

http://ojs.bbwpublisher.com/index.php/PBES
Online ISSN: 2209-265X

Print ISSN: 2209-2641

Exploration of the Construction of Economic Service Trade System under the Background of Hainan Free Trade Port

Chang Han*

Hainan Vocational University of Science and Technology, Haikou 571126, China

*Corresponding author: Chang Han, hkdhc2022@163.com

Copyright: © 2024 Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0), permitting distribution and reproduction in any medium, provided the original work is cited.

Abstract: China has a large population, a large middle-income group, and a wide consumer market coverage. In the context of economic globalization, the connection between the Chinese economy and the world industrial chain has been further strengthened, contributing to the development of the global economy. Under the background of the Hainan Free Trade Port, building an economic service trade system will help to create a new highland for economic service trade, promote the development of China's service trade, and facilitate the rational allocation of resources on a global scale. Because of this, the article will analyze the opportunities for building an economic service trade system and the challenges of building an economic service trade system under the background of Hainan Free Trade Port, and focus on analyzing the path strategies for building an economic service trade system to create a high-level new highland of service trade and actively face the challenges of era development and economic upgrading [1].

Keywords: Hainan; Free trade port; Economic service trade system; Build

Online publication: August 26, 2024

1. Introduction

In the report of the 20th National Congress of the Communist Party of China, it was proposed to "accelerate the construction of Hainan Free Trade Port and implement the strategy of upgrading the free trade pilot zone" and to "create a first-class business environment that is market-oriented, legal, and international." It was proposed that in the future, open cooperation in the service industry will become an important force in promoting development, and higher requirements will be put forward for the construction of the economic service trade system under the background of the Hainan Free Trade Port. In this regard, Hainan Free Trade Port should follow the requirements of the documents, implement the spirit of the documents, and build an open and high-level economic service trade system, thereby stimulating market vitality, improving the quality of Hainan's service industry development, and enhancing the level of economic development of Hainan Free Trade Port [2].

2. Opportunities for the construction of an economic service trade system under the background of the Hainan Free Trade Port

2.1. Policy support

The particularity of policies provides a good political opportunity for Hainan to build a new highland of service trade to provide guidance and support for optimizing the economic service trade system of the Hainan Free Trade Port. The overall plan for the construction of Hainan Free Trade Port in 2020 proposed that "by 2025, the development goal of Hainan Free Trade Port is to establish a preliminary policy and institutional system for free trade port with a focus on trade and investment freedom and convenience." It proposed that by 2035, the operation mode of free trade port should be more mature, and by 2050, it is necessary to build Hainan Free Trade Port into a high-level free trade port with strong international influence, which provides the basic direction and fundamental guidance for the construction of a service trade system for Hainan Free Trade Port [3]. In terms of taxation, Hainan Province adheres to the policy of zero tariffs, low interest rates, and simplified tax rates. Simplifying the tax system and strengthening tax supervision provide convenient conditions for the Hainan Free Trade Port to build an economic service trade system. Afterward, in 2022, Hainan released the "Action Plan for Further Optimizing the Business Environment of Hainan Free Trade Port (2022–2025)," establishing the first provincial-level business environment construction department in China, making the development of the economic service trade system of Hainan Free Trade Port more targeted and efficient, and providing policy support for the internationalization of Hainan Free Trade Port.

2.2. Resource advantages

As a free trade port with Chinese characteristics, Hainan has rich ecological and environmental resources, unique transportation hub advantages, and has created a group of service industries rich in Hainan's characteristics, such as tourism, health preservation, business services, etc., laying the foundation for making Hainan a world-renowned tourist destination and improving the quality of service trade. With the deepening of Hainan's economic service trade system, Hainan's service industry has a broader development space. From the perspective of the tourism industry, Hainan Province is the only province in China with tropical islands. It has unique ecological resources, beautiful scenery, comfortable and pleasant climate, moderate temperature, beaches, blue sea, blue sky, and many more. The construction of an economic service trade system will help promote the further development of Hainan's tourism industry, transform it to an international level, improve its international reputation, and become an international tourist destination [4].

