

Digital Intelligence Empowerment and Cross - domain Synergy: Research on the Construction of Supply Chain Financing Ecology in Chengdu - Chongqing Twin-city Economic Circle from the Perspective of Digital Government Financial Innovation Governance

Xiaoyu Wang¹, Zihao Wang^{2,*}

¹School of Politics and Public Administration, Southwest University of Political Science and Law, Chongqing 401120, China

²School of Economics and Finance, Queen Mary University of London, London E1 4NS, England

*Correspondence Author, 1036453580@qq.com

Abstract: *The Chengdu-Chongqing Twin Cities Economic Circle has close industrial ties, but the financing problems of supply chain enterprises in different places have limited their development. This study proposes an innovative supply chain financing ecological construction model of “digital intelligence empowerment and cross-domain cooperation”. The model is led by the Chengdu-Chongqing government, which builds a digital supply chain financing platform, integrates the resources of local banks, and achieves information sharing and business synergy. It uses digital financial technology to streamline the credit process, strengthen risk management and control, and provide efficient and convenient financing services to overseas supply chain enterprises. This model not only helps alleviate the pressure of enterprise financing and promotes the economic growth and synergetic development of the Chengdu-Chongqing Twin Cities Economic Circle but also provides new perspectives and practical examples for research in the field of supply chain finance, which has a certain universality and promotional value.*

Keywords: Chengdu-Chongqing Twin Cities Economic Circle, Supply Chain Finance, Digital Intelligence Enabling, Financial Governance, Ecological Construction.

1. Introduction

As a significant economic growth pole in western China, the Chengdu-Chongqing Twin Cities Economic Circle has the important task of promoting the coordinated development of the region and facilitating the in-depth implementation of the “Belt and Road” strategy. At a time when industrial clustering and economic integration are accelerating, the region, with its strong industrial base, abundant resources and enormous market potential, is gradually becoming one of the key engines of China’s economic development. However, in the process of synergistic development of the regional economy, supply chain financing problems have become a bottleneck, limiting the Chengdu-Chongqing Twin Cities Economic Circle to enhance its competitiveness and synergy further.

Specifically, the heterogeneous separation between core enterprises and upstream and downstream enterprises in Chengdu and Chongqing makes upstream and downstream enterprises face many difficulties in supply chain financing. Although the core enterprise can obtain bank credit support more conveniently due to its advantageous position in the industrial chain [1], the upstream and downstream enterprises in other places find it challenging to obtain corresponding financing facilities due to the business relationship with the core enterprise. They can only rely on the traditional financing channels of local banks, such as tax loans. This financing model is inefficient and makes it difficult to meet enterprises’ diversified capital needs, which further aggravates the financing difficulties of supply chain enterprises in the

Chengdu-Chongqing Twin Cities Economic Circle and restricts the synergetic development and industrial upgrading of the regional economy.

To solve this problem, this study innovatively proposes a new cross-regional supply chain financing model with government participation. The model takes the governments of Chengdu and Chongqing as the leading force in carefully building a digital platform for supply chain financing and actively absorbs the deep participation of local commercial banks. Through the construction and operation of the digital platform, a high degree of integration and synergistic operation of information flow, capital flow and logistics in the supply chain financing process can be achieved, providing more efficient, convenient and flexible financing services for upstream and downstream enterprises [2-3]. This innovative model is expected to not only promote the cooperation and financial support between the Chengdu-Chongqing Twin Cities Economic Circle, promote economic growth and synergistic development, but also provide new perspectives and ideas for research in the field of supply chain finance at the theoretical level, which has a certain universality and promotional value.

