

## **Study on the Financing Problems and Countermeasures of Small and Medium-sized Enterprises in Yuncheng City--From the Perspective of Government**

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### **Abstract**

**At present, small and medium-sized enterprises, as an important force of Yuncheng city's economy, have made a qualitative leap in the upsurge of rapid economic development in our city, the economic scale has been increasing, and the contribution of national economy is very outstanding. Using the method of investigation, this paper analyzes the current financing situation of several companies in Yuncheng City, and finds that there are some problems such as nonstandard management, narrow preferential policies and lack of investigation. In view of this situation, this paper, from the perspective of the government, aims at the innovation of financing mode, the use of platform websites, the expansion of direct financing channels and so on, so as to comprehensively improve the financing capacity of small and medium-sized enterprises in Yuncheng City.**

### **Keywords**

**Yuncheng City, Small and medium-sized enterprises, Financing problem.**

### **1. Introduction**

Under the current situation, the market competition environment is increasingly fierce, the financing problem of small and medium-sized enterprises has become the main obstacle to the development of enterprises, how to ensure that small and medium-sized enterprises remain a foothold in the competition, and how to make the government the key to ensure the development of small and medium-sized enterprises. By the end of 2015, the number of small and medium-sized enterprises in China is increasing day by day, and the proportion of small and medium-sized enterprises in total enterprises in Yuncheng city is also increasing. The value and contribution of small and medium-sized enterprises in economic development are obvious to all. Small and medium-sized enterprises not only play an important role in economic development, but also play an important role in solving the employment problem. In terms of the employment situation in Yuncheng City, small and medium-sized enterprises have solved more than half of the employment problems in the region, especially in urban and rural areas. Therefore, it is very important to solve the problems of small and medium-sized enterprises and face up to their role in economic development. This paper aims to solve these problems from the position of the government. However, the government only pays attention to economic development and ignores the management of the financing problems of small and medium-sized enterprises, which makes the financing of small and medium-sized enterprises have great problems.

In order to solve this problem, scholars in our country focus on the advantages of small and medium-sized enterprises, the theory of small and medium-sized enterprises and the role of small and medium-sized enterprises in economic development. But few scholars have studied deeply from the perspective of government. Most people think that the financing problem of SMEs is only the problem of enterprises themselves, and only ignore the important perspective of government. Therefore, in today's rapid economic development, not to let SMEs become a burden and promote economic development, whether from the perspective of stable growth of domestic economy or from the

perspective of their own economic development, it is of great practical significance to discuss and study the financing problems of SMEs from the government.

This paper mainly uses investigation and analysis and other research methods to investigate the characteristics and financing situation of small and medium-sized enterprises in Yuncheng City, and makes effective exploration from the perspective of how to improve their financing status. On the basis of fully learning from the financing experience of several large private enterprises such as Haixin enterprises, it extends to the current problems in the financing of small and medium-sized enterprises in Yuncheng City. This paper tries to provide a theoretical result for the study of Yuncheng financing, so as to effectively improve the problems existing in Yuncheng financing and improve its competitiveness.

## **2. An overview of the financing of small and medium-sized enterprises**

### **2.1 The basic connotation of financing for small and medium-sized enterprises**

Compared with state-owned enterprises, small and medium-sized enterprises are too flexible. In a broad concept, they are based on the definition of different scales. There are different interpretations in different regions and countries, even in different areas of the same country and region in different time periods. Generally speaking, small and medium-sized enterprises are economic units with relatively small scale of assets, operation and personnel compared with large enterprises. Both domestic and foreign countries usually use qualitative and quantitative standards to define and distinguish. Therefore, small and medium-sized enterprises in Yuncheng City have their local characteristics and standards, which should be analyzed from a special perspective.

The basic ways of financing for small and medium-sized enterprises

Enterprise financing is an important and fundamental component in the economic field and a social category. What kind of monetary financing mode should an enterprise adopt? It mainly includes the following aspects: bank borrowing, applying for issuing stock financing, using commercial credit, issuing bonds to recruit funds, asset leasing to finance, using trust financing, and government awards.

