Analysis of the Relationship between Destocking Pressure and Economic Benefitsof Industrial Enterprises

——Taking Jiangsu Province as an example

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Abstract: Enterprise destocking is an important decision of the Party Central Committee since 2015. It forces enterprises to dock with the effective demand of the market. Whether the enterprises have achieved good economic benefits after going to destock is the focus of this paper. Taking Jiangsu Province as an example, the paper quantifies the destocking pressure index by literature focusing and investigation, collects 2011-2017 years economic data of Industrial Enterprises above the scale of Jiangsu Province, and uses regression analysis to carry outdemonstration analysis. The conclusion is as follows: In Jiangsu, the destocking of industrial enterprises has reduced the occupation of inventory fund, quickened the speed of inventory turnover and increased the economic benefits, which is 2.9 times that of reducing the occupancy of inventory fund. The external pressure index of industrial enterprises destocking has increased by 1%, and the economic benefit of the enterprise is reduced by 0.03%. This kind of "painful" behavior will turn to the motive force of the future development, but it is necessary to prevent the financial risk caused by the transition behavior such as low price dumping. The state should guide the healthy development of enterprises in accordance with the law of inventory cycle.

1. Introduction

A total of 620 articles (up to August 3, 2018) were searched by CNKI and journals were retrieved with the title "de-inventory". Secondly, "industry" is used as the search term for the second retrieval. There are five articles, which are divided into four categories according to the research contents: (1) De-inventory has the characteristics of economic cyclicality. Li Jianwei et al. (2009) argued that [1] China's industrial enterprise inventory adjustment is basically consistent with the cyclical fluctuation trend of economic operation, with obvious cyclical and seasonal characteristics. Inventories of industrial enterprises in China have increased by a large margin, and the economic growth rate has increased. Zhou Bijian (2009) believes that [2], "de-inventory" is the adjustment behavior of economic cycle contraction and an effective way to alleviate the contradiction between excess capacity and insufficient demand. From the micro level, inventory changes lead to business cycle changes: if an enterprise and its industry anticipate that market demand will expand, they will replenish inventory in time. If enterprises and their industries anticipate that market demand will weaken, they will reduce inventory appropriately, and then the business cycle will change with it. This change has lag, which can be regarded as a turning point in predicting the business cycle. (2) De-stocking has bottomed out and rebounded. Bao Qin et al. (2016) believe that [3], the overall de-inventory of industry is temporarily reported for a paragraph, and the growth rate of industrial inventory in 2016 has bottomed out and rebounded. (3) De-inventory work still needs to be continued. He Quan et al (2016) wrote [4], the Yuhang District Development and Reform Bureau of Hangzhou, Zhejiang Province conducted a survey and questionnaire survey on 246 industrial enterprises in the region. The "Monthly Monitoring Report of Industrial Enterprises in Yuhang District in the First Quarter of 2016" was released: "29.8% of enterprises reported an increase in finished goods inventory, which was 8.1 and 7.2 percentage points higher than the previous quarter and the same period of last year respectively", "De-stocking pressure still exists" . (4) Whether the destocking continues to see if it exceeds the standard value.

Yan Jihong (2016) believes that [5], whether the enterprise goes to inventory, it is necessary to establish the standard value of the financial indicators related to "destocking" to determine, and it is still necessary to continue to destock beyond the standard value.

Although there are not many research articles above, the viewpoints are clear and the focus is outstanding. People put forward new thinking: whether the enterprise destocking is determined by the market or by the government. In fact, in December 2015, the Central Economic Work Conference decided to "de-stock" as one of the key tasks of the supply-side reform. In December 2016 and December 2017, the Central Economic Work Conference still insisted on continuing to destock. Now three years later, how has the government led enterprises to carry out inventory work? Have we achieved the goal of improving economic efficiency? In this paper, Jiangsu Province industrial enterprises to inventory as an example, to determine the pressure generated by inventory, inspect its economic benefits, to do an objective evaluation of inventory work, and put forward corresponding suggestions.

