

# Supporting Policy of Breeding Unicorn Enterprises in Xi'an

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**Abstract:** As a product of the era of innovation and globalization, unicorn enterprises are changing traditional industries with brand-new business models. Based on the basic concepts and development elements of unicorn enterprises, the development status of unicorn enterprises in Xi'an was firstly analyzed, and then the cultivation program and support policies of unicorn enterprises in Xi'an were studied in this paper. Taking the Development Center of Pioneer Park of Xi'an High-tech Zone as an example, the significance of national support policy to the development of unicorn enterprises was analyzed. Finally, some personal opinions were given to provide some theoretical references for the development of domestic unicorn enterprises.

## 1. Introduction

In recent years, with the continuous development of emerging technology industries, it is not difficult to find that hard science and technology can effectively create high-end supply, and then optimize China's economic structure. As a product of the era of innovation and globalization, unicorn has penetrated into e-commerce, internet finance, and transportation, which has extended to artificial intelligence, big data, cloud computing, network security, new media and other fields. As the starting city of Silk Road, Xi'an, with the advantages of scientific research institutes, universities and aerospace fields, ranks among the top ten of 100 cities in China in terms of hard science and technology strength, and stands out in the Midwest. Xi'an has become the cradle of unicorn enterprises. At present, Xi'an is in the stage of innovation-driven development. It is urgent to gather innovative resources such as technology, knowledge, capital and talent to form new momentum for development. It is necessary to explore new economy, new format and new supply mode, realize the transformation of government from land and policy providers to innovative entrepreneurship eco-builders, and provide enterprises with omnibearing, full-chain and total factor services, so as to comprehensively implement the overall cultivation plan with "Silk Road Unicorn Base" and "Unicorn Cultivation Workshop" as carriers.

## 2. Unicorn Enterprises

### 2.1. Platform enterprises

Table 1 Top ten unicorn platform enterprises in the world

Rank	Unicorn	Country	Valuation(\$)	% of Unicorn Total
#1	Uber	USA	\$68	9.1%
#2	Didi Chuxing	China	\$50	6.7%
#3	Xiaomi	China	\$46	6.2%
#4	Airbnb	USA	\$29.3	3.9%
#5	SpaceX	USA	\$21.2	2.8%
#6	Palantir Technologies	USA	\$20	2.7%
#7	WeWork	USA	\$20	2.7%
#8	Lu.com	China	\$18.5	2.5%
#9	China Internet Plus Holding	China	\$18	2.4%
#10	Pinterest	USA	\$12.3	1.7%
Top 10 Total			\$303.3	40.8%
All Other 204 Unicorns			\$440.70	59.2%

Under the current trend of enterprise ecology, unicorn enterprises have become an important part

of the enterprise ecological chain. Through self-incubation and strategic investment, platform-based enterprises can build a complete ecosystem [1]. For example, in the list released in 2016, there were 14 unicorn companies in Alibaba, such as DiDi, Meituan Dianping, 36Kr, with a total value of more than \$190 billion [2].

## 2.2. Current situation of unicorn enterprises in Xi'an

"Hard Science and Technology City Development Index" was released at the Shaanxi Internet Conference on September 17, 2017. In the report, the "hard science and technology" level of more than 100 large and medium-sized cities in China was evaluated taking GDP, scientific research capacity, the number of academicians and the number of innovative enterprises as evaluation indicators. With the number of scientific research institutes, the number of universities and the advantages of aerospace, Xi'an entered the 7th place on the list [3]. As the starting point of Silk Road, Xi'an ranked in the top ten of 100 cities in China with its hard science and technology strength, and stood out in the Midwest.

## 3. Supporting Policy of Unicorn Enterprises in Xi'an

### 3.1. Cultivation program of unicorn enterprise in Xi'an

On November 10, 2018, one of the important activities of the 2018 Global Hard Science and Technology Innovation and "the Belt and Road" Innovation Cooperation Conference, 2018 Unicorn Ecological Summit was held in Xi'an. At the summit, Xi'an Science and Technology Bureau issued the "Cultivation Program of Unicorn Enterprise in Xi'an", which proposes that by 2021, the city will strive to cultivate more than 10 unicorn enterprises, more than 30 unicorn growth enterprises and more than 100 unicorn seed enterprises. We should cultivate and introduce more unicorns to take root and sprout, support the development of hard science and technology industry, and help build a national central city in Xi'an [4]. The program consists of six parts, namely, the overall idea, development goals, identification conditions, main tasks and measures, organizational security and other matters. The standards for unicorn enterprises, unicorn growth enterprises and unicorn seed enterprises are estimated at more than 1 billion US dollars, 1 billion RMB and 500 million RMB respectively, and the establishment time is not more than 10 years. Moreover, they have received private investment and have not yet been listed. The target of the plan is to cultivate more than 10 unicorn enterprises, 30 unicorn growth enterprises and more than 100 unicorn seed enterprises by 2021 [5].

