

Original Paper

Analysis on the Development of Business Invitation and Investment Attraction in Nansha Free Trade Zone—Taking the Pony.ai’s “Unicorn” Project as an Example

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Abstract

Nansha Free Trade Zone is one of the most representative and potential free trade zones in China. Since its establishment in 2015, with the unique geographical advantages of the geometric geographical center of the Greater Bay Area (GBA) and relying on the strategic development plan of “Three Areas Integration”, it had made continuous innovation and development in political, economic, cultural and other fields. The plan is constantly innovating and developing in various fields such as politics, economy, and culture. In the past two years, the development of the Nansha free trade zone had attracted cooperation and investment from many well-known enterprises. The municipal government had also invested in many key projects in Nansha. The Pony.ai’s “Unicorn” Project, as a project just started in recent years, had undoubtedly become a key project for business invitation and investment attraction in the Nansha Free Trade Zone in the near future. Taking the “unicorn” pony Zhixing project as an example, this paper analyzes the current situation and existing problems of business invitation and investment attraction in the Nansha Free Trade Zone and puts forward some suggestions.

Keywords

Nansha Free Trade Zone, Business invitation and investment attraction, Driverless car

1. Introduction

Business invitation and investment attraction refers to the activities of local governments to absorb investment through various means, promote local economic development, optimize the regional industrial structure, and promote personnel employment, to increase local financial revenue. As one of the main ways to promote regional construction, it had made great contributions to the regional economy and had become a common means for local governments to pursue economic prosperity. As a key development zone of Guangzhou, Nansha Free Trade Zone had listed business invitation and investment attraction as an important measure for regional development to accelerate its development

and achieved good results. At this stage, the analysis and summary of investment attraction projects will be of great significance for future development.

2. Brief Introduction of the Development of Nansha Free Trade Zone

The Political Bureau of the CPC Central Committee held a meeting on March 24, 2015, to consider and adopt the document “Opinions on Accelerating the Construction of Ecological Civilization”. So far, Guangzhou Nansha free trade zone had been established. On July 1, 2017, in order to promote the cooperation between Guangdong, Hong Kong, and Macao and build a more dynamic and innovative economic zone and bay area urban agglomeration, “the Framework Agreement on Deepening the Cooperation between Guangdong, Hong Kong, and Macao and Promoting the Construction of the Great Bay Area” was signed in Hong Kong, and the concept of “Guangdong, Hong Kong, and Macao Great Bay Area” was put forward for the first time.

According to the report on the website of Guangzhou Municipal Bureau of statistics and Guangzhou Municipal People’s government, the total GDP of Nansha Free Trade Zone in 2020 was 184.611 billion yuan, ranking seventh in Guangzhou, with a GDP growth rate of 7.1%, ranking first in Guangzhou for two consecutive years. The economic development of the Nansha free trade zone had surpassed Liwan District, one of the “three old districts”, and had been developing at a high growth rate.

With the development of Nansha Free Trade Zone, more and more core businesses are carried out in Nansha, and key projects were launched in Nansha Free Trade Zone. On January 22 this year, with the consent of the State Council, the CSRC officially approved the establishment of Guangzhou futures exchange. On February 5 this year, Guangzhou Futures Exchange Co., Ltd. was established. With the approval of the CSRC, Guangzhou futures exchange officially settled in Nansha, Guangzhou, becoming China’s first exchange with mixed ownership and helping to build an international financial hub in the Greater Bay Area.

3. Investment Environment of Nansha Free Trade Zone

Nansha Free Trade Zone is the only channel leading to the sea in Guangzhou and is located in the geographical geometric center of Guangdong, Hong Kong and Macao Greater Bay Area. Within a radius of 100 kilometers, it gathers all 11 cities in the Greater Bay Area and five major international airports. It is an important pivot node connecting the urban agglomeration on both sides of the Pearl River Estuary and Hong Kong and Macao with unique development advantages in geographical location. Meanwhile, in February 2019, “the Outline of the Development Plan of Guangdong Hong Kong Macao Greater Bay Area” was officially released, which gave Nansha Free Trade Zone a historical mission of building a comprehensive cooperation demonstration zone between Guangdong, Hong Kong and Macao, and required Nansha Free Trade Zone to work with Hong Kong and Macao to build a high-level opening-up portal, an innovative development demonstration zone, an important platform for financial services and a high-quality life circle.

