The "Surge Phenomenon" of Macro Economy in Developing Countries from the Perspective of Tobacco Economy

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Objectives: Starting from the tobacco economy, this paper studies the "surge phenomenon" of macro-economy in developing countries. Methods: This paper studies the impact of tobacco industry on Anhui economy by using the relevant theories of industrial economics, econometrics and regulatory economics, combined with the actual situation of tobacco industry. Based on the analysis of the overall development of tobacco industry, this paper empirically analyzes the relationship between tobacco industry and Anhui economic growth. This paper combs the relevant literature of the existing research results of this theory. Combined with the special fact that government investment accounts for a large proportion in China's current economic construction, this paper redefines the hypothesis of the investor in the theory of principles. On this basis, the expected equilibrium results of enterprise investment decision-making under government led and market led modes are compared and analyzed by using incomplete information static game model. Results: When the output value of tobacco industry increases by 1%, it will drive the GDP to increase by 0.373%. Secondly, by comparing the economic benefits of tobacco with the social costs of tobacco, it is found that with the economic development, the social costs caused by tobacco increase year by year, but the economic benefits are slightly greater than the social costs. The difference between the two is also increasing year by year. Conclusion: In the context of tobacco control, we should fully consider the advantages and disadvantages of developing the tobacco industry. Under the excessive intervention of the government, the manifestation of the surge phenomenon is more intense, and the final consequence of overcapacity is more serious than that under the market-oriented mode..

Key words: tobacco industry, tobacco control, macro economy, tide phenomenon.
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As we all know, the tobacco industry is a special industry[1]. At present, only tobacco is clearly implemented in China. Tobacco has a stubborn hobby, and nicotine in tobacco leaves has an adverse impact on human health. Therefore, on the one hand, the tobacco industry should meet the needs of consumers, on the other hand, it can not develop indefinitely[2]. Therefore, all countries implement the policy of high price and heavy tax and "combining prohibition with levy" on the tobacco industry, which leads to tobacco products becoming high tax commodities[3]. Tobacco tax has become one of the important sources of government revenue. The tax of tobacco commodities includes import tariff, consumption tax and value-added tax of market commodities. Consumer demand for tobacco products is inelastic, so its tax revenue is considerable[4-5].

The tobacco industry is an important contribution industry in China's national economy. For some provinces and regions where tobacco planting and cigarette processing are concentrated, the tobacco tax is up to more than 60% of the total local tax revenue[6]. As the largest tobacco producing and consuming country in the world, the tobacco industry has become one of the pillar industries of China's national economy and has played an irreplaceable role in the economic development of various places[7]. Tobacco production is more widely distributed in more than 20 provinces and more than 500 counties across the country, with more than 3 million farmers every year, involving more than 15 million rural population[8]. Since tobacco cultivation is concentrated in central and western regions with relatively backward economic development, such as Yunnan, Guizhou, Henan, Sichuan, Hunan, Hubei and Heilongjiang, the development of tobacco industry can not only adjust the agricultural structure of these regions and increase the income of local farmers, but also is of great significance to promote local employment and poverty alleviation and development[8]. A province took the lead in implementing the separation reform of provincial industrial and commercial management system in the country, deserves more attention to what new pattern the horn of reform and reorganization has built for the whole tobacco industry[9]. 2021 is a year that requires the tobacco industry to have more wisdom in more challenges in order to develop steadily[10]. For the tobacco industry, with the increasing intensity of tobacco control, the continuous improvement of taxes and tobacco product prices, the increasing number of tobacco lawsuits and the continuous spread of economic crisis, the growth momentum of tobacco products will slow down, which has a more and more profound impact on the tobacco industry.

On the other hand, the tobacco industry belongs to the industry under the government led mode, and its macroeconomic surge phenomenon is very typical. The concept of tidal surge was first put forward by Professor Lin Yifu[11]. He defined the surge phenomenon as the phenomenon of excessive concentration of enterprise investment in a certain industry caused by incomplete information, which is unique to developing countries, resulting in serious overcapacity[12]. Then, some scholars discussed the mechanism of surge phenomenon by constructing a simple model of micro dynamic competition in enterprise investment decision-making[13]. Using empirical research, some scholars believe that the tide phenomenon is an important reason for China's macroeconomic policy dilemma. Some scholars use the case of overcapacity in specific industrial sectors to demonstrate the action mechanism of surge phenomenon in photovoltaic industry.