Table 2 Decomposition Table of cultivation objectives of unicorn enterprises

No.	Area	Unicorn	Unicorn Growth Enterprise	Unicorn Seed Enterprise
1	Xincheng District	-	1	4
2	Beilin District	-	1	4
3	Lianhu District	-	1	4
4	Baqiao District	-	1	4
5	Weiyang District	-	1	4
6	Yanta District	-	1	4
7	yanliang district	-	1	4
8	Lintong District	-	1	4
9	Changan District	-	1	4
10	Gaoling District	-	1	4
11	Huyi District	-	1	2
12	Lantian County	-	-	2
13	Zhouzhi County	-	-	2
14	Xixian New City	1	3	7
15	High-tech Zone	5	10	20
16	Economic Development Zone	2	3	10
17	Qujiang New City	1	1	5
18	Aviation Base	-	1	6
19	Space Base	1	1	6
20	Chanba Ecological Zone	-	-	3
21	International Port Area	-	-	2
Total		10	30	105

### 3.2. Major support policies

The cultivation and introduction of a number of unicorn enterprises: The unicorn enterprises, the unicorn growth enterprises and the unicorn seed enterprises identified as warehousing enterprises shall be given one-time awards of 1 million yuan, 2 million yuan and 10 million yuan respectively, and the imported unicorn enterprises shall be included in the headquarters economic support category [6].

Increasing support for key core technologies: Major technological independent R&D projects of unicorn enterprises, or projects of transforming technological achievements of universities, or purchasing projects of overseas R&D institutions, shall be awarded up to 3 million yuan according to project investment.

Strengthening the support for the construction of high-level innovation platforms: The state-level major innovation platform, municipal key laboratories and new research and development institutions with independent legal person built by the unicorn enterprises are given one-time support of 5 million yuan, up to 2 million yuan and up to 3 million yuan respectively.

Trial support for new product promotion: It is recommended that products and services with intellectual property rights independently developed by the unicorn enterprise should be listed in the list of government bidding and procurement for key projects [7]. Unicorn entrepreneurs with sales revenue of more than 50 million yuan in the previous year will be supported by up to 3 million yuan according to 2% of the new sales revenue.

Increasing financial support for science and technology: The institutions investing in unicorn seed enterprises shall be supported by policies such as tax deduction of taxable income and risk compensation for investment losses. For venture capital and angel investment institutions that have invested in unicorn seed enterprises for two years, the taxable income shall be deducted by 70% of the investment amount. In addition, the maximum risk compensation of investment loss shall be given by 30%. We will open up a green channel for scientific and technological financial loans of unicorn business and increase the risk compensation of unicorn business loans.

The improving construction of hatching chain: We will give rewards and support to the creation space, incubator, accelerator and unicorn zone of cultivating unicorns according to 300,000 yuan per new unicorn growth enterprise or 100,000 yuan per seed enterprise. Unicorn entrepreneurs are encouraged to attend exhibitions at home and abroad. 50% of the booth fees and up to 500,000 yuan a year are subsidized [8]. Enterprises are supported to organize various high-end forums around technological innovation and market expansion with the subsidy of up to 500,000 yuan in subsidies according to 50% of the direct funds for the activities.

Enhancing the support of talents: In addition to the support of the 23 policies of the New Deal for Talents for the high-end talents of unicorn, for the unicorns that come to Xi'an for a second venture, individuals who establish seed enterprises, growth enterprises and unicorn enterprises identified as warehouses shall be rewarded and supported by 200,000 yuan, 500,000 yuan and 1,000,000 yuan at one time, respectively.

Intellectual property protection should be strengthened to support the improvement of intellectual property ability of the unicorn enterprise family. For enterprises with the establishment of high-value patent cultivation centers and strong intellectual property rights, the best will be awarded with up to 1 million yuan [9].

Providing precise service: The system of leading and special service shift in districts and counties (development zones) is carried out. In the process of enterprise development, we should provide precise point-to-point services in technology R&D investment, investment and financing, industrial (commercial) land use, talent introduction, market development, enterprise listing, merger and reorganization, and open up a green channel. In addition, we should establish the evaluation and dynamic renewal mechanism of unicorn cultivation, and incorporate the unicorn cultivation plan into the city's target assessment.

