

# Research on Industrial Structure and Financial Environment in the Yangtze River Delta Region

Cao Chang

*Nanjing Soho Technology Micro-credit Co., LTD. Nanjing, Jiangsu, China*

**Abstract:** As an important engine of China's economic development, the optimization and upgrading of its industrial structure and the coordinated development of the financial environment are of key significance to the sustainable growth of the regional economy. Through analyzing the current situation of industrial structure and the characteristics of financial environment in the Yangtze River Delta region, the paper discusses the mutual relationship and influence mechanism, and promotes the optimization of industrial structure and the improvement of financial environment.

**Keywords:** Yangtze River Delta Region; Industrial Structure; Financial Environment

## 1. Introduction

The Yangtze River Delta region covers Shanghai, Jiangsu, Zhejiang and Anhui three provinces and one city. It is one of the regions with the most dynamic economy, the highest degree of openness and the strongest innovation ability in China. Under the background of economic globalization and regional integration, it is of great theoretical and practical significance to study the industrial structure and financial environment of the Yangtze River Delta region deeply for promoting regional coordinated development and enhancing economic competitiveness.

## 2. The Interrelationship Between Industrial Structure and Financial Environment

### 2.1 Financial Support

Financial institutions provide financial support for enterprises' technological innovation and production expansion, and promote industrial upgrading.

### 2.2 Resource Allocation

The financial market guides the capital flow to industries with high efficiency and great

potential through the price mechanism, and promotes the optimization and adjustment of industrial structure.

The innovation and application of risk management financial instruments can help enterprises to diversify risks, improve their ability to cope with market fluctuations, and provide a stable environment for industrial development.

## 2.3 The Impact of Industrial Structure on Financial Environment

Different industries constantly change the demand for financial services in the process of development, prompting financial institutions to innovate financial products and service models. With the development of the industrial structure to the high-end and intelligent direction, the profitability and solvency of enterprises have been enhanced, and the asset quality and income level of financial institutions have been improved.

## 3. Current Situation of Industrial Structure in the Yangtze River Delta Region

### 3.1 Optimizing the Industrial Structure

As the forefront of China's economic development, the industrial structure of the Yangtze River Delta region is undergoing a profound and positive transformation. Previously, which relied heavily on traditional manufacturing, the region has gradually shifted to a development model dominated by advanced manufacturing and modern services. In terms of the secondary industry, the high-end equipment manufacturing industry is booming[1].

For example, significant breakthroughs have been made in the research and development and production of industrial robots, which are not only widely used in automotive manufacturing, electronic equipment and other fields, but also exported to many countries and regions around the world. In the field of new energy, the manufacturing technology of solar energy and

wind power generation equipment is becoming increasingly mature, and the installed capacity continues to climb. The new materials industry has also made remarkable achievements.

New materials such as high-performance alloys and special fibers are constantly emerging, which are widely used in high-end fields such as aerospace and new energy vehicles. The rapid rise of these strategic emerging industries has injected a strong impetus into the industrial upgrading in the Yangtze River Delta region. In the tertiary industry, the financial sector has performed very well. As one of the international financial centers, Shanghai has attracted many domestic and foreign financial institutions to settle in, and financial innovative products have been continuously launched, and the internationalization of the financial market has been continuously improved.

Relying on the developed transportation network, the logistics industry has realized the intelligent and efficient distribution services, and the position of the logistics hub is increasingly consolidated. The information technology service industry is developing rapidly, and the number and scale of enterprises in software development, cloud computing, big data and other fields are constantly expanding, providing strong support for the digital transformation of various industries. The continuous increase of the proportion of modern service industry has further optimized the industrial structure of the Yangtze River Delta region and improved the quality and efficiency of economic development.

### **3.2 Remarkable Results Have Been Achieved in the Coordinated Industrial Development**

The provinces and cities in the Yangtze River Delta region have formed a fruitful division of labor and cooperation pattern in terms of industrial development, and the industrial synergistic effect in the region has gradually emerged. With its unique geographical advantages and strong economic strength, Shanghai gives full play to the radiation and driving role of finance, trade and other service industries. Shanghai's financial market transaction is active, and the financial innovation emerges in an endless stream, providing rich financing channels and diversified financial services for the enterprises in the Yangtze River Delta region[2].

In the field of trade, Shanghai's port throughput is huge, its trade rules and service system are

perfect, and it has become an important window of foreign trade in the Yangtze River Delta region and even the whole country. Jiangsu and Zhejiang have shown strong advantages in the manufacturing sector. Jiangsu has a solid industrial foundation of machinery manufacturing and electronic information, with a number of well-known manufacturing enterprises and industrial clusters.

