

Mechanism and Path of Modern Leap-forward Development of Service Outsourcing Industry in Hubei Province

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Abstract. Service outsourcing industry is the "green engine" of a country's economic development. It is also a strategic industry for Hubei to transform its economic growth mode, adjust its industrial institutions and realize the leapfrog development of modern service industry. This paper analyzes the opportunity and mechanism of developing service outsourcing industry in Hubei province, and puts forward some countermeasures for Hubei province to take service outsourcing as a breakthrough point, implement differentiation strategy, create the advantages and characteristics of Hubei service industry, and promote the leapfrog development of Hubei economy.

From 2020 to the middle of this century, the comprehensive construction socialism modernization country, Hubei economic development is still in an important period of strategic opportunities, advanced manufacturing and modern service industry on the bidirectional pull strategy, development of service outsourcing industry is promising, this can not only be Hubei economic restructuring and transformation of the mode of growth important gripper, can also become a new way to achieve the leap development of modern service industry of Hubei province.

Mechanism Analysis of Leapfrog Development of Service Outsourcing Industry in Hubei Province

Service Outsourcing Industry Is the Adhesive of Manufacturing Advantage and Service Industry Development in Hubei Province.

Hubei manufacturing categories are complete, and it has formed an industrial cluster with automobile, iron, steel, chemical, raw materials, manufacturing, tobacco, textile, teaching materials, agricultural products processing and general equipment manufacturing industry. From the perspective of technological progress, high-end service industry is not only the medium and prerequisite for the development of manufacturing industry, but also the result and product of the development of manufacturing industry.

Service Outsourcing Industry Is the Converter of the Emerging Service Industry and Human Resource Advantage into Competitive Advantage in Hubei Province.

Service outsourcing is inseparable from service trade. New technologies, new modes and new formats of service industry continuously enter the field of service outsourcing. In 2017, Hubei province's total import and export of services totaled us \$12.14 billion, still ranking first in central China. The structure of trade in services has been improved. The province's emerging service trade grew faster than the traditional service trade, and its share continued to rise, reaching 162 million us dollars, accounting for 1.3%, up 0.5 percentage point year-on-year. New areas such as intellectual property use fees, cultural and entertainment services, and repair and maintenance services all increased by more than 30 percent (36 percent, 52 percent, and 164 percent, respectively).

Service Outsourcing Industry Is the Propeller for Hubei to Attract Domestic and Foreign Capital Investment.

In 2017, the average salary in Wuhan, capital of Hubei province, was 6,331 yuan. (average salary

statistics generally refer to pre-tax salary, including monetary form, social security, provident fund and physical form. The average salary is significantly higher than the actual personal income.) Compared with other provinces in China, it has certain competitive advantages in attracting the business environment of service outsourcing and talent reserve, which is conducive to the transfer of international multinational companies and China's coastal service outsourcing industry to Hubei, and promotes the accelerated development of modern service industry in Hubei.

Table 1 Comparison of average salary rankings of 16 major Chinese cities in 2017

| Rank | City | Average salary (RMB/month) |
|------|-----------|----------------------------|
| 1 | Beijing | 9240 |
| 2 | Shanghai | 8962 |
| 3 | Shenzhen | 8315 |
| 4 | Guangzhou | 7409 |
| 5 | Hangzhou | 7330 |
| 6 | Ningbo | 7152 |
| 7 | Foshan | 7017 |
| 8 | Dongguan | 6998 |
| 9 | Xiamen | 6886 |
| 10 | Suzhou | 6719 |
| 16 | Wuhan | 6331 |

Source: China industry information: www.chyxx.com/industry/201709/561997.

Factors Restricting the Leapfrog Development of Service Outsourcing Industry in Hubei Province

City Industry Dimensions Is Small, Domestic Lag Behind Relatively.

The output value and proportion of service industry is an important index to measure the strength of regional economic structure and competitiveness. In spite of the rapid development of the service industry in Hubei province in recent years, there is still a big gap between the output value and the proportion of the service industry in the GDP of Hubei province and the developed regions in China, which is also lower than the national average level. Take Wuhan, the most representative provincial capital, as an example. In 2017, the output value of the service industry in Hubei province accounted for 45.2% of the GDP. Although the economic structure has achieved the optimization of "321", it is lower than the national average level of 51.6% in the same year. The difference was 6.4 percentage points. (see table 2, note: the total value of the tertiary industry is higher than the output value of the service industry)

Table 2 Comparison of domestic tertiary industry development in 2017

| District | GDP (\$billion) | Added value of the tertiary industry (\$billion) | The proportion of the tertiary industry (%) |
|-----------|-----------------|--|---|
| Beijing | 28000.35 | 22569.3 | 80.6 |
| Guangzhou | 21503.152 | 15254.37 | 70.9 |
| Shanghai | 30133.86 | 20783.47 | 69 |
| Hangzhou | 12556.16 | 7858 | 62.6 |
| Xi 'an | 7469.85 | 4592.65 | 61.5 |
| Harbin | 6355.05 | 3845.5 | 60.5 |
| Nanjing | 11715.1 | 6997.22 | 59.7 |
| Jinan | 7201.96 | 4249.16 | 59 |
| Shenzhen | 22438.39 | 13153.02 | 58.6 |
| Tianjin | 22438.39 | 10786.74 | 58 |
| Wuhan | 13410.34 | 7140.78 | 53.2 |

Source: China industry information network <https://www.chyxx.com/industry/201711/585563.html>

High Concentration of Service Industry, Unbalanced Development within the Province.

