

Analysis on Expanding the Financing Channels of Private Small and Medium-Sized Enterprises in China

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Abstract: to promote the development of China's private small and medium-sized enterprises, we must further expand the financing channels of China's private small and medium-sized enterprises. Since the reform and opening up, private small and medium-sized enterprises have become an important part of China's national economy. The healthy development of private small and medium-sized enterprises is very important for the construction of China's socialist market economic system. The narrow and poor financing channels of private small and medium-sized enterprises in China are not only the most important factor affecting the development of private small and medium-sized enterprises, but also the “bottleneck” that is most difficult to break through.

1. Introduction

The reasons for the financing difficulties of private small and medium-sized enterprises in China can be analyzed from three aspects: national level, bank level and private small and medium-sized enterprises themselves.

1.1 Analysis from the National Level

due to the increasingly important position of China's private small and medium-sized enterprises in China's national economy, at this stage, China's government has adopted a series of laws and regulations to support the development of private small and medium-sized enterprises[1]. However, due to historical and institutional reasons, financial institutions still have prejudice against private small and medium-sized enterprises, especially private enterprises.

1.2 Analysis from the Bank Level

first, small and medium-sized financial institutions do not support private small and medium-sized enterprises. Compared with the four major state-owned commercial banks, the concept of credit efficiency of many joint-stock banks, urban commercial banks and rural credit cooperatives is becoming stronger and stronger. At present, most private small and medium-sized enterprises with good benefits and guaranteed loan repayment ability have been preempted by large state-owned banks, leaving relatively few excellent customers to small and medium-sized financial institutions. Therefore, many small and medium-sized financial institutions do not support private small and medium-sized enterprises enough, and gradually turn credit funds to other fields. Second,

the degree of marketization is limited, and the procedures and processes faced by private small and medium-sized enterprises when applying for loans are extremely cumbersome and time-consuming, resulting in extremely high hidden costs for private small and medium-sized enterprises to obtain credit financing; The bill market, accounts receivable financing, factoring, financial leasing and other financing tools mainly for private small and medium-sized enterprise customers and their markets are extremely backward; The credit rating system is not perfect. Some banks have implemented credit discrimination against private small and medium-sized enterprises, resulting in unfair competition in financing[2].

1.3 Analysis from the Perspective of Private Small and Medium-Sized Enterprises

as the operation of private small and medium-sized enterprises is vulnerable to the external environment, the survival of enterprises has great variables and risks; The small one-time amount and high frequency of capital demand lead to the increase of financing complexity and the high cost and cost of financing, which makes the financing of private small and medium-sized enterprises a very special financial activity, and then the financing difficulty of small and medium-sized enterprises constitutes a worldwide economic phenomenon. In addition, the overall organizational level, industrial level and management level of China's private small and medium-sized enterprises are not high, so it is difficult for banks to increase loans, which has become the “bottleneck” of financing for China's private small and medium-sized enterprises.

2. Countermeasures and Suggestions to Expand the Financing Channels of China's Private Small and Medium-Sized Enterprises

2.1 From the Perspective of the Government

It is important to establish and improve laws and regulations to support the financing of private small and medium-sized enterprises. Seriously implement the opinions on encouraging, supporting and guiding the development of non-public economy such as individual and private enterprises issued by the State Council, and further clean up and integrate with the “Article 36 of non-public economy” Non compliant policies and regulations[3]. Formulate laws and regulations to support the development of private small and medium-sized enterprises and standardize the financing service system of private small and medium-sized enterprises in the form of legislation. For example, accelerate the formulation, including the law on private small and medium-sized enterprises, the investment law on private small and medium-sized enterprises, the law on promoting technological innovation of private small and medium-sized enterprises and the anti-monopoly law , and laws related to venture capital management, so as to ensure that private small and medium-sized enterprises can compete in a fair environment, so that private small and medium-sized enterprises can enjoy the convenience of financing. Second, strengthen the construction of private small and medium-sized enterprise loan guarantee system. Establish and improve the loan guarantee system and mechanism for small enterprise financing. Set up special government departments and policy financial institutions. Establish the administration of private small and medium-sized enterprises, formulate a series of macro-control mechanisms and policies, guide the flow of capital to private small and medium-sized enterprises, guide private capital to invest in private small and medium-sized enterprises, and provide guarantee and assistance for the financing of private small and medium-sized enterprises. Establish a financing guarantee institution for private small and medium-sized enterprises to provide guarantee support and credit guarantee services for private small and medium-sized enterprises. The author suggests Establish a loan guarantee company for private small and medium-sized enterprises funded by the government or in the form of shares; a

credit guarantee institution for private small and medium-sized enterprises jointly funded by the government, financial institutions, enterprises and individual bosses; private small and medium-sized enterprises, as members, spontaneously participate in the establishment of joint-stock guarantee institutions, etc. third, develop small and medium-sized private banks. On the one hand, small and medium-sized private banks The capital scale is relatively small, and its loan object will not be large enterprises with large capital demand; on the other hand, bankers have inherent advantages in their understanding of the operation of local private small and medium-sized enterprises and the ability and credit of entrepreneurs.

