

Countermeasures to Promote the Continuous Expansion of Fixed Investment Scale and the Continuous Optimization of Investment Structure Taking Anhui Province as an example

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Abstract: As one of the "troikas" driving economic growth, investment plays an important role in economic development. In order to promote the sustainable development of overall investment in Anhui Province and break through the bottleneck of public investment development, firstly, through a comprehensive exposition and analysis of the current situation of overall investment development, it is found that the investment in fixed assets in Anhui Province is growing steadily. The supporting role of infrastructure investment is prominent, the growth rate of real estate investment is obvious, investment in high-tech field has become a new growth point, investment in social field has continued to increase, funds in place have increased steadily, and the gap between fixed asset investment in various cities has been further narrowed. Secondly, exploring the factors restricting the overall investment development, it is found that the overall investment structure of Anhui Province is not perfect, the investment and financing is difficult and the investment efficiency is low. Finally, we put forward countermeasures and suggestions, that is, seeking progress in the stability of fixed asset investment and promoting the upgrading and optimization of investment structure; Broaden financing channels and release the potential of private investment; Strengthen investment supervision and improve investment efficiency.

Keywords: Total investment, Economic growth, Route, Public investment.

1. Introduction

In the process of economic and social development, investment has played a vital role. Among them, public investment with the government as the main body, mainly including public infrastructure investment, public service investment, education, culture, science and health construction investment, has contributed greatly to promoting economic growth and social welfare [1]. Zhao Xinyu and Li Ningnan (2021) investigated the relationship between investment and economic growth based on the panel data of 31 provinces from 1996 to 2018 [2]. The study found that fixed asset investment has a positive effect on economic growth. Zhu Mengyun (2021) found that fixed asset investment can effectively promote the role of technological innovation in promoting economic growth by using the intermediary effect model [3]. Su Rujie and Jiang Ling (2020) discussed the promotion effect of infrastructure investment on economic growth from the perspective of spatial spillover. The results show that there is a significant positive spatial spillover effect of infrastructure investment [4]. Zhou Liping and Guan Ailan (2020) conducted an empirical study on the impact of education investment on employment in Jiangxi under the open economy based on the spatial Dobbins model. The results show that education investment can promote employment growth [5]. Zhou zejiang and Liu Daqian (2021) empirically analyzed the poverty reduction effect of rural public investment based on the panel data of 30 provinces from 2010 to 2019. The study found that public investment has a significant promoting effect and positive spatial spillover effect on rural poverty alleviation [6]. Therefore, this paper analyzes the current situation of the overall investment development in Anhui Province, and puts forward

effective countermeasures and suggestions to promote the continuous expansion of the effective investment scale and the continuous optimization of the investment structure in Anhui Province.

2. Overall Investment Status of Anhui Province

In 2021, Anhui Province will fully implement the series spirit of the 19th CPC National Congress and the deployment of the CPC Central Committee to Anhui Province, overcome difficulties and work together to ensure the stable growth of overall investment and the continuous improvement of investment quality, so as to achieve a good start of the 14th five year plan.

2.1. Investment in Fixed Assets Increased Steadily and the Investment Structure Continued to Be Optimized

In 2021, the fixed asset investment in Anhui Province recovered steadily. The annual fixed asset investment increased by 9.4% over the previous year, 4.5 percentage points higher than that in the country, ranking ninth in the country and second in the Yangtze River Delta. The two-year average growth rate was 7.2%, 3.3 percentage points higher than that of the whole country.

In terms of structure, the investment scale of the three industries has been expanding. The annual investment in the primary industry increased by 39.1% over the previous year, with an average growth of 36.9% in the two years. The secondary industry grew by 13.5%, with an average growth of 4.2% in the two years. In the secondary industry, industrial

investment increased by 13.5% over the previous year, 2.1 percentage points higher than the whole country, and the contribution rate to the growth of total investment reached 43.4%. Among them, the investment in mining industry increased by 23.3%, 12.4 percentage points higher than that of the whole country. Manufacturing investment increased by 14.6%, 1.1 percentage points higher than that of the whole country. Among the 31 industry categories, the investment in computer communication and other electronic equipment manufacturing, non-metallic mineral products, electrical machinery and equipment manufacturing, which accounted for the top three, increased by 15.5%, 29.3% and 25.6% respectively; Investment in power, heat, gas and water

production and supply increased by 3.7%, 2.6 percentage points higher than that in the whole country. The tertiary industry grew by 6.9%, with an average growth of 8.1% in two years. In the tertiary industry, infrastructure investment increased by 7.4% over the previous year, 7 percentage points higher than that of the whole country. Among them, the investment in public facilities management increased by 4.6%, 5.9 percentage points higher than that in the whole country. The investment in road transportation industry increased by 2.8%, 4 percentage points higher than that of the whole country; Investment in water conservancy management increased by 18.2%, 16.9 percentage points higher than that in the whole country. See Table 1 and table 2 for details.