2. Determination of destocking pressure index

Industrial enterprise inventory, called "inventory" on the accounting statement (balance sheet), is divided into three major contents: First, material inventory. The second is in-process inventory; the third is finished goods inventory, also known as inventory of goods inventory. The Central Economic Work Conference proposed "de-stocking", mainly to remove the over-the-counter products that are overwhelmed in the finished product warehouse. If these products are not removed, the company's funds will be deposited in the warehouse, affecting the turnover of the company's liquidity. At the same time, once the market is in an unfavorable situation, these overstocked products will form a "loss of inventory depreciation". Therefore, the central government's decision to "de-inventory" is to help producers actively carry out supply-side reform and provide the people with higher quality and better satisfaction products.

Originally, de-inventory is a self-adjusting behavior of enterprises to adapt to the market. However, the market is not omnipotent. Sometimes there is blindness, which makes the market regulation fail. At this time, the government needs to play a role.

The Jiangsu Provincial Government responded positively to the call of the Party Central Committee and took practical measures to seize the inventory work. As early as December 21, 2015, as soon as the Central Economic Work Conference was over, the Jiangsu Provincial Committee convened a meeting of leading cadres on December 23, 2015, and proposed that in 2016, we should do a good job of reducing production capacity and inventory [6]. On January 24, 2016, Shi Taifeng, acting governor of Jiangsu Province, put forward in the government work report at the fourth meeting of the Twelfth People's Congress of Jiangsu Province that we should "do a good job of real estate inventory removal" and "carry out a solid action of quality brand promotion" [7]. On May 3, 2016, the Jiangsu Provincial Government issued the "Jiangsu Provincial Government's Opinions on the Implementation of Supply-side Structural Reform to Remove Inventories" in the form of document No. 47 issued by Jiangsu Zhengfa [2016]. It is clearly put forward that "precise de-inventory, linkage de-inventory and transformation de-inventory" should be implemented under the guarantee mechanism of strengthening organizational leadership, strengthening main responsibility, strengthening supervision and assessment and strengthening public opinion guidance. Emphasis is placed on the assessment of inventory removal. "Regular supervision and inspection and information reporting system shall be implemented, and monthly reports, quarterly inspections and annual assessments shall be carried out." The areas where leaders attach importance to, take effective measures and achieve remarkable results shall be reported and rewarded. Municipalities and counties that fulfill the destocking, stabilize the market's main responsibilities, and have no obvious effect shall be notified and criticized, and if necessary, interviewed and responsible according to relevant regulations. The implementation of this method has produced extremes for enterprises to destock. The big restrictive role, especially for state-owned enterprises, is the "de-stocking pressure." From the end of 2015, the author began collecting documents such as Jiangsu provincial government documents, leadership speeches, public opinion propaganda,

supervision and evaluation, and focusing on the literature [8] At the same time, the grassroots investigation and research, the 2011-2017 data is collected in the form of questionnaires for analysis. Combined with the literature focus processing data to obtain the "de-stocking pressure index": the pressure (index) of the government to guide enterprises to destock in 2011-2015 Weakly, the government played a leading role in the destocking work of enterprises in 2015-2017, and the pressure (index) was strong. Then, the enterprise destocking quantitative data was divided into two groups: 2011-2015 is the weaker group and 2016- In 2017, the pressure group was stronger, and the pressure index value was assigned accordingly, and the Mann-Whitney U Test was performed. The SPSS22.0 software was operated: Analysis - non-parametric test - old dialog box - 2 independent samples - select "pressure strength [group]" into the "grouping variable" box. Select "pressure coefficient [score]" into the "check variable list" "--determine, produce the following results, see Table 1, Table 2:

Table 1 Mann-Whitney Ranks (Ranks)