From the perspective of the health preservation industry, Hainan has a high-quality climate environment and convenient transportation. It is located in the geographical center of East Asia and Southeast Asia and is a hub connecting inland areas with Hong Kong, Macao, and Taiwan. It connects with ASEAN and international routes directly reach multiple cities overseas, which helps "migratory birds" elderly people to take care of themselves. In addition to traditional projects such as hot springs and massage, Hainan also innovates health preservation projects and increases investment in elderly care services, which helps to develop service trade and attract international populations. From the perspective of business services, the development of Hainan's tourism industry has brought abundant exhibitions and business activities. Multiple modern exhibition centers have been built to provide conference and exhibition services with international standards. Additionally, in recent years, Hainan has continuously strengthened its financial services industry, attracted foreign investment, and kept pace with the times, which is conducive to the development of Hainan's service trade [5].

3. Challenges in the construction of the economic service trade system under the background of the Hainan Free Trade Port

3.1. The degree of digitization needs to be enhanced

The digitalization level of the Hainan Free Trade Port has great potential for improvement compared to cities such as Beijing, Shanghai, and Guangzhou. Hainan's digital economy enterprises are mainly small and medium-sized, limited by factors such as policies, management, and talent, lacking strong technical support. In contrast, foreign digital economy innovation enterprises have large enterprises, relying on strong advantages in funding, technology, and talent, with richer customer resources, more sufficient capital investment, more advanced scientific and technological research and development, and more convenient technological innovation. Compared to developed countries and regions, Hainan's digital economy enterprises have weak international competitiveness and brand influence, which poses difficulties and to some extent restricts the development of Hainan's economic service trade system [6].

3.2. The level of innovation needs to be enhanced

With the accelerated construction of the Hainan Free Trade Port, the Hainan economic service trade industry is facing both opportunities and new challenges. Innovative development is a key factor affecting the economic service trade industry. Currently, the Hainan Free Trade Port has some drawbacks in terms of innovation. Firstly, there is insufficient investment in innovation. In the entire Hainan Free Trade Port, investment in service trade accounts for a relatively low proportion of the entire economy. Secondly, the innovation efficiency is not high, and the innovation threshold for the service trade industry is not high, but it will emphasize more on scientificity and creativity. At the moment, some service trade enterprises pursue quantity while neglecting quality, and innovation efficiency needs to be improved. Thirdly, there is a need to enrich the innovation entities. The innovation entities of Hainan Free Trade Port are mainly enterprises, while other entities such as the government and scientific research institutions play a weak role in innovation, resulting in a single innovation entity and low innovation capacity in Hainan's service trade industry [7].

3.3. The talent team needs to be strengthened

The key factor in building an economic service trade system under the background of the Hainan Free Trade Port is the talent in the service industry. At present, Hainan Free Trade Port lacks competitiveness in talent cultivation, treatment, and career development compared to developed regions and countries, which affects the speed and quality of the development of Hainan's service trade industry. Firstly, the training of service trade talents needs to be strengthened. Hainan currently lacks high-level service talents in the fields of finance and commerce. In terms of high-level service trade talents, the speed of talent cultivation in the Hainan Free Trade Port lags behind the development speed of Hainan's service industry [8]. Secondly, there is a serious loss of talent in service trade, and the Hainan Free Trade Port has a disadvantage in talent competition. Some excellent service trade talents have shifted to other cities due to factors such as salary and support services [9].

4. Path measures for the construction of an economic service trade system under the background of the Hainan Free Trade Port

4.1. Strengthen the construction of digital facilities and enhance China's international discourse power in the field of digital economy

The Overall Plan for the Construction of the Hainan Free Trade Port proposes to "build a digital economy with data as the key element in Hainan, promote the integration and development of the real economy and digital

economy," emphasizing the importance of forming a digital industry with international competitiveness in Hainan Free Trade Port. On the one hand, it encourages the development of economic industries related to digital technology in Hainan, such as online healthcare, online offices, and enterprise digital governance. On the other hand, it aims to digitize and upgrade local service trade enterprises in the Hainan Free Trade Port, rely on digital technology, innovate production organization methods and production efficiency, and solidify the foundation of Hainan's digital economy development. The prerequisite for the innovative development of the digital economy in the Hainan Free Trade Port is to improve the construction of digital facilities. The integration of digital technology into the service trade industry helps to innovate the form of service trade, improve the tradability of services, and promote the further development of digital content and economic service trade [10]. In this regard, the Hainan Free Trade Port needs to take corresponding measures.

