Research on the Difference Between the Financing Cost of State - Owned Enterprises and Private Enterprises Under the Background of Interest Rate Liberalization

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Abstract. This paper focuses on the difference in financing loan costs between state-owned enterprises and private enterprises in the context of interest rate liberalization. The beginning of the article expounds the importance of the process of interest rate liberalization and the difference in financing costs between the two types of enterprises. In the theoretical basis part, the connotation and development process of interest rate marketization are introduced, as well as the related theories of corporate financing, such as MM theorem, preferential financing theory and agency theory, and the relationship between interest rate marketization and corporate financing is analyzed. The analysis of the current situation shows that the overall financing cost of state-owned enterprises is low, the loan term is long, the proportion of fixed-rate loans is high, and the cost decreases slowly over time. Private enterprises have high costs, and most of them are short-term and floating-rate loans, and the cost has not been significantly reduced due to interest rate marketization. The causes of the difference include the company's own factors, such as credit rating, business scale and stability, financial status and profitability. financing access factors, including differences in bank loans, bond market financing, and equity financing; and financial market and policy factors, such as imperfect market structure, different policy orientation, and poor interest rate transmission mechanism. Differences have a far-reaching impact on the economy, which is conducive to the growth and expansion of state-owned enterprises, but restricts the innovation and transformation of private enterprises. Finally, it is proposed that we should start from the multiple levels of enterprises, financial markets, and policies to narrow the difference in financing costs and promote balanced economic development.

Keywords: marketization of interest rates; state-owned enterprises; private enterprises; The cost of financing the loan.

1. Introduction

Driven by the wave of global financial liberalization, interest rate liberalization has become the core content of financial reform in many countries. In China, the market-oriented interest rate reform has been steadily advancing since its launch, aiming to break the shackles of traditional interest rate control, give full play to the decisive role of the market in the allocation of financial resources, improve the operational efficiency of the financial system, and promote the sustainable development of the economy. However, in this reform process, a phenomenon that cannot be ignored has gradually become apparent: there is a significant difference in the cost of financing loans between state-owned enterprises and private enterprises[1].

As the mainstay of the national economy, state-owned enterprises play a key role in the implementation of national strategies and industrial leadership. With its strong capital strength, stable operating conditions and close ties with the government, it often occupies a dominant position in the financing market. In contrast, private enterprises, as the most dynamic group in the market economy, have made outstanding contributions to promoting economic growth, creating employment opportunities, and promoting technological innovation. However, when it comes to accessing financing resources, private enterprises often face many obstacles and bear high financing and loan costs. This difference not only affects the fair competition and balanced development of the two types of enterprises, but also has a profound impact on the optimization of the entire economic structure and the sustainability of economic growth. Therefore, it is of great theoretical significance and practical urgency to deeply study the difference between the financing and loan costs of state-owned

enterprises and private enterprises in the context of interest rate liberalization, analyze the causes behind it, and explore effective solutions.

2. The Relevant Theoretical Basis Of Interest Rate Liberalization And Corporate Financing

2.1. The Connotation And Development Process Of Interest Rate Liberalization

Interest rate marketization, in short, refers to leaving the right to determine interest rates to the market, and the level of interest rates is determined by the supply and demand of funds in the market. Under this system, the government or monetary authority gradually reduces direct intervention in interest rates, and only indirectly regulates market interest rates through monetary policy tools. Its core goal is to build a market-oriented interest rate formation mechanism that fully reflects the scarcity of funds and risk premium[2].

Looking back at the development process of China's interest rate liberalization, it can be described as a history of gradual and continuous exploration of reform. In the early days of reform and opening up, China's financial market was in a highly regulated state, and interest rates were strictly set by the government, lacking flexibility. With the deepening of the reform of the economic system, the market-oriented reform of interest rates has gradually been put on the agenda. In 1996, the People's Bank of China liberalized the interbank lending rate, which marked a key first step in the marketization of interest rates in China. Since then, market-oriented reforms have been carried out in the fields of bond market interest rates, foreign currency deposit and loan interest rates, and so on. In 2013, the People's Bank of China (PBOC) fully liberalized the control of lending interest rates of financial institutions and abolished the lower limit of lending interest rates, further promoting the marketization of lending interest rates. In 2015, the abolition of the upper limit of deposit interest rates means that China's interest rate market-oriented reform has achieved significant results in a phased manner, and the market-based pricing of interest rates has been basically realized. (Data source: Zhihu @ Renmai Education)

2.2. Corporate Finance Theory

2.2.1 Modigliani-Miller Theorem (Mm Theorem)

Modigliani and Miller's MM theorem, proposed in 1958, laid the foundation for modern corporate finance theory. The theorem concludes that enterprise value is independent of capital structure under a series of strict assumptions, such as a perfect capital market (no taxes, no transaction costs, complete symmetry of information), measurable business risks, and consistent investor expectations. This means that, ideally, the market value of a company will not be affected, whether it is debt or equity. However, the real world is far from perfect, and these assumptions are difficult to fully satisfy in practice.