	Pressure strength	N	Mean Rank	Sum of Ranks
Pressure coefficient	Weak pressure group	2	6.50	13.00
	Strong pressure group	5	3.00	15.00
	Total	7		

Table 2 Test Statisticsb

	Pressure coefficient
Mann-Whitney U	.000
Wilcoxon W	15.000
Z	-2.415
Asymp. Sig. (2-tailed)	.016
Exact Sig. [2*(1-tailed Sig.)]	.095[a]

From Table 2, it can be seen that the P value of asymptotically significant (bilateral) is 0.016, which is less than 0.05 standard value. This shows that there are significant statistical differences in the government's grasping of "de-inventory work". The de-inventory pressure index has passed the Mann-Whitney rank sum test.

Deposit pressure from the outside of the enterprise inevitably affects the economic interests of the enterprise. If an enterprise has a lot of surplus products and does not deal with them in time, it will lose more in the future market environment, so the enterprise has the desire to take the initiative to inventory. However, this kind of inventory removal is a painful move, at this time the economic benefits will be greatly affected. Conversely, if the company does not go to stock temporarily, the future losses are likely to be greater. Enterprises can withstand immediate losses, adjust product structure and development direction, and may gain greater profits in the future. Therefore, the paper proposes the first hypothesis:

Hypothesis 1: The greater the pressure on the enterprise to destock, the worse the economic benefits before the enterprise.

3. Measurement of Economic Benefit of De-inventory

The economic benefits of an enterprise are achieved by the co-consumption of people, money and goods [10]. However, it is not possible to accurately measure the impact of various consumption on economic benefits. Therefore, after flexible dispatching and operation around a certain period of time, we can approximately measure the results and costs of the central work. In other words, based on a certain perspective to examine the benefits of a value subject, we can also use the "exaggeration" measurement method. For example, there is an index in accounting that is "capital profit margin", which is the ratio of the total profit realized by an enterprise in a certain period of time to the "paid-in capital" invested by investors [11]. This formula exaggerates the performance of capital, because the total profits of enterprises are not only created by capital

invested by investors, but also by capital accumulation, bank loans, workers' labor and so on. The reason why this formula is so calculated is measured from the angle of the investor's starting the enterprise at the beginning: the enterprise is founded by the investor, and the accumulation formed in its later development and growth is also the investor's. When the labor of a worker is employed by an investor and paid, the capital profit rate is the annual profit of the investor's initial capital. There are many situations like this. For example, the "earnings per share" published by a listed company on a regular basis is the weighted average of the current net profit attributable to ordinary shareholders and the common shares outstanding in the current period. This exaggerates the role of common stock, because there are uncirculated equity, preferred equity, convertible bonds that are not converted into equity, etc. are not included in the formula denominator. Therefore, the common stock theory (or "sovereign shareholder theory") regards earnings per share, dividends per share, and net assets per share as unique to its own equity [12]. Based on the above analysis, this paper uses a simple, so-called "exaggerated" measurement method to measure the economic benefits of destocking, the formula is as follows:

Inventory profit margin = total profit $\div$ average inventory $\times 100\%$

Average inventory = (inventory balance at the beginning of the year + inventory balance at the end of the year) $\div 2$

The calculation of inventory profit margin of industrial enterprises above designated size in Jiangsu Province from 2011 to 2017 is shown in Table 3:

Table 3 Calculation of inventory profit margin of industrial enterprises above designated size in Jiangsu Province, 2011-2017

Year	Inventory (RMB 100 million)	Average inventory (RMB 100 million)	Total profit (RMB 100 million)	Inventory profit margin (%)
2010	8360.33			
2011	9879.03	9119.68	7074.44	77.57%
2012	10589.8	10234.42	7250.2	70.84%
2013	11410.03	10999.92	12951.79	117.74%
2014	11849.39	11629.71	9057.17	77.88%
2015	11859.07	11854.23	9686.84	81.72%
2016	12526.29	12192.68	10574.4	86.73%
2017	14021.18	13273.74	11886.68	89.55%

