

Research on Financing Predicament of Small and Medium-sized Enterprises in Jilin Province

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Abstract. It shows the importance increasingly that the role of small and medium-sized enterprises (SMEs) to economic development in Jilin province. But the development of SMEs is facing severe financing difficulties. In this article, through in-depth analysis of the reasons, and puts forward the following financial countermeasures should be taken to solve them: Facilitate the construction of professional SMEs financial institutions, perfecting the credit system construction, improve the credit guarantee system construction, innovative financial services and financial products.

Introduction

In 2012, the number of SMEs in Jilin province has accounted for 91% of the province's private companies, professionals accounted for more than 41% of the total employment in cities and towns, in promoting economic growth, increase employment, technological innovation and social harmony and stability has an irreplaceable role in [1]. However, the financing difficulty is a common problem in the development of SMEs in Jilin province. Run according to the Jilin province in the first half of 2014 financial report shows that financial services office, provincial industrial and commercial bureau of Jilin province in the province's 10000 households in twelve cities and states to select small micro enterprises (including individual industrial and commercial households) for enterprise financing needs sampling survey, the survey results show that Jilin province still has some 30000 households (accounts for about 3.1% of total) of small micro enterprise effective demand has not been met, the shortfall of 47.17 billion yuan, and most of the small micro enterprises want to get the long-term use of funds used to carry out or put into production and operation of capital turnover. If the financing needs of medium-sized enterprises are taken into account, the financing gap will be further expanded. Therefore, it is an important question to analyze the causes of financing difficulties of SMEs in Jilin province and find out the effective solutions.

The Causes of the Financing Dilemma

Lack of Effective Financial Institutions for SMEs. In the process of development of SMEs, rely on internal financing to solve the amount of capital is limited, most of the funds are to be provided by exogenous financing, low level of industry and SMEs, weak foundation and characteristics of small size and weak anti-risk ability, and lead to the competition on the exogenous financing but big enterprise, therefore, solve the problem of its insufficient funds need to set up professional financial institutions of SMEs. But Jilin province finance mainly consists of the traditional financial institutions, and local corporate financial institutions to a limited number of joint-stock Banks, financial institutions and the supply of funds object is given priority to with big companies generally, even if is a new type of rural financial institutions, also around most building in Changchun, not effective coverage of the county, the supply of funds to small and medium enterprises is relatively limited.

The Direct Financing Channels Are Not Free. The direct financing channels for SMEs in Jilin province mainly are equity financing and a small amount of corporate debt financing. Due to high threshold of equity financing of listed in Jilin province at present to realize equity financing through the capital market is few, the number of SMEs in terms of bond financing, because our country

implement strict controls on bond issuance, running in good condition of large enterprises are difficult to obtain funds through bond financing, Jilin many assets profit margin is low, the financial situation in general more than labor-intensive small and medium enterprises. At the same time, because the property rights trading market of Jilin Changchun property right transaction center was established in 2005, the amount of financing of SMEs through this channel is limited. It can be seen that the direct financing channels of SMEs in Jilin province are narrow and not smooth. Part of the province to establish microcredit company, actually closed capital scale and the loan balance with other provinces in North-East of China and with the agricultural province of Henan, Shandong and other regions than there is a significant gap between specific data (see table 1), make its support to effectively play the role of the development of small and medium-sized enterprises no.

Table 1 Sub-regional situation statistics of small loan companies

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Geographical Names	Number of institutions (home)	Number of employees (people)	Paid-in capital (one hundred million yuan)	Loan balance (one hundred million yuan)
Jilin province	441	4037	107.8	77.9
Heilongjiang Province	270	2353	140.3	119.3
Liaoning province	573	5876	374.2	315.9
Henan province	298	4459	215.1	228.3
Shandong province	339	4716	441.2	485.3

Source: website of the people's bank of China (<http://www.pbc.gov.cn>)

Imperfect Credit Guarantee System. In recent years, with the support of relevant national policies, and obtained the rapid development of the assurance of Jilin province, by the end of 2012, the province has a total of 164 households obtain financing guarantee agency business license shall be issued for guarantee agencies, the registered capital of 14.499 billion yuan, add the insured enterprises 24645 [2]. However, the credit guarantee system of SMEs in Jilin province is not perfect enough to meet the guarantee demand of many SMEs in the province. First of all, the small scale of capital guarantee agencies, each guarantee agencies, the average capital is less than 100 million yuan, the county capital guarantee agencies smaller, restricting its guarantee ability, make it difficult to get financial institutions, guarantee function is limited. Second, there is no reasonable risk-sharing mechanism between the guarantee agencies and Banks. In order to diversify and avoid risk, the guarantee institution needs to take a risk share with the bank based on the size and duration of the loan. But the fact is in the Jilin province, except a handful of policy guarantee agencies, guarantee business shall be borne by the guarantee agencies solely, increases the risk of the guarantee agencies, limiting its business.