Table 1. Fixed asset investment in China and Yangtze River Delta in 2021 unit: 100 million yuan

Region	Investment in fixed assets	Year on year growth (%)
Wholecountry	544547.0	4.9
Anhui	42664.2	9.4
Shanghai	9553.3	8.1
Jiangsu	62361.9	5.8
Zhejiang	42862.8	10.8

Data source: National Bureau of Statistics

Table 2. Fixed asset investment in various industries in Anhui from 2017 to 2021 unit: 100 million yuan

Industry	2017	2018	2019	2020	2021
Primary industry	775.8	1031.8	584.5	585.1	813.9
The secondary industry	13016.4	16218.4	12122.3	11780.1	13370.4
The service sector; the tertiary industry	15393.8	16255.9	25868.9	26641.6	28479.9
Total	29186	32216.7	38575.7	39006.8	42664.2

Data source: Anhui Bureau of Statistics

2.2. The Supporting Role of Infrastructure Investment Is Prominent, And the Investment in Key Projects Is Positive

In 2021, Anhui Province focused on key areas and coordinated the implementation of a number of major infrastructure projects such as diverting the Yangtze River to the Huaihe River. The growth rate of infrastructure investment accelerated quarter by quarter, with an annual growth of 7.4%. In the whole year, 94.5 billion yuan was invested in transportation construction, reaching a record high, an increase of 13.2% over the previous year. In terms of water transportation, the waterway of Shuiyang river was completed and put into operation, and the shipping project of diverting the river from the Yangtze River to the Huaihe River was accelerated. The project quality has been continuously improved. The one-time sampling qualification rate of expressways, ordinary national and provincial trunk roads, rural roads and water transportation projects ranks among the top in China. 19 highway and water transportation projects have won international and domestic awards such as "FIDIC Award", "Li Chun Award" and "Zhan Tianyou Award", which is the highest in the past years.

In 2021, the accumulative total investment of the continued construction and planned commencement projects included in the investment plan was 1743.6 billion yuan, which was 111.7% of the annual investment plan. The investment in reserve projects was 45.92 billion yuan ahead of schedule, and the total investment in key projects was 1789.52 billion yuan. In the whole year, 3380 projects were started, accounting for 87.8% of the annual plan. 315 reserve projects were started ahead of schedule, and 3695 key projects were

started in total, mainly including Hefei Xinqiao intelligent electric vehicle industry base, Wuhu Haiying aviation UAV industry base, Tongling 5g photoelectric module products and cloud server production, Mingguang Bengbu section reconstruction and expansion project of Ningluo National Expressway, etc. 2074 projects were completed within the annual plan, accounting for 145.9% of the annual plan. 10 reserve projects were completed ahead of schedule, and 2084 key projects were completed in total, mainly including Suma Park Yangtze River Delta integrated industrial park, Linquan Bailian Intelligent Technology Industrial Park, Panji district natural gas comprehensive utilization project, Lu'an zhongweida's annual output of 3500 industrial robots, the production of Fujie semiconductor passive power devices in zhengpugang new area of Ma'anshan, Wuhu Rail Transit Line 1 5g network construction and other projects in 2021.

2.3. The Growth Rate of Real Estate Investment Is Obvious, And Investment in High-Tech Field Has Become A New Growth Point

In 2021, the accumulated investment in real estate in Anhui Province was 726.322 billion yuan, an increase of 22.093 billion yuan compared with the same period in 2020, a year-on-year increase of 3.1%, ranking 18th in China, of which the residential investment was 597.682 billion yuan, an increase of 34.004 billion yuan compared with the same period in 2020, a year-on-year increase of 6%.