It can be seen from the literature that most of the research results on the surge phenomenon theory focus on the analysis of the specific process and influencing factors of the surge phenomenon transmission mechanism. The premise assumptions of these theories are basically consistent with the theoretical assumptions in Professor Lin Yifu's concept of surge phenomenon, that is, emphasizing the clear separation of government and market functions[14]. In real life, the investment subjects in various industries are not only the enterprise subjects with market incentive mechanism, but also a large number of government departments participate in investment construction as the investment subjects[15]. Therefore, ignoring the realistic premise of diversification of investors, it is inevitable that it is impossible to distinguish the economic effects of tidal wave phenomenon under the two different dominant modes of government and market. This paper attempts to study the related problems of macroeconomic "surge phenomenon" in developing countries through tobacco economy.

METHODS

Development of Tobacco Industry

China's tobacco cultivation accounts for 40% of the world's tobacco, but only 5% of China's tobacco leaves are exported, and most of the remaining 95% are consumed by 350 million Chinese smokers. On

January 6, 2021, China CDC and other departments released the report "tobacco control and China's future" in 2020. Among the nine assessment criteria, the average score of China's tobacco control was 37.3, far from the pass line. Compared with other countries, China's performance is at the bottom of more than 100 States parties to the Convention. In the past eight years, China's cigarette production has increased very rapidly. In 2019, the output of cigarettes will reach more than 2700 billion, which is one of the countries with the fastest growth under the background of comprehensive tobacco control in the world. China's weak tobacco control also shows China's huge smoking team and huge production capacity. The growth of sales volume also makes the profits and taxes of China's tobacco increase year by year. In 2018, the tobacco industry achieved industrial and commercial profits and taxes of 449.9 billion yuan. In 2019, the industry benefits increased steadily, and the tax profit of the whole tobacco industry was 530 billion yuan. In 2020, the tobacco industry realized industrial and commercial tax profits of 604.552 billion yuan, an increase of 87.639 billion yuan, an increase of 16.95%. The State Finance (including state-owned capital gains) was 498.85 billion yuan, an increase of 87.25 billion yuan or 21.2% year-on-year.

Table 1 shows the tobacco output value and its proportion in GDP and the tax revenue of the tobacco industry and its proportion in the total tax revenue of province a from 2010 to 2020. It can be seen from table 1 that the output value of tobacco increased steadily from 2010 to 2020, and its proportion in GDP showed a steady increasing trend from 2010 to 2013. It reached the highest value of 3.729% in 2013. After 2003, the proportion decreased slightly, but remained at a stable level. This may be related to the first separation of industry and Commerce in 2013. The proportion of taxes can be described as having strong growth momentum: the proportion rose all the way from 2010 to 2017. In 2017, it reached the highest value of 12.715%. It also decreased steadily later, but the average proportion was about 9.7%. This is much higher than 0.7% of the total tax revenue of tourism enterprises in the same period.

The Important Position of Tobacco Industry in Macro Economy

In order to calculate the contribution of tobacco industry to economic growth and economic growth rate, and accurately reflect the relationship between the impact of tobacco industry on the economic pull of province a, statistically, the industrial contribution rate and GDP growth rate are generally used to calculate the pull coefficient (pull rate). Table 2 shows the contribution and pull coefficient of the tobacco industry to the economic growth rate of province a from 1991 to 2020. The average contribution rate of tobacco industry to the economic growth rate of province a is 4.8532%. This shows that the contribution of the tobacco industry to the economic growth rate is close to 4.85 percentage points. The average annual economic growth rate of 0.614 percentage points is driven by the tobacco industry.

