

SWOT-PEST Analysis of Industrial Upgrading in the Yangtze River Economic Belt Under the Background of Free Trade Zone Construction

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Abstract:

Against the backdrop of the Free Trade Zone (FTZ) establishment, the industrial landscape of the Yangtze River Economic Belt (YREB) has been presented with both fresh prospects and a multitude of hurdles. The trajectory of development within the YREB is poised to exert a profound and lasting influence on the progression of the FTZ construction endeavors. Consequently, it is imperative from a practical standpoint to delve into the synergistic development pathway that harmonizes the FTZ growth with the industrial advancement of the YREB. Employing the SWOT-PEST analytical framework, this study conducts an in-depth examination of the prevailing issues impeding industrial upgrading in the YREB amidst the FTZ establishment. These issues encompass aspects such as the governmental administrative system, the operational model of the FTZ, the rationality of industrial structure configuration, financial reform and innovation initiatives, the construction of an ecological civilization, the optimization of social capital allocation, the research and development endeavors in scientific and technological innovation, as well as the enhancement of trade freedom and facilitation. Based on this analysis, the following targeted strategic countermeasures are proposed: overcoming the shortcomings of the management mode of the government, optimizing the proportion of industrial structure, preventing the risk of financial reform, strengthening the construction of natural ecology, optimizing the structure of social capital, deepening innovation driven development, and establishing an efficient trade system.

Keywords:

Free Trade Zone, Yangtze River Economic Belt, Industrial Upgrading, SWOT-PEST Analysis

1. Introduction

In September, 2013, the State Council agreed to officially establish a pilot FTZ in Shanghai, and China entered the era of FTZ. In April, 2015, Guangdong, Tianjin and

Fujian pilot FTZ were listed, focusing on the cooperation between Guangdong, Hong Kong and Macao, the coordination between Beijing, Tianjin and Hebei, and the integrated development of both sides of the Strait. In August 2016, the State Council made the strategic decision to set up seven brand-new pilot FTZ. Subsequently, in April 2018, the Central Committee of the Communist Party of China (CPC) resolved to endorse the establishment of a pilot FTZ encompassing the entire Hainan Island, with the gradual exploration of constructing a free trade port imbued with distinctive Chinese characteristics. In August 2019, another six pilot FTZ were inaugurated. Fast forward to September 2020, four pilot FTZ were established. In October 2023, the State Council unveiled the comprehensive blueprint for the China Pilot FTZ, marking the inception of the inaugural FTZ in Northwest China. By 2025, China's FTZ will cover 22 provinces across the country, forming a three-dimensional open network of "East, West, north, South, central, coastal and inland borders". Among them, only Jiangxi and Guizhou provinces in the YREB have not established FTZ [1].

The establishment and advancement of China's FTZ align seamlessly with both domestic and international contemporary trends, fostering an all-encompassing enhancement in the construction and progression of these zones. This endeavor is intricately intertwined with the nation's overarching developmental strategy. Since the initiation of reform and development initiatives, the YREB has emerged as one of China's regions boasting the most robust comprehensive strength and occupying a pivotal strategic position, owing to its distinctive advantages. The YREB is endowed with favorable conditions for development and presents expansive prospects for regional advancement [2]. Spanning the eastern and western extremes of China, it constitutes roughly 20% of China's land area. Hence, it is imperative to leverage the inherent strengths of the YREB to propel the in-depth development of its FTZ within the broader context of national FTZ construction. This approach will not only optimize the utilization of regional resources but also contribute significantly to the overall economic prosperity and strategic positioning of the YREB on the national and international stages.

2. Comprehensive Strategic Analysis of Industrial Transformation in the YREB Against the Backdrop of FTZ Development: A SWOT-PEST Perspective

2.1. Advantages

2.1.1. Policy advantages

From the policy perspective, in September 2016, the General Offices of both the Central Committee of the Communist Party of China (CPC) and the State Council jointly promulgated the Development Plan Outline for the YREB (hereinafter referred to as "the Outline"). This Outline unequivocally underscores the government's commitment to advancing the development of the YREB as a pivotal component of its national strategic agenda, thereby reflecting a profound emphasis on fostering the growth and prosperity of this economically significant region. In March, 2016, to implement the guiding opinions of the State Council on promoting the development of the YREB by relying on the golden waterway (GF [2014] No. 39), the national development and Reform Commission issued the transformation and upgrading plan of innovation driven industries in the YREB, which demonstrated that the government took the industrial upgrading and transformation of the YREB as the focus of the

development of the YREB, which provided policy guarantee for the industrial upgrading of the YREB under the background of construction of FTZ.

