

The Free Trade Port in Hainan Business Environment Evaluation Index System

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Abstract: Free trade port in Hainan business environment evaluation index system is designed to improve the business environment, create a fair, open, unified and efficient marketing environment, speed up the construction of free trade port in Hainan province. In this paper, the evaluation index system was built with 34 secondary indexes, 92 tertiary indicators from eight aspects, respectively from the financial environment, law environment, service environment, industry environment, financial environment, innovation environment, social environment and talent environment by using the method of literature and brainstorming, based on the principles of scientific, comprehensive, dynamic. It has reviewed the relevant research experience and combined the present situation of Hainan province to make up for the lack of research on the business environment evaluation index system in the field of the free trade port in Hainan, helping to create a good business environment and the better construction of free trade port.

1. Introduction

On April 13, 2018, Hainan province began the construction of free trade port. Free trade port is located in the territory of countries and regions, outside of customs management levels, allowing foreign goods, money freely in and out of the harbor. Accelerating the formation of legal business, internationalization and facilitation of a healthy business environment is the key of construction of a free trade port. However, at this stage, there is still a big gap between the business environment in Hainan and the free trade port. The relevant policies, the current situation of the business environment and the establishment of Hainan Free Trade Port business evaluation index system has practical significance for the healthy development of business environment.

2. The literature review

At present, there are many related researches on the evaluation index system of business environment by domestic and foreign scholars and institutions.

The World Bank Business Environment Evaluation Index System is the most representative related research of the business environment evaluation system in the institutions at home and abroad. Based on the enterprise life cycle, this index system is established measurably from the perspective of enterprise acquisition with its evaluation results certain.

From the perspective of the related research of scholars at home and abroad, business environment evaluation system of research involves multiple free trade port famous at home and abroad and China's domestic multiple administrative areas. When Li Qingchi built and researched business environment evaluation index, he analyzes Singapore, Hong Kong docking international evaluation index and promote the successful experience of business environment[1]. Li Jianxing used qualitative methods to evaluate the Swiss business environment, and objectively describes business environment factors [2]. Li Yingyi used the method of quantitative analysis and descriptive statistics to evaluate business environment in France, at the same time, he selected macroscopical index which conforms to French values and national interests [3]. Yang Tao compared four provinces of Shandong, Jiangsu, Zhejiang and Guangdong business environment by using factor analysis [4]. Zhu Lei analyzed the Han river in Hubei province ecological economic zone city business environment [5]. Hu Yi, combined with the problems in the process of the transformation

and upgrading of Guangdong development, did systematic study on the index system of business environment on the basis of research experience which in reference to domestic and foreign relevant index system [6]. Peng Yundi selected 23 indicators from the economic environment, market environment, infrastructure and support environment four aspects. On the basis of the Yangtze river economic belt, he built the evaluation index system of regional business environment [7].

In short, the current regional business environment evaluation system research in the Yangtze river economic belt and the Han river ecological economic zone and Guangdong province have unique regional characteristics.

From the perspective of research method, Li Yingyi, Peng Yundi scholars using quantitative research methods, Li Jianxing, Yang Tao scholars use qualitative research method, etc. From the perspective of research area, Peng Yundi, Zhu Lei and Hu Yi scholars study the domestic business environment in different areas, Li Qingchi, Lou Chengwu and other scholars establish the business environment evaluation system from the World Bank evaluation mode of business environment. But the free trade port of Hainan province business environment evaluation system research is almost blank, so in this paper, we comb the existing studies of business environment evaluation index system, then put forward the scientific and systematic free trade port in Hainan business environment evaluation index system by using the literature method and brainstorming method.

3. The establishment of evaluation system

3.1 The principle of index set up

3.1.1 The scientific principle

In this paper, the index system, based on the scientific principle, follows the scientific reasonable procedures and uses the scientific thinking method to establish the index system. The source of the index system establishment, evaluation criteria and indicators for both follow the scientific principle.

3.1.2 The principle of dynamic correlation

The various elements in the indicator system are changing and developing, which change with the time background and social conditions and are concentrated in the dynamic changes of the second and third level evaluation indicators. In addition, there are related and restrictive relationships among the indicators, for example a specific indicator is interrelated with other indicators.