Source: 2016-2017 Jiangsu Statistical Yearbook, 2017 Source: Calculated according to the cumulative growth rate of the Jiangsu Bureau of Statistics website from January to December (the total profit and finished product balance increased by 12.41% and 12.43% respectively over the previous year). Among them, the total profit in 2017 = total profit of 2016 is 10574.4 $\times (1 + 12.41\%)$ = 1188.668 billion yuan. Inventories in 2017 are calculated based on the ratio of finished products to inventories of 0.383855 in 2014-2016: the balance of finished products at the end of 2017 = the balance of finished products in 2016 is 4787.06 $\times (1 + 124.33\%)$ = 538.21 billion yuan. Inventory balance at the end of 2017=5382.1$\div$0.383855=14021.18 billion

4. Setting and calculation of de-stocking indicators

Destocking cannot be simply understood as the amount of inventory that is removed. Inventory is a dynamic indicator that adjusts to changes in the company's production and operation tasks. With the increase of enterprise output, the inventory of enterprises increases correspondingly, and vice versa. Therefore, it is necessary to use the static data of inventory and other related indicators to calculate the relative indicators of inventory, so as to investigate the situation of inventory removal. The author designs the following indicators to reflect the inventory situation of enterprises:

4.1. Occupancy Rate of Inventory Funds and Non-Inventory Funds

The occupancy rate of inventory funds is the ratio of inventory funds to current assets. The current assets of an enterprise in a certain period are generally relatively stable. Enterprise inventory

is an important part of current assets. If the ratio of corporate inventory funds to current assets is reduced, the company's inventory will be reduced when the current assets are relatively stable. Reduce the company's inventory capital occupancy rate, the purpose of enterprises to inventory can be achieved.

If the liquid assets of the enterprise are relatively stable and the ratio of the inventory funds to the current assets is reduced, the ratio of the non-inventory funds in the current assets will increase, and another corresponding indicator of the destocking is the "non-inventory fund occupancy rate". The "non-inventory fund occupancy rate" indicator is selected for the purpose of constructing and running the model described later, and the data needs to be "commonized" (or dimensionless) to change the reverse index to a positive indicator, so that the indicators of the independent variables are in the same direction. comparable. The same below]. Non-stock funds include: monetary funds (money funds + stock bonds and other trading financial assets that can be realized at any time), receivables, and other current assets. Non-inventory capital occupancy = 1-inventory capital occupancy. Reducing the inventory funds means reducing the inventory of finished products and increasing the money funds. It not only brings the benefit of warehousing immediately, but also frees up funds for other production and operation, and brings the operation benefit of non-inventory funds. Therefore, the paper makes a second hypothesis:

Hypothesis 2: The higher the occupancy rate of non-inventory funds, the better the economic benefits of enterprises.

From 2011 to 2017, the occupancy rate of inventory funds and non-inventory funds of Industrial Enterprises above the scale of Jiangsu Province are calculated in Table 4:

Table 4 Calculating Table of Inventory Capital Occupancy Rate and Non-Inventory Capital Occupancy Rate of Industrial Enterprises above Scale in Jiangsu Province from 2011 to 2017

Year	Inventory at the end of the year (RMB 100 million)	Current assets at the end of the year (RMB 100 million)	Occupancy of Inventory Funds (%)	Non-inventory capital occupancy (%)
2011	9879.03	42801.75	23.08%	76.92%
2012	10589.8	46483.24	22.78%	77.22%
2013	11410.03	50358.02	22.66%	77.34%
2014	11849.39	53669.50	22.08%	77.92%
2015	11859.07	55376.44	21.42%	78.58%
2016	12526.29	59354.58	21.10%	78.90%
2017	14021.18	65046.68	21.56%	78.44%