Due to its unique geographical environment, Nansha Free Trade Zone takes five major industries include shipping logistics, high-end manufacturing, and finance, with IAB and NEM as the auxiliary industries.

As a pilot area for the reform of national new area and free trade zone, Nansha Free Trade Zone ranked first in the evaluation of Investment Facilitation Index of 43 free trade zones in China and third in the Evaluation of Comprehensive Innovation index. In the 2020 “Guangzhou Urban Governance List”, Nansha Free Trade Zone won the first place in the list of business environment. At present, Nansha Free Trade Zone had accumulated 689 innovative achievements, and 43, 112 and 202 innovative achievements have been copied and promoted by the state, provinces and cities respectively, with 42 cooperative enterprises include Tencent, JD, China Southern Airlines and China Life Insurance, key business invitation and investment attraction projects include Pony.ai’s “Unicorn”, etc.

4. Implementation of Pony.ai’s “Unicorn” Project

Pony.ai was established in late 2016, with its R & D centers in Silicon Valley, Guangzhou, Beijing and Shanghai. The project had been tested on open roads in the urban area for a long time, accumulated a large number of complex and extreme scene data, and realized safe and reliable automatic driving technology based on these data.

Relying on its experience and strength in the field of automatic driving, Pony.ai had passed the automatic driving test in many places such as China and the United States, and obtained the operation qualification and license. Relying on its breakthrough in the field of artificial intelligence technology, it had established cooperative relations with Toyota, Hyundai, FAW, GAC and other car manufacturers.

On January 7, 2021, the “Guangzhou Nansha Free Trade Zone supported the Opinions on the Innovative Development of the Auto Driving Industry (Trial Implementation)” was officially issued. Nansha Free Trade Zone formally launched the pilot project of commercializing automatic driving vehicles in Guangzhou, in order to seize the opportunity in the new round of technological revolution and industrial transformation, and speed up the technology iteration and industrial upgrading of the automatic driving vehicle (Intelligent Network Union), promote the construction of a new smart city in Nansha Free Trade Zone.

5. Development of Pony.ai’s “Unicorn” Project in Nansha Free Trade Zone

5.1 From the Manufacturer Perspective

By the end of April 2020, the road test area of Pony.ai had covered more than 200 square kilometers of the core area of Nansha Free Trade Zone, and had set up more than 200 common boarding and alighting points, with a core service range of 300 square kilometers, including high-speed railway stations, port terminals and other transportation hubs, government centers, gymnasiums and other public facilities, as well as key business centers and residential areas.

On June 22, 2020, Pony.ai announced that driverless vehicles would join the Guangzhou robotaxi team,

and the public would have the opportunity to encounter Pony.ai's driverless vehicles in areas with better transportation facilities such as Jiaomen River, Mingzhu Bay, Nansha Bay and Qingsheng hub in Nansha Free Trade Zone, Guangzhou. Users only need to download the Ponyplot mobile app to experience the full driverless rental service in the corresponding area.

On June 2021, Pony.ai joined the anti-epidemic action and dispatched several driverless vehicles to transport medical personnel and medical materials, including Nansha Free Trade Zone and Liwan District.

5.2 From the Consumer Perspective

According to the survey, the most commonly used means of transportation for residents in Nansha Free Trade Zone are subway and electric scooter, followed by private cars and buses. Because of the traffic jam problem, people prefer to choose the travel tools that are not affected by the traffic jam. Secondly, among the 300 residents surveyed, nearly 60 have seen driverless cars in their lives, while only 18 of the residents had used Pony.ai's driverless cars. It can be seen that driverless cars have not really entered the lives of residents in Nansha Free Trade Zone.