Zhejiang has a deep accumulation in traditional manufacturing fields such as light industry, textile and clothing, while also developing rapidly in emerging fields such as intelligent manufacturing and digital economy. The manufacturing industries of the two provinces complement each other and develop together, jointly promoting the transformation and upgrading of the manufacturing industry in the Yangtze River Delta region. Anhui has made positive progress in undertaking industrial transfer. Through the construction of industrial undertaking parks, it has attracted a large number of industrial transfer projects from other regions of the Yangtze River Delta. For example, in the fields of electronic information and auto parts, Anhui has undertaken a number of industrial projects with high technical content, which not only promoted the rapid development of local economy, but also made contributions to the optimization of industrial layout in the Yangtze River Delta region. This mode of division of labor and cooperation makes the industrial resources in the Yangtze River Delta region more effectively allocated, the industrial chain more perfect, and the overall competitiveness of the region continuously improved.

### **4. Challenges**

Although the industrial structure of the Yangtze River Delta region is constantly optimized, it is still facing some problems that cannot be ignored in the process of development. The phenomenon of industrial homogenization competition still exists. In some industrial fields, such as new energy vehicles, bio-medicine, etc., many cities in the Yangtze River Delta region are vigorously layout, resulting in the decentralization of resources, repeated construction, and reducing the overall efficiency of the industry. Some traditional industries are under great pressure for the transformation and upgrading. For example, some labor-intensive textile and garment enterprises are faced with

challenges such as rising labor costs and changes in market demand, and the pace of transformation and upgrading is relatively slow. In the process of development of emerging industries, the core technology is also a prominent problem. For example, in the integrated circuit industry, the design and manufacturing technology of high-end chips is still mainly in the hands of foreign enterprises, and related enterprises in the Yangtze River Delta region still face many difficulties in technology research and development and innovation, which limits the rapid development of emerging industries to some extent. In addition, the environmental pressure in the process of industrial development is also increasing, and some industries with high energy consumption and high pollution need to further strengthen energy conservation, emission reduction and environmental protection governance. Hope that the above expansion content can meet your needs! Please make any other requests. Second, the mutual relationship between the industrial structure and the financial environment.

#### **4.1 The Impact of the Financial Environment on the Industrial Structure**

##### **4.1.1 Financial support**

Financial institutions shall provide financial support for the technological innovation and production expansion of enterprises by providing credit funds and equity financing, and promote industrial upgrading.

##### **4.1.2 Resource allocation**

The financial market guides the capital flow to industries with high efficiency and great potential through the price mechanism, and promotes the optimization and adjustment of industrial structure.3. The innovation and application of risk management financial instruments can help enterprises to diversify risks, improve their ability to cope with market fluctuations, and provide a stable environment for industrial development.

#### **4.2 The Impact of the Industrial Structure on the Financial Environment**

Industrial development demand promote financial innovation the demand for financial services in the process of development, prompting financial institutions to innovate financial products and service models.

With the development of the industrial structure

to the high-end and intelligent direction, the profitability and solvency of enterprises have been enhanced, and the asset quality and income level of financial institutions have been improved.

#### **4.3 Strategies to Promote the Optimization of the Industrial Structure and the Financial Environment Improvement in the Yangtze River Delta Region**

##### **4.3.1 Increasing Financial Support for Strategic Emerging Industries**

Strategic emerging industries are the new engine of economic growth in the Yangtze River Delta region, covering the new-generation of information technology, high-end equipment manufacturing, new energy, new materials and other fields. In order to promote the vigorous development of these industries, it is imperative to increase financial support. The establishment of a special loan is a direct and effective way. For example, a commercial bank has set up special loan projects for the new energy vehicle industry in the Yangtze River Delta region, providing preferential interest rates and flexible repayment methods for related enterprises. In the past three years, the special loan has been issued for more than 5 billion yuan, supporting the research and development, production and market expansion of a number of new energy vehicle enterprises, and promoting the rapid development of the new energy vehicle industry in the region. The establishment of risk compensation fund can share the risks of financial institutions and improve their willingness to support strategic emerging industries.