In 2021, Anhui Province strictly implemented the objectives and requirements of "focusing on the development and growth of strategic emerging industries" proposed in the 14th

five year plan, and deeply implemented the construction of "three places and one area" and "three heavy and one innovation". The growth points of investment in high-tech field burst out, and the investment in high-tech manufacturing industry increased by 11.5%, 2.1 percentage points higher than the growth rate of all fixed asset investment. Among them, the investment in e-commerce service industry increased by 1.4 times, the investment in the transformation of scientific and technological achievements increased by 1.1 times, and the investment in aerospace increased by 87.9%.

2.4. Investment in the Social Sector Continued to Increase, And the Investment Structure Was Gradually Improved

In recent years, social investment, as an important force to

improve people's quality of life, has developed rapidly. The total amount of investment and service capacity have been continuously improved, further promoting the development of medical treatment, elderly care, education, culture, sports and other fields. The total social investment in Anhui Province doubled from 95.318 billion yuan in 2017 to 184.765 billion yuan in 2021. The growth rate of investment in the social sector increased from 12.43% in 2017 to 31.7% in 2021, nearly tripled. Among them, the annual education investment in 2021 increased by 27.5%, with an average growth of 27.5% in the two years; Investment in health and social work increased by 62.4%, with an average growth of 47.6% in two years. The investment structure was gradually improved. See Table 3 for details.

Table 3. Growth of social investment in Anhui from 2017 to 2021

Particular year	2017	2018	2019	2020	2021
Anhui social field total investment (100 million yuan)	953.18	952.04	1136.33	1402.92	1847.65
Anhui social field investment growth rate (%)	13.43	-0.12	19.36	23.46	31.70

Data source: Anhui Bureau of Statistics

2.5. The Funds in Place Grew Steadily, And the Structure of Capital Sources Continued to Be Adjusted

In the past three years, the funds in place in the province have increased steadily, and the structure of capital sources has been continuously adjusted. In terms of total funds, the province's fixed asset investment in 2021 reached 4046.04 billion yuan, a year-on-year increase of 17 percentage points over 3458.15 billion yuan in 2020 and 24.5 percentage points over 3250.14 billion yuan in 2019. From the perspective of capital sources, self raised funds have been the main source of fixed capital investment in recent three years, accounting for more than 60% of the total capital sources in that year. The proportion of self raised funds in the total capital sources in 2020 decreased slightly compared with 2019, but rose again in 2021, accounting for 64.6% of the total capital sources. In

2021, the proportion of funds in the national budget in the total sources of funds continued to rise, from 8.93% in 2020 to 10.60% in 2021. Compared with that in 2020, the capital investment in the national budget increased by 38.9%, with the fastest growth rate among all sources of funds. The proportion of domestic loan capital investment and other capital investment decreased slightly, from 6.82% and 20.1% in 2020 to 5.43% and 19.51% in 2021 respectively. The proportion of bond investment and foreign investment in all capital sources has remained basically stable compared with 2020, especially the proportion of bonds can be basically ignored. Generally speaking, compared with 2020, the financing channels of the whole province have been continuously expanded, and the capital investment in all aspects has shown rapid growth. At the same time, the capital source structure has been continuously adjusted and gradually stabilized. See Table 4 for details.

Table 4. Investment sources of fixed assets in Anhui from 2019 to 2021 (100 million yuan,%,%)

Source of funds	2019	2020	2021	Year on year increase
Subtotal of capital source	32501.4	34581.5	40460.4	17
Funds within the state budget (percentage)	2764.8 (8.51)	3088.3 (8.93)	4289.6 (10.60)	38.9
Domestic loans (percentage)	2060 (6.34)	2358.7 (6.82)	2198.3 (5.43)	-6.8
Bond (percentage)	16.7 (0.05)	13.5 (0.04)	2.9 (0.007)	-78.2
Utilization of foreign capital (percentage)	60.8 (0.19)	36.4 (0.11)	41.6 (0.10)	14.4
Self raised funds (percentage)	20565.6 (63.28)	21511.5 (62.21)	26136.5 (64.60)	21.5
Other sources of funds (percentage)	6513 (20.04)	6949.4 (20.1)	7894.5 (19.51)	13.6

Data source: Anhui Bureau of Statistics

2.6. The Growth Rate of Fixed Asset Investment in All Regions and Cities Accelerated Adjustment, And the Investment Gap Was Further Narrowed