Source: 2016-2017 Jiangsu Statistical Yearbook, 2017 Source: Calculated according to the cumulative growth rate of the Jiangsu Bureau of Statistics website from January to December (current assets increased by 9.59% over the previous year). Balance of current assets at the end of 2017 = balance of current assets at the end of 2016 59357.58 × (1 + 9.59%) = 65,046.68 billion yuan

4.2. Main Income Inventory Rate and Main Income Non-inventory Rate

Inventory ratio of main business income is the ratio of inventory fund to main business income. It reflects how much inventory capital is occupied by the enterprise's main business income per 100 yuan. Another corresponding indicator of the inventory rate of the main revenue is the non-inventory rate of the main revenue. Non-inventory ratio of main revenue = 1 - inventory ratio of main revenue. Its meaning is: how much non-inventory capital is occupied by the main business income of an enterprise every hundred yuan in a certain period, that is, how much monetary capital and how much receivables are occupied. The greater the non-inventory ratio of the main income, there are two meanings: First, the more monetary funds obtained in the process of creating the main business income, the better the economic benefits of the enterprise. Second, the more receivables

that are occupied by customers during the process of creating the main business income, the worse the economic benefits of the enterprise. In this contradiction, the accounts receivable of enterprises are often three times the monetary funds of enterprises, and the negative benefits of the latter are often greater than the positive benefits of the former. Therefore, the paper makes a third hypothesis:

Hypothesis 3: The greater the non-inventory rate of the company's main income, the worse the economic benefits of the company.

From 2011 to 2017, the main income inventories and the main income non-inventory rate indicators of industrial enterprises above designated size in Jiangsu Province are calculated as shown in Table 5:

Table 5 Calculation Table of Main Income Inventories and Main Income Non-Inventory Rate Indicators of Industrial Enterprises above Designated Size in Jiangsu Province, 2011-2017

Year	Inventory at the end of the year (RMB 100 million)	Average inventory (RMB 100 million)	Main Business Income (RMB 100 million)	Main Revenue Non-Inventory Rate (%)
	(1)	(2)	(3)	(4)=1-(2)÷(3)
2010	8360.33			
2011	9879.03	9119.68	107030.09	91.48%
2012	10589.8	10234.42	119286.78	91.42%
2013	11410.03	10999.92	132270.41	91.68%
2014	11849.39	11629.71	141955.99	91.81%
2015	11859.07	11854.23	147074.45	91.94%
2016	12526.3	12192.68	156591.04	92.21%
2017	14021.18	13273.74	173581.17	92.35%

Source: 2016-2017 Jiangsu Statistical Yearbook, 2017 Source: Calculated according to the cumulative growth rate of the Jiangsu Bureau of Statistics website from January to December (main business income increased by 10.85% over the previous year). Main business income in 2017=2016 main business income 156591.04 ×(1+10.85%) = 173581.17 billion

4.3. Inventory turnover

Enterprises go to inventory, which is to quickly sell the surplus products of the enterprise and accelerate the turnover of the company's inventory funds. The turnover rate of inventory funds can be reflected by the number of days of inventory turnover, and can also be reflected by the number of inventory turnovers. The smaller the former, the better. The larger the latter, the better. The latter was chosen to maintain its homology to the above indicators. Therefore, the paper makes the fourth hypothesis:

Hypothesis 4: The more inventory turnover times, the better economic benefits.

For the calculation of inventory turnover index of Industrial Enterprises above scale in Jiangsu Province from 2011 to 2017, see Table 6:

Table 6 Calculating Tables of Inventory Turnover Number Indicators for Industrial Enterprises above Scale in Jiangsu Province, 2011-2017

Year	Inventory at the end of the year (RMB 100 million)	Average inventory (RMB 100 million)	Main Business Cost (RMB 100 million)	Inventory turnover times (times)
	(1)	(2)	(3)	(4)=(3)÷(2)
2010	8360.33			
2011	9879.03	9119.68	92370.05	10.1287
2012	10589.8	10234.42	103160.90	10.0798
2013	11410.03	10999.92	115111.59	10.4648
2014	11849.39	11629.71	122437.72	10.5280
2015	11859.07	11854.23	126043.56	10.6328
2016	12526.3	12192.68	134083.08	10.9970
2017	14021.18	13273.74	148805.40	11.2105