2. Current Situation of Supply Chain Financing in Chengdu-Chongqing Twin-city Economic Circle

The industrial linkages of the Chengdu-Chongqing Twin

Cities Economic Circle are one of the key reasons for its development success. Within this economic circle, enterprises in Chengdu and Chongqing are interdependent and mutually supportive in the industrial chain, forming a tight supply chain network. This industrial linkage not only strengthens cooperation and collaboration between enterprises in the two cities but also enhances the competitiveness and innovation capacity of the entire economic circle. However, due to financing difficulties between core enterprises in Chengdu and upstream and downstream enterprises in Chongqing, as well as between core enterprises in Chongqing and upstream and downstream enterprises in Chengdu, supply chain enterprises within the economic circle are often unable to obtain adequate financing support from banks in different locations, which limits the development potential of the economic circle.

2.1 Typical Features of Chengdu-Chongqing Twin-city Economic Circle

2.1.1 Dual-core drive, regional connectivity

The Chengdu-Chongqing twin-city economic circle is centred on the two major cities of Chengdu and Chongqing, and covers the two provincial administrative regions of Sichuan and Chongqing. Its geographical location is superior, with greater development potential. The Chengdu-Chongqing twin-city economic circle has rich economic resources and industrial base [4]. Chengdu, as the scientific and technological, cultural and commercial centre of the western region, has electronic information, equipment manufacturing and modern agriculture as its pillar industries; Chongqing is dominated by traditional manufacturing industries such as automobile, metallurgy and chemical, and is also one of the financial centres of the western region [5]. The Chengdu - Chongqing Twin Cities Economic Circle is characterised by a highly integrated industrial chain. Close upstream and downstream industrial links have been established between Chengdu and Chongqing, forming a good pattern of synergetic development. The cooperative and supportive relationship between core enterprises and upstream and downstream enterprises promotes the development and growth of the whole economic circle [6].

2.1.2 Industrial clusters with strong links

The Chengdu-Chongqing Twin Cities Economic Circle is known for its highly integrated industrial linkages [7]. Taking the automotive industry, one of the pillar industries of Sichuan and Chongqing, as an example, at the end of 2021, Chengdu and Chongqing signed a cooperation agreement to build a world-class automotive industry development cluster jointly. At the industry chain level, Sichuan and Chongqing currently have 45 automotive OEMs and more than 1,600 supporting enterprises at all levels, with an annual output value of more than 700 billion yuan. The project list for 2023 includes several modern industrial cluster co-construction projects, such as the Chongqing Asia-Europe Auto Parts Project, the Western Intelligent Networked New Energy Vehicle City Project and the Sichuan-Chongqing Cooperative (Guang'an - Hechuan) Biomedical Industrial Park. It is expected that by 2025, the intra-regional division of labour in the advantaged industries in the Chengdu-Chongqing region will be more

reasonable, the efficiency of cooperation will be significantly improved, a relatively complete regional industrial chain and supply chain system will initially be formed, and the prototype of a world-class advanced manufacturing cluster will gradually emerge [8].

2.1.3 Connected transport and convenient logistics

The Chengdu-Chongqing BICC has a relatively well-developed transport infrastructure network, providing convenient conditions for the movement of people and goods within the region. Regarding road transport, there is a dense network of highways between the two cities, providing fast connections between major cities and industrial parks. Regarding rail transport, the opening of railway lines such as the Chengdu-Chongqing High-Speed Railway has dramatically shortened the spatial and temporal distance between Chengdu and Chongqing, promoting the integrated development of the regional economy [9]. In addition, as a shipping centre on the upper reaches of the Yangtze River, Chongqing's port resources also provide important support for foreign trade and logistics transport in the Chengdu-Chongqing Twin Cities Economic Circle. The Chengdu-Chongqing Twin Cities Economic Circle has built an efficient logistics and distribution system based on a well-developed transport infrastructure. The region has several large-scale logistics parks and distribution centres, such as Chengdu Qingbaijiang Railway Port and Chongqing Orchard Port. These logistics hubs integrate logistics resources to rapidly distribute and deliver goods. Meanwhile, with the rapid development of e-commerce, logistics enterprises in the Chengdu-Chongqing region have actively expanded their e-commerce logistics business and built an e-commerce logistics service network covering both urban and rural areas, providing a strong guarantee for the integrated development of online and offline.