In today's social and economic life, enterprises have a variety of financing channels and ways, the financing way is more complex, and with the economic development tends to be more diverse and complex, in such a situation, it is very important for small and medium-sized enterprises to choose a suitable financing way, how to choose a suitable one? It not only needs to be determined according to the reasons and conditions of the enterprise itself, but also more importantly, the macro guidance and regulation of the government, so as to solve the financing problems of small and medium-sized enterprises scientifically and reasonably, and really contribute to the economic development.

## **3. Investigation on the present situation of small and medium-sized enterprises in Yuncheng City**

### **3.1 Basic information of small and medium-sized enterprises in Yuncheng City**

By the end of 2015, there were 12949 small and medium-sized enterprises in the city, a year-on-year increase of 15.18%; more than 470000 people participated in the work of small and medium-sized enterprises, an increase of 3 percentage points compared with last year; 409 large-scale industrial enterprises, a year-on-year increase of 5.68%; the industrial output value reached 63.995 billion yuan, a year-on-year increase of 0.76%; the business income reached 74.957 billion yuan, a year-on-year increase of 4.09%; the export delivery value reached 6.9% RMB 500 million, a year-on-year increase of 30.85%; RMB 3.735 billion of tax paid, a year-on-year increase of 1.57%; industrial output value, business income, tax paid in and export delivery value respectively increased by 0.48, 3.66, 2.31 and 3.77 percentage points compared with the third quarter. Fixed asset investment fell 12.19 percentage points from the third quarter. There are 92 enterprises with over 100 million yuan, 14 fewer than last year.

By the end of 2015, the deposit balance of Yuncheng City was 164.178 billion yuan, an increase of 15.428 billion yuan, or 10% over the beginning of the year; the loan balance of various statistics was

96.4 billion yuan, an increase of 9.51 billion yuan, or 6% over the beginning of the year, and the balance deposit loan ratio was 59%, of which the loan balance of small and micro enterprises was 16.8 billion yuan, an increase of 15% 86%, 9.04 percentage points higher than the growth rate of various loans in the same period.

Guarantee business development: at present, there are 16 small and medium-sized enterprise guarantee institutions in the city, with a total guarantee of 2.2 billion yuan this year, including 860 million yuan guaranteed by Shanxi Zoomlion steel guarantee Yuncheng branch, 780 million yuan guaranteed by Xinfeng guarantee company, and 420 million yuan guaranteed by political credit guarantee company. Therefore, the government vigorously publicizes and develops the financing guarantee business, which really provides a good direction for solving the financing problems of small and medium-sized enterprises.

In terms of the operation of small loan business, there are 56 small loan companies in the city, with a loan of 4.5 billion yuan. Among them, Guangong small loan company loan is 150 million yuan; Yilong small loan company loan is 120 million yuan. The development of small loan business, timely and targeted completion of the enterprise short-term funding problem.

As of this year, one enterprise (Jishan County Yongdong chemical) has been listed on the small and medium-sized board, and three enterprises (Yongji mayor Rong technology, Salt Lake District huanshuo technology, Salt Lake District hong'anxiang Technology) have been listed on the new third board. There are 5 enterprises that have started listing and listing and have completed share reform (sunshine coking, Far East special aluminum, Wanrong Zhongci technology, Yuncheng Economic Development Zone, kaixirui, airport Yuncheng classic of tomorrow). This year, there are 7 enterprises to be listed, including 1 (Wenxi Xinda Technology), 6 (Xinfeng guarantee of Yanhu District, ju'an electronics of Airport Development Zone, haogang forging of Linyi County, Zhongci technology of Wanrong County, Hengtian magnesium industry of Jiangxian county and kaixirui of Yuncheng Economic Development Zone). Next year, there are 34 enterprises to be listed on the new third board; in recent three years, there are 1 enterprise to be listed on the main board (Hejin sunshine coking), and 2 enterprises to be listed on the growth enterprise board (Hejin Far East special aluminum, Pinglu county new ring company). There are more than 20 enterprises listed in other regional equity exchange markets. For example, the companies listed on the q-board of Shanghai stock exchange mainly include CNOOC Xinbao, Ruiyuan trading, Gree environmental protection, Yatai logistics, Hengtian magnesium, etc.