According to the above calculation results, the possible reasons for the pulling effect of the tobacco industry on economic growth are as follows:

Firstly, tobacco is a high tax industry, which drives the economic development. In every link related to tobacco - from tobacco planting, cigarette production, cigarette wholesale and retail, tobacco contributes to tax. There is tobacco leaf tax during planting, value-added tax, consumption tax, enterprise income tax, urban construction tax and education surcharge during cigarette production and allocation and cigarette consumption, and value-added tax, enterprise income tax Urban construction tax and education surcharge. These taxes are generally called "tobacco tax". In fact, tobacco tax can be divided into three parts: tobacco tax, value-added tax and consumption tax. The increase of tax revenue directly drives the increase of fiscal revenue, and makes a greater and greater contribution to fiscal revenue, which means that the tobacco industry has a greater and greater impact on the fiscal revenue of province A.

Table 1
The Output Value of Tobacco and Its Proportion in GDP and the Tax Revenue of Tobacco Industry and Its Proportion in Total Tax Revenue

Year	Output value of tobacco industry (10000 yuan)	GDP of province A (100 million yuan)	Proportion of tobacco output value in GDP (%)	Tobacco profits and taxes (10000 yuan)	Total tax (10000 yuan)	Proportion of tobacco tax profit in total tax (%)
2010	706869	2743989	2.576	84300	1445761	5831
2011	8S0280	3052.921	2.SS3	83165	1641648	5066
2012	1147945	328S498	3.491	123503	1620019	7624
2013	1369413	3672.079	3.729	171249	1767740	9687
2014	145S991	4301433	3.392	222546	204S296	1086
2015	1645023	4932010	3.335	28S07S	2445450	11781
2016	1922159	5565.821	3.454	3799SS	3124220	12.162
2017	232S243	6620650	3.517	511001	4018799	12.715
2018	2705059	8063160	3.355	614639	5279349	11642
2019	3082069	9114724	3.381	666111	6293236	10585
2020	3593146	11044.58	3.253	761297	8665517	8785

Table 2
Inverse Value Distribution of Eigenvalue of VAR Model

Year	g contribution rate (%)	SGDP growth rate (%)	e pull coefficient (%)
1991	21.6718	5.2096	1.129003
1992	12.797	18.1044	2.316832
1993	5.2007	15.9605	0.830061
1994	4.9525	11.6177	0.57537
1995	4.2751	29.7248	1.270766
1996	3.2862	20.0323	0.658307
1997	2.8545	22.5316	0.643159
1998	6.4225	22.9248	1.472341
1999	5.6547	12.8822	0.728451
2000	4.5197	9.1647	0.414215
2001	-10.941	4.7245	-0.51688
2002	20.5831	2.432	0.500591
2003	1.7501	31.508	0.551407
2004	1.9658	44.11	0.867132
2005	0.0197	21.8512	0.4308
2006	0.8931	17.2511	0.154065
2007	1.3193	13.1388	0.173335
2008	1.3932	11.7357	0.163502
2009	7.5463	5.8786	0.443621

2010	3.0349	7.7862	0.236306
2011	5.6132	11.2585	0.631967
2012	11.3621	7.7164	0.87675
2013	5.7737	11.6643	0.673463
2014	1.4233	17.1389	0.243944
2015	2.9502	14.6597	0.432488
2016	4.3728	12.851	0.561951
2017	3.8496	18.9519	0.729569
2018	2.6122	21.788	0.569151
2019	3.5852	13.0416	0.467572
2020	4.8532	21.1730	0.613889

Secondly, the tobacco industry is an industry involving many industries such as agricultural planting industry, production and processing industry, logistics distribution industry and retail service industry. Many industries, departments and enterprises are connected with each other and become an organic whole. The tobacco industry consists of the main market links of tobacco planting - tobacco purchase - cigarette processing - cigarette wholesale - cigarette retail, and the main market subjects such as tobacco farmers, tobacco companies, cigarette enterprises and cigarette retailers. The development of tobacco industry provides a multi-channel source for economic growth. It promotes economic growth in various industrial forms by connecting various departments and links.

Finally, the tobacco industry has also solved a large number of employment problems in a province. The tobacco industry covers a wide range. The tobacco planting industry enables a large number of farmers in the province to get rid of poverty and get rich in their hometown without having to suffer from leaving their hometown to work in other places.

