

# Research on the Three Integration Mechanism of Regional Finance, Technology and Industry in Foshan

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**Abstract:** The transformation of economic development mode needs to be realized through the adjustment and upgrading of industrial structure. It is necessary for the government to guide the allocation of social resources among and within industries through relevant policies, so as to make up for the defects of the market. In recent years, according to the guiding ideology of the central and provincial governments, Foshan municipal government has put forward new ways and paths to explore the integrated development of the financial technology industry. Based on this, this paper studies the three integration mechanism of regional finance, technology and industry in Foshan.

## 1. Introduction

In recent years, Foshan has clearly proposed to explore a new development path of the integration of “finance, technology and industry”. Based on Foshan’s resource endowments and comparative advantages, through the guidance of the government and the participation of market players, gather social capital to build a capital platform, use high-tech means to provide technical support for industrial development, and strive to stimulate the important role of financial capital and scientific and technological innovation in the process of industrial transformation and upgrading, so as to form a benign development of regional finance, science and technology and industry. However, as the current practice is still in the initial stage of exploration, its development mode is mainly manifested in the way of government led and financial intervention, the development force is mainly driven by investment and factors driven by government behavior, and the transformation of scientific and technological innovation achievements and capital investment in industrialization are driven by the government’s industrial planning and financial investment. This approach is effective in the initial stage of the integration and development of the three elements, but it may ignore the development needs of finance itself and the coordinated development needs of financial capital, scientific and technological innovation and industrial economy. With the implementation of the strategy of building Foshan into a national innovative city and the deepening of the reform of the market-oriented economic system, financial capital, as a key element to guide and support innovation, will gradually play a prominent role in the process of scientific and technological innovation and industrial upgrading and become the main driving force of the market.

## 2. Analysis on the Three Integration Mechanism of Finance, Technology and Industry

In modern society, industry is an important economic support, while finance and technology are the most active factors in productivity. There is a mutually beneficial relationship among finance, technology and industry. A sound financial environment and a developed capital market are the basis and guarantee for promoting the development of technological innovation and improving the scientific and technological innovation ability of enterprises. They are also an important support for the transformation and upgrading of high-tech industries and national industries. At the same time, the vigorous development of science and technology will drive the optimization and development of the financial system and even the reform and development of the whole society, and accelerate the modernization process of the financial industry. The transformation and upgrading of traditional industries and the growth of emerging industries, in turn, drive the optimization of the financial industry and promote the development of science and technology to a higher level.

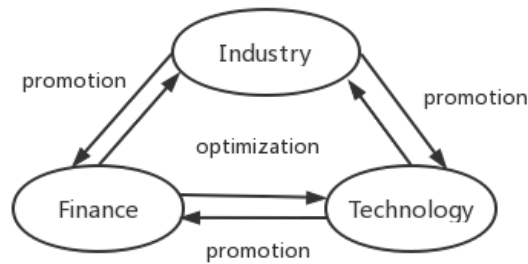


Figure 1 Relationship among finance, technology and Industry.

### 2.1. Scientific and Technological Innovation Promotes Financial Optimization

Modern scientific and technological innovation is represented by the rapid upgrading of electronic information technology, which greatly improves the operational efficiency of the financial system. In particular, the development of Internet finance has accelerated the innovation of financial coverage and financial products all over the world, and changed the way of providing financial services, including the innovation of the organizational form of financial institutions, the innovation of financial data aggregation, the innovation of financial instruments, the innovation of financial service methods, and so on.

### 2.2. Financial Development Supports Scientific and Technological Progress

Scientific and technological innovation has the characteristics of high investment, high return and high risk. Enterprises need large-scale capital investment to carry out innovation activities and must be supported by a large number of financial resources. In modern times, scientific and technological progress increasingly depends on the support of a sound financial system. The efficiency of financial institutions' allocation of resources determines the path and effect of scientific and technological innovation. Under ideal conditions, a large number of financial resources can be gathered and invested in the process of scientific and technological innovation of enterprises, so that the achievements of scientific and technological progress can be transformed into social productivity, so as to promote industrial transformation and upgrading and economic and social development.

### 2.3. Finance Promotes the Upgrading of Industrial Structure

Under the condition that the market economy plays its role, commercial finance automatically adjusts the flow of funds to industries with good prospects, high returns and great interests. For the areas where the market cannot play a role, the government needs to adjust the money supply and allocation, adjust the total amount and investment direction of financial funds, force the old industries to be eliminated, promote the development of emerging industries, and promote industrial transformation and upgrading through policy financial instruments or fiscal adjustment means.

## 3. Measures for the Integrated Development of Finance, Technology and Industry in Foshan

At present, Foshan's industrial development must rely more on "soft power" such as financial capital and scientific and technological innovation. Only by giving full play to the powerful power of financial innovation and scientific and technological innovation, which are two economic engines, and developing in an integrated way with the industry, can Foshan effectively increase the scientific and technological content of enterprises, enhance the competitiveness of enterprises, and promote the development of Foshan into a healthy track of innovation driven and endogenous growth.

### 3.1. Improving Industrial Scientific and Technological Innovation Capability through "Internal Promotion" and "External Connection"

In terms of promoting the "internal promotion" of scientific and technological enterprises, we should give full play to the main role of scientific and technological enterprises in scientific and

technological innovation and increase investment in scientific and technological innovation. On the one hand, we will promote technological innovation in traditional industries by improving industry access, energy conservation and emission reduction, environmental protection and other forced mechanisms. On the other hand, through the government's fiscal and tax incentives, the government has invested tens of billions of innovative funds to drive the investment of enterprises and society, and carefully cultivated 100 local innovative enterprises with strong comprehensive strength.