Insufficient Innovation in Financial Services and Financial Products. Commercial Banks in Jilin province for SMEs to deal with the business, not according to the special needs of SMEs and improve financial services and the development of financial products, cannot effectively meet the financing needs of SMEs. For example, commercial Banks generally have loan programs that include negotiation, information delivery, bank investigation, review, credit, and contract mortgage and loan origination. The business process is mainly designed for large enterprises, commercial Banks in lending to small and medium enterprises usually also perform the above process, and the high cost of execution, need a long time, does not adapt to the SMEs with model of "acute and frequency, less, the risks" characteristics. At the same time, because the product development of commercial Banks under the control of the upper body, make the Jilin province commercial bank credit for SMEs innovation products, mostly traditional credit product packaging or several traditional settlement, credit and re-engineering of wealth management products, is not actually real according to the actual needs of SMEs in the development of new products.

Financial Countermeasures to Solve the Financing Dilemma

Promote the Construction of Financial Institutions for Professional and SMEs. Most foreign countries have set up professional financial institutions of SMEs, such as Germany's cooperation, public bank and bank of Korea's SMEs, cable and southeast of Banks, in SMEs as the main service object, boost the development of the domestic SMEs. Based on the actual situation and the successful experience of foreign countries, Jilin province should actively promote the construction of small and medium-sized enterprise financial institutions. As specifically for small and medium-sized enterprise service of financial institutions, its financial strength and SMEs, with the enthusiasm of service for SMEs, according to the actual needs of SMEs to develop the appropriate financial products, and through continuous service and accumulate experience, improve the quality of small and medium-sized enterprise financing, realize win-win situation of financial institutions and SMEs. Jilin province should make full use of the current national policy, speed up the development of small and medium-sized financial institutions to actively strive for setting up regional financial institutions, the professionalism of the small and medium enterprises of small and medium-sized financial institutions should strengthen the support of established, small and medium-sized financial institutions and enhance ability of self accumulation and self development, improve the operation ability of the capital. At the same time, the Jilin province set up professional financial institutions of SMEs, can effectively resolve the problem of insufficient funds the development of SMEs in the province, and reasonable use of private capital, realize the effective channel for private capital, establish a "private capital", "private ownership" and "private operation" as the main investment and financing system, step-by-step and systematically to promote the construction of small and medium-sized private financial institutions.

Expand Financing Channels for SMEs. First, we should actively promote the financing of SMEs in Jilin province to capital market. Can be led by Jilin province government listed SMEs developing project implementation, establish a public repository, periodically from the repository, select high-quality companies to cultivate, make the enterprise to strengthen its own economic strength, the respect such as capital and scale of construction, in the capital market financing for SMEs in the province. Secondly, drawing on the successful experience of developed countries bond financing of SMEs, at the same time of strengthening financial supervision, to let go of some limitations of regional financial development, actively explore, create conditions for cultivating regional bond market, to encourage qualified SMEs in the market to issue short-term debt and collections, and realize the effective financing. Again, should give full play to the Jilin Changchun property right transaction center, the role of the regional market, to get a multitude of SMEs in the province to use the platform to develop and promote the trademark pledge loan, the patent pledge financing, leasing finance, small and medium-sized enterprise bond, pawn business such as solving the problem of money [3].

Improve the Credit Guarantee System. First of all, the government of Jilin province should strengthen the support of the credit guarantee agencies, effectively improve the fund scale of guarantee institutions, and make its guarantee function effective. Governments at all levels, especially municipal governments, should inject capital into policy-based guarantee institutions at the same level and increase their funding sources. It can also be paid for by the provincial government to establish the risk compensation of special funds, guarantee agencies to guarantee agencies for small and medium-sized enterprise loan in the province to carry out the guarantee business of risk compensation, timely supplement guarantee agency business. Secondly, the reasonable risk sharing mechanism between guarantee institutions and Banks should be established actively. Can draw lessons from the current international risk sharing proportion (financial institutions assume 20-30% risk and guarantee agencies take 70%-80% risk), actively guide and encourage the Banks and guarantee agencies to be negotiated share proportion, realize the share of credit risk. Again at the same time, to give full play to the northeast of small and medium-sized enterprise credit guarantee co., LTD., as the core, strive to build guarantee agencies at all levels as the main body of Jilin province to guarantee system, improve the anti-risk ability of the whole province guarantee industry.

Innovative Financial Services and Financial Products. First, we should establish a risk-controllable and independent and efficient credit approval process for SMEs. Jilin province examination and approval of each commercial bank loans to small and medium enterprises should be on the premise of risk control, by the power of examination and approval of setting a reasonable commercial bank head office branch, should according to different regions, different levels of branches and different credit products, implement account authorization management. At the same time, the internal commercial Banks shall establish a scientific, standardized, small and medium-sized enterprise credit rating evaluation system to the credit risk of SMEs of scientific and effective quantitative, implements the line type of loan approval, improve the efficiency of examination and approval, timely meet the capital requirements of SMEs. Second, head office, commercial Banks should be on the premise of risk control, gradually to the city-level branches down the authority of credit product innovation, encourage branches at all levels according to financing requirements of SMEs in this region characteristic research and development of new products. For example, according to the actual situation of Jilin province can develop to the contracted management of rural land and forest right mortgage business, actively promote the patent and trademark rights pledge loans, accounts receivable pledge loan business, in order to effectively solve the financing problem of SMEs, to promote its healthy development.

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