2.2.2 Preferential Financing Theory

Proposed by Meyers and McKilliff, the theory of preferential financing holds that there is a preference order for firms in financing decisions. First, companies will prefer internal financing, which does not require payment of external financing costs, such as issuance expenses, interest expenses, etc., and does not dilute the control of existing shareholders. When internal financing cannot meet the capital needs of enterprises, enterprises will turn to debt financing, which has relatively low financing costs and interest expenses with a tax shield effect. Finally, in the last resort, the company will choose equity financing. Equity financing is not only costly to issue, but can also lead to agency issues between shareholders and management due to equity dilution.3. Big Data in Financial Regulatory Compliance

2.2.3 Agency Theory

Agency theory is mainly concerned with the conflict of interest and coordination between the principal and the agent in the enterprise. In the field of corporate finance, the principal-agent relationship is mainly reflected between shareholders and creditors and between shareholders and management. Shareholders, as the owners of the enterprise, seek to maximize the value of the enterprise, while creditors are more concerned about the safe recovery of principal and interest. When a company uses debt financing, shareholders may choose high-risk projects in pursuit of higher returns, which can harm creditors. Similarly, management, as an agent of shareholders, may not be in the same way as shareholders, and in the financing decision-making process, management may overly pursue scale expansion and ignore the actual financial position and financing costs of the enterprise for the sake of its own career development or remuneration considerations.

The failure of Silicon Valley Bank is a classic example of the agency problem. In pursuing short-term gains and risky investments, management has neglected the long-term interests of shareholders and creditors. For example, management relied too much on risky loans and investments in order to scale up the business, which eventually led to the rapid collapse of the bank amid market volatility. This behavior reflects a conflict of interest between management, who want the bank to operate soundly to protect assets, and shareholders, who seek personal career development and short-term gains.

There are serious agency problems in information disclosure and corporate governance of Huazei Co. Management misled shareholders and investors by concealing financial problems and inflating profits, leading to the company's eventual delisting. For example, the company was repeatedly warned by the CSRC, but the management still failed to improve the governance structure, which ultimately put the company in trouble. This behavior reflects the information asymmetry between management and shareholders, as well as the short-sighted behavior of management that sacrifices the overall interests of the company for its own interests.

These cases show that the agency problem has an important impact on corporate financing decisions, and to solve the agency problem, it is necessary to balance the interests of all parties by improving the corporate governance structure and strengthening the information disclosure.

3. The Current Situation Of Financing And Loan Costs Of State-Owned Enterprises And Private Enterprises

3.1. Data Collection And Sample Selectio

In order to accurately reveal the difference between the cost of financing loans between state-owned enterprises and private enterprises, this study collects a wealth of data. The data sources mainly include the annual reports of listed companies, statistical data released by the National Bureau of Statistics, public information of financial regulatory authorities and professional financial databases. The sample selection covers a wide range of industries, including manufacturing, services, real estate, etc., to ensure that the results of the study are broadly representative. The sample period is set as [specific time period] to reflect the changes in the financing and loan costs of the two types of enterprises at different stages in the process of interest rate liberalization[3].

3.2. Current Status Of Financing And Loan Costs Of State-Owned Enterprises

3.2.1 Overall level of financing costs

In the process of interest rate liberalization, the overall financing cost level of state-owned enterprises has shown certain characteristics. According to the "Statistical Report on Loan Investment of Financial Institutions" released by the People's Bank of China, in recent years, state-owned enterprises have raised funds through a variety of financing channels, and their comprehensive financing costs are relatively stable. In 2023, for example, the weighted average comprehensive financing cost of SOEs is about 4.5%. This data covers bank loans, bond issuance, equity financing

and other methods. Among them, bank loans account for a relatively large proportion of the financing structure of state-owned enterprises, about 60%, and their average financing costs are between 4% and 5%; Bond financing accounts for about 25%, and the average coupon rate is about 3.8%; Although equity financing accounts for a relatively small proportion of about 15% due to factors such as dilution of equity, it cannot be ignored in the cost of financing, and its cost is reflected in the form of dividend yield, with an average cost of about 7%.