2.1.2. Economic advantages

As the paramount economic hub within the Yangtze River Basin, the YREB assumes a central role in China's economic architecture, serving as an indispensable and vital constituent of the nation's overall economic landscape. The judicious circulation and optimized allocation of capital, coupled with the enhancement and strategic distribution of labor quality, alongside the sustained elevation of economic development standards, constitute pivotal factors driving industrial advancement and the establishment of FTZ. The YREB is endowed with an abundance of economic resources, and it also boasts ample natural endowments conducive to industrial proliferation, such as expansive tracts of land and abundant water supplies. These natural advantages have fostered a favorable milieu for the construction of FTZ, providing advantageous preconditions that facilitate their thriving and robust development [3].

2.1.3. Social and natural environment advantages

The Yangtze River Basin is notably abundant in both water and hydropower resources, with its annual mean runoff ranking among the foremost globally. Geographically, the basin exhibits a gradient descending from the elevated western regions to the lower eastern areas, presenting a substantial elevation drop. This topographical feature endows the basin with colossal theoretical reserves of hydropower potential. Moreover, the YREB is replete with a diverse array of mineral resources. Beyond its natural resource wealth, the economic belt also boasts a rich tapestry of social and cultural assets, underscored by a plethora of tourism resources that are densely clustered and exhibit immense developmental prospects.

2.1.4. Technical advantages

The YREB stands as a bastion of scientific and technological prowess, playing a pivotal role in propelling the economic ascent of the broader Yangtze River Basin. This region is underpinned by a robust scientific and technological infrastructure, with over 40% of China's higher education institutions situated within its geographical confines. A significant concentration of scientific research entities is clustered in key cities such as Chengdu, Nanjing, Wuhan, and Shanghai, fostering an environment that attracts a multitude of top-tier talents. Endowed with a wealth of scientific and technological resources and a plethora of scientific and technological achievements, the YREB is poised to drive the efficient progression of FTZ and industrial sectors within its purview. These abundant resources are anticipated to catalyze a qualitative leap in the development trajectory of FTZ, particularly against the backdrop of ongoing FTZ construction initiatives. The synergy between scientific and technological advancements and FTZ development is expected to yield substantial economic dividends, further solidifying the YREB's status as a linchpin in China's economic landscape.

2.2. disadvantages

2.2.1. Policy disadvantage

In the long-term management of our government, the concept of leadership and control is deeply rooted, and there are drawbacks in the government management mode. The drawbacks of the management mode are mainly reflected in three aspects: the separation of powers, excessive intervention and local protection. Local governments act independently and implement different regional market access, qualification certification, industry norms, credit ratings and industrial policies; The excessive intervention of the local government in the local market and the excessive use of administrative means have led to the restriction of industrial development in all aspects; Local governments implement local protectionism. In order to maximize local interests, they implement market monopoly and local protection on local industries, compete with surrounding areas maliciously, compete for markets and resources, and limit the outflow of local resources and industrial factors. Such behaviors impose significant constraints on the advancement of FTZ development and the refinement as well as modernization of the industrial framework within the YREB [4].

2.2.2. Economic disadvantage

The industrial composition within the FTZ of the YREB exhibits irrationality. There exists a lack of harmonious development among the three primary industries in this economic belt. Currently, the secondary industry assumes a dominant position, while the share of the tertiary industry requires enhancement. Moreover, the tendency towards non - agriculturalization is notably pronounced. The pattern of industrial structure is “two, three, one”. The irrational “secondary, tertiary, and primary” industrial structure is poised to exert a detrimental influence on China's trade configuration. It will precipitate the formation of a trade structure heavily reliant on resources and labor, thereby undermining the advancement of capital- and technology-intensive trade sectors. Furthermore, this structure is not conducive to fostering a virtuous cycle of interactive development between the industrial and trade structures within the context of the FTZ construction in the YREB.

2.2.3. Disadvantages of social and natural environment

Throughout the developmental trajectory of the YREB, environmental pollution and ecological deterioration have escalated into increasingly pressing concerns. During the phase of swift industrialization, a substantial volume of pollutants has been discharged, exacerbating the cumulative impacts of environmental contamination. This is particularly evident in the persistent decline in both water and atmospheric environmental quality. Given the inherent fragility and susceptibility of the ecological environment within the YREB, coupled with the intense pressures exerted by urbanization, industrialization, and extensive land development, ecological degradation has intensified markedly. Such environmental and ecological challenges pose latent threats to the optimization and modernization of the industrial structure in the YREB, as well as to the establishment and advancement of its FTZ.