3.1.3 The overall principle

Comprehensiveness embodies in content, evaluation subject and comprehensive evaluation method. In this paper, the evaluation index system includes eight aspects, such as financial environment, legal environment, service environment, and so on. Citizens and enterprises have been included in the evaluation subject. This index system conducts the comprehensive quantitative assessment for the business environment based on the customer orientation. Evaluation method involves questionnaire survey and data acquisition, etc.

3.1.4 The feasibility principle

Based on the current situation of Hainan Province, this paper designs the index system based on the domestic and international environment, adopts the layered establishment model to divide and stratify the entire business environment and has been subdivided into three levels of operationally strong indicators.

3.2 The basis of index design

Free trade port construction of Hainan province is the background of the index system, the index system should contain Chinese characteristics at the same time towards to the international. Therefore, the basis of the index system contains two aspects.

The report of World Bank, the evaluation system and the reference of foreign experience is one

of the basis of the index system. Among them, the World Bank has a total of 11 first-level indicators on the business environment, including start-up enterprises, property rights registration, cross-border trade and contract execution etc. Swiss business environment evaluation has many main body and evaluation indexes including the world bank, PKF, the Ecole Polytechnique Federal in Lausanne and Geneva state official investment guide, etc.

Second, the policy documents of Chinese Communist Party Central Committee and Hainan province and the development of Hainan are also the assessment basis. Including General Office of the State Council of the People's Republic of China on the focus enterprises concerned to further optimize the business environment of policy implementation notice and Hainan province people's government of promoting domestic trade circulation modernization construction business environment of the implementation of the rule by law etc. In addition, this system references the part of the enterprises' and the third party agencies' index of China's urban business environment, such as the quantitative analysis of China's major cities business environment index which was conducted by PWC, Caixin Insight, Business Big Data with Institute of New Economic Development, including four aspects: government service optimization, the industrial transformation and upgrading, urban functional and human capital accumulation.

3.3 The specific indicators design

This index system includes eight level indexes, 34 secondary index, 92 tertiary indicators. And the level index including financial environment, legal environment, service environment, industrial environment, financial environment, innovation environment, social environment and talent environment. Among them, financial environment is used fiscal income scale, the degree of balance of payments and fiscal subsidy expenditure scale to measure, the related data from government opening data. The legal environment is overall evaluated through the degree of the government integrity, the relevant laws and regulations, the good faith system construction, the protection of minority investors and the protection of intellectual property rights, the related data from the questionnaire surveys of businesses. Service environment uses enterprises set up cost, daily operation cost, enterprise property rights transfer cost, enterprise bankruptcy and other specific indicators to measure, both the import and export enterprises of industrial environment, business loans and financing of the financial environment, labor dispute processing in talent environment can be obtained data through the questionnaire survey or direct observation method. Service environment of the one-stop service is expressed in the form of relevant aspects of satisfaction. The related tertiary indicators in social environment such as the water pollution situation, the per capita green area, the per capita number of beds, the number of Third-level grade-A hospital, etc. all can consider using the third-party agencies' relevant data to evaluate.

Finally, comparing the obtained objective data with the large-scale free trade ports at home and abroad - Hong Kong and Singapore, obtain the corresponding comparative scores and conduct an objective evaluation of the relevant attractiveness, and sort out the subjective satisfaction data obtained. The corresponding long-term satisfaction census value is used to conduct subjective emotional evaluation of the enterprise.

4. Conclusion

In order to evaluate the business environment and lay a foundation for the establishment of a good business environment, this article designs the evaluation index system of free trade port in Hainan business environment based on the characteristics of free trade port development of Hainan province.

Due to time and other reasons, there are still many shortcomings in this index system. First of all, literature method and brainstorming method is adopted to set up the index system, no relevant experts were selected for verification. In the later stage, Delphi method or analytic hierarchy process was used to modify the index system. Secondly, the index system was never used to evaluate business environment for practical operation of Hainan province, therefore, the verification of the index system can be carried out in the process of on-site assessment.

