

# Practice and Exploration on the Integration Development of Financial and Cultural Industries in Shaanxi Province\*

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**Abstract**—Shaanxi serves as a province with abundant historical and cultural resources and obvious advantages in developing cultural industry. In recent years, financial institutions in Shaanxi have continuously deepened cooperation between banks and enterprises, accelerated the promotion of direct financing, highlighted the support of key areas, and realized the optimal allocation of financial resources in the cultural industry, and achieved vigorous results. Shaanxi will continue to take a series of measures to practically boost the deep integration of cultural industry and financial industry: to practice the national strategy and give full play to the driving role of the new mode of people-to-people exchange in the free trade area for cultural industry; to strengthen the integration of resources and take various measures to cultivate and intensify the market main body of cultural industry; to enhance the industrial integration and boost the deep integration of financial and cultural industries; to promote the development of the pilot reform to form the “Shaanxi mode” of the integration and development of financial and cultural industries. Shaanxi cultural industry will also achieve better development with the help of finance, thus highlighting the cultural characteristics of Shaanxi.

**Keywords**—cultural industry; finance; integration development; innovation

## I. INTRODUCTION

Shaanxi serves as a province with abundant historical and cultural resources and obvious advantages in developing cultural industry. As an important characteristic industry in Shaanxi, cultural industry is a beautiful business card and distinctive characteristics of external propaganda of Shaanxi. [1] In the “Shaanxi New Image Comprehensive Construction and Communication Action Plan” of 2017, Shaanxi regards “cultural Shaanxi” as the global promotion word, and takes “understanding China starts from Shaanxi” as the overseas promotion word. In the strategic planning of the 13th Five-Year Plan of Shaanxi, it has also clearly put forward the target that the added value of the province's cultural industry

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should account for 6% of the total GDP by 2020. With the further promotion of the “Belt and Road Initiative” strategy and the establishment of China (Shaanxi) free trade area, the cultural industry is ushering in new opportunities for development. Financial support is indispensable to the expansion and strengthening of cultural industry in Shaanxi. How to realize the deep integration development of cultural industry and financial industry is an important topic worthy of joint exploration by educational circles and industry.

## II. THE DEVELOPMENT ADVANTAGES OF CULTURAL INDUSTRY IN SHAANXI

### A. Abundant Historical and Cultural Resources

The cultural industry is at a positive stage of development. Shaanxi has a long history and culture as evidenced by ranging from homo erectus lantianensis in ancient times to Yangshao culture in Banpo, then to the capital of thirteen dynasties of Zhou, Qin, Han, Tang, etc., which all are emerged from Xi'an, till Yan'an became the holy land of the Red Revolution in modern times, with profound cultural resources [2].

### B. Policy Dividends Continue to Increase and the Trend of Industrial Development Is Clear

At the Eleventh Congress of Party Representatives of Shaanxi in 2007, the struggle goal of “invigorating province through culture” was first put forward, which promoted the development of cultural industry to the strategic level of the whole province. In recent years, under the guidance of national policies such as “Planning for the Revitalization of Cultural Industry” and “Opinions on Accelerating the Construction of Modern Public Cultural Service System”, Shaanxi has one after another issued “Opinions on Implementing Project-Driven Strategy to Promote the Development of Cultural Industry”, “Planning for the Development of Cultural Industry in the 13th Five-Year Plan of Shaanxi” and “Some Opinions on Further Accelerating the Development of Shaanxi Cultural Industry”. Such policy measures as policy guidance and support, industrial project driving, financial support, private enterprise development and other specific development measures have been put forward to boost the profound integration of culture and

science and technology, finance, tourism, Internet and other industrial fields.

*C. The Development of Cultural Industry Ushers in New Opportunities and Has a Broader Space for Development*

The vision planning of national “One Belt and Road Initiative”, the establishment of China (Shaanxi) free trade area and the further promotion of the “Greater Xi’an” construction have created significant opportunities for the development of cultural industry in Shaanxi. First, it has ushered in new historical opportunities for people-to-people exchanges with countries along the Silk Road. As the starting point of the Silk Road and the only free trade area in the northwest region, strengthening the people-to-people exchanges with the countries along the Silk Road has become an important mission of Shaanxi, and has created a rare historical opportunity for the development of cultural industry in Shaanxi to “go out”. Second, it has ushered in the development opportunities for cultural industry to grow bigger and stronger. The construction of “Greater Xi’an” will further intensify the gathering and radiation functions of cultural industry to promote and accelerate the formation of a Xi’an-centered cultural industry development model. Third, it has ushered in new opportunities for the development of private cultural enterprises. Shaanxi formulates policies to encourage capital to further stimulate the vitality of private capital by means of sole proprietorship, joint venture, cooperation and joint venture.

