

Suggestions on the Adjustment Path of Leverage Ratio of Industrial Enterprises Above Designated Size in Dalian

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Abstract: Industrial enterprises are an important subject in the economy of Dalian, especially the economic development of large and medium-sized industrial enterprises plays an important role in the national economy. In recent years, with the gradual expansion of China's overall debt scale, the total debt of large and medium-sized industrial enterprises in Dalian is also growing. The appropriate debt of enterprises is conducive to improving the efficiency of capital use, promoting the renewal and R & D of products and the transformation and upgrading of industries. However, excessive leverage will bring greater financial risks. Both high liabilities are solidified into productivity traps such as production equipment and zombie enterprises with low added value or even backward production capacity, which has become one of the main obstacles to the transformation and upgrading of large and medium-sized enterprises. In this context, deleveraging and risk prevention have become an urgent problem to be solved in Dalian's economic development.

Keywords: Industrial Enterprises, Leverage Ratio, Production Subsidies, Structural Adjustment

Introduction

Based on relevant economic theories, this study analyzes the formation mechanism of leverage ratio of industrial enterprises, the evaluation mechanism of leverage ratio of industrial enterprises and the adjustment mechanism of leverage ratio of industrial enterprises. According to the current situation of leverage ratio of large and medium-sized industrial enterprises in Dalian, and based on the maximization of manufacturers' profits, this paper establishes the calculation model of the reasonable level of leverage ratio, the evaluation model of the rationality of leverage ratio and the adjustment model of leverage ratio of large and medium-sized industrial enterprises. Empirical analysis is carried out through data collection and sorting and the effectiveness test of the model. The empirical results show that the actual value of the leverage ratio of large and medium-sized industrial enterprises in Dalian is much higher than the reasonable level of the leverage ratio of industrial enterprises. The net value ratio of production tax, the deposit reserve ratio and the final product price of industrial enterprises have a significant impact on the change of the leverage ratio of large and medium-sized industrial enterprises. Based on the market mechanism of price formation and the factors of net production tax rate and deposit reserve ratio, the policy suggestions for the adjustment of leverage ratio of large and medium-sized industrial enterprises in Dalian are as follows:

1. The Leverage Ratio of Industrial Enterprises Above Designated Size in Dalian is Generally High

According to the evaluation of the rationality of the leverage ratio of Industrial Enterprises above Designated Size in Dalian, it can be seen that since 2010, the leverage ratio of Industrial Enterprises above designated size has been higher than the reasonable level, and the leverage ratio has always been above 60%. Under the long-term level, the overall enterprise leverage ratio has a cyclical upward trend. Since the high point in 2010, it has been repeated and gradually increased in recent years. It is urgent to reduce the growth rate of enterprise leverage and take measures to adjust the enterprise leverage to a reasonable level. The continuous rise of enterprise leverage ratio will lead to excessive debt burden, decrease of capital utilization rate, loss of vitality of enterprises, increase the vulnerability of financial market and affect the development of financial market. The high leverage ratio of enterprises further reduces the total factor productivity of enterprises, making enterprises always hover at the low level of

the industrial chain, and it is difficult to complete the transformation and upgrading.

2. The Implementation of Active Fiscal and Monetary Policies can Effectively Adjust the Leverage Ratio of Industrial Enterprises

By analyzing the formation mechanism of leverage ratio of Industrial Enterprises above Designated Size in Dalian, combined with various influencing factors, the actual situation shows that the net production tax rate of industrial enterprises, the deposit reserve ratio of the central bank and the final product price of industrial enterprises are the main reasons affecting the leverage ratio of industrial enterprises. The net production tax rate of industrial enterprises has a direct impact on the debt scale of industrial enterprises. This is the same as most existing studies. It is considered that the main factor affecting the leverage ratio of industrial enterprises is the excessive scale of enterprise debt. At present, the overall high net production tax rate of China's industrial enterprises directly leads to the increase of the tax burden of industrial enterprises, so as to reduce the enterprise's own capital, which is the main reason for the high leverage rate of Industrial Enterprises above Designated Size in Dalian. From the perspective of institutional factors, the adjustment of leverage ratio of industrial enterprises can be supported by corresponding fiscal and financial policies based on the net value ratio of production tax. The research shows that there is a negative correlation between the deposit reserve ratio and the leverage ratio of industrial enterprises. At present, the deposit reserve ratio of China's central bank is at a low level, which promotes the high leverage ratio of industrial enterprises. The level of deposit reserve ratio directly affects the level of interest rate. The transmission mechanism of deposit reserve ratio interest rate enterprise credit scale will inevitably lead to high debt scale under low deposit reserve ratio. The empirical analysis results show that the current deposit reserve ratio is at a low level, which increases the leverage ratio of industrial enterprises. The deposit reserve ratio of the central bank is low, and commercial banks will have more funds for loans, which will stimulate the decline of interest rates and stimulate industrial enterprises to lend, which is a signal of loose monetary policy. However, the decline of interest rate and the expansion of loan scale of industrial enterprises will directly lead to the expansion of debt scale of industrial enterprises, so as to improve the leverage ratio of industrial enterprises. Therefore, we can reduce the leverage ratio of industrial enterprises through the monetary policy of appropriately increasing the deposit reserve ratio. Then promote the improvement of leverage ratio of industrial enterprises. Therefore, we should actively use financial means to reasonably mediate the leverage ratio of industrial enterprises through the monetary policy of appropriately increasing the deposit reserve ratio.