2.2.4. Technical disadvantage

The allocation of R&D investment across the YREB is characterized by irrationality, with insufficient emphasis placed on R&D. There exists a notable disjunction between the economic development level of the region and the proportion of R&D investment allocated. Concurrently, significant disparities in internal R&D expenditures are evident among large and medium-sized enterprises situated in the upper, middle, and

lower reaches of the YREB. Moreover, an overemphasis on scientific and technological R&D by these enterprises hinders the harmonization of industrial structure and the development of the FTZ within the region.

2.3. Opportunities

2.3.1. Policy opportunities

The reform of the government management system under the background of the construction of the FTZ is a new opportunity for the industrial upgrading of the YREB. Since the 18th CPC National Congress, it has been advocated to deepen the reform of the administrative system, accelerate the transformation of government functions, and simplify the process of administrative examination and approval. Strengthen government management and services, enhance the creative vitality of the market and society, clarify the relationship between governments at different levels, optimize the organizational structure, and strengthen power restriction and supervision. The aforementioned strategies are poised not only to elevate the caliber of governmental service and administrative efficacy but also to curtail the operational expenditures of Chinese enterprises [5]. By doing so, they will facilitate an augmentation in industrial profitability and foster an improved macroeconomic milieu. Consequently, these measures are anticipated to invigorate the dynamism of enterprises and industries within the YREB, particularly against the backdrop of the FTZ establishment and development.

2.3.2. Economic opportunities

The financial reform initiatives undertaken within the FTZ present a novel impetus for the industrial advancement and upgrading of the YREB. Notably, China's broader financial reform endeavors have proceeded at a relatively measured pace, with the market - orientation of the financial sector remaining imperfect. In contrast, the financial reform efforts within the FTZ are primarily centered on optimizing the banking sector's structural composition and enhancing the depth and breadth of the financial services framework. Broaden direct financing channels and develop new financial products; The implementation of financial policies oriented by industrial upgrading has provided a good financial market environment for industrial upgrading. The expedited progression of China's financial reform, coupled with the intensified marketization of its financial sector and the elevation of financial innovation capabilities, is poised to catalyze the financial reform endeavors within the FTZ. Subsequently, this will serve as a driving force for technological advancements across diverse industries and facilitate the optimization and modernization of the industrial structure within the YREB, particularly in the context of the FTZ ongoing development and construction [6].

2.3.3. Opportunities of social and natural conditions

The liberalization of social capital within the FTZ represents a fresh catalyst for the industrial upgrading of the YREB. The State Council's issuance of the Special Administrative Measures for Foreign Investment Access in Pilot FTZ (Negative List) has significantly enhanced investment openness in these zones, thereby fostering the growth of financial and cultural sectors therein. Simultaneously, this policy streamlines the examination and approval procedures for social capital investments in the FTZ, facilitating a higher degree of social capital mobility. This, in turn, attracts

substantial foreign capital inflows into industries with urgent development needs and high value - added potential. Such inflows promote the optimal allocation of social capital resources, stimulate the development of emerging service industries within China's FTZ, and contribute to the optimization of China's overall industrial structure. Against the backdrop of the FTZ construction, the Chinese government is poised to further enhance the utilization efficiency of social capital. This strategic move is expected to drive the optimization and upgrading of the industrial structure within the YREB, aligning with the broader objectives of the FTZ development.

2.3.4. Technical opportunities

Trade facilitation in the FTZ is a new opportunity for industrial upgrading in the YREB. China's FTZ implements the customs supervision mode of "first entering the zone, then declaring, and at home and abroad", canceling the demurrage fee and customs demurrage fee, simplifying the procedures of goods entering the customs, reducing the cost of enterprises in the FTZ, and greatly improving the convenience of trade in the FTZ. The export trade facilitation of the FTZ will promote the development of the export industry of the YREB. The import facilitation of the FTZ is conducive to the import of raw materials, advanced equipment and mature management mode in the YREB, and is conducive to the optimization and upgrading of the industrial structure of the YREB under the background of the construction of the FTZ.

