

Research on The Financing Problem of Private Enterprises in Shaanxi Province

Xirong Wang

School of Management Yulin University YuLin, China

3895868998@qq.com

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Abstract. Because of its own limitations, private enterprises in Shaanxi face financing difficulties, which seriously hinder the development and growth of private enterprises in Shaanxi. In order to alleviate the financing problems of Shaanxi private enterprises, we must constantly perfect themselves and improve the external economic environment of Shaanxi. In the improvement of the enterprise itself and the external environment, the most important thing is that Shaanxi private enterprises themselves, choose the appropriate financing methods, and constantly improve the defects of private enterprises themselves. At the same time, we should actively seek the support from all levels of the country and society, get the financial products which are developed by the formal and informal financial institutions to meet the financing needs of private enterprises, and obtain more financing methods.

Introduction

Private enterprises play an important role in the history of China's economic development, and have made remarkable achievements in China and the world for many years. From the 15th National Congress to the 19th National Congress, the private economy entered the rapid stage of development to inject vitality into the Chinese economy as a whole. Especially since the new century, private enterprises form a group of capital-intensive, technology-intensive large enterprises. However, with the development of private enterprises, the problems they face appear constantly, mainly for the difficulty of financing, which makes the development of private enterprises difficult. The importance of private enterprises in finance, people's livelihood and real economy makes it important to explore and study the financing dilemma of private enterprises and put forward solutions, which is the most important in the current development of private economy and the whole economy.

The Financing Problems of Private Enterprises in Shaanxi Province

The Proportion of Endogenous Financing is Too Low.

The predicament of private enterprises in Shaanxi makes their development slow, the net income left by enterprises is very little, so their self-accumulation ability is low, so they can not carry out effective endogenous financing. But other exogenous financing cost is high, and is not easy to obtain, also causes the development difficulty to the enterprise. But when the external financing is seriously blocked, the endogenous financing can only become the last straw of the private enterprises in Shaanxi, and it is obvious that the private enterprises in Shaanxi can not grasp the very low cost of endogenous financing. As a result, enterprises have been unable to get out of the financing dilemma.

Equity Financing is Extremely Difficult.

In general, equity financing requires financing enterprises to apply for listing. However, Shaanxi private enterprises, characterized by the large number of small and medium-sized private enterprises and small and medium-sized private enterprises, are rarely able to meet the requirements of the listing of enterprises. However, if enterprises do not apply for listing and choose private equity financing, they will also face a huge risk, because a little carelessness may result in illegal fund-raising, which will bring great difficulties to individuals and enterprises, and even to the economy of

Shaanxi Province as a whole. Therefore, Shaanxi private enterprises for equity financing is extremely difficult.

Low Proportion of Bond Financing.

As a kind of securities market, bond has its own characteristics and the common character of securities. The issuance of bonds also has higher cost and higher cost. Most private enterprises in Shaanxi are not only unable to meet the requirements for bond financing, but also have to bear high costs even if they meet the requirements of bond issuance. This has made it more difficult for private enterprises in Shaanxi to raise funds. Even we can not exaggerate that this financing channel for private enterprises in Shaanxi is empty.

High Barriers to Commercial Credit Financing.

Commercial credit financing requires private enterprises to have a certain basis of commercial credit. However, due to management limitations, the credit base of private enterprises in Shaanxi is not very good. Moreover, the premise of commercial credit financing is to enable the financial providers to also obtain benefits. As a result, the cost of commercial credit financing is higher, and commercial credit financing is difficult to meet the capital needs of private enterprises in Shaanxi province.

The Negative Impact of Private Lending is Great.

The private enterprises in Shaanxi province are subject to the universal mortgage, the restriction of the guarantee system and the restriction of other financing channels, so the effective financing is even more difficult to realize. As a result, private lending has developed into an important way of financing private enterprises in Shaanxi, especially in Shenmuundefineds private enterprises in Yulin. Private lending has injected funds into the development of private enterprises in Shaanxi at the same time. It also brings some negative effects to the development of private enterprises in Shaanxi. In Shaanxi Province, the development of the private economy has been greatly impacted by the sustained downturn in the overall economy, and capital financing is imminent. The blockage of available financing channels has forced private enterprises to choose private loans and loans. However, large-scale private loans and loans have made them bear extremely high interest costs, so private enterprises in Shaanxi Province have entered the danger of dominoes.