### **3.2 The role of small and medium-sized enterprises in the economic development of Yuncheng City**

In recent years, the economic quality of Yuncheng City has made a leap forward, which is obvious to all. Small enterprises and shops have emerged. With the rapid development of small and medium-sized enterprises in our country, the number of small and medium-sized enterprises in Yuncheng city is increasing year by year, which plays an increasingly important role in the economic and social development of Yuncheng City. Economy is a simple and complex term. Small and medium-sized enterprises in the city are increasing every year, accounting for a large part of the proportion of enterprises. The amount of tax paid each year is large, which has made a lot of efforts for the construction of infrastructure such as roads and parks in Yuncheng City. From the decline of Haixin enterprise to now, how many people have lost their jobs? Small and medium-sized enterprises like bamboo shoots provide more jobs for the unemployed, indirectly promoting the economic development. The following will briefly introduce the role of small and medium-sized enterprises in Yuncheng's economy.

Small and medium-sized enterprises have become a new economic growth point in Yuncheng City. In the rapid economic growth of Yuncheng City, more than half of the new industrial production value comes from small and medium-sized enterprises. In 2015, the sales volume and tax revenue of small and medium-sized enterprises were much higher than that of large state-owned enterprises. It has laid a good foundation for the rapid economic development of Yuncheng City. At the same time,

the number of small and medium-sized enterprises is also increasing year by year, with a year-on-year growth of 50% in total output value, a year-on-year growth of more than half in operating revenue, and a year-on-year growth of more than 64% in retail sales of consumer goods. This growth rate in the future economic development more reflects the huge potential of small and medium-sized enterprises.

Small and medium-sized enterprises alleviate the employment pressure of Yuncheng City and provide jobs for the unemployed. With the outbreak of the economic crisis, the efficiency of Hejin aluminum plant is depressed, resulting in a lot of related industries, industries have been bankrupt, which led to a large number of unemployment, social crime rate is also rising. Another example is that the collapse of Haixin enterprise has hindered the economic development of Wenxi County, and tens of thousands of people have lost their jobs, making Dongzhen a desolate town. Moreover, every year, there are a large number of university graduates who need to work. The problem of difficult employment has become an inevitable topic. In the critical moment of these problems, the emergence of small and medium-sized enterprises, like mushrooms, has changed this situation, provided a large number of jobs for employment, solved most of the employment problems, and stabilized the economic development of Yuncheng City.

The development of small and medium-sized scientific and technological enterprises injects new vitality into the economic development of Yuncheng City. Innovation has always been a topic that we often talk about. Innovation can not only promote social progress and cultural heritage, but also promote the economic development of Yuncheng City. An innovative small and medium-sized enterprise will not only provide inexhaustible power for the development of enterprises, but also provide more significant power for the development of the city economy. For example, huanshuo technology of Yuncheng is a newly established small and medium-sized enterprise. Its establishment is based on scientific and technological innovation and develops rapidly. Compared with other industrial private enterprises, its business income and tax paid are 10 to 20 times that of other small and medium-sized enterprises.

Small and medium-sized enterprises provide strength for the development of new industries. Most of the small and medium-sized enterprises are the tertiary industry. Before, the country vigorously developed the primary and secondary industry, but for a developed country, the development of the tertiary industry is the real driving force of national economic development. The emergence of small and medium-sized enterprises has laid a foundation for the development of the tertiary industry, making Yuncheng city smoothly transition from the first and second industries to the third industry, which is not only in line with national policies, but also conducive to economic development.

### **3.3 Difficulties encountered in financing**

The financial system of small and medium-sized enterprises is not perfect, the enterprises themselves are not standardized, lack of scientific management, and the credit status of enterprises is not good. The enterprise credit mainly includes two aspects, namely their ability and desire. The lack of either side will lead to bad credit. Some enterprises are unable to repay the loan due to their own difficulties in operation, and the loan is often unable to repay for a long time. Some people are unrealistic to repay the loan because of the low quality of the operators themselves or lack of awareness. Since the economic crisis, coupled with the deterioration of the economic environment at home and abroad in 2009, some processing and export enterprises that rely on foreign imports for a long time have suffered from the capital chain fracture caused by the serious reduction, and Yuncheng's annual credit situation of these companies is also growing.