In addition, the tobacco industry in province a is directly related to fiscal revenue, labor employment, agricultural economic structure, farmers' economic income, economic development and social stability of the whole province. Province a is a large agricultural province, and its employment problem itself has attracted much attention. The tobacco industry of province a has made a positive contribution to the huge employment of the province. This is because the tobacco industry has gone through the main market links such as tobacco planting - tobacco purchase - cigarette processing - cigarette wholesale - cigarette retail and the processes of major market players such as tobacco farmers, tobacco companies, cigarette enterprises and cigarette retailers, including tobacco farmers, purchasers, cigarette enterprises, tobacco companies and retail businessmen. The income of tobacco farmers in tobacco planting is significantly higher than that of farmers in other industries. According to statistics, in 2020, there were 343791 cigarette retailers in the province alone.

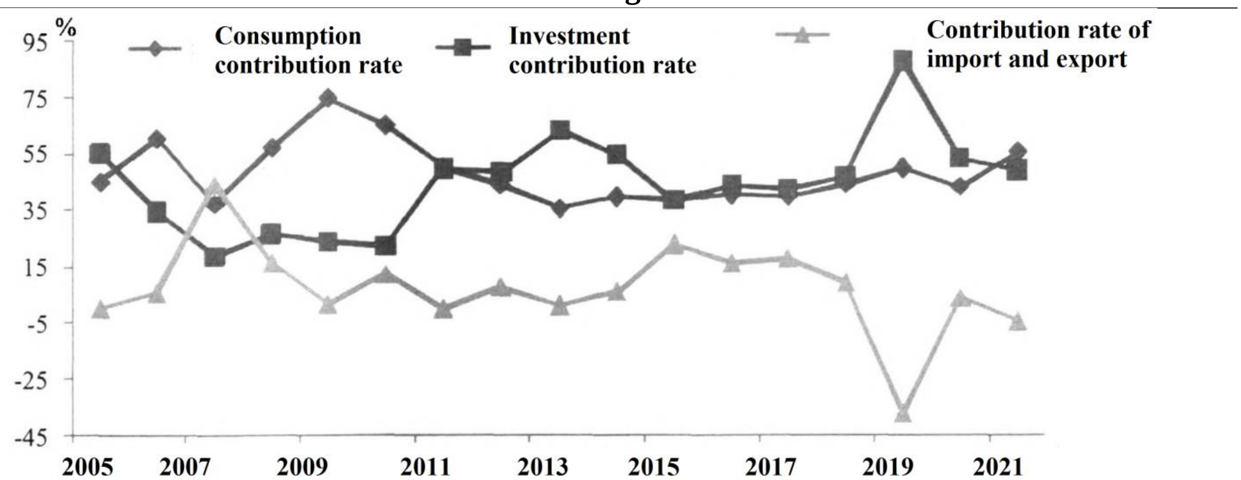
RESULTS

Surge Phenomenon of Tobacco Industry and Its Transmission Mechanism

Considering that China is in the system transition stage from planned economy to market economy, the proportion of government participating in market investment in the process of economic construction is higher than that of other western market economies, so it is more necessary to redefine the assumption of investment subject in the surge phenomenon theory. At present, the government function in China is mainly "production-oriented government" rather than "service-oriented government". The policy objectives and incentive mechanism of government departments aiming at economic growth will inevitably lead to the government's greater intervention in economic operation. Therefore, the study on the mechanism of industry surge under the government led mode is of more practical significance to explain the long-standing phenomena of excessive competition and overcapacity in the field of investment in China. Since the reform and opening up, China's economy has developed rapidly, in which the continuous expansion of investment demand is the main driving force to drive economic growth. In 2011, the proportion of total investment demand in China's GDP has reached 48.3%.

Figure 1 shows the contribution rates of consumption, investment and net export to China's GDP since 1995, which are sorted out according to the relevant data in the National Statistical Yearbook over the years. As can be seen from the figure, since joining the WTO in 2002, investment has always been the demand factor with the highest contribution rate to China's economic growth. Following the strategic principle of comparative advantage in international trade, China has mainly undertaken labor-intensive industries in the international industrial division, and domestic investment is mainly concentrated in the lower links of the industrial chain. This empirical fact is in line with the premise assumption of clear investment assets and industry prospects in the surge phenomenon theory. In addition, China is still in the transition period of economic system transition, and the leading role of government investment is still obvious. Statistical data show that the proportion of investment by state-owned enterprises and government departments has been large.

