A Study of the Impact of Establishing a Pilot Free Trade Zone on the Competitiveness of Chinese Enterprises

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Abstract: This paper focuses on the impact effect of the pilot free trade zone on the competitiveness of equipment manufacturing enterprises, using the multi-period double-difference method, using the data of listed enterprises in the equipment manufacturing industry from 2008 to 2020. The conclusion of the study shows that the establishment of a pilot free trade zone can significantly enhance the competitiveness of high-end equipment manufacturing enterprises, mainly by expanding the scale of enterprise investment and alleviating enterprise-financing constraints. The heterogeneity test shows that the promotion effect of the establishment of the Pilot Free Trade Zone on the development of the competitiveness of equipment manufacturing enterprises is more significant in the sample groups of central and western regions and state-owned enterprises. In the future, it is necessary to make use of the advantages of the Pilot Free Trade Zone system, expand opening up to the outside world, strengthen financial co-operation, create a good business environment, increase the coverage of the Pilot Free Trade Zone policies, and promote the balanced development of the eastern, central and western regions.

Keywords: Pilot Free Trade Zone; High-End Equipment Manufacturing Industry; Enterprise Competitiveness

1. Introduction

At present, the world is experiencing a great change that has not been seen in a hundred years, the international environment is becoming more and more complicated and changeable, the international trade rules and standards are improving, trade friction is frequent, and the domestic reform has entered into a deep water zone, and the resistance is increasing day by day. Against the backdrop of the gradual decline of traditional economic growth drivers and new growth drivers yet to be formed, China urgently needs to accelerate the pace of deepening reforms and expand the depth and breadth of institutional reforms. The Ministry of Commerce, in its "14th Five-Year Plan for Business Development", has made clear the significance of the Pilot Free Trade Zones (PFTZs) for the construction of a new development pattern and the promotion of high-quality development of China's economy, pointing out that the PFTZs should be constructed as an important hub connecting domestic and international double-circulation, so as to inject a strong impetus for the high-quality development of the country's economy and society. The construction of pilot free trade zones is a strategic initiative to expand opening up to the outside world with system innovation as the core, and actively converge with the international advanced rules, and it is a test field for comprehensively deepening reform and opening up. 2013, China (Shanghai) Pilot Free Trade Zone was established, and as of the end of 2022, the country has successively set up a total of 21 pilot free trade zones (ports), and the new pattern of opening up to the outside world has begun to take shape, and it has covered all the regions of the country. In terms of regional distribution, it covers the eastern coastal area, Beijing-Tianjin-Hebei and the Yangtze River Delta, forming a new pattern of opening up that is coordinated between the east and west, the south and the north, and coordinated between the land and the sea. In the "double cycle" new development pattern, the pilot free trade zone is the domestic reform system highland, promote the domestic economy high-quality cycle, closely related to the opening of the international market.[1]

The current research on the effect of the implementation of the pilot free trade zone policy mainly focuses on the establishment of the pilot free trade zone can promote economic growth.

Under the new development pattern, the

manufacturing industry is the main body of the national economy, and manufacturing enterprises are the main force of innovation-driven high-quality development of the economy, which is the key link to drive employment to achieve common prosperity. And enterprise competitiveness is an important indicator to measure the quality of industry development, the development of the manufacturing industry can be better measured by manufacturing enterprise competitiveness. Through the trend study on the changes in the competitiveness of high-end equipment manufacturing enterprises, analyse the dynamic changes in the competitiveness of enterprises under the framework of the policy of the pilot free trade zone, can better analyse the development of China's high-end equipment manufacturing industry, the intelligent upgrading of the manufacturing industry and leading China's manufacturing industry development to a new level has positive practical significance.[2]

Different from the previous research from the macro perspective, this paper adopts the micro perspective to analyse and study the positive impact of FTZ policy implementation on enterprise competitiveness, and deepen the research of related FTZ policy effects.[3] Therefore, the marginal contributions of this paper are as follows. First, at the theoretical level, this paper not only studies the theoretical analysis of how the establishment of the Pilot Free Trade Zone affects the competitiveness of enterprises, but also thoroughly researches the specific mechanism of the Pilot Free Trade Zone to promote the development of high-end equipment manufacturing industry, so as to provide theoretical support for the deepening of reform and innovation of China's Pilot Free Trade Zone and the promotion of the development of high-end equipment manufacturing industry. Secondly, at the empirical level, the multi-period double-difference method is adopted, and the establishment of the Pilot Free Trade Zone is regarded as a quasi-natural experiment to assess the effect of the Pilot Free Trade Zone on the development of enterprise competitiveness, so as to fill in the research gaps of the impact of the Pilot Free Trade Zone policy on the competitiveness of high-end equipment manufacturing enterprises.[4] Thirdly, at the policy level, we endeavour to put forward relevant policy recommendations in the light of the actual situation of China's moving towards a new stage of development, so as to provide ideas for China to promote the construction of the Pilot Free Trade Zone and the high-quality development of the equipment manufacturing industry.