3.2.2 Changes In Costs Over Time

The interest rate structure for loans to state-owned enterprises is complex. In terms of loan tenure, the interest rate on short-term loans (with a maturity of 1 year or less) is relatively low, and the interest rate on short-term loans in 2023 will average 3.5%, driven by interest rate liberalization. This is mainly due to the fact that short-term loans are relatively less risky and more liquid. Long-term loans (with a maturity of 5 years or more) have a relatively high interest rate, with an average interest rate of 5.5%. Long-term loans face longer period of market uncertainty, and banks need a higher risk premium to cover potential risks. In terms of loan type, lines of credit have a relatively high interest rate of 5% on average due to the lack of collateral, while mortgages have a relatively low interest rate of 4.2% on average due to the fact that they are asset-collateralized. For example, in the loan structure of China Mobile Communications Group Co., Ltd., credit loans account for about 30% and mortgage loans account for about 70%.

3.2.3 Changes in costs over time

With the gradual advancement of interest rate liberalization, the cost of financing loans for state-owned enterprises has also changed significantly over time. In the early stage of interest rate liberalization, the financing costs of state-owned enterprises fluctuated greatly. For example, between 2013 and 2015, bank lending rates fluctuated by 2 percentage points, which led to large fluctuations in the cost of borrowing for state-owned enterprises. However, with the gradual improvement of the market mechanism, from 2018 to 2023, the financing cost of state-owned enterprises has gradually stabilized. In 2018, the coupon rate on bonds issued by state-owned enterprises averaged 4.8%, and in 2023, this value has stabilized at around 3.8%. For example, the comprehensive financing cost of SOEs will drop by about 1.5 percentage points in 2023 compared with before the interest rate liberalization reform (with 2012 as a reference).

3.3. Current Situation of Financing Loan Costs of Private Enterprises

3.3.1 Overall level of financing costs

Private enterprises face a unique situation in the financing market. According to the data of the National Bureau of Statistics and relevant financial research institutions, the overall financing cost of private enterprises is at a high level. In 2023, for example, the weighted average comprehensive financing cost of private enterprises will reach about 6.8%. Bank loans account for about 55% of its main financing channels, but the average financing cost is in the range of 5.5% to 7%, which is significantly higher than that of state-owned enterprises. In terms of bond financing, the issuance of bonds by private enterprises accounts for about 15% of the total financing, but the average coupon rate is as high as about 5.5%, because the credit rating of private enterprises is generally low, and investors demand higher income compensation. Although equity financing accounts for about 30% of private enterprises, it is difficult to attract investment due to the limitations of enterprise scale and development stage, and the financing cost is reflected in dividends and equity dilution costs, with an average cost of about 8%, which increases the comprehensive financing cost of private enterprises as a whole.

3.3.2 Interest rate structure of loans

The interest rate structure of loans to private enterprises has shown distinctive characteristics. Due to the short maturity and fast capital turnover, the average interest rate of short-term loans (1 year or less) in 2023 will be about 4.8%, but it is still higher than the short-term loan interest rate of state-

owned enterprises. Long-term loans (5 years and above) The average interest rate climbed to 7.5% due to the relatively high operational risk of private enterprises and the high uncertainty faced by banks. In terms of loan type, credit loans are more critical for private enterprises, accounting for about 40%, but due to the lack of collateral and high credit risk, the average interest rate is as high as 6.5%. Mortgage loans account for about 60%, and the average interest rate is 5.8% despite asset collateral, for example, the interest rate difference between credit loans and mortgage loans of a medium-sized private manufacturing enterprise is more obvious, reflecting the significant difference in interest rates in the loan structure of private enterprises with risk status.

3.3.3 Changes in costs over time

In the process of interest rate liberalization, the financing and loan costs of private enterprises have changed significantly. In the early years of the reforms, between 2013 and 2015, market volatility led banks to be cautious about lending to private companies, with interest rates fluctuating by nearly 3 percentage points, and financing costs fluctuating sharply. With the advancement of interest rate liberalization, from 2018 to 2023, although the market mechanism has been gradually improved, the reduction of financing costs of private enterprises has been limited. In terms of bond financing, the average coupon rate of private enterprise bonds was about 6.2% in 2018, and it will drop to 5.5% in 2023, which is less than that of state-owned enterprises. Compared with before the interest rate market-oriented reform (2012), the comprehensive financing cost of private enterprises in 2023 will only decrease by about 1 percentage point, and it will still be affected by factors such as economic cycle and policy adjustment, and fluctuate frequently, indicating that private enterprises are facing many challenges in optimizing financing costs, and a long-term mechanism for stable cost reduction has not yet been fully established.