2.4. Threats

2.4.1. Policy challenges

Against the backdrop of the FTZ establishment and development, the ongoing reform of the governmental management system could potentially introduce challenges that impede the industrial upgrading process within the YREB. Although many management models have accumulated experience in the early stage, the previous management models basically refer to international rules and practices, lack of local management concepts in China, inaccurate positioning, and hasty management models, and the feasibility needs to be further verified. Prior to the government's enactment of legislation concerning the establishment of the FTZ, the YREB should exercise prudence in implementing measures. Rashly replicating the management models from preceding pilot projects may result in disarray within the industrial structure of the YREB and hinder the progress of its industrial upgrading endeavors.

2.4.2. Economic challenges

The financial reform initiatives within the FTZ may present potential impediments to the industrial upgrading of the YREB. During the course of financial reform in the FTZ, financial risks such as exchange - rate volatility and interest - rate fluctuations loom large. Financial reform is likely to trigger frequent arbitrage activities owing to fluctuations in the RMB exchange rate. This, in turn, undermines the stability of the RMB and poses challenges to the sustainable development of enterprises and industries within the YREB. Furthermore, the liberalization of interest rates in the FTZ will intensify competition in the financial market. Financial institutions may struggle to accurately implement credit policies, resulting in a dispersion of financial resources rather than their concentration in emerging and high - tech industries. A dual

- track interest - rate system is in place, with the degree of interest - rate marketization generally higher within the FTZ compared to areas outside it [7]. This dual - track system plays a pivotal role in advancing the marketization of interest rates across the YREB. However, the risks inherent in the financial reform process pose a significant threat, potentially stalling the industrial upgrading process of the YREB.

2.4.3. *Challenges of social and natural conditions*

The liberalization of social capital within the FTZ could potentially present challenges to the industrial upgrading process of the YREB. In the framework of the FTZ establishment and development, a substantial inflow of foreign capital into the YREB may initially seem beneficial, as it can furnish ample capital and advanced technology to facilitate industrial upgrading and invigorate industries within the FTZ. Nevertheless, this large - scale influx of foreign capital is likely to attract a significant portion of the labor force to the FTZ. Such a shift may impede the development of industries situated outside the FTZ, leading to an uneven industrial development landscape between the two regions. Moreover, the massive entry of foreign capital will subject China's domestic enterprises to intense competitive pressure, resulting in an imbalanced development of the local industrial structure. This imbalance, in turn, will undermine the efforts to optimize and upgrade the industrial structure of the YREB as a whole.

2.4.4. *Technical challenges*

Trade liberalization in the FTZ may pose a threat to the industrial upgrading of the YREB. While trade liberalization brings opportunities to the industrial upgrading of the YREB, it will also increase trade friction, which involves trade in goods and technology. The deregulation of goods trade imports is anticipated to usher in a substantial influx of foreign products into the YREB. This influx is likely to exacerbate the issue of industrial overcapacity within the FTZ, as well as undermine the industrial competitiveness of enterprises operating therein. Consequently, such developments could pose notable challenges to the growth and upgrading of both enterprises and industries across the YREB.

2.5. *SWOT-PEST matrix analysis*

Through the establishment of the SWOT-PEST matrix, we can further see from the political, economic, social and technical perspectives (as shown in Table 1), the internal strengths, weaknesses, external opportunities and threats of the industrial upgrading of the YREB under the background of the construction of the FTZ.

Table 1. *The Construction of a SWOT - PEST Analysis Matrix Focused on the Industrial Upgrading Process within the YREB, Set against the Backdrop of FTZ Development.*

SWOT PEST	strengths (S)	Weaknesses (W)	Opportunities (O)	Threats (T)
Politics (P)	Policy guarantee	Disadvantages of management mode	The government proposed the reform of administrative system	Imperfect management mode of FTZ
Economy (E)	Economic advantages	Unreasonable industrial structure of the	Accelerating marketization of financial reform	Financial risks such as interest rate and exchange

		YREB		rate
Social natural (S)	Rich in natural and human resources	Deterioration of ecological environment	Optimal allocation of social capital resources	Foreign capital inflows weaken local industries
Technology (T)	Rich scientific and technological resources	Insufficient R&D investment	Trade facilitation	liberalization of trade

3. Strategic Countermeasures

According to the above analysis, the industrial upgrading of the YREB faces excellent opportunities under the background of the construction of the FTZ, but it also faces severe threats. If the YREB wants to promote the optimization and upgrading of industrial structure, the urgent task is to seize the opportunity, analyze the difficulties and problems faced, and actively formulate strategic countermeasures.