Reasons for the Difficulty of Financing Private Enterprises in Shaanxi Province

Enterpriseundefineds Own Credit Ability is Insufficient.

In Shaanxi, nearly half of the executives of private enterprises have not received a good education, whether basic cultural knowledge or professional knowledge of finance and law. This has led private enterprises in Shaanxi to embark on a illegal path in the process of development, because their responsible persons are often profit-oriented. In order to pursue the short-term profit maximization of enterprises, they completely ignore the law and the public. In doing harm to the public, the credit of the enterprise has declined dramatically, causing great difficulties for the enterprise to operate, sell and further finance.

Formal Channels Can Not Meet The Needs of Private Enterprises.

Because private enterprises in Shaanxi have repeatedly encountered obstacles in the process of carrying out formal financing, such as endogenous financing, equity financing, bond financing, commercial credit financing, etc. So informal financial institutions naturally become an important way to ease the development of private enterprises in Shaanxi. They mainly include private lending, illegal private placement, mutual guarantee, and so on. Although the relevant departments have been cracking down hard to maintain social and economic order, their hidden operations in the "underground" still exist, not only affecting the private enterprises themselves. And for the entire economic order bring serious harm.

Insufficient Government Policy Support.

The related policies for private enterprises in China are given in the process of continuous exploration, so most of the relevant policies and regulations in time after the private enterprises have been hindered. And when our country promulgates policies and regulations, it is only implemented after some regional pilot projects. This not only lags behind the development needs of private

enterprises, but also the imbalance of regional development. Some policies still lack applicability after the pilot, which greatly hinders the healthy development of private enterprises. After the development of private enterprises enters into a difficult position, there is continuous adjustment and improvement of policies, which results in many enterprises simply can not get the support of the policies, when the policies have not been implemented, the enterprises have been unable to continue to operate.

Imperfect Guarantee System.

The emergence of guarantee companies does have a good role in alleviating the financing difficulties caused by the low credit degree and less collateral of private enterprises. However, in the process of guaranteeing, private enterprises in Shaanxi are also faced with complicated procedures such as guarantee. The guarantee cost is high, only the guarantee company is unwilling to carry on the guarantee and so on question [6]. In particular, Shaanxi private enterprises when the choice of security encountered very unequal treatment. At the same time, the establishment of guarantee companies has been restricted in recent years, and the limitations of private enterprises make the guarantee companies unwilling to guarantee for them. Finally, government policy support can not improve the status quo of private enterprise guarantee. Is added to Shaanxi private enterprises to guarantee the difficulty.

Difficulties in listing private companies.

Equity financing generally requires companies to apply for listing. However, the listing threshold of companies is extremely high. This is difficult for small and medium-sized enterprises accounting for 80 % of private enterprises in Shaanxi. In addition, the listing process is cumbersome, and some of the audits required for listing are expensive. Therefore, it is difficult to meet the urgent needs of small and medium-sized private companies for funds, and companies have to bear high costs. Therefore, Shaanxi private companies can only face equity financing. Can be deterred.

Few Policy-oriented Financial Institutions.

The policy-based financial institutions in Shaanxi are simply too weak to meet the financing needs of their large number of small and medium-sized private enterprises. Moreover, even less of the business carried out by the only policy banks involves private enterprises. The main purpose of the China Development Bank is to finance the key construction of the country, while the Export-Import Bank is to promote the development of foreign trade. For Shaanxi to coal, wind power and other energy-based domestic enterprises basically have no practical role. Agricultural Development Bank is for the development of agriculture in backward areas, basically does not involve the needs of the business development of private enterprises in Shaanxi, let alone become an important pillar of the development of private economy in Shaanxi.

The Strategy of Solving Financing Predicament of Private Enterprises in Shaanxi Province

Strengthen The Management of Enterprises.