The financing cost of small and medium-sized enterprises is on the high side. Small and medium-sized enterprises in Yuncheng City have no collateral like large-scale enterprises' factory buildings and equipment, and no contacts, guarantee fees and evaluation fees, which make the financing of small and medium-sized enterprises more difficult and the financing cost more expensive. First of all, the current society will be human relations, no broad contacts make it difficult for small and medium-sized enterprises to establish. Therefore, if small and medium-sized enterprises want to have financing

funds, they must need certain funds to get through the contacts and increase the financing cost. Secondly, in order to get loans from banks and other financial institutions, we must mortgage. For small enterprises, banks will increase the collection of interest rates and other fees for small and medium enterprises. Without the loans from banks and other financial institutions, small and medium-sized enterprises have to choose private lending. The high interest rate of private lending is terrible and unsafe, and the original operating income is less, which makes the profits of difficult small and medium-sized enterprises more pitiful, and finally affects their healthy development. Finally, banks and other financial institutions can allow small and medium-sized enterprises to make loans, but they will attach some harsh conditions, such as requiring them to buy medical insurance and automobile insurance in the lending banks, which increases the financing burden of small and medium-sized enterprises.

The financing structure is not reasonable. There is a well-known "triangle debt" phenomenon, in fact, small and medium-sized enterprises have difficulty in financing loans to financial institutions, financial institutions do not lend to small and medium-sized enterprises for some reasons, small and medium-sized enterprises can only raise funds by themselves, resulting in some Chinese and western enterprises unable to repay loans on time or without funds. This creates a vicious circle of "triangle debts". Secondly, because there are only two stock places in our country, the bond market also has many conditions, requirements and constraints for small and medium-sized enterprises, for example, there are provisions that the issuance of shares must require the total amount of fixed assets equity of enterprises. It is almost impossible for small and medium-sized enterprises to meet their requirements, so it is not surprising that the phenomenon of "triangle debt" appears.

Lack of macro-control of government policies and a good financing policy environment. Because of China's special national conditions, small and medium-sized enterprises have not been paid attention to by the state since the beginning, which makes their development slow. Since the reform and opening up, small and medium-sized enterprises have gradually begun to play their role, which has received the attention of the governments in various regions. The improvement of financing environment is slow. Although the state has issued policies to pay attention to it every time, it has not completely solved its problems. In this way, it is necessary for the government to carry out macro-control on the financing policies of small and medium-sized enterprises and create a good financing policy environment at the same time. A good financing environment will improve the competitiveness of enterprises, increase the credit of enterprises, further increase the self-confidence of enterprises and employees, and provide a good environment for the development of enterprises.

The credit guarantee system of small and medium-sized enterprises is underdeveloped.. Banks and other financial institutions are the core of credit guarantee, and the four major banks are the core of the guarantee system. Although various banks in Yuncheng City have been established in succession in recent years, few banks have set up the business and system of lending for small and medium-sized enterprises. How to improve the credit guarantee system of small and medium-sized enterprises is a problem worth thinking and solving. In foreign banks, there are many private banks that are specialized in one-to-one loan business for small and medium-sized enterprises. They will send bank personnel to delegate to each small and medium-sized enterprise, understand the development and business situation of the enterprise, and specially formulate financing and loan lines that are in line with the enterprise itself, which really makes the credit guarantee system perfect. Venture capital and other private lending are serious. Many small and medium-sized enterprises in Yuncheng just started will choose private lending in the absence of credit guarantee system. Usury mostly has the nature of underworld, which will not only not promote the development of small and medium-sized enterprises, but also make it worse.

Although there are many reasons for the financing difficulties of small and medium-sized enterprises, the most fundamental reason for the inquiry and investigation of Yuncheng small and medium-sized enterprise bureau is the government policy. Therefore, the analysis of the reasons for the government

policy and some feasible countermeasures based on the perspective of the government are also the top priority of this paper.