3.1. Overcome the shortcomings of government management and improve the management mode of FTZ

Against the backdrop of FTZ development, the YREB ought to draw upon policy support to proactively rectify the deficiencies in the government management model. It is imperative to dismantle the fragmented, overly interventionist, and locally protectionist approach adopted by local governments. This involves formulating standardized regulations concerning market entry, qualification verification, industry benchmarks, credit assessments, and industrial policies. Furthermore, there is a pressing need to vigorously advance the simplification of administration and the delegation of powers. This includes enhancing the efficiency of government operations by abolishing or transferring some cumbersome administrative approval procedures, thereby reducing the overall costs borne by enterprises within the FTZ. Additionally, it is crucial to coordinate the development of the FTZ across the YREB, fostering healthy competition and cooperation among local governments in the region. This will facilitate the free flow of various industrial factors and ultimately create a win - win scenario [8].

To optimize the management model of the FTZ in the YREB, it is essential to learn from the experiences of early - stage FTZ management and innovate accordingly. A long - term planning perspective and a localization awareness are required, integrating international best practices and regulations with the actual industrial development conditions of the YREB. Authoritative management institutions should be established within the FTZ to handle a wide range of affairs, coordinate multiple relationships both within and outside the FTZ, and implement standardized supervision and leadership. Simultaneously, it is necessary to refine the legal framework related to FTZ construction. Clear legislation should be enacted to provide legal protection for the implementation of policies within the YREB's FTZ, thereby mitigating legal risks associated with the management model itself.

3.2. Optimize the proportion of industrial structure and prevent the risk of financial reform

Enhance and streamline the industrial framework within the YREB's FTZ by fostering balanced growth across the three primary sectors. Prioritize elevating the share of the tertiary sector, thereby transitioning the industrial structure from a

“secondary-tertiary-primary” configuration to a “tertiary-secondary-primary” model, while ensuring holistic development across the upper, middle, and lower reaches of the YREB. Promote the advancement of capital- and technology-intensive trade, and harmonize the interplay between resource- and labor-intensive trade and capital- and technology-intensive trade. Concurrently, regions throughout the YREB ought to leverage the benefits of the golden waterway to institute a regional cooperation framework. This framework should enhance specialization and collaboration, underscore the market's pivotal role in resource allocation, dismantle barriers obstructing the seamless movement of capital, technology, labor, and optimize the proportion of industrial structure in the FTZ of the YREB.

Financial reform and innovation constitute a dual-faceted instrument, carrying both potential benefits and risks. It is imperative to strive for the effective management of financial risks, including those associated with interest rates and exchange rates, and to tailor adjustments in the financial reform and innovation process to align with the industrial development dynamics of the YREB. A robust financial integrity system should be established, with a particular focus on enhancing the financial oversight mechanism within the YREB and reinforcing internal supervision and governance of financial institutions operating in the FTZ. Additionally, it is essential to institute and refine an information disclosure framework for the FTZ, ensuring the openness and transparency of financial data. Furthermore, a market incentive system should be implemented to incentivize trustworthy behavior and penalize dishonest practices, thereby fostering a fair, open, and equitable market environment [9]. Efforts should be expedited to devise and execute financial innovation strategies tailored to emerging industries bolstered by high-tech sectors, encouraging financial institutions to adopt measures that facilitate industrial upgrading within the YREB.

3.3. Strengthen energy conservation, emission reduction and pollution control, and optimize the structure of social capital

We will actively advance the development of resource-efficient and ecologically sustainable FTZ, implementing stringent controls on the emission of diverse pollutants, enhancing wastewater treatment capabilities, and persistently improving the ecological environment. Concurrently, we will intensify efforts to rectify heavily polluting industries by formulating and enforcing rigorous policies aimed at limiting and reducing emissions, while establishing a mechanism to phase out outdated production capacities and industries. Efforts will be accelerated to establish specialized industrial parks that prioritize high-tech industries as their cornerstone and embrace the circular economy as a central tenet. This will involve constructing a circular economy industrial chain and enhancing the efficiency of circular economic utilization. Furthermore, we will establish and refine an ecological civilization framework, along with a comprehensive management system and mechanism for the FTZ within the YREB. To achieve this, We aim to dismantle departmental and territorial obstructions through the establishment of an integrated management entity for the Yangtze River Basin. Additionally, we will refine the natural resource conservation framework within the FTZ and endeavor to metamorphose the YREB into a lush, ecological corridor. These strategic initiatives are designed to propel the enhancement and modernization of the industrial structure along the YREB, thereby promoting sustainable development and environmental guardianship.