Private enterprises in Shaanxi are characterized by small scale and basically do not have a strict enterprise mechanism. This is extremely unfavorable to the credit system and in-depth development of private enterprises in Shaanxi. Through the guidance and training of business owners, Let the business owners realize the shortcomings of their own management, actively introduce efficient internal control system, talent management system and so on, and seek suitable management methods.

Do A Good Job of Reducing Taxes.

Tax burden restricts the development of private enterprises in Shaanxi to a certain extent, whether the private enterprises themselves can not do a good job of efficient tax planning, or the tax policy made by the government itself restricts the private enterprises to a certain extent. The government should give certain relief to private enterprises in tax policy, including tax rate, tax type and tax basis, in order to maximize the internal power of private enterprises in Shaanxi, and reduce the operating costs of private enterprises in Shaanxi. Solve the problem of capital, so as to get out of the financing dilemma.

Improving Mortgage Loan And Perfecting Guarantee System.

When the private enterprise chooses the mortgage loan, it is mainly hindered by the high value of the mortgage, the complicated procedure of the mortgage loan, the less collateral that can be provided, and the high cost of the mortgage loan. Therefore, institutions must make great efforts to simplify mortgage registration procedures and reduce the cost of mortgage loans. The government and the guarantee organizations must actually serve the small and medium-sized private enterprises. The government must formulate relevant policies and regulations suitable for the credit guarantee of small and medium-sized enterprises, and formulate reasonable guarantee agencies to enter, operate and supervise, at the same time to ensure the benefit of small and medium-sized enterprises. Guarantee agencies can also operate effectively, so that the two complement each other, forming a good and effective development situation.

Strengthening the Construction of Enterprise Credit.

The existing enterprise credit reward and punishment mechanism, for some enterprises, it seems that there is no role at all, on the one hand, the relevant departments are not strict supervision, there are always some enterprises become "net fish;" On the other hand, it is difficult for enterprises to change their management habits. Therefore, we should strengthen the supervision and control, and punish the enterprises that have lost their credit, but for the good enterprises, increase the reward, this is also a good solution strategy. Enterprises themselves must be made aware of the serious consequences of dishonesty. In today's financial markets, credit has almost become the cornerstone of enterprise survival, and enterprises lacking credit have to sit back and wait.

Development of Jinrongshichang's New Products.

In the process of developing Jinrongshichang's new products, major financial institutions should go deep into Shaanxi private enterprises, use the needs of Shaanxi private enterprises as the basis for research and development, align with market needs, and actively develop new products suitable for private enterprises of all sizes. Each institution can take the Yan 'an branch of the Agricultural Bank of China as an example to timely launch a variety of novel and convenient financial products suitable for small and medium-sized private enterprises in Shaanxi.

Increase the Strength of Enterprise Credit Construction.

The existing enterprise credit reward and punishment mechanism seems to have no effect on some enterprises at all. On the one hand, the supervision of the relevant departments is not strict, and some enterprises have become "fish that have escaped the net"; On the other hand, it is difficult for enterprises to change their established management habits. Therefore, from the point of view of the regulatory authorities, we should strengthen the supervision and punishment for companies that are not creditworthy, and for good companies, greater rewards, this is a good solution. From the enterprise's own point of view, enterprises must be aware of the serious consequences of dishonesty. In today's Jinrongshichang, credit has almost become the cornerstone of the company's survival, and enterprises that lack credit have to wait for closure.

Conclusion

After decades of energy economic development and several industrial policy adjustments, Shaanxi private economy has become an important economic force in Shaanxi Province. However, as with the development of private enterprises in China, there are still some problems that can not be ignored in the vigorous development of private enterprises in Shaanxi. The most prominent problem is financing difficulties, which greatly restrict the further development of private enterprises in Shaanxi. The financing dilemma is mainly caused by the low scale of private enterprises in Shaanxi. Therefore, it is necessary to promote the private enterprises' own power and give full play to the unique advantages of Shaanxi's private enterprises to realize the further development of Shaanxi's private enterprises and to provide more new impetus for Shaanxi's economic development.

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