Figure 1
Inverse Value Distribution of Eigenvalue of VAR Model



Due to adhering to the market-oriented reform orientation and allowing the market to play a fundamental role in resource allocation, the proportion of state-owned and collective holding investment in China has shown an obvious downward trend, but at present, its overall share is still high, and by 2020, the proportion is still as high as 41.7%, It is much higher than the average level of this indicator in mature market economies. Because the decision-making mechanism of the investment scale of government departments is very different from that of the private sector, only by relaxing the assumptions about the investor in the surge phenomenon theory can we analyze and judge the characteristics of China's industrial investment surge phenomenon. In addition to the assumption of investors, the surge phenomenon theory actually implies many other assumptions. Among them, two very important assumptions are incomplete information competition among enterprises and static game hypothesis.

Incomplete information competition refers to the asymmetric state of market information in the process of investment decision-making, and the whole market is in the state of friction and transaction cost; The static game refers to the basic action rules that the game participants must choose actions at the same time or the participants' actions have priority, but the latter actors do not know the behavior choice of the first mover. The surge phenomenon is mainly manifested in overcapacity caused by excessive investment competition of enterprise investors under the condition of incomplete information at a certain time point or in a short period of time. Therefore, the model interpretation of this phenomenon should comply with the above two copy assumptions.

Based on these two assumptions, this paper constructs a simple model of enterprise investment decision-making game under two different modes: government led and market led. Based on the macroeconomic theory and the previous point of view, the amount of investment, interest rate and the degree of government intervention are three economic variables that affect each other. The economic indicators reflecting these three factors can be selected to build a vector autoregressive model (VAR model). Among them, the investment amount can be expressed by the completed investment amount I of urban fixed assets in the sample period. According to Keynesian theory, interest rate is the equilibrium price of money supply and demand in the money market. However, due to historical and institutional reasons, China's monetary policy has been dominated by quantitative regulation and supplemented by price regulation for a long time, so money supply M2 is more suitable as a model variable than interest rate. The degree of government intervention can be expressed by the proportion t of state-owned or state-controlled investment in the completion of urban fixed asset investment. In order to reduce the violent fluctuation of data serials L. and M2 are logarithmicized to form two groups of new sequence variables lnI and lnm2. In this example, the specific form of VAR model is:

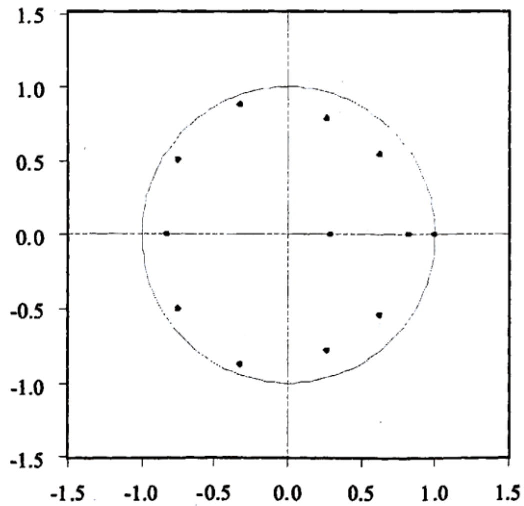
$$\begin{cases} lnI_t = a_{10} + a_1 lnI_{t-1} + a_{12} lnI_{t-2} + \mathrm{L} + a_{1p} lnI_{t-p} + b_{11} lnM_{t-1} \\ \mathrm{L} + b_{1q} lnM2_{t-q} + c_{11} T_{t-1} + c_{1m} T_{t-m} + U_{it} \\ lnM2_t = a_{20} + a_{21} lnI_{t-1} + a_{22} lnI_{t-2} + \mathrm{L} + a_{2p} lnI_{t-p} + b_{21} lnM_{t-1} \\ \mathrm{L} + b_{2q} lnM2_{t-q} + c_{21} T_{t-1} + c_{2m} T_{t-m} + U_{mt} \\ T_t = a_{30} + a_{31} lnI_{t-1} + a_{32} lnI_{t-2} + \mathrm{L} + a_{3p} lnI_{t-p} + b_{31} lnM_{t-1} \\ \mathrm{L} + b_{3q} lnM2_{t-q} + c_{31} T_{t-1} + c_{3m} T_{t-m} + U_{rt} \end{cases}$$

Empirical Results

Firstly, the VAR model is established with lnI, lnm2 and T, and the stationarity test is carried out. Figure 2 shows that the model system is stable. Firstly, the model selects the value of evaluation statistics according to five lag periods, and comprehensively determines that the fourth-order lag period model is the most reasonable. Then the VAR model passed the eigenvalue test, and the result was that the inverse values of all eigenvalues were less than 1. That is, the inverse values of all eigenvalues fall in the unit circle curve, indicating that the model system is a stationary system.