Source: 2016-2017 Jiangsu Statistical Yearbook, 2017 Source: According to the cumulative growth rate of the Jiangsu Bureau of Statistics website from January to December (the main business cost increased by 10.98% over the previous year). Main business cost in 2017=2016 main business cost 134083.08 $\times$ (1+10.98%) =184805.40 billion yuan

5. Construction and Application of De-stocking Economic Benefit Model

5.1. Establishment of Economic Benefit Model for Destocking

The economic benefit model of inventory removal is designed as follows:

$$InvProp = \alpha + \alpha_1 NinvOccu + \alpha_2 PriRevNinv + \alpha_3 TurInv + \alpha_4 InvPres + \varepsilon$$

The above model variables are defined in Table 7:

Table 7 Variable Settings and Definitions

Variable name		Symbol	Variable definition
Interpreted variables	Inventory profit margin	InvProf	Inventory profit margin = total profit of the year [(inventory balance at the beginning of the year + inventory balance at the end of the year) 2] = total profit of the year average inventory
Explanatory variable	Occupancy Rate of Non-Inventory Funds	NinvOccu	Non-inventory capital occupancy ratio = 1 - inventory capital occupancy ratio = 1 - (year-end inventory balance versus year-end current assets balance)
	Main Income Non-Inventory Rate	PriRevNinv	Main Revenue Non-inventory Rate = 1 - Main Revenue Inventory Rate = 1 - (Average Inventory Revenue)
	Inventory turnover	TurInv	Inventory Turnover = Average Inventory of Main Business Cost in the Year
External control variables	De-inventory pressure index	InvPres	Through the Mann-Whitney Rank Sum Test, the method of literature collation, field survey and questionnaire survey was adopted.
Dummy variable	Year	Year	Samples from 2011 to 2017, set up seven annual dumb variables

5.2. Sample selection

Select the aggregate data of the survey, and the economic indicators of Industrial Enterprises above the scale of Jiangsu Province from 2011 to 2017. Including: Jiangsu Province de-inventory pressure index, in 2011 433.68 million industrial enterprises aggregate economic indicators. In 2012, 458.59 million industrial enterprises aggregated economic indicators, and in 2013, 487.87 million industrial enterprises aggregated economic indicators. In 2014, 48.7 million industrial enterprises aggregated economic indicators; in 2015, 48.88 million industrial enterprises aggregated economic indicators; in 2016, 479 million industrial enterprises aggregated economic indicators; and in 2017, 48.13 million industrial enterprises aggregated economic indicators. For the calculation of specific indicators, see the 2011-2017 Destocking Pressure Index and the "Inventory Profit Rate" column data in Table 3 (in which, 117.74% of the abnormalities in 2013 were adjusted to 74.36% according to the average of the previous and the following years). Table 4 shows the data in the "Non-inventory fund occupancy rate" column. Table 5 shows the data of the "Main income non-inventory rate" column and the "Inventory turnover times" column in Table 6.

6. Model application

6.1. Descriptive statistics

Operate the SPSS22.0 application software and get a descriptive statistics table, see Table 8:

Table 8 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Inventory profit margin	7	0.7084	0.8955	0.7981	0.0665
Occupancy Rate of Non-Inventory Funds	7	0.7692	0.7890	0.7790	0.0076
Main Income Non-Inventory Rate	7	0.9077	0.9200	0.9154	0.0047
Inventory turnover	7	10.0798	11.2105	10.5774	0.4171
De-inventory pressure index	7	0.0000	0.9900	0.2743	0.4688
Valid N (listwise)	7				

