

Strategic Focus and Implementation Path for the Development of Ningbo Free Trade sub-Zone

Yang yang ^{1, a}, jinghua Xie ¹

¹ Business School, Ningbo Tech University, Ningbo, 315100 PRC;

^a 839014548@qq.com

Abstract. General Secretary Xi Jinping proposed the ideas in the construction of the free trade zone that it is a major strategic decision that focuses on both domestic and international situations, and promotes the innovative development of socialism with Chinese characteristics. Its core mission is to promote institutional integration and innovation. The Ningbo Free Trade sub-Zone (FTsZ) should take on the responsibility of tackling institutional innovation, functional innovation, and system integration in the free trade zone development strategy, becoming a benchmark sample for shaping, moulding, and improving the development strategy of national free trade zones, and becoming a reform outpost for accurately grasping the new trends of economic globalization and China's new requirements for opening up to the outside world. This study proposes a development strategy and implementation path for FTsZ with a strategic focus on standards, quality, professional markets, property rights, and intellectual property rights. It provides useful innovative ideas and decision-making references for accelerating the high-quality development of free trade zones, implementing central government's free trade development strategies, and breaking through the obstacles of the anti globalization wave.

Keywords: NB FTsZ; standards strategy; quality strategy; professional markets strategy; property rights strategy; intellectual property rights strategy.

1. Strategic deployment and task responsibility of the construction of Ningbo Free Trade sub-Zone

General Secretary Xi Jinping has given important instructions on the construction of the Hainan Free Trade Port, stating: "The free trade port is a major strategic decision made by the Central Committee of the Communist Party of China, focusing on both domestic and international situations, to promote the innovative development of socialism with Chinese characteristics. It is a major event in the process of China's reform and opening up in the new era. We must adhere to the leadership of the Party, uphold the socialist system with Chinese characteristics, connect with international high-level economic and trade rules, promote the free and convenient flow of production factors, and build a free trade port with high quality and high standards. We must place institutional integration and innovation in a prominent position, emancipate our thinking, boldly innovate, mature and launch policy one after another, advance steadily and achieve long-term success.

There are still many doubts in the current theoretical and policy research on how to promote institutional integration innovation and create a high-level, high-quality, and high standard open development platform for free trade zones. According to General Secretary Xi Jinping's significant judgment that the central task of the free trade zone is to promote "institutional integration innovation", theoretical and policy research should shift its focus from industrial and trade development under the traditional open development model to institutional and functional innovation under the open development model of the free trade zone. To achieve the goals of innovation, reconstruction, and improvement in the system and functions under the open development model of free trade zones, strategic breakthroughs must be implemented at the key points of "laying the foundation, improving the height, and extracting advantages".

The development strategy of the National Free Trade Zone is the development strategy of the Ningbo free trade sub-zone. The Ningbo free trade sub-zone must take on the responsibility of tackling institutional innovation, functional innovation, and system integration in the free trade zone, becoming a benchmark sample for shaping, moulding, and improving the development strategy of

national free trade zones, and becoming a reform outpost for accurately grasping the new trends of economic globalization and China's new requirements for opening up to the outside world. The current construction of Ningbo free trade sub-zone should strive to achieve strategic breakthroughs in the design of three core systems: market pricing power, market specialization, and property rights confirmation. It should establish a general idea with standard strategy, quality strategy, professional market strategy, property rights strategy, and intellectual property rights strategy as the strategic focus, and support the strategic, innovative, and high-quality development of the free trade zone with five strategies.

2. Strategic priorities for the development of Ningbo Free Trade sub-Zone

2.1 Standard Strategy

The "US Standards Strategy (USSS)" released by the American National Standards Institute (ANSI) proposes that "voluntary consensus standards are the foundation of the US economy, playing an important role in strengthening the public interest, improving industrial competitiveness, and promoting liberalization of the global trade system", "standards are the cornerstone of innovation and competitiveness", "they are the universal language of the world", and "the American standards strategy provides a direction for the future development of the American standards system in today's global competitive economy." China's participation in the global economy has been upgraded from "selling labor" to "selling products", and will inevitably be upgraded to a higher level of "selling standards" in the future. In this context, Ningbo City should rely on the strategic opportunity period and platform advantages created by the free trade zone, and regard enhancing the global influence of Ningbo's advantageous industry standards as the primary task of integrated innovation of the free trade zone system.