#### **4. An analysis of the reasons for the financing difficulties of small and medium-sized enterprises in Yuncheng City**

##### **4.1 Reasons of enterprises themselves**

The main reasons for the financing difficulties of small and medium-sized enterprises are the lack of credit, the imperfect financial system, the confusion of family management, the lack of long-term development planning and the lack of effective collateral. For example, Haixin Group adopts the family management mode with Li Haicang as the core. It doesn't pay attention to the development of the enterprise, and only relies on the management structure of relatives for its own interests. This is a traditional Chinese enterprise mode, which lacks the management and innovation of modern science and technology. In terms of selecting and employing people, it relies on money and human feelings, and doesn't value personal ability, which leads to talents coming. With the interruption of the source and the arbitrary decision of the leaders, the information is completely closed, just like the Chinese feudal system in 1840, so the enterprises will only go downhill. Secondly, the financial system is not perfect, and the staff of the financial department are all family members. The false accounts and black accounts make the financial system chaotic, and provide the tax department with false accounts of two accounts, which makes the financial department not know more about the internal problems of the enterprise, unable to make clear and reasonable financing plans for the enterprise, which inevitably leads to the problem of opaque financing of the enterprise credit. Finally, the enterprise has not made modern financing consciousness and medium and long-term development plan, lacks knowledge accumulation and talent accumulation consciousness, has certain limit of self accumulation ability, and lacks retained earnings of internal financing.

##### **4.2 Reasons for the financial system**

First, there are high barriers to entry. In the financial market of Yuncheng City, most of the state-owned commercial banks, from the perspective of cost and benefit, do not really study the customer group of small and medium-sized enterprises, and have different lending policies or concerns for small and medium-sized enterprises with financing needs. So it is very difficult for small and medium-sized enterprises to get loans.

Secondly, the development of small and medium-sized financial institutions in Yuncheng city is insufficient. There are only a few state-owned banks in Yuncheng City, but up to now, there is no bank dedicated to the development of small and medium-sized enterprises in Yuncheng City.

Finally, banks and other financial institutions are inefficient. Because the bank's credit approval authority is concentrated in the branch, the branch level only has the right to accept and declare, each loan must be reported level by level, and the approval time is long. Due to the limitation of the time limit of loan granting, the enterprise missed the business opportunity, so that it could not be maintained and could only be closed down.

##### **4.3 Government policy reasons**

Management is not standardized, economic monitoring is not comprehensive, many small and medium-sized enterprises share reform pace is slow and financial management system is not standardized and sound, which restricts the development of enterprises. Because of the system mechanism and other reasons, the provincial Development Zone has not been included in the statistical scope of the city's small and medium-sized enterprises. The phenomenon that the enterprises are unwilling to report and are not asked, resulting in incomplete statistics and omissions. The most typical is the management of Haixin enterprise, which plays a key role in the economic development of Yuncheng City. Affected by Haixin's suspension of production, the affiliated enterprises were impacted, and the bank only received the old account and no longer renewed the loan, further aggravating the fund shortage. This has led to the emergence of loans for many large enterprises, not to mention small and medium-sized enterprises.

Lack of perfect laws and regulations to support and guarantee a perfect law for small and medium-sized enterprises suitable for the development of Yuncheng city is the fundamental guarantee for the development of small and medium-sized enterprises. At present, according to the nature of industry and ownership, policies and regulations are formulated respectively. There is no standardized law for small and medium-sized enterprises, which leads to discrimination and inequality, which is not conducive to the development of enterprises; there is no good law. With the maintenance of laws, policies and systems, many government departments acquiesce or even connive enterprises to evade bank debts for their own partial interests. The protection ability of laws to bank claims is low, and even some departments and law enforcement officers use their powers to "collect fees, impose fines, distribute money randomly" and take advantage of cards to small and medium-sized enterprises. Therefore, we need not only a law to manage small and medium-sized enterprises, but also a good financing environment provided by government departments and law enforcement personnel.