2.2 From the Perspective of Financial Institutions

first, establish and improve the credit evaluation system and social integrity system of small and medium-sized enterprises nationwide, and build a credit guarantee system that focuses on supporting the financing of private small and medium-sized enterprises[4]. Credit is the basis for the survival of modern enterprises. Enterprises must be honest, pay attention to the market value of integrity, and establish the integrity image of enterprises. Only by paying attention to integrity can enterprises Only by winning the market and maintaining close relations between banks and enterprises can we raise more social capital and expand the scale of operation. Therefore, to adapt to the characteristics of small and medium-sized enterprises, we should establish a credit evaluation system for small and medium-sized enterprises and strengthen the construction of integrity. We should actively and steadily develop credit guarantee institutions that focus on supporting the financing of private small and medium-sized enterprises, and establish and improve a credit guarantee system. Second, we should establish a credit guarantee system under macro-control In essence, the cooperation between banks and enterprises is a kind of loan relationship and credit relationship. This relationship is based on the premise of signing a contract and the guarantee of performance. Any dishonest behavior of either party may lead to the failure of the whole credit chain. China is a country with bank credit as the main means of financing, and bank loans are important to the production economy of enterprises Business activities are very important. Closing the gate of bank credit is like blocking the throat of enterprises. Under the background of national macro-control, we must establish and maintain a bank enterprise relationship that abides by our promises. Third, we should expand financing for private small and medium-sized enterprises. At present, commercial banks have reformed credit mechanism, innovated credit products, and launched “tailor-made” for private small and medium-sized enterprises A number of new business varieties have been launched, such as revolving loan, whole loan zero repayment loan, inventory financing, chattel pledge loan, warehouse receipt pledge loan, etc. fourth, banks should strengthen their credit support to private small and medium-sized enterprises. Bank credit is the most important way of external financing for private small and medium-sized enterprises. For private small and medium-sized enterprises, bank loans Like sunshine and rain, it has moistened the capital hunger of private small and medium-sized enterprises for a long time. With this loan, private small and medium-sized enterprises can expand reproduction, introduce advanced equipment and improve market competitiveness.

2.3 From the Perspective of Private Small and Medium-Sized Enterprises Themselves

first, cooperative financing. Focusing on industrial development, combining private small and medium-sized enterprises and taking the road of cooperation, not only the scale is large, the strength is strong, the reputation is high, and the enthusiasm of bank loans is improved. In this way, it will bring win-win results to itself and partners, so as to effectively improve the competitiveness of enterprises and increase the competitiveness of enterprises Second, listing financing. At present, the

capital market is facing a historic turning point and is in an important period of development opportunities. Powerful and reputable private small and medium-sized enterprises should seize the current favorable opportunity, speed up the pace of enterprise restructuring and listing, and look for stock exchanges suitable for their listing, such as Shenzhen Stock Exchange, Hong Kong, Singapore and Europe And the United States to ease the financial pressure and expand the strength of enterprises through listing financing. Third, equity financing. Equity financing, that is, investors occupy shares rather than loans, is a financing with a certain nature of venture capital, and is a financing way for both investors and financiers to share interests and risks. It is not suitable for private small and medium-sized enterprises that do not have the conditions for bank financing and capital market financing In other words, this financing method is not only convenient, but also highly operable. Fourth, good faith financing. Market economy is credit economy. Enterprise credit is the pass of financing. Enterprises should cherish credit and regard credit as life. Therefore, private small and medium-sized enterprises should establish credit awareness, establish credit files, improve enterprise credit, and rely on good faith to create more financing and development for enterprises Opportunities. Fifth, pawn financing. Pawn is a kind of financing method to obtain temporary loans in the form of physical ownership transfer with physical objects as collateral. Compared with bank loans, pawn loans have high cost and small loan scale, but pawn also has advantages that bank loans can not compare. Private small and medium-sized enterprises can obtain loans through pawn. Sixth, financial leasing[5]. Through finance Leasing, enterprises can use a small amount of funds to obtain the required advanced technology and equipment, and can repay the rent while producing. For enterprises lacking funds, financial leasing is a good way to accelerate investment and expand production; for enterprises with backlog of some products, financial leasing is a good means to promote sales and expand the market. Therefore, private small and medium-sized enterprises can use financial leasing Lease financing.

3. Conclusion

In short, the financing problem of small and medium-sized enterprises has been a thorny problem all over the world, although countries all over the world are seeking ways to solve this problem. Therefore, broadening the financing channels of China's small and medium-sized enterprises to alleviate the financing problems is a long-term and complex project. It is necessary to broaden the financing channels of small and medium-sized enterprises in many aspects, such as government departments, financial institutions, capital markets and small and medium-sized enterprises themselves, so as to create conditions for the development of small and medium-sized enterprises.

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