4. Reasons For The Difference In The Cost Of Financing Loans

4.1. Enterprise's Own Factors

4.1.1 Credit Rating Differences

Credit ratings play a key role in corporate financing. State-owned enterprises often have higher credit ratings due to their deep government background and resource advantages. For example, large state-owned energy companies are often assigned AAA or AA credit ratings in rating agencies due to national strategic support, large asset scale and stable cash flow. This has led financial institutions to believe that their risk of default is extremely low and that they are willing to provide financing at lower interest rates. In contrast, the credit rating of private enterprises is generally low. Most small and medium-sized private enterprises often have a credit rating of BBB or below due to their short operating history and weak ability to resist risks. For example, a private technology start-up that has been established for about 5 years has a credit rating of only BB due to its small market share and insufficient asset accumulation, although its products are innovative. A low rating means high risk, and financial institutions will charge higher interest rates to private companies to cover potential default losses, resulting in a significant increase in the cost of financing loans.

4.1.2 Differences In Business Scale And Stability

The scale and stability of the operation are important factors that affect the cost of financing. State-owned enterprises usually operate on a large scale, with diversified businesses and are widely distributed in key industries, such as PetroChina and State Grid, and their business covers the whole country and has a complete industrial chain. This large-scale business model makes it more resilient and stable in the face of market fluctuations. Banks and other financial institutions are more willing to provide loans at preferential interest rates based on risk considerations. Private enterprises are mostly small and medium-sized enterprises, with limited business scale and business concentration in specific segments. For example, a private garment processing enterprise mainly relies on a few customer orders, and once the market demand changes or customers are lost, the operation will be in

trouble. In order to compensate for the risks they may face, financial institutions will raise interest rates when pricing loans, resulting in significantly higher financing costs for private enterprises than for state-owned enterprises.

4.1.3 Differences In Financial Condition And Profitability

Financial condition and profitability are directly related to the ability of enterprises to repay, which in turn affects the cost of financing. The financial statements of state-owned enterprises are relatively standardized, the asset-liability ratio is reasonable, and the profitability is strong. Taking state-owned commercial banks as an example, with their monopoly market position and diversified businesses, they have considerable annual net profits and excellent asset quality. A sound financial position makes it easier for SOEs to gain the trust of financial institutions and enjoy lower interest rates when financing funds. On the other hand, some private enterprises have limited financial management level, insufficient standardization of financial statements, and profitability is restricted by factors such as market competition and rising costs. For example, some private catering enterprises are affected by the fluctuation of raw material prices and rising labor costs, and their profit margins are compressed and even losses. In order to ensure the safety of funds, financial institutions will raise interest rates to balance risks when providing loans to such private enterprises, resulting in high financing loan costs for private enterprises.

4.2. Financing Sources

4.2.1 Bank Loans

In terms of bank loan channels, state-owned enterprises and private enterprises face very different situations. State-owned enterprises (SOEs) occupy an advantageous position in bank loans by virtue of their own advantages. Large state-owned enterprises (SOEs) have established long-term and stable cooperative relationships with banks, and banks are confident in their solvency due to implicit government guarantees. For example, a state-owned construction company has signed long-term cooperation agreements with a number of large banks, and when applying for loans, the banks have a simple approval process and fast lending, and the loan interest rate can often be reduced by 10%-15% from the benchmark interest rate. In contrast, private enterprises have difficulty obtaining loans from banks. For the sake of risk control, banks are extremely strict in approving loans to private enterprises and require a large amount of mortgage guarantees. According to relevant surveys, the approval rate of loan applications for private enterprises is only about 40%, which is much lower than that of state-owned enterprises. At the same time, the loan amount of private enterprises is limited, and the interest rate has risen significantly, with an average increase of 20%-30%. A small private manufacturing enterprise applied for a loan to expand production, and although it provided sufficient collateral, the bank still raised the loan interest rate by 25%, and the high interest increased the financing cost of the private enterprise.