It can be seen from Figure 2 that at the significance level of 5%, repeated Granger causality tests have proved that "lnl is not the Granger cause of T". T is the Granger reason for LNL. This result shows that in the industry investment surge under the government led mode, the degree of government intervention has a direct impact on the result of overcapacity caused by the surge.

Figure 2
Inverse Value Distribution of Eigenvalue of VAR Model



The empirical results confirm that the impact of government intervention will have a negative impact on fixed asset investment. The response function is still negative after issue 20. Its economic meaning means that when the current government intervention or the scale of government investment is impacted by an external (such as policy adjustment, system reform, etc.), it will have a negative impact on the amount of fixed asset investment through the transmission of market mechanism, and the impact lasts for a long time.

In addition, the results of variance decomposition show that among the factors causing the expected standard error of lnI, in the 15 month lag period, the contribution of the government to the complete impact of the predictor is much higher than that of the money supply. The contribution of government intervention in the 15th period reached 56.04%, while the contribution of money supply was only 15.13%. This also shows that in China, the dominant factor of the government is more explanatory of the surge phenomenon than the money supply.

DISCUSSION

Due to the particularity of tobacco industry, its production is bringing huge economic benefits. Especially when the government obtains huge tax revenue, its consumption also produces a series of medical costs, loss of life, loss of productivity and so on. All these increase the economic cost of the whole society. We should not only see its contribution to the economic growth rate and unilaterally pursue its drive to economic and employment development, but also consider how to avoid its harmful aspects. Therefore, the government should avoid the harmful aspects of the tobacco industry, carry out appropriate control and reasonably develop the tobacco industry while meeting the needs of consumers. This paper puts forward the following policy suggestions:

First, from a macro point of view, China's tobacco is state monopoly, and tobacco is relatively lack of market competition under the regulation of the government. In order to promote and maintain the effective competition in the market, the reform of tobacco system should focus on the market competition mechanism, and assist the necessary relevant administrative and regulatory means.

Second, from a national point of view, "small, scattered, chaotic and poor" is a significant feature of Chinese cigarette brands. In recent years, the State Tobacco Monopoly Bureau has actively implemented the brand integration and famous brand strategy,. A number of famous and high-quality brands with large scale and great influence have taken shape. This provides a strong support for enhancing the overall strength and competitiveness of China's tobacco. This also provides a good development opportunity for the brand-name development of the tobacco industry. The tobacco industry can be based on comprehensive economic indicators such as sales scale, market potential and consumer preferences. On the existing basis, further clarify the positioning and brand combination strategy of the leading brand, and optimize all kinds of resources in the province to the leading brand by promoting the serialization and scale of the leading brand.

Third, the government should continue to adopt the policy of "prohibition in tax collection" and the high tax policy of "consumer compensation". Although some scholars put forward that "tobacco consumption tax is not a good medicine for tobacco control", they questioned that "raising tobacco consumption tax is conducive to tobacco control". But in the short term, it is really difficult to achieve effective tobacco control. Because tobacco is very easy to form a strong dependence, it is a rigid commodity. Under long-term conditions, consumers are relatively sensitive to price changes, and the consumption of tobacco products can be effectively reduced. We should continue to maintain higher taxes on the tobacco industry, more importantly, in order to protect the health of consumers and people around them and correct the external negative effects caused by tobacco consumption. Reducing public smoking can reduce the number of second-hand smokers, and then reduce the indirect cost of smoking. Effective "consumer compensation" policies should be adopted. For example, tobacco enterprises should make up part of the economic costs caused by smoking. To raise the tax on tobacco products as a means of financing medical and health care. According to foreign theories and the common practices of some countries, the control policy should first start with increasing tobacco tax. The necessity and advantage of this is to reduce the number of people using harmful addictive substances. The combination of "prohibition in levy" and "consumer compensation" measures not only increases fiscal revenue, but also reduces the harm of tobacco.