Wuhan ranks first among cities in terms of per capita service occupancy (value-added of service industry/urban population), density of service industry (value-added of service industry/urban area) and comprehensive productivity of service industry (value-added of service industry/employment number of service industry). For example, in 2017, the added value of the tertiary industry in Wuhan, Xiangyang and Yichang was 714.079 billion yuan, 45.534 billion yuan and 135.287 billion yuan respectively. Wuhan is 5.57 times that of Xiangyang and 5.85 times that of Yichang. The service industry output value in Xianning, Suizhou, Ezhou and other regions of is less than one tenth of Wuhan.

The Service Industry Is Not Well Structured and Has a Low Degree of Openness.

In 2017, the actual foreign capital used in the secondary industry in Hubei was 5.97 billion, up 0.21% year on year, accounting for 54.3% of the province's total. The actual use of foreign capital in the tertiary industry was 4.83 billion US dollars, up 18.49% year on year, accounting for 43.92% of the province's total. This is the short board that Hubei economy develops continuously, also be the mark that service industry attracts investment to lag behind coastal city. In addition, the key service enterprises in Hubei province are mainly distributed in Wuhan, and the proportion of foreign investment in the high-tech and knowledge-intensive emerging service industries such as computer service industry, software industry and business service industry is even lower.

The Leapfrog Development Path of Service Outsourcing Industry in Hubei Province

Take the Development of Service Outsourcing Industry as the Breakthrough to Consolidate the Foundation of Modern Service Industry in Hubei Province

It mainly supports EDS, IBM, Boyan, Qunshuo and other international outsourcing enterprises that have settled in Wuhan to develop rapidly in Wuhan. Promoting the construction and operation of foreign invested projects in Wuhan as soon as possible; We will strive for well-known domestic and foreign enterprises such as Microsoft, Neusoft, Lenovo and Zhongxing or leading enterprises in the domestic software industry to settle in Wuhan. In engineering design fields such as Bridges and high-speed railways, Wuhan -- the design capital of the world will be given full play, thus driving the development of service outsourcing industry in the province.

Focus on Features, Pay Attention to the Comprehensive Effect of the Leapfrog Development of Hubei Modern Service Industry.

Strongly attracts the regional headquarters, research and development center, procurement center and training center of multinational corporations in developed countries to transfer to Hubei Province. And encourage the concentration of investment entities in major service projects, especially in second-tier cities in Hubei province, so as to create a diversified investment pattern. Solve the service industry is highly concentrated, regional development imbalances, promote the development of infrastructure industry, drive the project general contracting, optical fiber communication, such as oil industry "going out", promote the adjustment and upgrading of industrial structure optimization, and "neighborhood" all the way along the national textile, cement, chemical and other high quality production cooperation, improve quality of service outsourcing industry, the level and the level of Hubei province.

With the Talent Strategy as the Center, Hubei Modern Service Industry Talent Introduction and Incentive Mechanism Will Be Formed.

In the development of service outsourcing industry, we should vigorously cultivate inter-disciplinary and international service talents and introduce advanced service technology and standards. To promote and cultivate the comparative advantages of service outsourcing industry, and form an effective talent introduction and incentive mechanism in Hubei province; In particular,

we should take advantage of a new round of opportunities for overseas students to return and actively attract various types of talents from Hubei province to start businesses and develop, so as to make Hubei province's abundant talent resource reserve advantages and turn it into an obvious talent resource increment advantage, so as to achieve the strategic goal of strengthening the province with talents.

Attach Equal Importance to the Strategy of "Bringing In And Going Out" and Add New Momentum to Internationally Economic and Trade Cooperation.

Under the current international time of rising protectionism, Hubei is going to break the trade barriers, to speed up the depth into the pace of economic globalization, under the strong support for the central policy, strengthening the development of endogenous power, through the "trade traction, industry, enterprises follow up" going out strategy layout, implementation strategy and service outsourcing industry of Hubei province and opening to the outside world, combined with an efficient "introduction to and go out" to promote "neighborhood" all the way along the market diversification, promote the Hubei service outsourcing plays a key points in the global value chain and the function of the adhesive, it as the key elements of Hubei province's international chain.

In a word, in the new age of building Hubei province into a strong economic and trade province, service outsourcing industry and service trade will continue to be the forefront of reform and opening up. At the same time, it will benefit from a new round of reform and opening up, and make new and greater contributions to the formation of a new pattern of comprehensive opening up in Hubei.

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