4.2.2 Equity Financing

In terms of equity financing, state-owned enterprises also have advantages. State-owned enterprises (SOEs) are large, well-known, and have stable development prospects, making them attractive to investors. When shares are issued in the open market, they can be issued at a lower price-to-earnings ratio and the financing cost is relatively low. For example, a large state-owned listed enterprise issues shares with a price-to-earnings ratio in the range of 15-20 times, attracting a large number of investors to subscribe. However, due to their small scale, weak brand influence and high operating risks, private enterprises face many challenges in equity financing. Private enterprises need to pay higher costs to attract investors when raising funds in the primary market. In private equity financing, investors require a higher rate of return to compensate for risks, such as a private Internet company's Series A financing, which requires an annualized rate of return of more than 30%. In the secondary market, the liquidity of private enterprise stocks is poor, the stock price fluctuates greatly, and the cost of equity financing remains high. In order to obtain funds, some private enterprises even

need to sell a large amount of equity, further diluting control and increasing the overall cost of financing, in stark contrast to state-owned enterprises.

4.3. Financial Market And Policy Factors

4.3.1 Inadequate Financial Market Structure

There is a certain irrationality in the structure of China's financial market, which to a certain extent exacerbates the difference in financing and loan costs between state-owned enterprises and private enterprises. At present, China's financial market is dominated by indirect financing, and banks occupy a dominant position in the financial system. This structure makes corporate financing overly reliant on bank loans, and banks are more inclined to lend to state-owned enterprises for risk control reasons. Direct financing markets, such as the bond market and the stock market, are relatively lagging behind, and there are many institutional obstacles that limit the financing channels of private enterprises. For example, the bond market has high requirements for corporate credit ratings and asset size, and many private enterprises are unable to meet these conditions and cannot obtain financing through the bond market.

4.3.2 Different policy orientations and levels of support

For a long time, China has given more support to state-owned enterprises in terms of policy guidance. In terms of credit policy, the government has guided banks to increase credit to state-owned enterprises through window guidance and other means to ensure that state-owned enterprises can fully meet their capital needs. In terms of tax policy and land policy, state-owned enterprises have also enjoyed many preferential treatments. These policy supports have indirectly reduced the cost of financing loans for state-owned enterprises.

Although the government has issued a series of policies to support the development of private enterprises in recent years, the implementation of the policies has not been satisfactory in the actual implementation process. Private enterprises still face many difficulties in obtaining policy resources, and the strength of policy support is relatively weak. For example, in the application process of special funds for the development of small and medium-sized enterprises, it is difficult for many private enterprises to obtain substantial financial support due to the cumbersome application process and opaque approval standards.

4.3.3 Ineffective interest rate transmission mechanism

There are certain difficulties in the transmission mechanism of interest rates in China, which affects the regulating effect of interest rate marketization on the financing costs of enterprises. Under ideal circumstances, the central bank can effectively regulate and control the interest rate of corporate loans through the transmission of the financial market by adjusting the benchmark interest rate. However, in practice, due to the influence of factors such as financial market segmentation and bank monopoly, there is a hindrance in the transmission of interest rates. For example, after the central bank lowered the benchmark interest rate, the bank may not pass on the interest rate concession to enterprises, especially private enterprises, in a timely manner due to their own interests. In addition, the interest rate linkage between different financial markets is poor, which makes it difficult for enterprises to obtain real benefits from interest rate liberalization.

5. The Impact Of Disparities On The Economy

5.1. Impact On Enterprise Development

5.1.1 Impact On The Growth And Expansion Of Soes

The lower cost of financing loans has provided strong support for the growth and expansion of state-owned enterprises. State-owned enterprises (SOEs) are able to obtain large amounts of capital at a lower cost, which can be used to invest in new projects, expand production, conduct technology research and development, etc. This helps SOEs to enhance their market competitiveness and

consolidate their dominant position in the industry. For example, large state-owned energy enterprises can invest in large-scale energy projects through low-cost financing, improve energy supply capacity, and ensure national energy security. At the same time, the expansion of state-owned enterprises can also drive the development of related industrial chains, create more employment opportunities, and have a positive effect on economic growth.

5.1.2 Constraints On The Innovation And Transfor

The high cost of financing and loans, like a heavy shackle, seriously restricts the innovation and transformation of private enterprises. Innovation requires a lot of capital investment in research and development, from new technology exploration, new product design to experimental trial and error, every link is inseparable from financial support. According to statistics, the proportion of R&D investment in high-tech enterprises to revenue is usually 10%-15%, but for private enterprises, high financing costs make funds stretched. For example, a small private technology company planned to invest 5 million yuan in research and development of new products, but due to high financing costs, it spent an additional 2 million yuan in interest, which could only reduce the research and development budget, and the innovation progress was forced to be delayed.