From Table 8, it can be seen that the average profit margin of Industrial Enterprises above the scale of Jiangsu Province is 0.7981, the maximum value is 0.8955, the minimum value is 0.7084, and the standard deviation is 0.0665. The average occupancy rate of non-inventory funds is 0.7790, the maximum value is 0.7890, the minimum value is 0.7692, and the standard deviation is 0.0076. The average non-inventory rate of main business income is 0.9154, the maximum value is 0.9200, the minimum value is 0.9077, and the standard deviation is 0.0047. The average inventory turnover is 10.5774, the maximum is 11.2105, the minimum is 10.0798, and the standard deviation is 0.4171. The de-stocking pressure index averaged 0.2743, the maximum value was 0.9900, the minimum value was 0.0000, and the standard deviation was 0.4688.

6.2. Correlation analysis

Operate the SPSS22.0 application software and get the correlation analysis table, see Table 9:

Table 9 Correlations

		Inventory profit margin	Occupancy Rate of Non-Inventory Funds	Main Income Non-Inventory Rate	Inventory turnover	De-inventory pressure index
Inventory profit margin	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	7				
Occupancy Rate of Non-Inventory Funds	Pearson Correlation	.814**	1			
	Sig. (2-tailed)	.026				
	N	7	7			
Main Income Non-Inventory Rate	Pearson Correlation	.739*	.964***	1		
	Sig. (2-tailed)	.058	.000			
	N	7	7	7		
Inventory turnover	Pearson Correlation	.923***	.859**	.870**	1	
	Sig. (2-tailed)	.003	.013	.011		
	N	7	7	7	7	
De-inventory pressure index	Pearson Correlation	.851**	.693*	.614	.856**	
	Sig. (2-tailed)	.015	.084	.143	.014	
	N	7	7	7	7	7

Note: *: Significant correlation at 0.10 level (bilateral), significant correlation at 0.05 level (bilateral), and significant correlation at 0.01 level (bilateral).

From Table 9, we can see that the correlation coefficients of independent variables and dependent variables are above 0.1, that is, they are significantly correlated at the levels of 1%, 5% and 10% respectively.

Regression analysis

Operating SPSS22.0 application software, the regression results of the total sample are obtained. See Table 10 and equation:

Table 10 Regression analysis results (Coefficientsa)

variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	13.426	2.521		5.325	0.034
Occupancy Rate of Non-Inventory Funds	15.227	2.591	1.747	5.878	0.028
Main Income Non-Inventory Rate	-29.897	5.034	-2.114	-5.939	0.027
Inventory turnover	0.274	0.040	1.719	6.902	0.020
De-inventory pressure index	-0.076	0.025	-0.533	-3.037	0.093

The regression analysis equation revealed in Table 10 is as follows:

$$InvProp = 13.426 + 15.227\,NinvOccu - 29.897\,PriRevNinv + 0.274TurInv - 0.076InvPres$$

According to table 10, the data of regression analysis are as follows:

(1) NinvOccu is positively correlated with the explained variable (InvProf, the same below) at the level of 5% (Sig. 0.028 < 0.05) (T coefficient is 5.878). It shows that the higher the occupancy rate of non-inventory funds, the better the economic benefits of enterprises. Hypothesis 2 is valid.

(2) PriRev Ninv is negatively correlated with the explained variable at the level of 5% (significant coefficient Sig. 0.027 < 0.05) (T coefficient is negative - 5.939). It shows that the higher the non-inventory rate of the main business income, the worse the economic benefit of the enterprise. Hypothesis 3 holds.

(3) The inventory turnover number (TurInv) was significantly positively correlated with the explanatory variable at a level of 5% (significance coefficient Sig. was 0.020 < 0.05) (T coefficient was positive 6.902). Explain that the more the company's inventory turnover, the better the economic efficiency of the enterprise, the assumption is established.

(4) The destocking pressure index (InvPres) was significantly negatively correlated with the explanatory variable at the level of 10% (the significance coefficient Sig. was 0.093 < 0.10) (the T coefficient was negative - 3.037). Explain that the greater the pressure on the enterprise to destock, the worse the economic benefits before the enterprise, the assumption 1 is established.