2. Theoretical Analysis and Research Hypotheses

2.1 The Impact of Pilot Free Trade Zones on Enterprise Competitiveness

Theoretically, a pilot free trade zone constructed with the goal of institutional innovation can create a more favourable market environment for enterprise development, deepen reform, promote trade and investment, and then create favourable conditions for enterprises to obtain long-term economic benefits. This paper argues that institutional innovation is the biggest advantage of the Pilot Free Trade Zone, providing policy incentives and business environment optimisation for enterprise competitiveness. In terms of providing policy incentives, the macroeconomic environment and the industrial environment in which enterprises are located have a more obvious impact on the competitiveness of enterprises, while industrial policy will improve the external environment in which enterprises are located through direct or indirect ways, and will have a positive promotion effect on the enterprise's investment efficiency and other components of competitiveness.[5] And the pilot free trade zone through institutional innovation, to attract the agglomeration of production factors, to promote the free flow of resource factors, the formation of economies of scale effect, so that the economy radiates to the surrounding areas, to promote the enhancement of enterprise competitiveness, so that the pilot free trade zone has become a new growth pole of regional economic development. In summary, the following hypotheses are proposed:

H1:The establishment of the pilot free trade zone helps to enhance the level of enterprise competitiveness of high-end equipment manufacturing industry.[6]

2.2 Moderating Effect

In terms of enterprise investment, the pilot free trade zone policy not only provides a good financing environment for enterprises, but also

reduces the investment threshold. Secondly, investment facilitation will allow enterprises to use preferential policies to expand the scope of investment. The reform of the investment environment is mainly reflected in the reform of the foreign investment filing system, the improvement of trade facilitation, the increase in the rate of preferential treatment and the establishment of preferential policies for overseas investment companies [7]. Under the favourable environment created by the policies of the Pilot Free Trade Zone, enterprises have sufficient incentives to expand their foreign investment in order to achieve the goal of maximising competitiveness and value. With the reduction of the investment threshold, enterprises can fully participate in domestic and foreign project investment according to their own strategic planning and use their own resources to directly obtain investment income and improve their competitiveness and profitability. In summary, hypothesis 2 is proposed:

H2:Enterprise investment will enhance the promotion utility of the establishment of the Pilot Free Trade Zone on the competitiveness of equipment manufacturing enterprises.

In terms of financing, the financing cost and capital liquidity will affect the financing of enterprises, thus bringing obvious negative effects on enterprise competitiveness. Since the promulgation and implementation of the policy of the Pilot Free Trade Zone, a large number of reforms have been carried out in the financial sector, bringing enterprises a wider range of financing channels. Fully open cross-border financing facilitation and foreign financial institutions will provide enterprises with more choices for financing and reduce the cost of financing constraints, which will positively incentivise technological research and development and investment efficiency, and enhance the technological conversion capacity of enterprises. The Pilot Free Trade Zone Agreement policy can effectively introduce foreign capital inflow, achieve cross-border financing facilitation, enhance the probability of financing success, rationalise the allocation of capital market resources, thus filling the enterprise transformation capital gap, and better applying the funds to R&D investment, thus enhancing the competitiveness of enterprises. In summary, hypothesis 3 is proposed:

H3: The weakening of financing constraints will enhance the promotion utility of the establishment of the Pilot Free Trade Zone on the competitiveness of equipment manufacturing enterprises.

3. Research Design

3.1 Econometric Model Setting

Due to the different time of the establishment of the Pilot Free Trade Zone, in order to better identify the policy effect, this paper adopts the multi-period double-difference method, selects the enterprises in the first four batches of the location of the establishment of the Pilot Free Trade Zone as the experimental group, and sets the enterprises in the other regions as the control group, and the final model is set as follows.

$$EC_{it} = \alpha_0 + \alpha_1 FTZ_{it} + \alpha_2 X_{control} + u_i + \delta_t + \varepsilon_{it} \quad (1)$$

In equation (1), ECit denotes the enterprise competitiveness of enterprise i in year t. The core explanatory variable FTZ is a dummy variable that takes the value of 1 when the enterprise's region establishes a Pilot Free Trade Zone, and vice versa; the control variable is denoted by Xcontrol; the individual fixed effect is referred to using ui, the time fixed effect is denoted by δt, and εit refers to the perturbation term.