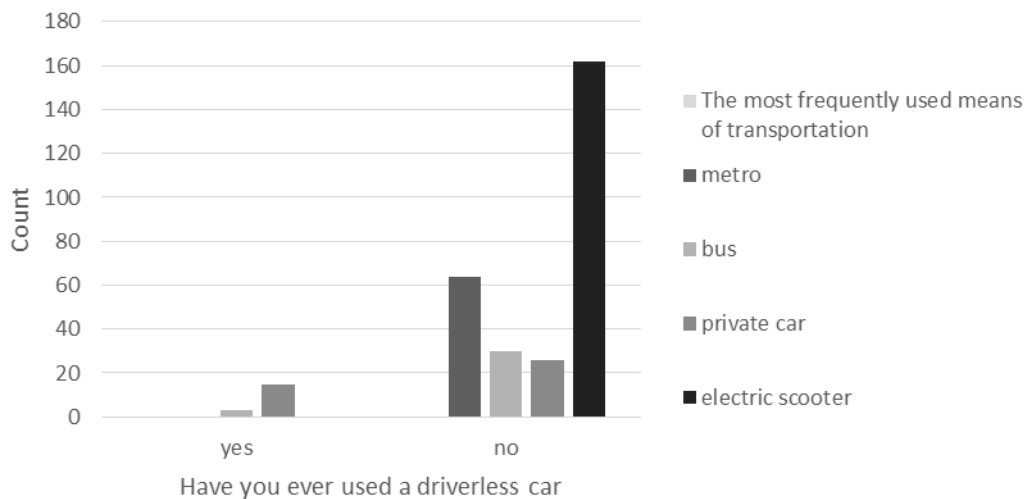


Figure 1. Transportation Means of Dwellers

In addition, we investigated the residents who have not used driverless cars and learned the reasons why they have not used driverless cars. Among them, 46.1% think the operation of driverless cars is too complicated, and 29.4% think they don't know much about driverless technology. These two reasons are mainly due to the Pony.ai's "Unicorn" Project has not been well publicized among the public.

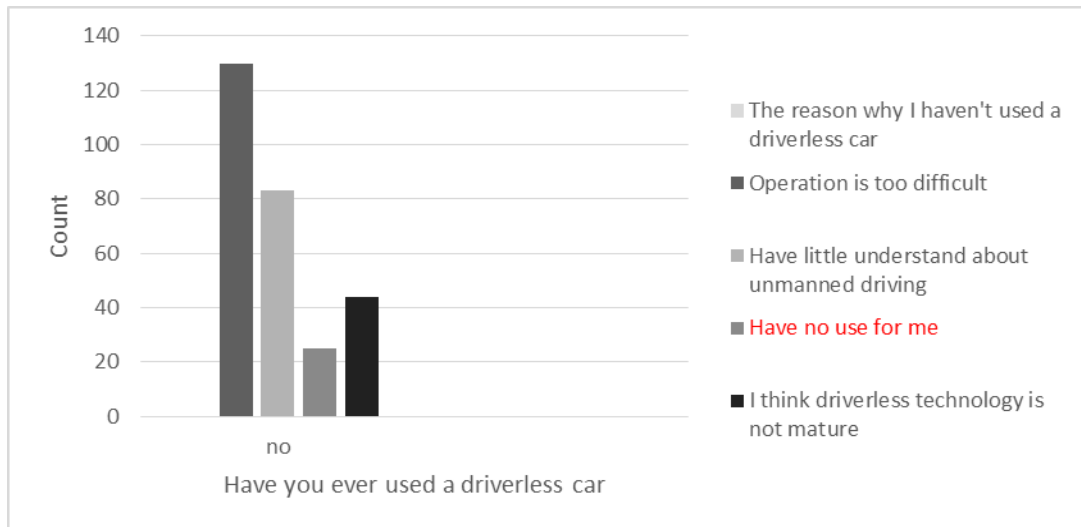


Figure 2. Opinions of Dwellers

Finally, we combine the most commonly used means of transportation with the use of driverless cars. Among the residents who have used driverless cars, 83.3% of the residents’ daily travel traffic is private cars, and the remaining 16.7% of the residents’ daily travel traffic is buses, It can be seen that people’s daily means of transportation have a great impact on whether people use driverless cars.