2.2 Analysis of Supply Chain Financing Demand of Enterprises in Chengdu-Chongqing Twin-city Economic Circle

Core enterprises are usually in an advantageous position in the whole supply chain system, often some large central enterprises or large private enterprises [10]. The core enterprise's upstream suppliers and downstream distributors are often many small and medium-sized enterprises (SMEs) with precise segmentation [11]. The idealised "cash on delivery" mode cannot always be realised in the actual supply chain operation process. Based on its core position in the supply chain system, the core enterprise usually uses the deposit payment method to cooperate with the upstream suppliers. Then, the core enterprise makes the final payment after the upstream suppliers deliver the goods. The above situation causes a difference in the payback time of the upstream suppliers. The specific supply chain operation is shown in Figure I. Taking the automobile industry in Chengdu-Chongqing Twin Cities Economic Circle as an example, Changan Automobile as a core enterprise (with an export volume of 536,000 units in 2024 and a plan to break through 1 million units in 2025) presents a "one-core-multi-level" distribution pattern of upstream parts suppliers and downstream dealers. The core enterprise occupies an advantageous position in the supply chain and

usually adopts the “advance payment + final payment” settlement mode, which leads to the lengthening of the payback cycle of upstream suppliers (the average settlement period is about 90-180 days). The pressure on the liquidity of

MSMEs’ funds is significant. The credit advantage of core enterprises is difficult to extend to upstream and downstream enterprises [12].

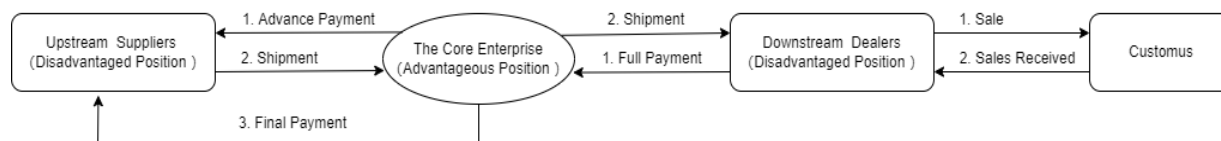


Figure 1: Supply chain operation flow chart

2.3 Analysis of Supply Chain Financing Problems in Chengdu-Chongqing Twin Cities Economic Circle

2.3.1 Relatively single supply chain financing channel

The supply chain financing channels in the Chengdu-Chongqing Twin Cities Economic Circle have certain limitations, mainly relying on traditional financial institutions such as banks. For core enterprises, it is easier to obtain loans from banks due to their strength. However, their financing channels are much narrower for upstream and downstream SMEs, especially suppliers and distributors located in different geographical areas from the core enterprises [13]. For example, in the case of Chengdu, where the core enterprises are concentrated, their upstream and downstream enterprises in Chongqing often rely on local commercial banks in Chongqing for credit support. Commercial banks in Chengdu are more cautious in lending due to geographical constraints and a lack of understanding of Chongqing MSMEs, making it difficult to assess their credit risks fully. Similarly, commercial banks in Chongqing can also not comprehensively assess the core enterprises in Chengdu, making it difficult for them to extend additional credit to local MSMEs in the supply chain based on the upstream and downstream relationships of the core enterprises.

2.3.2 Fewer supply chain financing credit products

There is a relative lack of supply chain financing credit products in the Chengdu-Chongqing Twin Cities Economic Circle, and there is a lack of diversified products that match the characteristics of local industries. Currently, the mainstream supply chain financing products in the market, such as China Construction Bank’s “E ICT”, whose scope is mainly focused on infrastructure-type centralised state-owned enterprises, lack relevance and applicability to the many other types of enterprises, especially small and medium-sized micro-enterprises, in the Chengdu-Chongqing Twin Cities Economic Circle. As a result, the credit products available to enterprises seeking financing are limited and cannot fully meet the financing needs of different enterprises.