3.2 Description of Variables

3.2.1 Explained Variables

This paper's explanatory variables for enterprise competitiveness (EC), enterprise competitiveness measurement method of the relevant literature is relatively rich, which is also Jin Beibei (2003) [8] proposed enterprise competitiveness evaluation system has been the most widely used, the system to the Chinese industrial enterprises as the main research samples, this paper discusses the high-end equipment manufacturing enterprises have a stronger match.

3.2.2 Core Explanatory Variables

Whether the region builds a pilot free trade zone is the core explanatory variable of this paper, which is represented by the dummy variable FTZit. Since the policy establishment batches are different, the evaluation of the policy effect should distinguish the time point of the establishment of the pilot free trade zone. When the region where the ith high-end equipment manufacturing enterprise is located establishes a pilot free trade zone in year t, the dummy variable FTZit takes the value of 1, and the rest

takes the value of 0.

3.2.3 Control Variables

Considering the availability of data, the control variables in this paper are respectively enterprise size, compensation incentives, market size, institutional investors' shareholding ratio, major shareholders' checks and balances, the proportion of shares held by the 2nd to 10th major shareholders, and gearing ratio.

3.3 Data Sources

In terms of data selection, the enterprise data comes from CSMAR database and selects Chinese A-share listed high-end equipment manufacturing enterprises from 2008 to 2020 as the research sample. This paper refers to the 2012 edition of Industry Classification of the Securities and Futures Commission (SFC) to select the research sample of high-end equipment manufacturing industry and process the data as follows:(1) exclude the samples of enterprises with abnormal business conditions, such as ST and *ST; (2) exclude the observations with missing indicators and data; and (3) due to the lagging effect of the implementation of the policy, this paper sets the experimental group to be the samples in the first four batches of the pilot free trade zones (2013-2018). (4) This paper shrinks all continuous variables to avoid the influence of extreme values on the analysis of results, and the final sample covers 245 enterprises, obtaining 3,172 sample observations.

4. Data Analysis

4.1 Descriptive Statistical Analysis

Table 1 reports the descriptive statistics of the main variables in the article. As can be seen, the mean value of FTZ is 0.154, indicating that close to 15.4% of the firms in this sample are located in cities that have set up pilot free trade zones. The maximum value of enterprise competitiveness after taking the logarithm is 14,13 and the minimum value is 10.6, indicating that the variability of direct competitiveness of enterprises is relatively small. The standard deviations are all small, indicating that the differences in dispersion between the samples are not significant.

Table 1. Descriptive Statistical Analysis

Variable	N	Mean	SD	Min	Max
lnEC	3170	12.10	0.984	10.60	14.13
FTZ	3172	0.154	0.361	0	1
lnsize	3172	2.100	0.130	1.856	2.330
lnmarket	3172	0.234	0.112	0.0670	0.500
lev	3172	0.494	0.171	0.182	0.789
Share_inti	3172	0.516	0.184	0.166	0.838
Share_2-10	3172	0.190	0.107	0.0340	0.395
lnwage	3171	19.66	1.240	17.52	22.00

4.2 Baseline Regression Analysis

Table 2 reports the regression results of the Pilot Free Trade Zone on the competitiveness of high-end equipment manufacturing firms in China. The following different conditions are set for the regression: column (1) is without the inclusion of control variables and individual as well as time fixed effects, column (2) without the inclusion of control variables and individual fixed effects, and column (3) with the inclusion of control variables and individual as well as year fixed effects. From the regression results of Column (1), Column (2) and Column (3), the inclusion or exclusion of control variables does not affect the significant level of the main regression coefficients, and all of them are positively promoting the development, indicating that the establishment of the Pilot Free Trade Zone positively promotes the competitiveness of enterprises in the high-end equipment manufacturing industry. Therefore, hypothesis 1 is verified.