In 2021, the growth rate of fixed asset investment in 16 cities in Anhui Province accelerated adjustment, and the investment

gap between regions further narrowed. In terms of the growth rate of fixed asset investment, the growth rate of fixed asset investment in most cities in the province shows positive growth. Among them, the growth rate of fixed asset investment in 12 cities such as Lu'an, Ma'anshan and Chuzhou is higher than that of the whole province, maintaining a good growth trend. Lu'an leads other cities in the province with a growth rate of 19.7%, ranking first in the

province. The growth rates of fixed asset investment in Ma'anshan, Chuzhou and Xuancheng were 19.2%, 16.4% and 16.4% respectively, ranking second and third in the province (Chuzhou and Xuancheng ranked third). The growth rate of fixed asset investment in Hefei, Bengbu and other four cities was lower than that of the whole province. Among them, Bengbu's fixed asset investment showed negative growth,

down 20.4 percentage points from the same period last year, ranking the lowest in the whole province. In terms of total investment in fixed assets, Hefei, Wuhu and Ma'anshan ranked among the top three in the province with 737.13 billion yuan, 450.5 billion yuan and 320.9 billion yuan respectively, and the gap in total fixed assets among other cities was further narrowed. See Table 5 for details.

Table 5. Fixed asset investment in Anhui Province and cities in 2021 (100 million yuan,%)

Region	1-12Monthly accumulation	Year on year growth
Whole province	42673.4	9.4
Hefei	7371.3	3.5
Wuhu	4505.0	15.7
Bengbu	1676.6	-20.4
Huainan	1224.6	12.6
Ma'anshan	3209.0	19.2
Huaibei	1382.3	9.7
Tongling	1653.2	12.4
Anqing	2371.6	13.7
Huangshan	851.4	9.1
Chuzhou	2853.0	16.4
Fuyang	2434.2	13.6
Suzhou	1987.2	15.8
Lu'an	1770.6	19.7
Bozhou	1229.9	1
Chizhou	981.3	16.1
Xuancheng	2255.4	16.4

Data source: Anhui Bureau of Statistics

3. Deficiencies of Overall Investment in Anhui Province

3.1. The Investment Structure Is Not Perfect

As one of the "troikas" driving economic growth, investment plays an important role in high-quality economic development. [7] it can not only improve production capacity and increase production demand, but also play a certain role in promoting regional economic development. At present, fixed asset investment in Anhui Province has recovered steadily, but the investment structure is still insufficient. For example, insufficient demand and profit decline weaken the willingness to invest in manufacturing industry, the fragmentation of cultivated land and low agricultural productivity. It is necessary to increase agricultural investment and insufficient investment in human capital, which will affect the overall development of investment.

3.2. Overall Investment and Financing Difficulties

The overall investment funds mainly come from the national budget funds, domestic loans, bonds, the use of foreign capital and self raised funds. Under the background of deepening the reform of the national investment system and financial system, the proportion of domestic loans, bonds and foreign capital in the overall investment of Anhui province continues to decline, so it is difficult to promote the improvement of the overall investment, Although the proportion of national budget funds in the overall investment funds is increasing year by year, the national budget funds are limited and the pull on the overall investment is also limited. As the main source of funds in the overall investment, self raised funds play a vital role in the development of the overall investment, but the change of self raised funds mainly depends on the self accumulation ability of investors, their financing ability in the capital market and

investors' investment impulse, which also makes the overall investment and financing have great constraints, especially in the field of public investment, Due to the low rate of return of public investment projects, especially new transportation projects, low traffic flow and high construction cost, it is difficult to attract private capital. Moreover, due to the restrictions of policies and capital market capacity, it is difficult for public investment projects to finance from the capital market, which makes it difficult for public investment projects to carry out [8].

3.3. Low Overall Investment Efficiency

As an important supporting force for economic development, investment efficiency will directly affect regional economic development and social progress. Investment efficiency is related to whether limited funds can play a multiplier effect [9], to promote economic development to the greatest extent. In recent years, the scale of investment in Anhui Province has expanded rapidly and the number of investment projects has been increasing. However, due to a large number of information asymmetry and agency problems, the investment decision-making can not achieve the best effect, resulting in insufficient or excessive investment. There are more and more reports on the high rate of project decision-making errors and "image engineering", This highlights the serious problem of investment efficiency and the lack of investment supervision.

