

Analysis of Anhui Social Investment Environment

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Abstract

The development of investment in the social field has been undertaking an important mission in the development of the entire socialist market economy in China. In recent years, the overall economic development of Anhui province has been stable and leading well. In the face of the new economic situation and changes since the report of the 19th national congress of the People's Republic of China (CPC), the government has strengthened reform and opening up, further stimulated the market vitality, and put forward further requirements for the development of investment in the social sector. The development and change of social investment environment are closely related to social investment. This section will specifically understand the economic environment, policy environment, market environment and other aspects of social investment in Anhui province in recent years to discuss the environmental factors of the development of social investment in Anhui province, as well as the relevant policies implemented in Anhui province in recent years, so as to provide relevant reference for the decision-making of social investment development in Anhui province after 2020.

Keywords

Anhui province, Investment in the social sector, Economic environment, Policy environment, Market environment.

1. Economic environment analysis of social investment

The development of social investment is closely related to the economic environment. Through the analysis of the overall economic environment, we can get a basic understanding of the macro environment where the social investment development is located and the development trend of the social investment. This part will make a brief analysis of the economic environment of the whole country and Anhui province, aiming to reflect the macroeconomic environment atmosphere of Anhui's social investment and development, and lay a certain macro foundation for the subsequent analysis.

1.1 The downward trend in China's economic development was evident, and the growth rate of investment in fixed assets declined

In recent years, China's economic development has gradually shifted from emphasizing the speed of economic growth to paying more attention to the quality of economic growth. The annual growth rate of GDP declined from 10.64% in 2010 to 6.1% in 2019. Although there was a small increase in 2017, the overall trend was still downward. The annual GDP growth rate of 6.1% in 2019 is the lowest in nearly 30 years since 1992. It is clear that China's economic development as a whole still faces great downward pressure, and investment in the social sector, as a part of the economic structure, also bears great challenges. The growth rate of fixed asset investment declined from 23.8 percent in 2010 to 5.4 percent in 2019, down nearly 20 percent in the past decade. Among them, the growth rate of fixed asset investment dropped by about 6% in 2015, making it the biggest annual decline in nearly a decade. Since then, fixed-asset investment growth has been falling at a uniform rate of about 1.5 per cent. From the decline of the growth rate of fixed asset investment, we can see that the growth rate of fixed asset investment is running in a reasonable trend and the investment structure is becoming more stable and reasonable.

1.2 Anhui's economy continued to grow and the growth rate of fixed asset investment slowed down

Anhui's GDP growth, from 14.6 percent in 2010, has slowed to 7.5 percent in 2019. GDP growth has fallen by nearly half in a decade. However, different from the decreasing speed of national GDP growth, the GDP growth rate of Anhui has been declining at a uniform rate of 1% every year since 2010, and the GDP growth rate has been maintained at around 8.5% in the four years from 2015 to 2018, indicating that the economic development of Anhui has been relatively stable in recent years, providing a relatively stable environment for the development of fixed asset investment. Anhui GDP growth trends are almost consistent with the national GDP change trend, are in decline, but Anhui GDP growth has been higher than the national average, but the difference between the two showed a trend of shrinking and the difference from 4% in 2010, narrowed to 0.6% in 2019, the description of the grim situation of Anhui economic development at the same time but the growth of the value more than just Numbers, more emphasis on the quality of the actual economic development.

The growth rate of fixed asset investment in Anhui province showed a downward trend on the whole, but still maintained a double-digit growth rate. Fixed-asset investment growth slowed to 9.2 percent in 2019 from 28.3 percent in 2010. The growth rate of fixed asset investment will differ from 4.3 percentage points in 2010 to 3.8 percentage points in 2019. During the five years from 2010 to 2015, the growth rate of fixed asset investment in Anhui province kept a straight down trend of 4% per year. After 2015, the growth rate of fixed asset investment slowed down, and it declined at a rate of about 1% per year. Notable is, before the fixed asset investment growth in Anhui has maintained double-digit growth, for the first time in 2019 reduced to single digits, but in 2019 in Anhui province, fixed asset investment growth in the eighth, suggesting that Anhui continue to pay attention to the livelihood of the people happy, sustained policy efforts, and market vitality to release, to create a better economic environment for social investment.