Table 2. Baseline Regression

	(1)	(2)	(3)
	lnEC	lnEC	lnEC
FTZ	0.494***	0.046**	0.041**
	(0.028)	(0.018)	(0.020)
lnsize		-2.005***	-2.028***

		(0.134)	(0.143)
lnwage		0.705***	0.725***
		(0.012)	(0.018)
lnmarket		-0.575***	-0.575***
		(0.086)	(0.085)
Share_inti		0.223***	0.180***
		(0.058)	(0.060)
Share_2-10		0.060	0.051
		(0.090)	(0.090)
lev		-0.170***	-0.202***
		(0.056)	(0.056)
_cons	12.025***	2.528***	2.247***
	(0.056)	(0.181)	(0.220)
control variable	No	Yes	Yes
Individual effect	No	Yes	Yes
Year effect	No	No	Yes
Observations	3172	3172	3172

4.3 Parallel Trend Hypothesis Test

One of the prerequisites that must be fulfilled in order to apply the multi-period double difference model is to pass the parallel trend test, i.e., the parallel trend assumption is satisfied if the experimental and control groups in the sample are to show a co-evolutionary development prior to the implementation of the policy to ensure that there is no significant differentiation between the two. The specific econometric model for conducting the parallel trend test is shown below:

$$EC_{it} = \beta_0 + \beta_1 \sum_{t=-5}^{t=6} FTZ_{it} + \beta_2 X_{control} + u_i + \delta_t + \varepsilon_{it} \quad \text{.....(2)}$$

The pre-pilot policy period is used as the base period, and data from five years before and six years after the occurrence of the policy are used for the study, with the possible values of t being -5, -4, -3, -2, -1, 0, 1, 2, 3, 4, 5, and 6, and in this paper, the pre-pilot policy period is chosen as the base group.

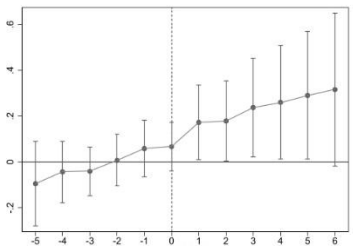

Figure 1. Parallel Trend Test

Figure 1 represents the results of the parallel trend test, the regression coefficient β1 of FTZ before the promulgation of the policy of the pilot free trade zone are insignificant, through the parallel trend hypothesis test prerequisites. After the impact of the policy of the pilot free trade zone, the regression coefficient β1 of FTZ is positive and significant in the first year of the policy implementation, and the parallel trend test is passed, which also indicates that the establishment of the pilot free trade zone has a positive role in promoting the competitiveness of enterprises in China's high-end equipment manufacturing industry.

4.4 Robustness Test

The construction of the Pilot Free Trade Zone was launched in 2013, and China also put forward the "Belt and Road" initiative in the same year, which will lead to the possibility that cities along the "Belt and Road" may take advantage of the opportunity to enhance the competitiveness of local enterprises through the "Belt and Road" initiative. This will result in cities along the "Belt and Road" route potentially taking advantage of the "Belt and Road" initiative to enhance the competitiveness of local enterprises. In order to exclude the influence of the Belt and Road Initiative to get the net effect of the construction of the Pilot Free Trade Zone on the competitiveness of enterprises, brFTZit is added as a dummy variable for the cities along the Belt and Road in the baseline model, and if the city is a member of the Belt and Road Initiative, it will be the first city to be included in the baseline model. "Column (1) is the result of the benchmark regression, column (2) after adding the dummy variable brFTZit to exclude the influence of the "Belt and Road" initiative, the FTZ correlation coefficient has not changed substantially, and

the net effect of the construction of the Pilot Free Trade Zone (Belt and Road) on enterprise competitiveness has not changed substantially. After adding the dummy variable brFTZit excludes the effect of the "Belt and Road" initiative, the FTZ correlation coefficient does not change substantially, and the construction of the Free Trade Pilot Zone (FTZ) still significantly improves the competitiveness of the high-end equipment manufacturing enterprises.