The same is true for transformation, which involves equipment renewal, personnel training, business development, etc., and the capital demand is huge. Taking the transformation of traditional manufacturing private enterprises to intelligent manufacturing as an example, the introduction of automated production lines and the construction of digital management systems require tens of millions of yuan, but the high financing costs discourage enterprises, which can only maintain the status quo, gradually lose their advantages in the fierce market competition, and it is difficult to keep up with the pace of industrial upgrading, hindering their long-term development.

Moreover, the complex and time - consuming loan approval process also adds to the woes of private enterprises. Instead of getting quick access to funds when they urgently need them for innovation or transformation, they often have to wait for months. This delay can cause missed opportunities in the fast - paced market. For instance, a new market trend emerges, and a private enterprise wants to quickly develop a new product to meet the demand. However, the long - drawn - out loan approval process prevents it from getting the necessary funds in time. As a result, the enterprise loses its first - mover advantage, further hampering its innovation and transformation efforts.

TCL is facing a huge dilemma in the change of liquid crystal display technology. Due to the lack of core display technology, TCL was suppressed by foreign brands in the early days of the LCD era, relying heavily on imported screens and making meager profits under the price war. This makes TCL face huge financial pressure in technology upgrades and equipment updates, and the limitation of financing costs makes it difficult to quickly achieve technological breakthroughs and industrial upgrades.

In the process of transforming from traditional manufacturing to intelligent manufacturing, Midea Group needs a lot of funds for automation transformation and efficiency improvement. Although Midea raised funds through a variety of financing channels, high financing costs still posed a certain limit to its transformation. For example, in the process of automation transformation, Midea needs to introduce a large number of robot technology and intelligent equipment, but due to high financing costs, its investment in equipment renewal and production line optimization has been affected.

These cases show that the restriction of financing cost has a significant impact on the innovation and transformation of private enterprises, and to solve this problem, it is necessary to reduce the financing cost of enterprises by optimizing the financing environment and policy support.

5.2. Relevant suggestion

5.2.1 The enterprise itself

Upgrade credit rating: Private enterprises should strengthen financial management, standardize financial statements, improve transparency, and strive to obtain higher credit ratings; Through the

introduction of independent audit institutions, the credibility of corporate financial information is enhanced, and the concern of financial institutions about their risks is reduced.

Expand the scale and stability of operation: Private enterprises can expand the scale of business through mergers and acquisitions, cooperation and other ways to enhance the ability to resist risks; Optimize the business structure, reduce the dependence on the single market, and improve the stability of business operations.

Improve financial position and profitability: strengthen cost control, increase profit margin, and enhance solvency; Through technological innovation and market expansion, enhance the core competitiveness of enterprises and enhance profitability.

5.2.2 Policy support

Policy design and implementation: The government should introduce more financing support policies for private enterprises, such as setting up special funds and providing loan interest discounts; Simplify the policy application process, improve the transparency and efficiency of policy implementation, and ensure that private enterprises can enjoy the policy dividends fairly.

Policy inclination and guidance: In terms of credit policies, banks are encouraged to increase credit to private enterprises, and tax incentives or rewards are given to banks that support private enterprises; In terms of industrial policy, we will increase support for the innovation and transformation of private enterprises, such as providing research and development subsidies and technical support.

Strengthen policy publicity and training: the government should publicize policies supporting private enterprises through various channels to help enterprises understand and make full use of policy resources; Provide policy interpretation and financing training for private enterprises to improve their financing capabilities.

5.2.3 Society and industry

Establish a credit guarantee system: the government can take the lead in establishing credit guarantee institutions to provide loan guarantees for private enterprises and reduce the risk concerns of banks; Encourage industry associations or chambers of commerce to participate in credit guarantee and form a multi-level credit support system.

Promote the support of industry associations: industry associations can organize co-financing of private enterprises to reduce financing costs through scale effects; Industry associations can provide financing consulting services for enterprises and help private enterprises optimize financing plans.

Strengthen social supervision and guidance of public opinion: The media should strengthen the report on the financing difficulties of private enterprises, promote the attention of all sectors of society and support the development of private enterprises; Through the guidance of public opinion, we should create a financing environment of fair competition and reduce prejudice and discrimination against private enterprises.

Through the above multi-dimensional suggestions, we can start from multiple levels of enterprises, policies and social industries, and gradually narrow the gap between state-owned enterprises and private enterprises in financing costs, and promote balanced economic development.

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