**III. CURRENT SITUATION OF THE INTEGRATION DEVELOPMENT OF CULTURAL INDUSTRY AND FINANCE**

In recent years, financial institutions in Shaanxi have continuously optimized the efficiency of financial services, accelerated the pace of product innovation, improved the financing pattern to realize the optimal allocation of financial resources in the cultural industry, and achieved positive results. By the end of the third quarter of 2017, the balance of various local and foreign currency loans for cultural industry in Shaanxi had increased by 12.7% year on year, and the stock of social financing scale of cultural industry had increased by 24.9% year on year, which provided strong support for the rapid development of cultural industry [3].

*A. Continuously Deepening the Cooperation Between Banks and Enterprises to Boost the Rapid Growth of Indirect Financing of Provincial Cultural Industry*

In view of the insufficiency of effective guarantee and financing ways for small and medium-sized cultural enterprises in cultural industries, financial institutions in Shaanxi focus on boosting the construction of guarantee mechanism and developing suitable products to help small and medium-sized cultural enterprises in cultural industries steadily and healthily develop [4]. Qujiang New District of Xi’an has set up the investment guarantee company for cultural industry to introduce external joint mortgage for financing of small and medium-sized enterprises, to construct copyright pledge guarantee on the basis of copyright management, and to enhance the financing

capacity of enterprises. Financial institutions in Shaanxi have developed Internet financial products such as E-bank revolving loans, launched “five loans and one overdraft” pure unsecured loans and “Wenbaotong” exclusive brands to support a batch of well-known cultural tourism brands, including the Qin Empire and Dayan Pagoda scenic spots. Financial institutions in Shaanxi have also explored the ways to provide financing support for enterprises through the warranty of professional guarantee institutions, group company and joint guarantee and loan. The Xi’an branch of the People’s Bank of China (PBC) focuses on settling the financing problems of “asset-alight, weak mortgages and weak guarantees” in cultural industry enterprises by setting up professional financial service institutions of cultural and creative industries and innovating financing patterns suitable for the development of cultural industry, thus promoting the rapid growth of indirect financing in cultural industry. The first is the rapid growth of cultural industry loans. Financial institutions in Shaanxi have set up branches that are specialized in servicing cultural and creative industries through actively exploration. They have launched credit products such as film and television loans and scenic spot loans to serve the financing demands of cultural enterprises. At the end of June 2017, the balance of various local and foreign currency loans for cultural industry in Shaanxi was 36.395 billion yuan that was 5.32 times that at the end of 2009, with an average annual growth rate of 29.27%, much higher than the 10.3 percentage points growth rate of loans in local and foreign currencies in the same period; the total amount of loans granted to cultural industry exceeded 55 billion yuan that was 1.52 times the balance of all loans in the same period. The second is the doubled increase of off-balance-sheet financing of cultural industry banks. At the end of June, the off-balance-sheet financing stock of the cultural industry bank of the whole province was 5.754 billion yuan that was 3.17 times that of the end of 2016. Among them, the balance of trust loans for cultural industry is 3.414 billion yuan that was 1.074 times that of the end of 2016; the balance of trust loans for cultural industry was 1.579 billion yuan that was 266 times that of the end of 2016.

*B. Speeding up and Promoting Direct Financing and Constantly Enriching the Financing Ways of Cultural Industry*

While increasing credit support, financial institutions in Shaanxi continue to improve their financing pattern according to the characteristics of cultural industry. On the one hand, financial institutions in Shaanxi can use structured equity financing to provide financing support for cultural enterprises, and carry out the capital increase of equity right to the financing subjects of cultural industry by using financing management funds directly through designated channels. When the investment matures, the designated enterprises should buy back the corresponding equity held by their financing management funds; on the other hand, they actively use new products such as perpetual bonds, short-term financing bonds, directional bonds and rights-bearing bonds to provide enterprises with integrated customized financing. In addition, the exploration of financial support for cultural industry projects through financial leasing mode