## **4. Case Analysis**

### **4.1. Accelerator for national science and technology enterprises in Xi'an high-tech zone**

Taking the Development Center of Pioneer Park of Xi'an High-tech Zone as an example, the significance of the national support policy to the development of Unicorn enterprises is analyzed in this paper. The Development Center of Pioneer Park of Xi'an Hi-tech Zone was established in 1993, which directly belongs to the Management Committee of Xi'an High-tech Industrial Development Zone, is a specialized organization that integrates business incubation, industry cultivation and park construction. In November 2013, the Pioneer Park was identified by the Torch Center of the Ministry of Science and Technology as the "nursery - incubator - accelerator" demonstration unit for the construction of science and technology entrepreneurship incubation chain. The accelerator of national science and technology enterprises in Xi'an Hi-tech Zone was licensed by the Ministry of Science and Technology in 2009, which was developed and constructed by the Development Center of Pioneer Park of Xi'an Hi-tech Industrial Development Zone in the western section of Qinling Avenue. It is positioned as a strategic emerging industry, electronic information and industry within the leading industry of the Hi-tech Zone [10]. With the support of the state and government policies, a new type of eco-industrial zone has been formed, which is characterized by enterprise aggregation and perfect industrial chain. The diversified resource platforms provide a power engine for the rapid development of enterprises, and promote the rapid development of enterprises. As a platform for gathering scientific and technological forces, more than 100 enterprises are currently stationed and 13 listed enterprises are listed. In order to gather scientific and technological strength and integrate scientific and technological resources, a platform for gathering five advantages has been created. The 900 mu/500,000 square meters of industrial plant was started. Bank mortgages can be made for integrity of property rights/full qualifications/purchases. Enterprises entering the zone enjoy the support policies of enterprises in High-tech Zone. Over 100 enterprises are registered/13 listed/6 going to be listed. GMP/Military projects and qualifications required by enterprises for listing are supported. In addition, supporting facilities, including staff apartments, multi-functional conference halls, expert apartments, restaurants, supermarkets, fast hotels, logistics companies, a number of research institutes and universities, have been perfected to provide adequate technical support and talent reserves for enterprises stationed for a long time.

### **4.2. Development trend**

In order to cultivate the important growth point of social economy, surpass the new momentum of development, cultivate a better entrepreneurship ecology, and give play to the innovation and leading role of "unicorn" enterprises, Xi'an began to collect the first batch of "unicorn" cultivation enterprises in 2018. This "unicorn" cultivation enterprise refers to the non-listed enterprise with independent legal person registered and established in Xi'an for a relatively short time, able to integrate multiple resources, able to provide personalized, differentiated services and products, and with a clear profit model. According to the different stages of development, it can be divided into seed enterprises and growth enterprises. Seed enterprises refer to newly established enterprises within five years, which have received angel investment or a round of financing, with a market valuation of 500 million yuan and an average annual growth of business income of more than 20%. Growing enterprises refer to innovative enterprises with a market valuation of more than 1 billion yuan, venture capital or private equity investment, and no listing, strong innovation, rapid growth and a certain scale.

This solicitation industry is mainly in the field of hard science and technology "Eighth Route Army". It faces but is not limited to the following areas: e-commerce, Internet finance, Internet education, big health, traffic travel, big data, tourism, enterprise services, artificial intelligence, software applications, social networking, network security, cultural entertainment, logistics, new media, cloud services, intelligent hardware and other fields.

For declared enterprises, the Municipal Bureau of Science and Technology will, in accordance with relevant standards, review and investigate the declared materials of enterprises in conjunction

with relevant departments, and determine the list of the first batch of key cultivating enterprises. For the first batch of "unicorn" enterprises listed in the key cultivation, the Municipal Science and Technology Bureau will work with relevant municipal departments to formulate special policies, concentrate funds, elements, talents and other innovative resources to give key support, and promote the gradual growth of enterprises as "unicorn" enterprises.

## 5. Conclusions

In the new round of development, the government should not only focus on the development of large enterprises, but also on small enterprises that can grow explosively. According to the growth characteristics of unicorn enterprises, the "Guidelines for the Cultivation of High-Growth Enterprises" should be formulated at the provincial level. On the basis of the clear definition of high-growth enterprises, the classification criteria are defined. A set of government support mechanisms for enterprise selection, approval and support should be established. In addition, a set of positive support policies should be adopted for different types of enterprises in land use, financing, taxation, technology, talent recruitment and other aspects.

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