The government's preferential policies narrow the focus of the government's credit support to banks and the relevant preferential policies of the state are implemented around the strategy of large enterprises. A large number of small and medium-sized enterprises, mainly private enterprises, seldom enjoy the preferential policies of loan discount and investment subsidy, let alone bank loans. In fact, small and medium-sized enterprises facing double taxation should pay both enterprise income tax and individual adjustment tax. High financing costs and heavy taxes make it difficult for SMEs to survive, let alone develop. In addition, although the government has also issued some policies for the financing of small and medium-sized enterprises, the policy coverage is too narrow. There is no policy for financing of most small and medium-sized enterprises, which only applies to a small number of small and medium-sized enterprises with typical representatives, so that many small and medium-sized enterprises do not know the preferential policies at all. Lack of financing for small and medium-sized enterprises there are many and miscellaneous small and medium-sized enterprises in the city, with a large amount of information. Each small and medium-sized enterprise has its own unique financing mode. To understand the financing situation of small and medium-sized micro enterprises in the city, a lot of work is needed. In order to control the financing management of small and medium-sized enterprises, we must first understand and learn. According to the investigation and the understanding and investigation of the government, Yuncheng huanshuo hired the management team of Yuncheng economic and Trade Bureau to investigate and manage the operation and financing of the enterprise, making a qualitative leap in its business income and profit in 2016. Therefore, we can see that only when we understand can we manage, only when we learn can we regulate.

## **5. Solutions to the financing problems of small and medium-sized enterprises in Yuncheng**

### **5.1 Deep cooperation with financial guarantee institutions to solve the financing problems of small and medium-sized enterprises**

We need to carry out in-depth financing docking activities of government, banking, insurance and enterprises to "send finance to the countryside, send loans to enterprises", and continue to send policies, information, financial products and funds to small and medium-sized enterprises. Banks and other financial institutions are the main sources of financing funds for small and medium-sized enterprises. Therefore, the government should expand new ideas, try to establish a platform of mutual benefit for enterprises and banks, constantly implement and improve the bank's recommendation system for enterprises, the support for banks and enterprises to investigate at the same time, and do a good job in the feedback system of enterprises and banks for financing problems. We should promptly implement the feedback problems and information. Secondly, we should strengthen deep cooperation with newly established banks, such as Bank of communications, Shanxi commercial bank, Huaxia Bank and other private banks, and actively guide them to establish financing business with small and medium-sized enterprises. At the same time, for small and medium-sized enterprises with better development, let their representatives introduce their financing process, and introduce good experience to enterprises with relatively poor development. We should vigorously guide and support

enterprises to adopt multiple channels of direct financing, such as private placement of small and medium-sized enterprises, collective bonds, collective notes, equity trading, enterprise listing, equipment leasing, merger and reorganization; we should strive to change the existing financing difficulties of small and medium-sized enterprises through these ways, so as to make them develop in a better direction.

### **5.2 Carry out financing mode innovation activities of small and medium-sized micro enterprises**

First of all, we need to improve the leading organization of financing model innovation activities. Each county and the small and Medium-sized Enterprises Bureau and the economic and Trade Bureau of the Development Zone shall organize and establish a leading group for financing model innovation activities, divide responsibilities and clarify work objectives. Secondly, it is necessary to strengthen publicity training, hold regular training and lectures, and strengthen the special training for enterprise legal persons, especially the staff who undertake financing business. Once again, it is necessary to clarify the leaders and responsible units of the financing model innovation activities, find out problems in a timely manner, discuss issues one by one, and do special tasks.