is also advancing in an orderly manner. The initial public offering of cultural enterprises in Shaanxi has a relatively early starting, and by the end of June 2017, the cumulative financing scale has exceeded 6 billion yuan. With the diversification of financing for cultural enterprises, Xi'an branch of the People's Bank of China has accelerated the presentation of corporate debt financing tools by implementing such financing projects as "double push and double increase" and "four docking and one expansion". In 2012, the debt financing of cultural enterprises in Shaanxi Province made a breakthrough as evidenced by 1.4 billion yuan of debt financing was realized through the inter-bank market in that year. Hereafter, large unlisted enterprises such as Shaanxi Tourism Group Co., Ltd. and Shaanxi Daming Palace Investment Development Co., Ltd. have also issued corporate bond financing. At the end of June 2017, the stock of corporate bonds of cultural enterprises in Shaanxi exceeded 2 billion yuan. Diversification of direct financing methods has promoted the rapid development of direct financing of cultural industries in the whole province. At the end of June 2017, the stock of total direct financing of cultural industry in the whole province was 8.252 billion yuan, accounting for 16.37% of the total financing stock of cultural industry in the whole province, which was 4.63 percentage points higher than that at the end of 2015, and the proportion of direct financing increased significantly [3].

#### *C. Focusing on and Supporting the Key Areas, and Improving the Structure of the Cultural Industry*

While finance supports the development of cultural industry, the government pays more attention to the support of key industries. First, the support for cultural leisure and entertainment services should be strengthened. At the end of June 2017, the stock of financing scale of cultural leisure and entertainment services in Shaanxi was 44.164 billion yuan, accounting for 87.62% of the total stock of financing scale of cultural industry in the province, which guarantees the rapid development of cultural industry. Second, focusing on online entertainment, digital publishing and cultural entrepreneurship, the government will support the transformation and upgrading of cultural industries, and the financing of emerging cultural industries is growing rapidly. At the end of June 2017, the financing stock of cultural creative and design services, radio, television, film services, cultural information transmission services and press and publishing services increased by 54.52% compared with the end of 2016. Taking Xi'an Branch of the People's Bank of China as an example, and focusing on supporting the integrated development of cultural tourism, it is necessary to guide financial institutions to vigorously support the development and construction of tourism projects with Chinese characteristics and Shaanxi characteristics; The provincial financial institutions have simplified loan approval procedures so as to shorten loan approval time and improve the financial service efficiency, which can meet the timeliness needs of the cultural industry to funds. Some joint-stock banks set up the green channels for small and micro featured products. At the same time, around the key cultural construction projects in Shaanxi, they formulate a "one household, one policy" personalized special financial

service program, set up the "promotion group of leading financial customer", establish a white list of cultural target customers, and tap the potential and space of cooperation in depth. [4] Considering the disadvantages of large investment, limited income and long payback period of conservation reserve program for the site of the Daminggong palace, some development financial institutions have innovatively designed the "one with one" loan program, supporting the renovation of the site park and surrounding areas simultaneously, and constructing the project repayment cash flow while improving the lives of surrounding residents

#### **IV. THOUGHT AND COUNTERMEASURE OF DEEP INTEGRATION OF CULTURAL INDUSTRY AND FINANCE**

##### *A. Implementing National Strategy and Giving Full Play to the Driving Role of the New Mode of People-to-people Exchange in Free Trade Area in Cultural Industry*

It should actively explore new modes of people-to-people exchanges between the inland and the countries along "One Belt and Road Initiative" to form a pattern of mutually beneficial exchange of cultural exchanges and "going out" and "bringing in" of cultural industries. At present, Shaanxi has successfully held four International Art Festivals of the Silk Road, and initially established a new all-dimensional, multi-level and wide-ranging pattern of cultural exchanges with other countries. In July 2017, the "Opinions on the Construction of China (Shaanxi) Free Trade Pilot Area by Financial Services" has been issued and implemented, which will create a better financial environment for Shaanxi cultural enterprises to "go out" and "bring in" when it comes to cross-border RMB use, trade and investment facilitation. It will continue to promote the deepening of people-to-people exchanges among the countries along the Silk Road to gradually take shape new modes such as capitalization of tourism resources in Eurasia, industrialization of cultural performances in the countries along the Silk Road and informatization of people-to-people exchange modes along the Silk Road. Thus, new growth poles of cultural industry are formed, more entry points for financial support to the development of cultural industry are offered, and the "driving force" for the development of regional cultural industry is also formed.

##### *B. Strengthening the Integration of Resources and Adopting Multiple Measures to Cultivate and Strengthen the Principal Market of Cultural Industry*

Firstly, it should make up for the weakness of cultural manufacturing industry and extend the chain of cultural industry. The overall scale of cultural manufacturing industry in Shaanxi is small. In 2015, there are 121 cultural manufacturing enterprises above the province's scale, accounted for only 0.6% of the country's share, which is lower than the stipulated proportion of cultural enterprises in China of 0.76 percentage points. Therefore, efforts should be made to promote the extension of excellent cultural products and cultural creative industry chain downstream, enhance the added value of cultural products, and promote the development of cultural manufacturing industry. Second, it is

necessary to establish the talent introduction mechanism for cultural industry operation and management, attract creative projects and talents, and form the talent resource highland and cultural industry distribution center. At the same time, it should establish a creative platform for cultural industry in Shaanxi, so that the managerial and administrative talent of cultural industry and cultural and artistic talent can exchange and communicate with each other, and further develop cultural resources in Shaanxi. Third, it should work together to create a good market environment for the development of cultural industry. It should give full play to the role of finance and taxation in supporting and guiding the cultural industry, strengthen the cultivation of leading enterprises in the cultural industry, and enhance the clustering effect of the development of cultural industry in Shaanxi.