Table 1 The evaluation system

| Level indicators | These contrary indicators | Level 3 indicators |
|-------------------------|---|---|
| The fiscal environment | Scale of fiscal revenue | Local fiscal revenue: gross national product (GNP) |
| | Balance of revenue and expenditure | Fiscal revenue: Fiscal spending |
| | The scale of government subsidies | Fiscal subsidy spending: Total financial expenditure |
| The legal environment | Degree of the government integrity | |
| | Relevant government laws and regulations | Degree of legal integrity |
| | | The scientific degree of law |
| | | Degree of legal relevance |
| | Credit system construction | Industrial and commercial inspection |
| | | Bank credit |
| | | The administrative punishment of the public |
| | | Customer feedback |
| | | The implementation of laws and regulations |
| | Protecting minority investors | Degree of legal integrity |
| | | The scientific degree of law |
| | | Degree of legal relevance |
| | IPR (Intellectual Property Protection) | Degree of legal integrity |
| | | The scientific degree of law |
| | | Degree of legal relevance |
| The service environment | One-stop service | The staff service consciousness |
| | | Technical convenience |
| | | Service personnel business ability |
| | | Supervision and complaint channels |
| | Enterprises set up cost | The applicant procedure(item) |
| | | Time for enterprise applications(day) |
| | | The cost enterprise set up (than to per capita income%) |
| | | The required minimum registered capital of limited liability company (than to per capita income%) |
| | The cost of daily operation | The procedure of investment construction project(item) |
| | | The time of investment construction project(day) |
| | The cost of enterprise property rights transfer | The procedure of property rights transfer registration(item) |
| | | The time of property rights transfer registration(day) |
| | | The cost of property rights transfer registration (than to per capita income%) |

| | | |
|----------------------------|--|---|
| | Enterprise bankruptcy | The procedure of enterprise bankruptcy required(day) |
| | | The time of enterprise bankruptcy required(day) |
| | | The cost of enterprise bankruptcy required (CNY) |
| The industrial environment | Industrial structure | |
| | Corporate structure | |
| | Industry open | Foreign trade dependency |
| | | The price difference |
| | | The actual tariff rate |
| | | The torsion resistance of foreign exchange market |
| | Enterprise's import and export | The inspection time of declaration for exportation(hour) |
| | | The time of export customs clearance(hour) |
| | | The inspection cost of declaration for exportation(dollar) |
| | | The cost of export customs clearance(dollar) |
| | | The inspection time of import declaration(hour) |
| | | Import clearance time(hour) |
| | | The inspection cost of import declaration(dollar) |
| | | The cost of import customs clearance(dollars) |
| The financial environment | Enterprise loan | Time for enterprises to obtain loans(days) |
| | | Procedures for enterprises to obtain loans(item) |
| | | Business loans annualized rate (%) |
| | Corporate finance | Corporate finance time (days) |
| | | Corporate finance procedures(item) |
| | | Corporate finance annual interest rates (%) |
| | | Corporate financing amount (ten thousand yuan) |
| | Risk assessment | Financial risk |
| | | Strategic risk |
| | | Business risk |
| | | Operational risk |
| | | Management risk |
| The innovation environment | Development of strategic emerging industry | The number of new and high technology enterprises |
| | | The total amount of strategic emerging industries accounts for the proportion of the total amount of industries |
| | Transformation of innovative achievements | |

| | | |
|------------------------|---|---|
| | Scientific research base | The number of patents |
| | | Funding |
| The social environment | Consumer price level | The number of researchers |
| | | Price level |
| | | Electricity costs |
| | | Water costs |
| | | The cost of land |
| | | The cost of using the network |
| | Ecological environment construction | Air quality comprehensive index |
| | | Water pollution situation |
| | | The per capita green area |
| | Construction of medical | Per capita beds |
| | | The number of Third-level grade-A hospital |
| | Education resources | The number of undergraduate institutions |
| | | Ratio between teachers and students |
| | Cultural construction | The number of museums |
| | | The number of public libraries |
| | | The cultural industry accounts for the proportion of total spending |
| | Office conditions | The number of 5A office buildings |
| | | Per capita office space |
| The talent environment | The average salary | |
| | | |
| | Higher education personnel training | Hardware facilities |
| | | Faculty |
| | | Training mode |
| | Professional technical personnel training | Hardware facilities |
| | | Faculty |
| | | Training mode |
| | Talent attractiveness | Settle thresholds |
| | | Settle formalities |
| | | Settle channel |
| | Labor dispute processing | The time to solve business disputes (days) |
| | | The cost to solve business disputes (the ratio of claim money%) |

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