### **5.3 Strengthen the research on the financing of small and medium-sized micro enterprises**

First, we need to know the financing situation of small and medium-sized micro enterprises in the city in time. There are a large number of small and medium-sized enterprises in Yuncheng City, and the financing problems of each small and medium-sized enterprise are different. Therefore, it is necessary to investigate the typical small and medium-sized enterprises, and then extend it to most of the small and medium-sized enterprises in Yuncheng City, understand the problems and put forward corresponding countermeasures. Secondly, it is necessary to understand the operation of the city's banks, investment and financing institutions, and credit and investment of small and medium-sized enterprises Information on resources. Banks and other financial institutions are the main sources of financing for small and medium-sized enterprises, which control the main sources of financing. In recent years, Yuncheng City has a lot of private banks in Yuncheng. Therefore, we should strengthen the understanding and research of these banks, and really find the reasons that hinder the financing difficulties of small and medium-sized enterprises. Third, we should learn from the advanced financing experience of small and medium-sized enterprises to ease the financing difficulties of small and medium-sized enterprises. Only to continue to learn from the advanced small and medium-sized enterprises, to sum up and summarize the experience and advantages learned, summed up a set of financing methods suitable for small and medium-sized enterprises in Yuncheng City, and vigorously promote. Fourth, timely put forward suggestions and Countermeasures to provincial and municipal leaders to ease the financing difficulties of small and medium-sized micro enterprises. Actively listen to the development status and mode of small and medium-sized enterprises in big cities, learn from their financing methods and experience, and provide a reasonable basis for breaking through financing difficulties.

### **5.4 establish and improve the plan of stock reform, listing and listing of small and medium-sized enterprises**

Take the emerging enterprises, large-scale enterprises and "small giant" enterprises with high technology content, great development potential and strong market competitiveness as the main body, select the enterprises with good growth and equity financing needs for key cultivation. Focus on follow-up services in management, technology, capital, talent, etc., further enhance the core competitiveness of enterprises, and gradually meet the financing requirements of stock reform, listing and listing. However, we should pay attention to the fact that the government needs to strictly control the enterprises that are preparing for the stock reform and listing, and can not let some enterprises lose the interests of the enterprises in order to go public. We should adhere to the principle of seeking truth from facts. Moreover, the government should not force small and medium-sized enterprises to be listed in the stock market in order to fulfill the national targets and report false economic growth.



In this way, it will not help small and medium-sized enterprises, but also hinder the development of small and medium-sized enterprises.

### 5.5 Broaden direct financing channels

We should vigorously support and improve the existing policies and policies that are conducive to the development of small and medium-sized enterprises. For small and medium-sized enterprises with better development, they should be encouraged to go public or develop and manage in a healthy direction. For the small and medium-sized enterprises that have been listed or are about to be listed, there should be rewards and subsidies in policy, so as to improve the self-confidence of the development of small and medium-sized enterprises, let everyone actively list on the main board, gem and the new third board, and promote the influence of Yuncheng City. For other small and medium-sized enterprises, appropriate subsidies and help can be provided. For the better development of private enterprises to actively encourage their development to big cities and even abroad, and finally listed. Some small and medium-sized enterprises have entered the stage of examination and approval on their way to the market. If they are in a new height and need to be pulled by the government, they can provide support through the reduction or exemption of their taxes. If they need to pay a large amount of taxes, they can be allowed to repay their taxes in installments like loans. At the same time, the issuance of various bonds is also a good choice for financing. Therefore, we should advocate that small and medium-sized enterprises can issue short-term financing bonds appropriately under the condition of good development. Following the financing of large and medium-sized enterprises, we should extract the essence and remove the dross. Finally, it is an era of Internet. We should actively promote the use of technology to issue and crowdfunding various funds on the Internet. We will build and develop every small and medium-sized enterprise in an all-round way to invest, change its original venture capital mechanism, and vigorously support the introduction and development of investment companies. Actively guide the start-up of small and medium-sized enterprises in the fund network, such as daily fund financing.

## 6. Conclusion

With the increasing importance of small and medium-sized enterprises in the overall economy of Yuncheng City, improving the financing level of small and medium-sized enterprises in Yuncheng City can guarantee the improvement of the development level of enterprises and the development speed of Yuncheng economy. According to the above analysis, in order to strengthen the financing level of small and medium-sized enterprises in Yuncheng City, first of all, the government's macro-control level is required. According to the existing problems of small and medium-sized enterprises, through cooperation and exchange with financial institutions, strengthening innovation, strengthening situation research, and using the network platform, the appropriate financing methods of various enterprises are selected to guide the implementation of scientific and reasonable macro policies into the daily life of enterprises. In management, we should give full play to the strategy of government management to promote the healthy development of state-owned enterprises in Yuncheng.

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