2. The policy environment analysis of social investment

Investment is one of the key points of national economy, and investment environment is an important soft power and core competitiveness of economic and social investment development. In order to further improve and optimize the investment environment, the CPC central committee and the state council have formulated a number of relevant policies and measures to promote the development of social investment and create a favorable investment atmosphere for social investment.

2.1 The government should provide standardized guidance and improve the planning system

To some extent, China's economic and social development has been constrained by the social sector due to the lack of vitality of investment in the social sector, the large number of negative lists on market access for investment in the social sector, the complex management and control mechanisms, and inadequate development. In the past, when the government was performing its public functions, there were too many administrative approvals, and the huge bureaucratic institutions were not responsive enough to the emerging investment demand in social fields, which led to the imbalance of investment demand and supply in social fields. In March 2017, the general office of the state council issued the opinions on further stimulating the vitality of investment in social fields, which proposed various tasks and measures to guide the development direction of investment in social fields and standardized the requirements for the vitality of investment in social fields. In May 2019, the state council promulgated the regulations on government investment to ensure that government investment has clear priorities and precise delivery, reasonable scope of investment, better plays the exemplary role of government investment, standardizes government investment behavior, and gives full play to the benefits of government investment.

The general office of the Anhui provincial government has formulated the implementation opinions on further stimulating the effective investment vitality in the social sector and promoting the sustainable and healthy development of the economy, in an effort to remove institutional obstacles, scientifically plan the development of investment in the social sector, deepen reform and optimize

the investment environment, improve the public service system and provide quality public services. In March 2019 in Anhui province people's government on several important projects to promote the steady investment measures "12 specific measures are put forward, and steady hand investment major projects as the key link to promote the development of our province economic society, actively guide the correct direction of the field of social investment, investment development points the way for the society.

2.2 Energizing investment in the social sector and gradually liberalizing investment in the social sector

In recent years, China has implemented a series of policies to encourage investment in the social sector, tap the vitality of investment in the social sector, and liberalize the scope of investment in the social sector, thus maintaining a sound momentum of growth in investment in the social sector. In 2017, the general office of the state council issued the opinions on further stimulating the vitality of investment in the social sector, which called for the elimination of the dilemma of insufficient vitality of investment in the social sector and the extension of relevant reforms in the social sector across the rigid institutional barriers. According to the negative list for market access, we will gradually reduce administrative monopolies in the market access system and deepen reform in the social sector. In 2018, with the deepening of supply-side structural reform, the general office of the state council issued guidance on strengthening weak links in infrastructure, promoting the participation of capital from the social sector in strengthening weak links, and accelerating the guidance of investment from the social sector into some traditional infrastructure projects. The regulations on government investment promulgated by the state council in 2019 calls for strengthening and improving government investment management, clarifying the scope of government investment, and creating conditions for the market to fully play its role in allocating resources and tapping the vitality of private investment. We should firmly guard the boundary between the government and the market and create opportunities for investors in social fields to stimulate the vitality of investment in social fields.

In 2015, Anhui issued the implementation opinions on encouraging social investment, guiding and encouraging social investment into social undertakings and infrastructure construction. In 2018, in a number of opinions on vigorously promoting the development of private economy, Anhui pointed out that it should help private enterprises to expand market share and increase the tilt of government procurement to private enterprises and other small and micro enterprises. In 2019, Anhui province people's government issued "on the implementation of the reform of state-owned capital investment, operating company pilot opinion", said to promote the orderly flow of state-owned capital, to concentrate in key industries, key areas and superior enterprises to expand the field of social investment, open society field investment service scope, promote social further development areas.