##### **4.3.2 Development of a multi-tiered capital market and expand direct financing channels for enterprises**

There are many high-quality enterprises in the Yangtze River Delta region, and the development of multi-level capital market is of great significance to meet the financing needs of enterprises at different stages. On the one hand, we should further improve the functions of the main board, gem board, innovation board and innovation board. Taking the Science and Technology Innovation Board as an example, since its establishment, many innovative and technology-oriented enterprises in the Yangtze River Delta region have been listed successfully, and raised a large amount of funds for technology research and development and

business expansion. Up to now, the number of listed enterprises on the science and Technology Innovation Board in the Yangtze River Delta region accounts for more than 30% of the whole country, and the total fund raised exceeds 100 billion yuan. On the other hand, we should vigorously develop the OTC market, such as the New Third Board and the regional equity trading market. Through these markets, financing services are provided for enterprises in their initial stage and growth stage. For example, a regional equity trading market in the Yangtze River Delta has provided equity financing services for a local intelligent manufacturing enterprise, helped enterprises to obtain 50 million yuan of development funds, and solved the capital bottleneck problem of enterprises in the process of expanding the production scale. In addition, we should actively promote the development of the bond market and encourage enterprises to issue corporate bonds, corporate bonds and other bond products. A large manufacturing enterprise issued corporate bonds with a scale of 2 billion yuan in the Yangtze River Delta region for industrial upgrading and technological transformation projects, which effectively reduced the financing cost of enterprises and improved the efficiency of capital use.

#### 4.3.3 Aligning financial innovation with industrial needs

Financial institutions are encouraged to develop personalized financial products according to their industrial characteristics. The region is rich in industries, and different industries have their own unique financial needs. Financial institutions should have a deep understanding of the industrial characteristics and develop targeted and personalized financial products. Taking the biomedical industry as an example, its long research and development cycle and large capital investment. To this end, a financial institution launched a "biomedical R & D loan", providing loan support in stages according to the research and development progress and capital needs of the enterprise. In the past few years, the product has solved the R & D funding problem for a number of biomedical enterprises, and helped the innovative development of the biomedical industry in the Yangtze River Delta region. For the cultural and creative industries, because their assets are mostly intangible assets, the traditional mortgage guarantee method is difficult to meet the financing needs.

#### 4.3.4 Strengthening the application of fintech in the field of industrial finance and improve the efficiency of financial services

The rapid development of fintech has provided a strong technical support for financial innovation. In the Yangtze River Delta region, fintech is increasingly widely used in the field of industry and finance. For example, with big data technology, financial institutions can analyze the production and operation data of enterprises and achieve accurate risk assessment and credit supply. Through big data analysis, an Internet bank provides a small manufacturing enterprise in the Yangtze River Delta region with credit loans without mortgage. It only takes a few hours from application to loan, which greatly improves the efficiency and convenience of financial services. The application of blockchain technology helps to solve the problem of information asymmetry in supply chain finance. Through the construction of block chain supply chain finance platform, the transaction data between core enterprises and upstream and downstream enterprises is connected to the chain, and the transaction information is untampered with and traceable, the risks of financial institutions are reduced, and the operation efficiency of supply chain finance is improved.

#### 4.3.5 Optimizing the allocation of financial resources

We will establish a regional financial coordination mechanism and guide financial resources to favor key industries and weak links. There are certain differences in the economic development level and industrial structure of various provinces and cities in the Yangtze River Delta region, so the establishment of regional financial coordination mechanism is crucial to optimizing the allocation of financial resources. By strengthening the communication and cooperation between financial regulatory authorities and financial institutions in the region, unified financial policies and plans should be formulated, and financial resources are guided to favor key industries and weak links. For example, for the integrated circuit industry in the Yangtze River Delta region, an industrial financial coordination group composed of financial regulatory departments and relevant financial institutions of the three provinces and one city has been set up to jointly study and issue supporting policies to guide financial resources to gather in the integrated circuit industry. In the past few years, the

financial support for the IC industry in the Yangtze River Delta region has been increasing, and the industrial scale has continued to grow, which has become one of the important bases of the national integrated circuit industry.

#### 4.3.6 Strengthening financial support for small and medium-sized enterprises and promote balanced industrial development

Small and medium-sized enterprises are an important force in the industrial development of the Yangtze River Delta region, but they often face the problems of difficult and expensive financing. A series of measures need to be taken to strengthen financial support for SMEs. On the one hand, the government can reduce the financing costs of smes by setting up special funds for the development of small and medium-sized enterprises and providing loan interest discount. For example, a city in the Yangtze River Delta has set up a special fund for the development of small and medium-sized enterprises with a scale of 500 million yuan, providing loan discount interest and guarantee fee subsidies to eligible small and medium-sized enterprises. On the other hand, financial institutions should innovate financial service models and develop financial products suitable for the characteristics of small and medium-sized enterprises. A joint-stock bank launched the "credit loan for small and medium-sized enterprises", which provides credit loans for enterprises based on the credit information such as tax payment and social security, effectively solving the financing problem of small and medium-sized enterprises lacking collateral.