2.3.3 The development of supply chain finance in the Chengdu-Chongqing region is relatively backward.

The development level of supply chain finance in the Chengdu-Chongqing region needs to be improved, which is mainly reflected in the single product and limited service scope. The current supply chain finance business is mainly based on accounts receivable financing, and other businesses, such as advance payment financing and inventory financing,

are relatively insufficient [14]. At the same time, supply chain finance services are mainly concentrated on large enterprises, and small and medium-sized enterprises (SMEs) find it challenging to obtain sufficient financing support due to their small size and relatively low credit rating, which limits the synergistic development of the whole supply chain.

2.3.4 The credit system of the Chengdu-Chongqing area is still unsound.

There are shortcomings in the credit system of Chengdu-Chongqing Twin Cities Economic Circle, mainly in the credit evaluation system and credit data sharing. There is a lack of an effective interoperability mechanism among enterprises’ operational data, tax data and industrial and commercial data, which leads to the problem of incomplete and asymmetric information faced by banks when granting credit approval to upstream and downstream enterprises of supply chains in different places other than the core enterprises, and increases the difficulty and cost of credit risk assessment [15].

3. Ecological Construction of Supply Chain Financing in Chengdu-Chongqing Twin-city Economic Circle

3.1 The Core of Ecological Construction

Supply chain financing is important in realising corporate capital flow and business development [16]. However, upstream and downstream enterprises in the supply chain face financial pressure due to the time difference in capital turnover. To solve this problem, cooperative banks provide credit support through order contracts and logistics vouchers with core enterprises as the basis for lending. Meanwhile, the cooperative bank monitors the delinquency and non-performing rates through post-credit management. It takes appropriate measures to ensure the quality of assets and the smooth progress of supply chain financing. This loan application-approval-disbursement process and post-loan management approach will help improve the efficiency and reliability of supply chain financing.

3.1.1 Determining the source of credit

Every bank loan has a credit source, i.e. the basis for granting the loan. For example, the tax loan is measured by the number of taxes paid by the enterprise, and the merchant loan is measured by the purchasing water of the enterprise’s UnionPay system. The order contract is an important basis for supply chain enterprises to reflect the relationship between the core enterprise and its upstream and downstream enterprises.

Supposing the core enterprise and its corresponding upstream and downstream enterprises in the supply chain are not in the exact location, in this case, the logistics delivery note is also important for reflecting the business transactions between the two parties. Therefore, after verifying the basic information of the enterprise, such as no tax delinquency, no abnormal operation of industrial and commercial information, no environmental protection and other penalties, we will take the order contract of both parties as the primary source of credit, and the logistics vouchers, receipt and payment vouchers of both parties as important supporting materials.

3.1.2 Credit process empowered by digital intelligence

In the supply chain, the core enterprise, due to its advantageous position, after signing the purchase and sale contract with the upstream supplier and paying the deposit, the upstream supplier will ship the goods. However, there is a time gap in the final payment by the core enterprise, which leads to the problem of capital turnover of the upstream enterprise. To solve this problem, upstream enterprises can choose to submit order contracts and deposit receipts with core enterprises to any cooperative bank, which will carry out initial verification and risk assessment of the materials provided by the enterprises, as well as conduct internal risk control meetings to vote on the amount, duration and interest rate of the loan. Once the loan application is approved and passed, the cooperative bank will submit the materials to the Supply Chain Finance Digital Platform Centre for another

verification and risk control meeting. Upon approval, the centre will prepare a written loan letter and return it to the applicant's cooperative bank, which can release the loan upon receipt of the letter, thus completing the entire loan application-approval-lending process.