3. Market environment analysis of social investment

In today's economic globalization, the market environment of social investment includes not only the domestic market but also the foreign market. The marketization of investment environment represents the trade and economic exchanges between countries, and also represents its own economic development process. Market opening can enable social investment to expand overseas, the entry of foreign capital will increase the competitiveness of the market, and the competitive environment for investment in social fields will become more fierce, which is conducive to the development of social investment.

3.1 Opening wider to the outside world is not enough

Since China joined the world trade organization in 2003, China has taken various measures to change its import and export mix in a rational way, actively relax market access, adjust the negative list for foreign investment, and allow more foreign-funded enterprises to operate independently in related sectors of social investment. We will promulgate the latest policies on foreign trade and economic cooperation, improve the efficiency of policy implementation, and foster a fair and just market atmosphere.

Anhui has also been paying close attention to the changes in the domestic and foreign market environment, actively participating in the opening up to the outside world, and seeking new growth points for social investment. On January 14, 2019, the second session of the 13th Anhui people's congress proposed that Anhui will gradually promote stable foreign trade and foreign investment, vigorously explore "One Belt And One Road" countries along the route and Africa and other emerging countries, and deepen international exchanges and cooperation. In recent years, the policy of stabilizing foreign trade and foreign investment in Anhui province has achieved initial results, and the province's foreign trade has been steadily recovering and improving. The total investment in the import and export economy has continued to increase, and the investment structure in the social sector has also been adjusted to some extent. However, compared with the excellent provinces and cities in east China, the social investment market environment in Anhui is obviously short of opening up due to geographical location factors. The problems of small foreign trade volume, single economic structure, backward infrastructure, weak industrial support and poor access are also prominent. In 2019, all 16 cities in Anhui will join the Yangtze river delta city cluster, which, relying on the strong radiation capacity of the Yangtze river delta city cluster and its cooperation with the first developing regions, will expand the investment market. The investment market of Anhui will expand the new development scope and drive the development of social investment in the whole province.

3.2 We will improve the business environment in the market and promote investment in the social sector

The reform to optimize the business environment of the social investment market is not only the basis of the modern economic system, but also the key to the high-quality development of social investment. In 2018, the general office of the state council issued the circular on further improving the implementation of the policies on improving the business environment by focusing on the concerns of enterprises. The circular provided support for removing unreasonable and hidden barriers as well as institutional and institutional constraints and creating a fair, just and sound market environment for investment in the social sector. In 2019, the state council adopted the regulations on improving the business environment, which will promote market orientation, rule of law and internationalization, create new models of governance, improve institutions and mechanisms, and provide legal and regulatory support, so as to increase the confidence of investors in the social sector and promote the development of investment in the social sector.

In 2019, the measures for the implementation of the > regulations on improving the business environment in Anhui province were adopted, calling for streamlining administration, delegating power, strengthening regulation and services, improving service quality, simplifying the administrative approval system, and creating an environment conducive to investment and development in the social sector that is conducive to innovation, entrepreneurship and creativity. In 2019, the "four most" office of Anhui province created a channel of "you ask me to do business environment issues" on the website of the provincial government and the Anhui government service network, collecting opinions and Suggestions from market investors, so as to truly solve the business environment issues that market investors are most concerned about. This innovative measure has effectively solved the practical problems in the development of investment in the social sector and truly promoted the development of investment in the social sector.

4. Conclusion

In recent years, social investment has become an important force for Anhui province to develop and strengthen private economy, accelerate industrial transformation and upgrading, implement the strategy of rural vitalization, and promote high-quality development. Released from The General Office of the State Council on further arouse the vigour of social sector investment advice, social sector investment in Anhui province has made considerable progress, society to further optimize the investment environment, investment environment in Anhui province in the field of social all aspects of the effort means that there is enough space to accommodate social capital in Anhui province investment injection, has brought new opportunities for private investment in development.

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