### *C. Strengthening Industrial Integration and Promoting the Profound Integration and Development of Financial and Cultural Industries*

First, the financing ways of cultural enterprises should be enriched continuously. It is necessary to explore cultural financial products with pilot of investment-credit linkage as the fulcrum, and to establish the risk compensation margin to expand credit to cultural industries. Financial institutions are encouraged to actively look for low-cost funds to dock with cultural enterprises to meet their financing demands. It is necessary to actively promote the docking of cultural enterprises with securities firms, inter-bank dealers' associations and other institutions, and actively present qualified cultural industry enterprises to carry out financing by means of issuing corporate bonds and listing "National Equities Exchange and Quotations". Second, it is necessary to give full play to the supporting and guiding role of policies. While continuing to enhance credit to support cultural enterprises, it should give full play to the role of agricultural loans and small loans in the development of cultural industries.

### *D. Promoting the Pilot Reform to Form the "Shaanxi Mode" of the Integration and Development of Financial and Cultural Industries*

As for the development of cultural industry, it needs not only to cultivate financing intermediaries, innovate financing modes and set up specialized institutions of cultural industry, but also to coordinate banks, securities and insurance in an all-round way. From the perspective of "big finance", the resultant force of financial support for cultural industry should be given full play and the pilot reform for the deep development integration of financial and cultural industries should be carried out, and the establishment of pilot area of integration development of financial and cultural industries should be explored. First of all, it should explore an effective mechanism for the financing of cultural industry to effectively mitigate the financing risks of cultural industry, and achieve the balance between financial support for cultural industry and financial risk control. Second, it should reform the financing mode of cultural enterprises to promote the accelerated promotion of cultural industry projects, build a multi participation investment and financing mode of

cultural industry, and accelerate the construction of cultural industry projects in the Silk Road Economic Belt. Thirdly, it should construct a financing framework that matches the growth cycle of cultural enterprises, take shape a full-cycle financial service of enterprises to provide appropriate financing modes for cultural enterprises in start-up, growth and maturity stages, and promote the integration of the industrial chain of cultural enterprises through industry funds, merger and acquisition funds, so as to gradually take shape "Shaanxi mode" of integration development of financial and cultural industries.

## V. CONCLUSION

Zhuang Changxing, the Standing Committee of CPC Provincial Committee and the director of the propaganda department of provincial party committee, pointed out at the Shaanxi cultural and financial innovation cooperation meeting held in early 2018 that promoting the deep cooperation docking between cultural industry and finance is the demand to facilitate the great development and prosperity of cultural industry, as well as the demand for financial industry to cultivate new economic growth point and promote the high quality of real economy. It is necessary to give full play to the advantages of Shaanxi Province when it comes to cultural resources, and science and education, make full advantage of a number of policy measures, explore new modes of cooperation, open up new paths of cooperation, and promote the development of cultural industries to catch up with and surpass [6]. Zhuang Changxing put forward the following three suggestions: first, to achieve policy docking with the concept of service. It should reduce the entry threshold of cultural industry, expand the opening of cultural markets to the outside world, and allow more financial capital to flow to cultural industry. Second, financing docking in a cooperative manner should be developed. Shaanxi Province will create a better system and mechanism for the docking of financial and cultural industries in 2018. For example, it will set up a 10 billion yuan-scale cultural industry development fund in 2018 to enable some enterprises with good potential and strong momentum to obtain timely support. Third, the project docking with market-oriented means should be promoted. At the same time, financial institutions sign strategic credit agreements with the Shaanxi provincial party committee propaganda department and project financing agreements with cultural enterprises. Financial institutions, a large number enterprises and research units carry out close exchanges, research and discussion and promoted cooperation on credit policy interpretation and financial institutions' support for cultural industry policies around the "integration of cultural and financial innovation". These measures will further expand the scope of financial services for the real economy and promote the integration of finance and real economy. The cultural industry in Shaanxi will also achieve much better development with the help of financial boost to highlight the cultural characteristics of Shaanxi.

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