

# The Impact of Urban Digital Economy on The High-Quality Development of Equipment Manufacturing Enterprises

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## Abstract

Currently, China has entered a new historical stage of high-quality development, in which equipment manufacturing enterprises play an important role. In the information age, the digital economy has developed rapidly, injecting new vitality into high-quality development. This paper empirically tests the impact of urban digital economy on the high-quality development of equipment manufacturing enterprises by collecting data on digital economy and equipment manufacturing listed companies in major cities in China from 2012 to 2020. Through STATA software and the use of a bidirectional fixed effects model for analysis, the empirical results show that the urban digital economy will significantly improve the TFP of equipment manufacturing enterprises, promoting their faster and high-quality development. After robustness tests such as the measurement method of replacing the explained variable, the lag of the explanatory variable, and the instrumental variable, the urban digital economy still promotes the high-quality development of equipment manufacturing enterprises. Mechanism analysis shows that the development of urban digital economy will improve the independent innovation ability of equipment manufacturing enterprises, promote their Digital transformation, and thus benefit high-quality development. The heterogeneity results found that the urban digital economy has a greater impact on the TFP of eastern regions, state-owned enterprises, and large-scale and mature equipment manufacturing enterprises, which is more conducive to their high-quality development.

**Key words:** Digital economy; Digital Transformation; Equipment manufacturing enterprises; High quality development; Independent innovation