#### 4.3.7 Strengthening industrial and financial cooperation

Build a docking platform for industry and finance to promote information exchange and cooperation. In order to strengthen the deep integration of industry and finance in the Yangtze River Delta region, it is very important to build an efficient docking platform. For example, an industrial financial information service platform can be established to integrate the project information of enterprises, product information of financial institutions and government policy information, so as to realize information sharing and accurate matching. Since the launch of an industrial financial information service platform built by a city in the Yangtze River Delta, it has released more than 10,000 enterprise project information and

more than 500 product information of financial institutions, facilitating hundreds of financing docking, with a financing amount of more than 10 billion yuan. In addition, various industrial and financial docking activities can also be held, such as project roadshows, bank and enterprise forums, etc.

We will promote the construction of demonstration projects for integrating industry and finance, and play a leading role. In the Yangtze River Delta region, promoting the construction of demonstration projects combining industry and finance can provide a model and reference for industrial and financial cooperation. For example, an automobile manufacturing enterprise cooperated with financial institutions to carry out a supply chain finance demonstration project, through which financial institutions provide financing support for its upstream and downstream suppliers, optimize the capital flow of the supply chain and reducing the procurement cost and supply chain risk of enterprises. The demonstration project has achieved remarkable results, not only enhancing the competitiveness of enterprises, but also providing replicable experience for other enterprises. For another example, an industrial park has cooperated with financial institutions to build a science and technology finance demonstration park, providing one-stop financial services for enterprises in the park, including venture capital, credit financing, listing guidance, etc. Through the construction of the demonstration park, many science and technology enterprises have been attracted to settle in, forming the industrial agglomeration effect, and promoting the development of regional economy.

#### 4.3.8 Financial supervision and risk prevention mechanisms

We will strengthen coordination in financial regulation and guard against systemic financial risks. In the context of financial integration development in the Yangtze River Delta region, strengthening financial supervision and coordination is crucial to preventing systemic financial risks. We will establish a sound coordination mechanism among financial regulatory authorities in the three provinces and one city, strengthen information sharing and joint supervision, and form a joint regulatory force. For example, joint inspections and regulatory actions should be carried out for cross-regional financial businesses and financial

institutions to identify and deal with potential risks in a timely manner. We will strengthen supervision over emerging financial forms such as shadow banking and Internet finance, standardize their development, and prevent the accumulation and spread of risks. According to statistics, a city in the Yangtze River Delta has cleaned up a number of illegal platforms by strengthening the supervision of Internet finance, effectively reducing the risks of Internet finance. At the same time, we will strengthen macro-prudential supervision, establish a systemic risk monitoring and evaluation system, keep abreast of the overall risk situation of the financial system, and take effective macro-control measures to deal with it.

We will establish a sound mechanism for early warning and handling risks to ensure the stability of the financial market. We will establish a sound financial risk early warning mechanism in the Yangtze River Delta region, and use big data, artificial intelligence and other technical means to monitor and analyze all kinds of risks in the financial market in real time and issue early warning signals in a timely manner. For example, a financial risk monitoring platform should be built to integrate relevant data from financial institutions, enterprises and government departments to realize comprehensive monitoring and early warning of credit risks, market risks and liquidity risks. Formulate scientific and reasonable risk disposal plans, and clarify the response measures and the division of responsibilities when risks occur. When a risk event occurs, the disposal mechanism can be activated quickly, so to take effective measures to defuse risks and ensure the stability of the financial market. When dealing with the debt crisis of a large enterprise, a Yangtze River Delta region launched the risk disposal plan in time, and successfully resolved the debt risks and avoided the spread and spread of risks through government coordination,

support of financial institutions and self-rescue, with the help of the enterprises. We will strengthen the protection of the rights and interests of financial consumers, improve the transparency and fairness of the financial market, enhance investor confidence, and maintain the stable operation of the financial market. The legitimate rights and interests of financial consumers should be protected by strengthening financial knowledge popularization and education and establishing a complaint handling mechanism.

## 5. Conclusion

The optimization of industrial structure and the improvement of financial environment in the Yangtze River Delta region are mutually reinforcing and mutually reinforcing. By strengthening the financial support for the industry, promoting financial innovation, optimizing resource allocation, strengthening industrial integration and improving the regulatory mechanism, the further optimization and upgrading of the industrial structure and the continuous improvement of the financial environment can be realized, and strong impetus can be injected into the high-quality economic development of the Yangtze River Delta region.

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