open and transparent. The establishment of a unified national market has also brought about improved efficiency and reduced costs for the new material industry in Bengbu City. With the implementation of standardized industry policies and regulations, companies are able to streamline their production processes and reduce costs. This has allowed local companies to lower their prices and become more competitive in the national market.

## **5.3. Improved Efficiency and Reduced Costs**

The establishment of a unified market rules across the country will help the cooperation and resource integration between new material enterprises, improve the efficiency of resource integration, and promote technological innovation and development in the industry. It is important to promote the national logistics hub network, develop multimodal transport, promote standardized pallet generation mode of transport vigorously and build a national logistics hub network. The purpose is to improve the utility of logistics land, reduce capital and local costs, improve the efficiency of warehousing and transshipment, and reduce administrative costs. To make new material products not only sold in this city but also sold outside the province or city. Strengthen the information platform construction between enterprises, timely communication about the new material industry market and technology information, so that the information is open and transparent. With the implementation of standardized industry policies and regulations, companies are able to streamline their production processes and reduce costs. This has allowed local companies to lower their prices and become more competitive in the national market.

## **5.4. Make National Level Planning:**

Local governments in China often engage in industrial development without considering the need for national-level industrial planning and implementation, resulting in a lack of division of labor and unified planning. This leads to a market that can be likened to a labyrinth, with new entrants attempting to join rapidly developing industries without considering whether they have the necessary conditions to succeed. National-level coordination and planning are necessary to address these challenges, by delegating different development tasks to different regions and ensuring efficient allocation of resources.

Achieving complementary development between different provinces requires a focus on coordination and cooperation between regions, leveraging their respective strengths to create a more cohesive approach to industrial development. By implementing standardized policies and regulations, promoting innovation and investment in research and development, and coordinating development strategies between different regions, the government can ensure that competition between provinces becomes complementary, thereby achieving the "whole is greater than the sum of the parts".

## 6. Conclusion

Overall, the establishment of a unified national market will have a huge influence to new material industry in Bengbu City. Although there are a lot of crisis and challenges that the industry would meet. Establishment of unified national market is necessary and inevitable, by destroying local protection and supporting technology innovation. This essay think that this would bring China's economy blooming by giving enterprises more chances to develop. To do so, we must set up goals, policy. Improve efficiency and support technology. Only relying on that China could become stronger then before.

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