The goal positioning of the free trade zone standard strategy has two dimensions: horizontal dimension is to further integrate China's domestic standard system with the global standard system. In the domestic institutional environment, there are institutional constraints on the integration between the domestic standard system and the global standard system. For example, in the standard areas of China's traditional culture, legal system, and strict ideological restrictions, Ningbo City needs to innovate and promote the breakthrough, integration, and coexistence in the institutional environment of free trade zones. The vertical dimension aims to enhance the status and discourse power of China's standard system in the global standard system. The Ningbo free trade sub-zone aims to become a gateway for China to lead the construction of a new global standard ecosystem. It should be able to absorb, accommodate, and nurture diverse global standards, and integrate and coexist with foreign standards; It is also necessary to gradually establish a leading position in the global standard system, continuously enhance and strengthen the discourse power and influence of Chinese standards in global governance, trade, and investment.

2.2 Quality Strategy

The Outline of the 13th Five Year Plan proposes to implement the strategy of building a strong manufacturing country, including the strategy of building a strong quality country. The "Suggestions for the 14th Five Year Plan and Long Range Objectives by 2035" (hereinafter referred to as the "Suggestions") propose to "adhere to the focus of economic development on the real economy, and firmly build a strong manufacturing country, a strong quality country, a strong network country, and a digital China..." The central government's plan for building a strong manufacturing country and a strong quality country means that in the future, China will continue to promote the construction of a strong manufacturing country and a strong quality country, indicating that the construction of a strong manufacturing country and a strong quality country is becoming an important strategic goal for China's economic development.

The planning, formulation, and implementation of quality strategy are deeply influenced by a country's level of economic and social development. China's open development model adopts a dual

track quality control system, where products exported to high-end markets in developed countries have high quality, while products exported to low-end markets domestically and internationally have low quality. The "Opinions on the Integrated Development of Domestic and Foreign Trade" issued by the Central Committee of the Communist Party of China and the State Council in 2021 pointed out the need to promote the "same line, same surface, and same quality" of industrial products in domestic and international markets.

The high quality of products and services is the benchmark for international market prices, and the pricing of low-quality products must be based on the pricing of high-quality products. When a country holds the discourse power of high-quality products in a specific industry in global trade, it can play a leading role in the direction of international trade. With the transformation and upgrading of Chinese manufacturing towards intelligent manufacturing, the international reputation and consensus of China's product quality control and certification will become the leading player in China's deep participation in international trade and leading the international market. The Ningbo free trade sub-zone should focus on its advantageous leading industrial system and build a globally renowned quality appraisal and certification public service platform at a high level in the free trade zone.

2.3 Professional Market Strategy

Compared with the successful construction models of free trade zones internationally, promoting institutional innovation for trade and investment liberalization and facilitation is the core goal of free trade zone construction, and industrial development is an auxiliary means. Therefore, the essence of a free trade zone is a market, not an industrial base. The characteristics of professional markets are specialization, intensification, and scale. In current academic research in China, Professor Lu Lijun is a pioneer in studying the development model of specialized markets in Zhejiang. Not only did it first propose the concept of specialized markets, but it also tracked and deeply studied the operating mechanism of specialized markets for a long time, systematically summarizing that the key to the success of the Zhejiang model is the theoretical achievements of the successful creation of specialized markets, laying an important theoretical foundation for the future development of specialized markets in China's economy.

The professional market strategy of Ningbo free trade sub-zone is to fully utilize the advantages of institutional innovation and open development in the free trade zone platform, based on the professional market foundation formed by existing advantageous industries, promote the upgrading of domestic professional markets to international professional markets, amplify the functions of advantageous industries and trade fields, enhance the efficiency of professional markets in promoting trade and investment, and improve the influence and discourse power of professional markets in the global market system.

2.4 Property Rights Strategy

Attracting international investment is an important function in the overall plan of the free trade zone. Global financial capital entering free trade zones not only requires institutional guarantees such as freedom and the rule of law, but also requires property rights protection for financial asset carriers. At present, the carrier function of real estate is the main function in the investment facilitation implementation model of major free trade zones worldwide. However, there are significant differences in China's real estate property rights system compared to other countries in the world, and the institutional design of real estate property rights has not been effectively constructed. This major difference in property rights system will have a negative impact on the attractiveness of international investment in free trade zones.