Fourth, for enterprises themselves, expanding the scale of enterprises is one of the means to improve the core competitiveness of enterprises. In view of the problem that there are many but not strong industries in China's tobacco industry, the State Tobacco Monopoly Bureau has recommended the reform of the tobacco industry to be bigger and stronger since 2003. Under this situation, tobacco can further increase mergers and acquisitions and expand and strengthen the cigarette enterprises in the province.

Fifth, in terms of industrial production technology, we should introduce advanced technology and equipment, reduce costs and improve the scientific and technological content of tobacco products. That is to transform the traditional cigarette process and equipment through technological innovation, technological transformation, cooperation and exchange, ensure the product process with excellent equipment, and ensure the stable improvement of product quality with product process, so as to meet the needs of consumers to the greatest extent.

Sixth, we should strengthen the innovation consciousness of enterprise employees. Under the regulation of the government, tobacco has a certain standardized model from property right organization, leadership system, operation mechanism to management system, which also leads to the lack of innovative spirit of employees and leaders. The particularity of the tobacco industry urgently needs innovation in knowledge, technology and management. Only continuous innovation can better adapt to the various effects of the tobacco industry on the economy and bring new development. The government should fully consider the advantages and disadvantages, gains and losses of developing the tobacco industry, so as to make the tobacco industry develop healthily.

From the perspective of tobacco economy, the government led tendency in the field of macroeconomic investment in China is very obvious. Many government departments, state-owned or state-controlled investors tend to have the tendency of investment impulse due to different market incentive mechanisms, resulting in excessive competition for investment. Finally, it will form a more serious overcapacity than the market-oriented model. Therefore, excessive government intervention in the field of investment is an important factor in the surge of industrial investment in China. In order to reduce the huge economic fluctuation effect caused by tide phenomenon and reduce the waste of resources and the difficulty of government macro-control, this paper suggests:

First, reduce the government's productive investment, reduce the degree of government intervention in the market, increase the allocation of public resources, and tilt to the field of expenditure to improve people's livelihood. The transformation of government functions is an important part of China's economic system transition. Compared with other market subjects, government departments are at a disadvantage in the fields of information, management and supervision, and their main function is to provide better public goods and services, rather than directly participate in market competition. Therefore, government expenditure should be more focused on the field of people's livelihood. Only by truly straightening out the relationship between the market and the government and transforming the government into a service-oriented government, can we optimize the resource allocation role of the market and reduce the impact of overcapacity caused by the surge phenomenon.

Second, rationally plan industrial policies, actively adjust industrial layout, and eliminate backward production capacity through economic structure transformation. The theory of tidal wave phenomenon shows the important role of industrial policy in developing countries. Due to the global division of labor, China is still at the middle and low end of the industrial chain. In the process of undertaking industrial transfer, the late development advantage of China's economic development is easy to be reflected. The mature industrial technology of western developed countries can be absorbed and digested in a short time. Therefore, in addition to government factors, incomplete information is also easy to produce "herding effect" of investment, This shows that the planning and adjustment of industrial policy is of great significance. The government should actively use market means to make reasonable layout and regulation of industrial structure adjustment, accelerate the elimination of traditional backward production capacity, and accelerate the pace of merger and reorganization through the market information platform.

Third, establish and improve the market public information platform to promote the sharing and circulation of information resources. The research of this paper and the previous theories on the surge phenomenon are based on the comparative advantage strategy, and the comparative advantage strategy theory takes the complete information as the premise. Only on the basis of complete and full circulation of information can the competition among enterprises be in a position of mutual fairness and equality. By building a market information platform and providing information services, we can not only reduce the market transaction cost, help enterprises make more rational investment decisions in the decision-making process, but also promote mutual exchange and learning among enterprises and improve the production efficiency of the whole society.

Conflicts of Interest Disclosure Statement

The authors declare no conflict of interest in the authorship or publication of this work. The authors declare no sponsored financial sources by any organization related to tobacco production for the undertaken study.

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