Have you ever used a driverless car * The most frequently used means of transportation Crosstabulation

| | | The most frequently used means of transportation | | | | Total | |
|-------------------------------------|---|---|--------|-------------|------------------|--------|--------|
| | | metro | bus | private car | electric scooter | | |
| Have you ever used a driverless car | yes | Count | 0 | 3 | 15 | 0 | 18 |
| | | Expected Count | 3.8 | 2.0 | 2.5 | 9.7 | 18.0 |
| | | % within Have you ever used a driverless car | 0.0% | 16.7% | 83.3% | 0.0% | 100.0% |
| | | % within The most frequently used means of transportation | 0.0% | 9.1% | 36.6% | 0.0% | 6.0% |
| | | % of Total | 0.0% | 1.0% | 5.0% | 0.0% | 6.0% |
| | no | Count | 64 | 30 | 26 | 162 | 282 |
| | | Expected Count | 60.2 | 31.0 | 38.5 | 152.3 | 282.0 |
| | | % within Have you ever used a driverless car | 22.7% | 10.6% | 9.2% | 57.4% | 100.0% |
| | | % within The most frequently used means of transportation | 100.0% | 90.9% | 63.4% | 100.0% | 94.0% |
| | | % of Total | 21.3% | 10.0% | 8.7% | 54.0% | 94.0% |
| Total | Count | 64 | 33 | 41 | 162 | 300 | |
| | Expected Count | 64.0 | 33.0 | 41.0 | 162.0 | 300.0 | |
| | % within Have you ever used a driverless car | 21.3% | 11.0% | 13.7% | 54.0% | 100.0% | |
| | % within The most frequently used means of transportation | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | |
| | % of Total | 21.3% | 11.0% | 13.7% | 54.0% | 100.0% | |

Figure 3. Crosstab

6. Problems and Solutions of Pony.ai's "Unicorn" Project

From the perspective of the brand itself, the current Pony.ai's "Unicorn" Project's total global financing exceeds US \$1.1 billion and the overall financing situation is good. However, there is a certain inequality in the distribution of regional cooperation resources, resulting in different progress of business invitation and investment attraction in various regions. The development of Nansha Free Trade Zone is slower than that of other cooperation regions. The development progress of each district affects the development of business invitation and investment attraction to a certain extent. The brand should formulate different development plans according to different regions, rational and standardized resource allocation.

The population of Nansha Free Trade Zone ranks in the lower circle of the population in all districts of Guangzhou, and the population distribution is uneven. There are concentrated populations in some areas and sparse populations in some areas. The scope of people's activities is concentrated so residents are less likely to use driverless cars. Secondly, driverless cars need more supporting facilities and complex technology, so people will have more trouble in operation. Recently, the acceptance of driverless car in Nansha Free Trade Zone is pretty low, resulting in poor profitability. In the process of business invitation and investment attraction, investors often take utilization and profitability into account. In order to attract more permanent residents to Nansha Free Trade Zone, the government can promote the vitality of the city by implementing relevant policies on talent settlement and talent introduction, so as to expand the application scope of driverless cars and increase the profit.

From the perspective of the government, the key to business invitation and investment attraction lies in the publicity efforts of the government and the close cooperation with the brand. As a brand that had only begun to cooperate with Nansha Free Trade Zone in recent years, the Pony.ai's "Unicorn" Project still needs to further negotiate and discuss in cooperation with the government. In order to ensure that the project is progressing smoothly, the government should carry out reasonable publicity and reporting on the project, such as billboard publicity and banner publicity at bus stops. But at present, except for a report on the official website of government departments and a small amount of media reports, there are no reports about the project on the Internet or in life. I think the publicity can still be further improved to attract more investors. The government can comply with the development direction of publicity, cooperate with major publicity and distribution platforms to improve brand awareness and introduce investment.

7. Conclusion

As an emerging district, the business invitation and investment attraction projects of Nansha Free Trade Zone will undoubtedly bring benefits to regional economic development, employment and taxation. In terms of specific practices, the appropriate introduction projects should be determined according to their development conditions, residents' consumption preferences and positioning in the early stage of business invitation and investment attraction. On this basis, the project should be accurately pushed to

consumers through online means such as official website publicity and offline means such as advertising, so as to provide assurance for the later development of the project. In addition, for the projects that have been carried out, the relevant person in charge shall timely follow up the project development. If there are deficiencies, the scheme shall be adjusted in time to ensure the smooth operation of the project to the greatest extent, so as to promote the development.

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