Against the backdrop of policy incentives for bold institutional innovation in the free trade zone, Ningbo City can combine the strategic positioning and goals of the free trade zone, learn from the experience of other countries or regions in attracting foreign investment through innovative property rights protection systems, innovate and construct the property rights strategy of the Ningbo

free trade sub-zone, align the property rights system within the free trade zone with internationally renowned free trade zone standards, achieve breakthroughs in the design of important property rights systems such as real estate property rights confirmation, transaction protection, and market circulation, enhance the attractiveness of the free trade zone to international investment, and build the Ningbo free trade sub-zone into a comprehensive resource allocation base with international influence.

2.5 Intellectual Property Strategy

The economic and industrial development of free trade zones relies on innovation, which in turn relies on intellectual property rights. Therefore, protecting intellectual property rights is not only protecting innovation, but also a key driving force for ensuring high-quality open development of free trade zones. Invention and creation, technology patents, data information, etc. have become independent asset elements and key economic resources for promoting global trade and investment. In addition to protecting the property rights of physical and financial assets, the property rights protection of free trade zones must also ensure the protection of intellectual property rights. The intellectual property strategy implemented in the free trade zone is not only related to the upgrading of the domestic intellectual property system, but also to the settlement and retention of global knowledge achievements in the Chinese market.

The intellectual property strategic positioning of Ningbo free trade sub-zone should be based on the "Comprehensive Plan for China (Zhejiang) Pilot Free Trade Zone" issued by the State Council, and vigorously carry out pilot reforms in comprehensive intellectual property management. Adhering closely to the needs of innovative development, we will leverage the leading role of intellectual property rights such as patents, trademarks, and copyrights, and explore the intellectual property operation mechanism that supports innovative development. Explore the establishment of a cross departmental intellectual property law enforcement cooperation mechanism in the pilot free trade zone, and improve dispute mediation, assistance, and arbitration mechanisms. Explore the establishment of a patent navigation system for key industries in the pilot free trade zone and a rapid collaborative protection mechanism for key industries.

3. Implementation Path for the Development of Ningbo Free Trade sub-Zone

3.1 Implementation path of standard strategy

The implementation path of the standard strategy in Ningbo free trade sub-zone mainly focuses on three directions: firstly, promoting the systematization of the standard system. Intensify the reform efforts at the institutional and mechanism level of the free trade zone, and provide the best opportunities and platforms for innovation, trial and error, correction, refinement, and promotion of the institutional and mechanism reform of the standard system construction. Efforts should be made to break through the cognitive blind spots in the construction of non-technical standard systems. We will focus on promoting the development of important standard systems such as ecological standards, legal standards, labor standards, and cultural (folk) standards, empowering the self innovation and global promotion of Chinese standards. The second is to promote the globalization of the standard system. The creation of free trade zones should focus on breaking the constraints of the integration and coexistence of Chinese standards and global standards, providing a space for the diversified standard system on a global scale, absorbing, accommodating, and nurturing the global standard system, and creating a symbiotic, coexisting, and shared ecological environment for the integration and collaboration of domestic and foreign standard systems. The third is to promote the agglomeration of the intermediary system. Standard specialized intermediary service market entities are the backbone of building a standard system. Free trade zones should effectively carry standard intermediary service market entities from global sources, and achieve effective influence on the formulation of global standards in specialized fields.

3.2 Implementation Path of Quality Strategy

The implementation path of quality strategy in Ningbo free trade sub-zone mainly focuses on three directions: firstly, promoting the branding of quality certification. The market's perception of quality can greatly reduce the cost of information selection through branding. Famous brands are a manifestation of high quality. The free trade zone needs to innovate its brand building mechanism and amplify the equivalent effect of product branding and quality certification. The second is to build an integrated ecosystem of international quality certification system. The international market has increasingly strict requirements for product quality and safety, and the full process control of product quality and safety from "raw materials to consumption" has gradually become mainstream. The free trade zone should actively introduce mainstream quality certification institutions from around the world to participate in its establishment, effectively enhancing the recognition of quality supervision, quality control, and certification in the international market. The third is to increase the construction of the quality intermediary service system. Introduce preferential policies to attract globally renowned quality certification agencies to establish physical branches in Ningbo, creating the optimal business environment for global quality certification organizations, enterprises, and talents.