Similarly, downstream distributors in different locations must pay the full amount after signing an order with the core company, which does the logistics and delivery. Then, the downstream companies do the distribution. There is also the problem of poor capital turnover time in this process. Unlike upstream suppliers, downstream distributors' receivables come mainly from distribution or retail revenues. Therefore, the loan amount for downstream distributors should be lower than that for upstream suppliers for the same amount of order contracts. The downstream distributor can submit the order contract with the core company, the logistics shipping documents of the core company, and the payment documents of the downstream distributor to any of the cooperative banks. The partner bank will also conduct material verification and risk assessment and submit the material to the centre for verification. After passing the assessment, the centre sends a letter of credit to the cooperative bank, and the cooperative bank releases the credit upon receipt of the letter. This completes the loan application-approval-disbursement process. For details, please refer to the credit process of the new model of supply chain financing in the Chengdu-Chongqing Twin Cities in Figure 2.

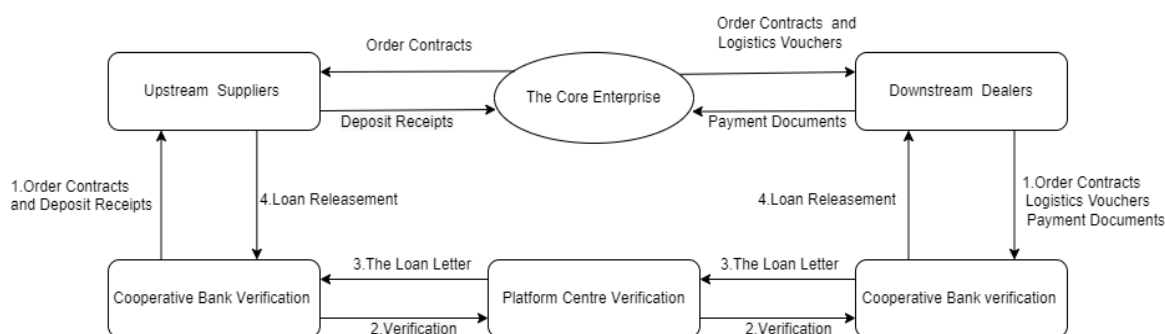


Figure 2: Chengdu-Chongqing Twin Cities Supply Chain Financing New Model Credit Process Flow Chart

3.1.3 Post Credit Management

Post-loan management is an important part of risk management in supply chain financing, and its effectiveness is directly related to the security and sustainability of the financing business [17]. By establishing a perfect post-credit management system, the cooperative bank continuously monitors and evaluates the financing enterprise's operation status, fund utilization, and repayment ability to detect and promptly resolve potential risks. The cooperative banks use the digital supply chain financing platform to obtain real-time data on the financed enterprises' capital, logistics and information flow and monitor their operational dynamics. A risk early warning model is set up by defining key risk indicators such as delinquency rate, non-performing rate and capital turnover rate [18]. If the indicators deviate from the normal range, the system automatically triggers an early warning signal, prompting the Bank to intervene promptly. If the financing company is in arrears, the cooperative Bank immediately starts the collection process. First, it communicates with the company to understand the reasons for

the arrears, and for companies with temporary financial difficulties, it can negotiate to adjust the repayment plan; for companies with malicious arrears, it will take more stringent collection measures, such as legal proceedings and asset preservation. At the same time, the Bank classifies and manages non-performing assets and intensifies collection efforts for those assets that can be recovered; for those assets that cannot be recovered, the Bank writes them off by established procedures, and summarises lessons learned to optimize risk prevention and control measures. The cooperative bank regularly conducts a comprehensive assessment of the asset quality of the supply chain financing business, analysing the characteristics of risk distribution and trends in changes [19]. Based on the assessment results, it adjusts risk prevention and control strategies and credit policies and optimises parameters such as credit limits, loan interest rates and term structures [20-22]. At the same time, the assessment information is fed back to the core and financing companies to promote the improvement of the overall credit level of the supply chain. Considering the different status and risk characteristics of core upstream and

downstream enterprises in the supply chain, the cooperative bank implements differentiated post-credit management strategies. For core enterprises, the focus is on monitoring their overall operating conditions, financial health and industry competitiveness to ensure their sustainable solvency; for upstream and downstream micro, small and medium-sized enterprises (MSMEs), in addition to paying attention to the basic operating conditions, more attention is paid to the stability of their business cooperation with core enterprises, the authenticity of the transaction flow and the return of funds [23-24].