In terms of "external connection", on the one hand, Foshan should further strengthen the construction of public innovation platforms, build ten innovation platforms such as the Industrial Technology Research Institute of the Chinese Academy of Sciences in Foshan, build ten innovation parks such as the smart Valley in southern China, select strategic emerging industries and advantageous traditional industries, and jointly build ten industrial technology innovation strategic alliances with universities and scientific research institutes. On the other hand, ten fields were selected to carry out global project bidding, focusing on breaking through a number of key common technologies for industrial development, and building a first-class innovation service system to provide better services for innovation of science and technology enterprises.

### **3.2. Innovating Financial Capital Industry Support Measures**

Strengthen fund performance management. First, introduce equity investment under the current special fund management mode, set up seed funds and angel funds, and help enterprises and R & D institutions in scientific and technological R & D innovation and venture capital. Second, separate the management of free funds and equity investment funds. Establish an equity investment management company to maintain its operation with management fees and investment income. The third is to formulate a low profit exit mechanism for equity investment, so as to encourage investment partners of enterprises and realize the reuse of financial funds. Fourth, improve the financial working mechanism and strengthen the platform construction and management. Focus on exploring the docking platform for the combination of excellent projects and local resources, accelerate the development of entrepreneurship and venture capital incubators, and promote the growth of small and medium-sized high-tech enterprises.

### **3.3. Vigorously Developing Headquarters Finance**

Learn from the successful experience of the national comprehensive financial reform, explore the introduction of foreign top investment banking institutions as strategic investors, attract private capital into the financial industry, introduce mixed ownership, strive to build a local financial holding group company with strong capital strength, and enhance the comprehensive financial service capability of Foshan manufacturing industry chain and manufacturing industry going global. At the same time, we should continue to support local legal person financial institutions to optimize and improve quality, and vigorously introduce new financial institution headquarters, regional headquarters and functional headquarters to Foshan. In addition, it is necessary to accelerate the establishment of private banks, constantly enrich and improve banking, securities, insurance and other financial formats, build an all-round and complementary financial organization system, enhance the cohesion and radiation of Foshan finance in South China and even the whole country, and achieve greater and stronger Foshan finance.

### **3.4. Promoting the Coupled Development of "Internet + Finance + Technology + Industry"**

#### **3.4.1. Building an Internet Finance Cluster**

With the development of information technology and the application of big data, the Internet makes it possible for horizontal cross-border integration between industrial chains in terms of business models and service models. Foshan should realize the efficient allocation of resources through "Internet +" and promote the coupled development of "Internet + Finance + technology + industry". Accelerate the construction of Guangdong "Internet +" maker finance demonstration zone, take "Internet + finance" as the key investment attraction of Guangdong financial high-tech service zone, increase investment attraction, strengthen policy support, and focus on introducing

Internet Finance platforms such as supply chain finance, e-commerce finance, online lending, online credit investigation, third-party payment, and equity crowdfunding. In combination with the existing foundation and advantages of Guangdong financial high tech service zone, we will accelerate the gathering of Internet financial talents, technology, information and other elements, and encourage and guide financial talents to start businesses and innovate.

### **3.4.2. Developing Innovation and Entrepreneurship Carriers**

Foshan should focus on supporting innovation and entrepreneurship platforms such as incubation platforms for innovation and entrepreneurship projects, and build entrepreneurship platforms such as grassroots enclosure, angel exchange and minimally invasive valley. At the same time, Foshan should also actively introduce various traditional and innovative financial institutions such as banks, venture capital and financial leasing, as well as various intermediary institutions such as accounting firms, asset appraisal companies, agency services and entrepreneurial services, so as to realize the combination of science and technology and finance, innovation and entrepreneurship, investment and incubation, and provide a convenient, low-cost and all factor comprehensive service platform for science and technology enterprises and innovative enterprises.

### **3.4.3. Encouraging Internet Enterprises to Build Financial Platforms and Develop Financial Products**

Foshan should support Internet enterprises to establish Internet Payment institutions, online lending platforms, equity crowdfunding financing platforms and online financial product sales platforms in accordance with the law. At the same time, e-commerce (cross-border) enterprises should also be encouraged to build and improve their online financial service system, meet the investment and financing needs of small, medium-sized and micro enterprises and individuals, and further expand the breadth and depth of Internet financial services. In addition, Foshan will also rely on Internet technology and use cloud computing, mobile Internet, big data and other technical means to carry out online banking, online securities, online insurance, online fund sales and online consumer finance, accelerate the innovation of financial products and services, and provide convenient financial services such as deposit and loan, payment and settlement, and credit intermediary platforms in a wider area.

## **4. Conclusion**

The integrated development of financial science and technology industry is a huge systematic project. It is difficult to solve the problems in all links only by relying on a certain government department. It requires the coordination of policies and measures such as finance, taxation, science and technology, finance, etc. Therefore, it is necessary to discuss how the government should do a good job in top-level design, strengthen the coordination between various policies and means, form a complete, integrated and large-scale system, and achieve the effect of “1+1+1>3”. China is a country with unbalanced economic, financial, technological and industrial development, especially for Foshan, a second - and third tier city. Different development stages require different levels of support and the degree of mutual support. Therefore, it is necessary to further study the interaction between the three in the process of practice, and design a practical integration mechanism for the three at different stages of development.

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