Firstly, the speed and penetration rate of broadband networks to a certain extent determine the breadth and depth of Hainan's digital economy development and innovative forms of service trade. Therefore, Hainan Free Trade Port needs to strengthen the construction of broadband networks and other infrastructure, increase the penetration rate, improve network speed, upgrade network facilities, and increase investment in network facilities. Secondly, strengthen the construction of 5G networks, data centers, and commercial promotion, to seize the commanding heights of global scientific and technological innovation, accelerate the transformation and upgrading of Hainan's economic service trade system, and achieve the innovation goal of "Internet plus services." Thirdly, lower the entry threshold for the digital infrastructure industry. State-owned enterprises taking the lead, setting preferential policies to mobilize the power of private capital, and leveraging the advantages of private enterprises in introducing, researching, and developing technology. Fourthly, increase capital investment, support scientific research institutions and enterprises to innovate the service trade system, get rid of dependence on foreign digital technology, improve China's voice in the field of digital economy, give play to the advantages of the Internet and big data, promote the sustainable development of the economic service trade system, and implement the goal of building the economic service trade system [11].

4.2. Cultivate professional talents in service trade and provide talent support for the Hainan Free Trade Port

Talent resources are a key force in the construction of the economic service trade system under the background of the Hainan Free Trade Port. In this regard, Hainan Free Trade Port should accelerate its efforts in cultivating and introducing talents, solving the problems of talent shortcomings, and creating a high-quality service trade environment. Only with a good environment can it attract talent and promote the development of the economic service trade system. In this regard, the Hainan Free Trade Port can accelerate the exploration of mechanisms to attract domestic and foreign service trade talents, build talent communities, and build an international talent exchange and cooperation center [12].

Firstly, Hainan Free Trade Port should improve its talent service mechanism, create a favorable talent ecosystem for the service trade industry, and improve its online and investment attraction websites and other service platforms to timely release information on Hainan's talent policies, entrepreneurship, and employment resources. Offline, promote efficient processing methods such as "one-stop" services, and extend talent service platforms to key parks and enterprises. Secondly, build an international talent exchange and cooperation platform, relying on first-class platforms, gather first-class talents, make good use of excellent platform resources such as the Boao Forum for Asia and the Sanya International Mathematical Forum, recommend talents for external exchange and cooperation, and introduce high-level talents. With preferential policies and treatment conditions, attract outstanding talents to the service trade system, create a high-end talent community

in the Hainan Free Trade Port, and establish service channels in areas such as housing, medical insurance, and children's enrollment. Thirdly, establish a talent joint training mechanism, with universities, enterprises, research institutes, and other institutions working together to cultivate professional talents, combining learning and application, and delivering talents that meet industry needs for the development of Hainan Free Trade Port's economic service trade system [13].

4.3. Promote institutional innovation and create a new highland for service trade

The construction of the economic service trade system under the background of the Hainan Free Trade Port requires promoting the integration and innovation of relevant systems, strengthening top-level design and construction, and playing the role of institutional guarantees. Hainan Free Trade Port can focus on the freedom of service trade, combine with the overall plan of Hainan Free Trade Port, establish supporting institutional mechanisms, and mutually adapt and promote the process of economic and service trade opening. Hainan Free Trade Port can combine different models of economic service trade to promote institutional innovation [14]. Specifically, if the type of economic service trade is the cross-border delivery mode, Hainan Free Trade Port can explore new open field models and increase coverage in the telecommunications and digital fields. If the type of economic service trade is overseas consumption mode, Hainan Free Trade Port can explore new industrial chains and jointly build a duty-free shopping industry with other cities, gradually improving the quality and efficiency of Hainan's duty-free shopping market.

Simultaneously, the governments at all levels of Hainan Free Trade Port need to change their thinking, adapt to new roles, shift towards a service-oriented government, promote streamlining administration and delegating power, simplify complex procedures, eliminate cumbersome procedures, optimize the environment of the service trade industry, and improve the activity of the service trade industry. Simplifying administration and delegating power does not mean reducing responsibilities, but rather implementing them on individuals. The government implements lenient and strict management of the economic service trade industry, innovates regulatory methods, and combines improving the system of the service trade industry with promoting the development of service trade liberalization to ensure fair and just law enforcement. The government needs to keep up with the times, utilize digital technology and platforms, improve the efficiency of public services, and practice the people-centered service concept [15].