3.3 The Implementation Path of Professional Market Strategy

The main focus of promoting the professional market strategy in Ningbo free trade sub-zone is threefold: firstly, increasing the introduction of professional talents in the Free Trade Zone. Based on the Ningbo free trade sub-zone platform, we will break down institutional and conceptual barriers to the introduction of professional talents, innovate and construct talent introduction policies in accordance with internationally recognized talent mobility standards. The second is to increase the introduction of professional institutions in the free trade zone. Based on the Ningbo free trade sub-zone, we will gather a large number of outstanding universities, research and development institutions, and public platforms from around the world, encourage the establishment of branch offices, agency offices, and liaison offices in Ningbo, and create a professional market function hub led by talents. The third is to focus on building a professional market model with advantages in Ningbo. By focusing on building a strategic hub for East Asian sea rail intermodal transportation, leveraging the advantages of Ningbo Zhoushan Port, Ningbo manufacturing industry, and the deep economic hinterland of the Yangtze River Delta, we aim to create a professional market advantage for sea rail intermodal transportation that integrates port transportation, railway transportation, and digital transportation.

3.4 The Implementation Path of Property Rights Strategy

The three innovative paths for implementing property rights strategy in Ningbo free trade sub-zone are: firstly, to quickly align with the design of the real estate property rights system in internationally renowned free trade zones. Taking Singapore, Hong Kong, and other regions as examples, different property ownership periods are set for different types of properties in the free trade zone and its adjacent areas, with the shortest valid property ownership period set at 99 years, to ensure that international financial capital establishes a stable expectation of holding high-end properties in the free trade zone and its adjacent areas. The second is to reasonably benchmark the real estate investment entry threshold of internationally renowned free trade ports. The Ningbo free trade sub-zone should boldly learn from the experiences of Hong Kong and Singapore, and not impose restrictions on the number or amount of housing purchases for foreign investors who exceed the admission threshold. In Singapore, the threshold for investment immigration is set at 100 million RMB. The Ningbo free trade sub-zone can set an investment threshold of over 50 million RMB. The third is to focus on building a market-oriented mechanism for the formation of real estate prices. The Ningbo free trade sub-zone should relax investment restrictions on the real estate market, remove government intervention, allow for significant increases in housing prices and large-scale capital transactions due to the concentration of international financial capital, create a

high-end real estate circulation market, and improve the capital liquidity of high-end real estate in the Free Trade Zone.

3.5 The Implementation Path of Intellectual Property Strategy

The three innovative paths for implementing intellectual property strategy in Ningbo free trade sub-zone are: firstly, establishing a global linkage mechanism for intellectual property protection in free trade zones. Promote strategic cooperation in the global free trade zone, establish a linkage mechanism for intellectual property protection on the free trade zone platform, build a new pattern of cross domain protection of intellectual property with unified standards, strong enforcement, and efficient and smooth implementation, and promote cross domain collaborative protection and cooperation of intellectual property. The second is to build a globally renowned intellectual property trading hub. Explore significant relaxation of market access for foreign investment and encourage global financial capital to value intellectual property transactions. Explore the establishment of a fair intellectual property evaluation mechanism, improve the registration system for intellectual property pledge, the risk sharing mechanism for intellectual property pledge financing, and the convenient and efficient disposal mechanism for pledged assets, in order to provide support for expanding financing based on intellectual property pledge. Encourage the exploration of intellectual property securitization and improve the intellectual property trading system and mechanism. The third is to explore innovative modes of intellectual property arbitration. Actively benchmarking against advanced models at home and abroad, learning from the three major trial modes of Guangzhou International Arbitration, Hong Kong International Arbitration, and Macao International Arbitration, comprehensively enhancing Ningbo's ability to create, utilize, protect, manage, and serve intellectual property rights.

4. Summary and Perspective

The Ningbo Free Trade sub-Zone is the decisive factor in the construction plan of Zhejiang Free Trade Zone. As a hub for global multimodal transportation, supply chain, commodity trading, and high-end manufacturing, the pilot experience of Ningbo Free Trade sub-Zone will provide a model for its own and the successful construction of all national free trade zones.

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