

TWO STRATEGIES FOR HI-TECH INDUTRY DEVELOPMENT:  
LESSONS FROM CHINA

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ABSTRACT:

PART 1 Benefits of Hi-Tech Industry Growth

Hi-Tech industry grows very fast these several years in China, especially in the eastern coast cities like Shanghai, Shenzen, etc and Capital Beijing.

The high rate growth of the Hi-Tech industry has brought huge benefits to China's economic condition. The most eminent point shown in the recent several years is giving large impact to the exports of Chinese goods. The weight of Hi-Tech products in the total Chinese export goods rise very fast in comparison with the other porting of export goods in the last three years.

The high rate growth of Hi-Tech Industry also offers positive/good influence the structure change of the industry – this is one of the important mission facing the China.

PART 2 Comparative Study of the experiences of Hi-tech Industry at Different Region of China

This comparative study focus et several developed area as Beijing, Shanghai, Shenzen, Dailei, Qingdao, Hangzhou.

The Delphi approach was employed in the studying of the development of the Hi-Tech Industry in these above-mentioned region and cities.

Through this study, seven main factors of successful development experiences in China was identified, they are:

- Entrepreneur
- Venture Capital
- Tech Talents
- Market mechanism
- Government support
- Tech and industry choice
- Innovative culture.

PART 3 Three Generals (Laws) of Hi-Tech Industry Development were discovered Through the Comparative Study between US and China on Hi-Tech Industry Developments

In this part, first found the successful experiences and lessons from the US, especially in 2 regions, i.e. Silicon Valley and Rout 128 in Boston area of MASS.

The lessons and experiences were studied too. On the basis of these, three general laws were discovered as follows:

- The integration of diversified business development with the clustering firms' growth.
- The integration of technological innovation with organizational innovation, including institutional innovation;
- The integration of marketing mechanism with the government supports.

#### PART 4 Two Strategies for Hi-Tech Industry Development --- Lessons from Hi-Tech Industry Growth in China

Two path of Hi-Tech industry development were studied, these two path can de shown by 2 differnt loops:

PATH 1 Innovation-based developing path.

The loop of path 1 is as follows:

Resource allocated ---R&D --- Manufacturing --- Marketing --- Returned Capital (profit involved) --- Resource back

PATH 2 Tech acquisition –based developing path

The loop of path 2 is as follows:

Resource allocation --- Tech acquisition --- manufacturing --- Marketing --- Returned capital --- Resource back

The comparison of these 2 path by system dynamics modeling and analysis.

Path 2 although offers quick return, but slow in competence leverage, while the path one Via the self- development is very much helpful for competence cultivate and leverage.

CONCLUSION The balance of resource allocation between these 2 path is extremely Important for sustainable competence leverage and sustainable competitive advantages.