Research on Industrial Structure Optimization by the Promotion of Producer Service Industries in Wuhan

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Abstract: The producer service industries push forward the optimization of the industrial structure, mainly in order to promote the rationalization and upgrading of the industrial structure. At present, there are some problems in the development of producer service industries in Wuhan, which, to some extent, hinders the process of optimization and upgrading the industrial structure. Therefore, it is necessary to formulate corresponding countermeasures to speed up the development of producer service industries.

1. Introduction

The producer services refer to services that can be used for goods and services rather than services for final consumption. The producer service industries are the industries in that producers receive services in the market specifically for production and business activities. According to the classification of the national economic sectors and the characteristics of the manufacturing sectors, the producer service industries closely related to manufacturing include transportation, warehousing and postal services, information transmission, computer services and software, finance, real estate, scientific research, technical services, geological prospecting, leasing and business services and so forth. The development of the producer service industries is the result of the further deepening of the whole social division of labor. It is mainly dependent on the development of the manufacturing industries, which run through the various links of the manufacturing industries, and plays an important role in the service of the enterprises before, during and after the production. At the same time, the producer service industries are pushing the development of new technology and new products. It can play a guiding role in the technological transformation and product innovation of manufacturing industries. From the perspective of industrial development, producer service industries have already taken an important position in the process of industrial structure optimization.

2. Interaction between Producer Service Industries and Manufacturing Industries

First of all, producer service industries promote the development of manufacturing industries, while manufacturing industries play a stimulating role in producer services. On the one hand, with the continuous adjustment of the industrial structure, the producer service industries run through the whole process of production. As a vector of new technology and knowledge, the producer service
industries put human capital and knowledge capital into the manufacturing industries to reduce the cost of intermediate service required by the manufacturing industries, improve the competitiveness of the related products of manufacturing enterprises and guide the manufacturing sector to carry out technological innovation and upgrade the specialization level of manufacturing industries, which have promoted and guaranteed the development of manufacturing industries. Therefore, accelerating the development of the producer service industries can not only provide high level investment for the manufacturing industries, but also boost the transformation of scientific and technological achievements into realistic productivity, speed up industrial technology upgrading and product innovation to realize the industrialization by information technology. On the other hand, with the advancement of industrialization and the deepening of specialization among the manufacturing industries, the manufacturing production has become the development process of a series of service markets, such as product R & D, warehousing and logistics, modern insurance, accounting and legal services, every step of which is accompanied by the demand for producer services. As the intermediate input element, producer services are integrated into the manufacturing industries, creating a demand space for the development of the producer service industries. The development of manufacturing industries, the enhancement of the competitiveness of the manufacturing industries and the upgrading of the manufacturing industry structure will also require the support of the producer service industries such as design, planning and technology research and development. Manufacturing industry is the premise and foundation for the development of producer services, and it promotes the development of producer services.

Secondly, the development of producer service industries also has a full range of radiation capabilities. Producer services can influence the whole industry's value chain and realize the cross regional and cross industry development models.

Thirdly, from the micro perspective, the development of producer services can strengthen the sense of independent innovation and enhance the ability of independent innovation of enterprises. Now China faces not only the problem of lack of innovation ability and the low added value of the product, domestic resources shortage and environmental pollution, but also the constraints of foreign countries’ technical barriers. So improving the sense of independent innovation and independent innovation is of great significance for the realization of the strategy of building an innovative country. The development process of manufacturing, design, logistics and brand strategy have been widely integrated into the components of the producer service industry. The producer services will have a great impact on the innovation of each segment of the enterprises.

3. Problems

In Wuhan, the manufacturing industries have not provided an opportunity for the development of producer services. As a traditional industrial city, Wuhan has always been the main force to stimulate economic growth. However, the traditional industries account for a big share of the manufacturing industries, which have characteristics of high energy consumption, low value-added and low labor productivity. The proportion of R & D and production still needs to be promoted, that is, a considerable part of the manufacturing enterprises are engaged in the producing segment of "smile curve", which only represents a small part of the value of the industrial chain, and the intermediate demand for the producer service industries is not sufficient. The low end development of the manufacturing industry restricts the development of the producer service industries and the upgrading of the core competitiveness of the manufacturing industries themselves. The development of producer services is lagging behind and does not meet the needs of manufacturing industries. In recent years, the service industries in Wuhan have developed rapidly, but from the internal structure of the service industries, they are only the traditional low value-added service
industries. The producer service industries with high value-added and high technology content have
developed slowly, and the proportion of the service industries is still low. The development of the
producer service industries is lagging behind and the level of supply is low. It does not meet the
needs of the specialization of the manufacturing enterprises, keep up with the overall development
speed of the economy, and play a proper supporting role in the development of manufacturing
industry. The producer services and manufacturing industries in Wuhan are not highly correlated
with each other, and the benign interaction mechanism has not been formed yet.

According to some industrial policies, the market access threshold of some industries (financial,
technical services, etc.) in the producer service industries is so high that it leads to the low degree of
market-orient of the producer services. It is difficult for the vast majority of potential investors to
enter the industry, especially the private capital and foreign capital, which weakens the basic role of
the competition mechanism in the development of industrial development. The result of the low
market level is the lack of innovation ability in the development of the producer service industries,
the low efficiency of the service and the quality of service provided, and the higher price level of
the service compared with the international market. The characteristics of market supply and
demand and the cost and benefit of the enterprises do not truly reflect the market. It also leads to the
non-standard market competition, increases the market transaction cost, restrains and weakens the
development level of the producer service industries.

4. Countermeasures

Firstly, the government should provide support for the development of producer services by
taking innovative institutional arrangements. It is important to improve the policy system of the
producer service industries including fiscal and tax policy, financial policy, land policy, energy
supply policy, price policy and human resource policy, which help producer services lead the
leverage mechanism to support the weak links, key and emerging areas of producer service
industries in Wuhan.

Secondly, we should promote the interaction between producer services and manufacturing.
Based on the characteristics of the manufacturing industry and the development of the producer
service industry, manufacturing industry can drive the development of producer service industries
and create a "manufacturing service platform" based on manufacturing. Manufacturing service
platform means a mechanism to make use of the advantages of the existing manufacturing industry
cluster, to form a relatively independent specialized structure and a productive service platform by
integrating other service organizations for the internal service of the enterprises. This platform can
attract other producer service enterprises to gather around the platform, form a cluster of producer
service industries, which can greatly promote the development of producer services.

Thirdly, we must attach importance to training and introducing high-quality talents in the service
industries. With the development of the producer service industries, the relative shortage of
professional talents in service sectors highlights the problem of the shortage of human capital in
these sectors. Wuhan city has so many advantages of the abundant resources of the university
scientific research institutes and vocational schools that it can entrust these institutions and schools
to cultivate high-quality talents in the service industries to meet the needs of the market. We should
improve the corresponding incentive mechanism and retention system, and establish a reserve
mechanism for talent resources. It is crucial to encourage and attract domestic and abroad
professional talents, and attach more importance to introducing advanced technology and
experience from developed countries to enhance the management level of producer service industry
in Wuhan.
References