We shall undertake strategic adjustments to the composition of social capital and enhance the efficiency of foreign capital utilization. A merit-based mechanism for

social capital allocation should be instituted, fostering the redirection of social capital within the FTZ from high-energy-consuming, low-value-added sectors and secondary industries towards low-energy-consuming, high-value-added sectors and tertiary industries. This shift is anticipated to catalyze the optimization and upgrading of the industrial structure within the YREB. It is crucial to preemptively recognize the potential adverse economic impacts stemming from an influx of foreign capital due to investment liberalization. During the process of opening up investments in the FTZ, the government ought to steer foreign capital towards high-tech industries, sectors in urgent need of development, and those with inadequate supply. Such strategic guidance will infuse enterprises in the FTZ with renewed vigor, channel capital and technology into local industries, and thereby facilitate the optimization and upgrading of the industrial structure within the YREB amidst the context of FTZ development.

3.4. Deepen the innovation driven concept and establish an efficient trading system

To deepen the innovation driven concept, we should cultivate innovative talents, enhance innovation investment and strengthen technological innovation. Innovative talents are the backbone to promote industrial upgrading. We ought to strategically leverage the scientific and technological assets within the FTZ of the YREB, while intensifying efforts to nurture innovative talent. The government should incentivize universities and colleges in the YREB to engage in exchanges and collaborative endeavors with enterprises, thereby establishing an industry-university-research cooperation framework. This framework should feature enterprises as the primary entities, with active participation from enterprise-affiliated universities and colleges, all guided by market principles, to cultivate high-caliber talents endowed with innovative capabilities. Augmenting investment in innovation is instrumental in propelling the optimization and upgrading of the industrial structure. Relevant governmental bodies can enhance financial allocations, prioritizing support for industries within the YREB that possess innovation potential but face funding shortages. Additionally, establishing innovation-centric industrial parks and implementing various policy measures can stimulate the growth of high-tech industries. Technological innovation occupies a pivotal position in the industrial upgrading process. It has the capacity to transform the industrial demand and supply landscape, enhance enterprise efficiency, and foster the emergence of innovative industries. The government should expedite the establishment of an effective technological innovation management system, expand the demand for technological innovation among enterprises in the YREB, and facilitate the adjustment of enterprise investment structures towards increased investment in technological innovation. Furthermore, commercializing scientific and technological achievements can serve as a catalyst for driving the optimization and upgrading of the industrial structure within the YREB, particularly against the backdrop of FTZ development.

We should endeavor to establish a streamlined and efficient trade framework, reinforcing customs collaboration within the FTZ of the YREB. This involves enhancing the transparency of customs information, boosting customs operational efficiency, standardizing customs procedures, and dismantling obstacles that impede the cross-border movement of various industrial elements within the FTZ. Such measures aim to reduce transaction costs for enterprises and expedite customs clearance processes. Simultaneously, it is crucial to proactively mitigate the risks associated with trade liberalization in the FTZ, ensuring the sound development of industries therein. Enterprises should be guided to promptly adjust their strategic

policies to enhance their core competitiveness. Adhering to legal and regulatory frameworks, we should apply World Trade Organization (WTO) rules to actively resolve trade disputes, safeguard the legitimate rights, interests, and security of local industries, and foster a favorable external trade environment. Moreover, we must enhance the capacity of industries in the YREB to adapt to the international market and respond swiftly to changes in both domestic and international market conditions [10]. This requires continuous improvements in product quality and added value for industries within the FTZ, thereby elevating their market competitiveness. Ultimately, these efforts will contribute to the optimization and upgrading of the industrial structure within the YREB, particularly in the context of FTZ development.

4. Conclusions

This paper uses SWOT-PEST analysis method to conduct a comprehensive study on the industrial upgrading of the YREB under the background of the construction of the FTZ. From the perspective of internal and external environment, macro and micro environment, this paper analyzes the problems in the process of industrial upgrading of the YREB, and puts forward strategic countermeasures in four aspects of politics, economy, society and technology, hoping to promote the optimization and upgrading of the industrial structure of the YREB under the background of the construction of the FTZ.

Conflicts of Interest

The author declares that there is no conflict of interest regarding the publication of this article.

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