3. Reduce the net Production Tax Rate of Industrial Enterprises

Empirical analysis shows that the actual net production tax rate of industrial enterprises in China is generally higher than the reasonable net production tax rate of industrial enterprises, and the net production tax rate of industrial enterprises has a positive correlation with the leverage ratio of industrial enterprises. The leverage ratio of industrial enterprises can be adjusted to a reasonable level through the fiscal policy of reducing the net value ratio of production tax of industrial enterprises. The results show that the net value ratio of production tax of industrial enterprises in China is relatively high, which increases the leverage ratio of industrial enterprises. In order to adjust the net production tax rate of industrial enterprises, so as to reduce the leverage rate of industrial enterprises, we can mainly adjust from these two aspects. First, deepening the reform of value-added tax is an effective way to reduce the net value rate of production tax of industrial enterprises. Therefore, it is necessary to actively implement the requirements of deleveraging in the supply side reform, make good use of measures such as simplifying administration, reducing taxes and fees, simplify the working process of industrial enterprises, reduce the burden on industrial enterprises, reduce the institutional transaction cost of industrial enterprises, encourage entrepreneurship and innovation and promote industrial upgrading. At present, deepening the reform of value-added tax can effectively reduce the capital pressure of industrial enterprises, increase the amount of self-owned funds of industrial enterprises, improve the proportion of self-owned funds, optimize the allocation of funds and reduce the leverage ratio of industrial enterprises. Second, simplifying administration, reducing taxes and reducing fees can improve the efficiency of industrial enterprises, enhance the innovation vitality of industrial enterprises, reduce the institutional transaction costs of industrial enterprises, so as to reduce the tax burden of industrial enterprises, improve the self-owned capital level of industrial enterprises, give room for industrial upgrading, and make full use of the funds of industrial enterprises in industrial optimization and upgrading, so as to reduce the capital pressure, Reduce the debt burden and reduce the leverage

ratio of industrial enterprises.

4. Increase Production Subsidies for Industrial Enterprises

In contrast to production tax, production subsidy for industrial enterprises refers to the unilateral income transfer of the government to production units. The government will provide production subsidies to some industries, so as to reduce the production pressure of enterprises and make up for the capital gap. Increasing production subsidies for industrial enterprises can reduce the financial pressure of enterprises. At present, except for large state-owned enterprises, China's industrial enterprises, especially private manufacturing enterprises, have difficulties in small capital, small scale and weak risk tolerance. Therefore, the banking industry, insurance industry and legal service industry should actively cooperate and carry out linkage. Give full play to the flexibility of commercial banks and provide necessary financing and loan support; National policy insurance institutions represented by China Export Credit Insurance Corporation should play their leading role, drive other main insurance institutions in the industry to jointly innovate insurance guarantee means, directly reduce the debt scale of enterprises, so as to reduce the leverage ratio of industrial enterprises. However, because the production subsidies of industrial enterprises are only applicable to some industries, excessive production subsidies will bring great pressure on the government's financial expenditure. Therefore, we can appropriately use the production subsidies of industrial enterprises to slow down the rise of leverage ratio of industrial enterprises.

5. Increase the Deposit Reserve Ratio of the Central Bank

There is a reverse relationship between the deposit reserve ratio of the central bank and the leverage ratio of industrial enterprises. The higher the deposit reserve ratio of the central bank, the lower the leverage ratio of industrial enterprises; the lower the deposit reserve ratio of the central bank, the higher the leverage ratio of industrial enterprises. Through the above analysis, we can see that the actual central bank deposit reserve ratio is generally lower than the reasonable central bank deposit reserve ratio. Therefore, increasing the deposit reserve ratio of the central bank can effectively adjust the leverage ratio of industrial enterprises. Raise the central bank's deposit reserve ratio; we need to rely on the people's Bank of China. Raising the central bank's deposit reserve ratio through the people's Bank of China can effectively stimulate the rise of interest rates. The rise of interest rate will directly lead industrial enterprises to reduce their loan enthusiasm, reduce the debt level and reduce the debt scale, so as to reduce the leverage ratio of industrial enterprises.

6. Transform the Mode of Economic Development and Promote Structural Adjustment

At present, China's economy is in the stage of medium and high-speed growth. The way of economic growth mainly relying on investment and export can no longer meet the current demand. It needs to turn to relying on economic structure adjustment and industrial upgrading. Integrating small and medium-sized enterprises and reorganizing large enterprises can effectively improve market efficiency and improve the production efficiency of industrial enterprises. It is the primary way to promote the optimization of debt structure of industrial enterprises. Promoting the innovation of industrial enterprises and promoting the transformation and upgrading of industrial enterprises can effectively improve the added value of industrial enterprises' products, so as to improve the profit level of industrial enterprises and reduce the leverage ratio of industrial enterprises. The reasons for the rising leverage ratio of China's industrial enterprises in fluctuation include the low capital utilization rate and low capital operation efficiency caused by overcapacity and capital occupation of some large state-owned enterprises. To solve this problem, in order to reduce the leverage ratio of industrial enterprises, we need to give full play to the role of the market, digest excess capacity, force enterprises with excess capacity to carry out industrial upgrading, change from passive participation in the international division of labor to initiative, change from participants in the international division of labor to leaders and leaders, improve their position in the international industrial chain and build their own leading industrial chain. Give priority to encouraging enterprises with monopoly and internalization advantages in the industry to carry out globalization construction, realize the interaction and mutual promotion between domestic and international industries, promote the transformation and upgrading of industrial structure, further occupy the high-end position of the global value chain and get rid of the domestic "low-end lock".

Acknowledgements

Project No. 2020dlsky029, Project Name: Research on Structural Characteristics, Rationality Evaluation and Adjustment Path of Leverage Ratio of Large and Medium-Sized Industrial Enterprises in Dalian; Project No.: DUFE2020Y09, Project name: Measurement of tolerance of international payments imbalances and High-quality Economic growth in China from the perspective of Global value Chain analysis

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