Table 3 Robustness test

	(1) Benchmark regression	(2) Excluding the effect of policy disturbances
	lnEC	lnEC
FTZ	0.041**	0.044**
	(0.020)	(0.020)
brFTZ		-0.132***
		(0.026)
_cons	2.247***	2.163***
	(0.220)	(0.220)
r2	0.693	0.696
control variable	Yes	Yes
Individual effect	Yes	Yes
Year effect	Yes	Yes
Observations	3172	3172

4.5 Mechanism Analysis

In order to test hypotheses H2,H3, this paper draws on the research of Rao Pingui et al. (2017) to define total investment and set it as a moderating variable for the level of competitiveness of equipment manufacturing enterprises. From the regression results in Table 7, it can be seen that the FTZ coefficient in column (1) is significantly positive at the 5% level; when the interaction term between total investment (INV) and FTZ is added in column (2), the coefficient of the interaction term is significantly positive at the 1% level; the above results indicate that the Pilot Free Trade Zone policy can expand the investment scale of the enterprises, send positive signals to the foreign-funded enterprises so that the capital inflows, participate in domestic and foreign investment projects and obtain corresponding benefits and development, and then enhance the competitiveness of enterprises. The specific model is as follows:

$$EC_{it} = \alpha_0 + \alpha_1 FTZ_{it} + \alpha_2 X_{control} + \alpha_3 Interact\_INV + u_i + \delta_t + \varepsilon_{it} \text{.....(3)}$$

Finally, for alleviating the financing constraint facilitation effect, the financing constraint indicator SA can reflect the degree of enterprise financing constraints, and the Pilot Free Trade Zone can promote the innovation of manufacturing enterprises, but the degree of its impact will be regulated by the degree of enterprise financing constraints, this paper draws on the method of Hadlock et al. (2010) [9], defines financing constraints indicator, and sets it as the level of competitiveness of the equipment manufacturing industry enterprises of the The larger the value of SA is, the smaller the financing constraint is, the easier it is for enterprises to obtain financing, and the greater the degree of influence on enterprise competitiveness. The specific model is as follows.

$$EC_{it} = \alpha_0 + \alpha_1 FTZ_{it} + \alpha_2 X_{control} + \alpha_3 Interact\_SA + u_i + \delta_t + \varepsilon_{it} \text{.....(4..)}$$

Columns (3) and (4) in Table 4 show the results of the facilitation effect of alleviating financing constraints, and the regression results are significant, indicating that the policy of the Pilot Free Trade Zone can unimpeded the inflow channel of the capital market, expanding the scale of financing of enterprises, improving the liquidity of funds, and reducing the cost of financing of enterprises and thus enhancing their competitiveness.

Table 4. Mechanism Tests

	(1)	(2)	(3)	(4)
	investment lnEC	investment lnEC	Financing lnEC	Financing lnEC

FTZ	0.041**	0.051**	0.043**	0.068***
	(0.020)	(0.020)	(0.020)	(0.022)
INV	0.285**	0.181		
	(0.139)	(0.143)		
Interact_INV		1.320***		
		(0.407)		
SA			0.133*	0.098
			(0.078)	(0.079)
Interact_SA				0.171**
				(0.068)
_cons	2.271***	2.348***	2.679***	2.552***
	(0.221)	(0.222)	(0.337)	(0.340)
r2	0.694	0.695	0.693	0.694
Control variable	Yes	Yes	Yes	Yes
Individual effect	Yes	Yes	Yes	Yes
Year effect	Yes	Yes	Yes	Yes
Observations	3172	3172	3172	3172

4.6 Heterogeneity Analysis

Relying on the industrial advantages of the Yangtze River Delta and the Pearl River Delta as well as the geographic location advantage of the neighbouring ports, the eastern region has been maintaining its economic scale leading the country, while the central and western regions still have a certain gap compared to it.[10] Therefore, in the face of the pilot policy of the Pilot Free Trade Zone, enterprises in different regions may have different strategic responses. After analysing the impact of the Pilot Free Trade Zone on the competitiveness of China's manufacturing listed companies, this paper carries out a group regression on the eastern, central and western regions to conduct the relevant heterogeneity analysis.

Table 5. Heterogeneity Analysis

	western part	central section	eastern part
	lnEC	lnEC	lnEC
FTZ	0.122**	0.121***	0.009
	(0.054)	(0.042)	(0.025)
lnsize	-1.378***	-2.371***	-2.154***
	(0.394)	(0.290)	(0.176)
lnmarket	-0.574***	-0.273*	-0.754***
	(0.193)	(0.154)	(0.114)
lev	0.068	-0.171*	-0.252***
	(0.129)	(0.094)	(0.076)
share1	-0.413***	0.334***	0.244***
	(0.149)	(0.118)	(0.076)
share2	0.260	-0.415**	0.172
	(0.199)	(0.171)	(0.121)
lnwage	0.604***	0.759***	0.735***
	(0.052)	(0.037)	(0.022)
_cons	3.268***	2.274***	2.328***
	(0.614)	(0.389)	(0.293)
r2	0.759	0.794	0.665
control variable	Yes	Yes	Yes
Individual effect	Yes	Yes	Yes
Year effect	Yes	Yes	Yes