According to the above regression equation, the actual economic data of industrial enterprises above designated size in Jiangsu Province will be substituted into the regression equation in 2012-2017 (comparable for the first three years and the last three years). Its economic benefits (inventory profit margin calculated by the equation) continue to increase [14], namely: 0.7030, 0.7522, 0.7744, 0.8192, 0.8720, 0.8897, the cumulative total of 2.2296 in the first three years, the cumulative total of 2.5809 in the last three years, an increase of 15.76%. Meanwhile, from 2012 to 2017, the ratio of inventory to current assets and the ratio of main business income to inventory funds of Industrial Enterprises above the scale in Jiangsu Province accumulated 0.9261 in the previous three years, and 0.8757 in the latter three years, a decrease of 5.44%. It can be seen from this that the work of seizing inventory in Jiangsu Province from 2015 to 2017 has achieved remarkable results in industrial enterprises (the benefit multiple is 2.9=15.76%5.44%). The most significant contribution of this effect (positive coefficient in equation) is to reduce the ratio of inventory to current assets (coefficient 15.227), followed by accelerating the turnover of current assets (coefficient 0.274).

7. Conclusion

The conclusions drawn from the above analysis are: (1) In response to the call of the CPC Central Committee, the Jiangsu Provincial Government has made remarkable achievements in securing the inventory work. In the period from 2015 to 2017, the occupancy level of inventory

funds in industrial enterprises decreased by 5.44% compared with the previous three years, while the economic benefit increased by 15.76%. (2) Provincial government precisely de-stocking, linkage de-stocking and transformation de-stocking, first-level grasp, first-level inspection, first-level assessment. For industrial enterprises with high inventory, the "de-inventory pressure" has been formed, and the pressure index has increased by 1% (the average pressure index has increased from 0.2743 to 0.2770, and the economic benefit of enterprises has decreased by 0.03% (the average economic benefit of substituted regression equation has decreased from 0.7981 to 0.7979). However, as industrial enterprises change their pressures as the driving force, they actively adjust the structure [13] and turn the direction, which is expected to produce good economic benefits in the future [14]. (3) De-stocking of industrial enterprises is not simply to reduce the absolute number of inventories, but to reduce the relative number of inventories, including reducing the ratio of inventories in current assets and accelerating inventory turnover. The better these jobs are done, the higher the economic efficiency of the company [15] (there is a positive correlation between them). (4) Industrial enterprises are in the process of external pressure and may sell at low prices. The result of this is that the risk of the company forming the accounts receivable may be far greater than the cash obtained from the warehouse, which will ultimately affect the economic benefits of the enterprise. Therefore, there must be a sound financial policy to prevent the transition of bad behavior [16].

The author's suggestions are as follows: (1) the changes in the inventory of industrial enterprises are cyclical, and it is necessary to study the adaptability of the inventory change cycle of industrial enterprises to the national economic development cycle. In recent years, we have paid attention to "destocking". In the future, we may have to grasp "replenishment of stocks". Don't repeat the tension of "coal, oil, and oil transportation" in the past. Therefore, we must pay close attention to the threshold of "bottoming bottom" in inventory [17]. The inventory cycle rules. (2) Whether industrial enterprises go to inventory, from the perspective of long-term development, enterprises should adapt to the market to adjust, only when the market regulation function fails. In order to prevent more economic losses from macroscopically, the government should intervene to lead the healthy development of the economy, but it must give full play to the decisive role of market regulation [18]. (3) The main means for the government to manage industrial enterprises is to control the reasonable interval of economic development [19]. By formulating a reasonable occupancy rate of inventory funds, a reasonable inventory rate of main income, and a reasonable inventory turnover speed, the government can indirectly guide the development of enterprises [20] [21].

Acknowledgement

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