4. Suggestions

In recent years, under the background of the national policy of expanding domestic demand, Anhui Province has actively responded and acted. As one of the means of expanding domestic demand, investment is related to economic growth, structural optimization and the improvement of people's livelihood. If we grasp the investment, we will grasp the whole chain of economic work. However, there are many problems in the field of overall investment, which will affect

the stable development of investment in the province. In order to implement the province's strategy of building a new development pattern and realizing high-quality economic development, we must improve the quality of investment, give full play to the key role of investment in stable growth, and lead high-quality development with high-quality investment.

4.1. We Will Make Steady Progress in Fixed Asset Investment and Promote the Upgrading and Optimization of Investment Structure

Government departments should make up for weaknesses, focus on major strategic deployment, key areas and weak links, speed up making up for weaknesses in infrastructure, municipal engineering and other fields, expand investment in high-tech industries and strategic emerging industries, and accelerate the construction of "two new and one heavy". Pay attention to rural public investment, increase investment in rural basic education and infrastructure, and create conditions for solving the problems of agriculture, rural areas and farmers. [10] Education and scientific research are the driving force of technological progress, which is the key to sustained economic growth. We should scientifically formulate human capital investment policies and increase the scale of human capital investment, especially for high-level human capital investment, so as to meet the talent needs of industrial structure optimization and upgrading. Create a good environment conducive to attracting and gathering talents, effectively encourage talents, and give play to the role of the stock and flow of human capital in promoting the adjustment of industrial structure.

4.2. Broaden Financing Channels and Release the Potential of Private Investment

The government needs to improve the investment environment from both its own and external aspects. On the one hand, the government should expand the source of funds from its own perspective. The government should broaden financing channels and increase the issuance of bonds, stocks or equity investments in order to expand the source of funds. On the other hand, we should guide private capital into public infrastructure construction to make up for the lack of government financial funds. At present, the mode of public-private cooperation is an effective measure for financing in the field of public investment. The initial mode of public-private cooperation is BOT mode. However, there are some deficiencies in BOT model: government departments need to conduct long-term investigation, negotiation and negotiation on private companies, resulting in too high bidding cost; At this stage, the government may lose control of the project. Therefore, the government and social capital cooperation (PPP) model has become the most effective way of cooperation between the government public sector and the private sector. Anhui province needs to speed up the liberalization of the field of private investment and promote the universal implementation of "no prohibition or entry". Give full play to the role of long-term mechanism of private capital promotion projects, regularly publish projects with clear return mechanism and great commercial potential, and attract private capital to participate. Innovate, standardize and promote the PPP mode, and improve the scientificity of project demonstration and decision-making. Support the

listing and refinancing of private enterprises, and guide private enterprises to raise funds through capital and share increase and bond issuance. We will steadily carry out the pilot of real estate investment trusts (REITs) in the field of infrastructure, support projects that comply with national policy guidance, have good social benefits, have a stable rate of return on investment and have a good level of operation and management, effectively revitalize stock assets, broaden private investment channels and form a virtuous investment cycle. [10]

4.3. Strengthen Investment Supervision and Improve Investment Efficiency

Anhui Province should speed up the improvement of the government investment management system, strengthen the supervision of investment projects during and after the event, and concentrate on handling major, difficult and urgent matters. Continue to give full play to the guiding and leveraging role of government investment, stimulate the investment vitality of the whole society, and form a market-oriented endogenous growth mechanism of investment. Further standardize the administrative examination and approval procedures, implement the "tolerance acceptance + commitment" and improve the efficiency of investment examination and approval services. Give full play to the positive role of policy and development financial institutions, and increase financial support for major projects and projects such as urban shantytowns, ecological and environmental protection, urban and rural infrastructure, scientific and technological innovation. Establish a joint evaluation mechanism based on comprehensive consultation on investment decision-making, encourage the development of whole process and comprehensive investment consulting institutions, and promote the transformation of investment intermediary service institutions from qualification management to industry self-discipline, market restraint and credit supervision. Strengthen the information management of investment projects, accelerate the realization of "one network for all" investment management, and improve the efficiency of public investment. At the same time, to achieve appropriate investment, blind or repeated investment can not only promote economic growth, but also lead to the decline of investment efficiency. We should formulate macro-control objectives based on maintaining an appropriate investment rate, so as to realize investment growth on the basis of adapting to economic growth. [11]

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