Through the results of Table 5 we can see that the establishment of the Pilot Free Trade Zone significantly and positively promotes the level of competitiveness of high-end equipment

manufacturing listed companies in the central and western regions, and presents a more obvious enhancement utility compared to the overall coefficient of 0.041, whereas the promotion of the eastern provinces does not reach a statistically significant level at the statistically significant level. To analyse the reason, the sample size is reduced after group regression, and the lack of sample size leads to the regression of the eastern region is not statistically significant at the level. In addition, the eastern region includes Shanghai, Guangdong, Fujian and Tianjin, which are in the developed regions with more preferential policies than those in the central and western regions, and the policy interference is larger, so the regression is not statistically significant, but with the subsequent opening and development, the policy effect will be gradually reflected.

5. Research Conclusion and Countermeasure Suggestions

5.1 Research Conclusions

This paper takes the establishment policy of Pilot Free Trade Zone as a quasi-natural experiment, examines the impact of the establishment of Pilot Free Trade Zone on the competitiveness of high-end equipment manufacturing enterprises, and obtains the following conclusions: (i) The implementation of Pilot Free Trade Zone policy is conducive to the enhancement of the competitiveness of high-end equipment manufacturing enterprises, and the research conclusions are still robust after the parallel trend test, the placebo test, and the exclusion of the policy interference. (ii)The conclusion of the moderating effect indicates that increasing the scale of enterprise investment and alleviating financing constraints are conducive to promoting the positive effect of the pilot free trade zone policy on enterprise competitiveness. (iii) The heterogeneity test indicates that the positive effect of the Pilot Free Trade Zone policy on the competitiveness of high-end equipment manufacturing enterprises in the central and western regions is stronger.

5.2 Countermeasures Recommendations

5.2.1 Utilise The System Advantages of Free Trade Zones to Expand Opening Up to the Outside World

The region where the Pilot Free Trade Zone is located should attach great importance to the policy of the Pilot Free Trade Zone, improve the efficiency of resource allocation by influencing the investment and financing of enterprises, make maximum use of the institutional advantages of the Pilot Free Trade Zone of early and pilot implementation, optimise the business environment, strengthen the function of opening up to the outside world, the function of trade services and the function of the ports, give positive signals to high-quality foreign-funded enterprises, gather high-end elements, and promote the competitiveness of enterprises. The competitiveness of enterprises will be enhanced. At the same time, optimise the human capital structure, take advantage of the Pilot Free Trade Zone's attraction of high-quality talent elements to actively introduce domestic and foreign high-end talents, and promote the transformation and upgrading of the business mode; give full play to China's demographic dividend brought about by the potential of the mega-market, and reduce the dependence on the foreign market which is full of uncertainties by taking the domestic cycle as the main body.

5.2.2 Strengthen Financial Cooperation and Create A Favourable Business Environment

Pilot free trade zones have contributed to the competitiveness of enterprises by expanding the scale of investment and reducing financing constraints, therefore

Local governments should focus on reforming the financial system within the framework of the Pilot Free Trade Zone policy, strengthening international financial cooperation, promoting the mutual flow of funds, and helping enterprises to overcome financing difficulties; at the same time, they should also focus on improving the investment environment by applying the preferential policies of the Pilot Free Trade Zone, creating a more internationalised, simplified and legalised business environment, and lowering the trade barriers for the enterprises to participate in the international cycle.

5.2.3 Increase the Coverage of the Policies of the Pilot Free Trade Zone and Promote the Balanced Development of the Eastern, Central and Western Regions

Heterogeneity analysis shows that the policy of pilot free trade zones has a more obvious promotion effect on the central and western regions, and although China's current pilot free trade zones have formed a new situation of opening up the east, west, south, north and south,

and land and sea co-ordination, the overall number is still relatively small, and the Party's Twentieth National Congress report puts forward the strategy of promoting pilot free trade zones, and the promotion of the number of pilot free trade zones should be the key link, and the number of pilot free trade zones should be increased when the conditions allow. Under the circumstances, the policy coverage of the pilot free trade zones in the central and western regions should be continuously increased, and the policy support of the corresponding cities should be increased to promote the transformation and upgrading of the manufacturing industry and the enhancement of the competitiveness of the corresponding enterprises, so that our country will be transformed from a large manufacturing country to a strong one at an early date.

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