5. Conclusion

In summary, under the background of the Hainan Free Trade Port, the construction of the economic service trade system faces opportunities, policy support, and resource advantages, but also challenges. The level of digitalization needs to be enhanced, the talent team needs to be enriched, and the level of innovation needs to be improved. It is hoped that by strengthening the construction of digital facilities, China can enhance its international discourse power in the field of digital economy. Professional talents should be cultivated in the service trade and provide talent support for the Hainan Free Trade Port. Institutional innovation should be promoted and create a new highland for service trade. Measures such as strengthening regulatory systems and promoting the stable operation of service trade can enable Hainan Free Trade Port to seize opportunities, solve difficulties, promote sustainable development of Hainan's economic service trade system, enhance China's influence in the international arena, enhance China's competitiveness in international competition, and play a demonstrative role in the development of other regions.

Disclosure statement

The author declares no conflict of interest.

References

- [1] Wen R, 2023, Key Issues and Promoting Strategies for the Development of Modern Service Industry in Hainan Free Trade Port. Journal of Tianjin Urban Construction University, 29(05): 348–353.
- [2] Bai S, 2023, With Both Quantity and Quality Improving, Hainan Free Trade Port's Service Trade is Surging Forward. International Business Daily, published August 29, 2023.
- [3] Wang R, 2022, Research on the Legal Protection System for the Construction of Hainan Free Trade Port, thesis, Nanjing University of Finance and Economics.
- [4] Zhou N, Yu M, Hu Y, 2022, Research on Institutional Innovation of Hainan Free Trade Port under the Pressure of "Promise Mode Shifting from Positive to Negative" in Service Trade Opening. Nanhai Academic Journal, 8(02): 1–9.
- [5] Wen K, 2021, Research on Legal Issues Concerning the Development of Medical Service Trade in Hainan Free Trade Port, thesis, Gansu University of Political Science and Law.
- [6] Hu Y, 2021, Research on the Factors Influencing the Development of Service Trade in Hainan Free Trade Port, thesis, Beijing University of Posts and Telecommunications.
- [7] Li J, 2021, Research on the Factors Influencing the Competitiveness of Tourism Service Trade in Hainan Province under the Background of Free Trade Port Construction, thesis, International Trade and Economic Cooperation Research Institute of the Ministry of Commerce.
- [8] Song L, Weng G, 2021, The Development Trends of Digital Service Trade Rules and China's Corresponding Strategies: From the Perspective of Hainan Free Trade Port. Journal of Shanghai University of Political Science and Law (Legal Series), 36(02): 46–56.
- [9] He L, 2021, Legal Exploration of International Trade in the Construction of Hainan Free Trade Port in China. International Business Research, 42(02): 3–14.
- [10] Chen X, 2020, Reflections and Suggestions on Building a New Highland of Service Trade under the Background of Hainan Free Trade Port Construction. China Economic and Trade Journal, 2020(17): 20–23.
- [11] Yu S, An Y, Wang C, 2023, Innovation in Service Trade and High Quality Economic Development of Hainan Free Trade Port. Nanhai Journal, 9(5): 24–34.
- [12] Huang L, He X, 2023, Research on the Open Rules of Cross border Service Trade in Hainan Free Trade Port. Customs and Economic and Trade Research, 44(1): 1–13.
- [13] Liu Y, 2023, Analysis of the Service Trade Rules of Hainan Free Trade Port in the Digital Era. Industrial Innovation Research, 2023(23): 54–56.
- [14] Chi F, 2024, Strategic Objectives and Role of Hainan Free Trade Port: Development of Hainan in the Context of Major National Strategies. China Economic Report, 2024(1): 139–152.
- [15] Han J, 2022, Exploration of the Construction of Economic Service Trade System under the Background of Hainan Free Trade Port. National Circulation Economy, 2022(2): 109–111.

Publisher's note

Bio-Byword Scientific Publishing remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.