3.2 Government Responsibilities and Roles in the New Model of Supply Chain Financing for Chengdu-Chongqing Twin Cities

3.2.1 Clarify the access standard of core enterprises

In the industrial cluster of Chengdu-Chongqing Twin Cities Economic Circle, the selection of core enterprises should focus on automobile, electronic information, equipment manufacturing, high-tech and other industries. As core enterprises play a crucial role in the supply chain, in order to maximise risk avoidance, central state-owned enterprises and large private enterprises should be selected as core enterprises in principle. When selecting core enterprises, the government must strictly examine their business indicators and cash flow status to ensure stable financial status and good market reputation. Once the core enterprises are selected, the government should publicly announce the list of core enterprises promptly and provide some policy support and preferential treatment to the selected enterprises, such as tax breaks and financial subsidies. In addition, the government should establish a dynamic management mechanism to eliminate and add new enterprises every year according to the core enterprises' actual operation to maintain the core enterprises' vitality and competitiveness.

3.2.2 Sorting out the supply chain

After identifying the core enterprises, the government needs to sort out and integrate the supply chain of the upstream and downstream enterprises registered and operating in the Chengdu-Chongqing Twin Cities Economic Circle. Based on reasonable bases such as order contracts, the government will conduct a comprehensive credit assessment and assessment of the relevant enterprises' operating conditions to determine the degree of financing risks scientifically.

The results of these assessments will be used to formulate reasonable financing arrangements, including determining the financing amount, interest rate, repayment period, and other conditions. Such an approach can ensure the soundness and sustainability of financing and provide financial security for the stable operation of the supply chain.

3.2.3 Integrate financial resources and expand supply chain financing channels

The Chengdu-Chongqing government plans to cooperate with local commercial banks in the Chengdu-Chongqing area to expand the financing channels of the digital supply chain financing platform. The reason for choosing local commercial

banks is that large state-owned commercial banks only have branches in Sichuan and Chongqing, subject to more constraints and limited autonomy in policy making. In contrast, local commercial banks have head offices in Sichuan and Chongqing, enjoy greater policy autonomy and have not yet launched similar supply chain finance products, making it easier to participate in the fierce competition in the banking industry. In addition, the government can also formulate relevant credit policies, such as providing preferential loan interest rates and extending repayment terms, to support the further development of supply chain finance.

3.2.4 Strengthen digital intelligence and data sharing

In identifying core enterprises, the government of the Sichuan-Chongqing BICC should promote the sharing of government information, including tax data, industrial and commercial data, and environmental protection data. At the same time, the government should provide the necessary technical support to facilitate the development of supply chain finance. By gradually building a digital supply chain finance platform and a supply chain information service platform, upstream and downstream enterprises in Chengdu and Chongqing can share information, including order information and supply chain data, to improve the accuracy of financing decisions. In addition, the government centre can provide technical support, such as an online financing application and approval system, to speed up the financing process and improve efficiency [25].

3.2.5 Monitoring and risk control

The digital supply chain financing platform will take on the important responsibility of regulation and risk control to ensure the compliance and safety of the financing process. The Centre will establish a strict risk management mechanism, including continuous monitoring of financing projects and risk early warning mechanisms, as well as regular review of supply chain enterprises, to reduce the occurrence of financial risks. Through effective risk management measures, the Centre will be able to identify and respond to potential risks in a timely manner, protect investors' interests, and maintain market confidence.

3.3 Responsibilities and Roles of Local Commercial Banks in the New Model of Supply Chain Financing in Chengdu-Chongqing Twin Cities

3.3.1 Financial service innovation

Local commercial banks in the Chengdu-Chongqing Twin Cities play a crucial role in supply chain financing. Their primary responsibility is to promote financial service innovation and optimisation.

For example, in response to the different needs of upstream and downstream enterprises in the supply chain, local commercial banks can develop a variety of products, such as receivables financing, advance payment financing, inventory pledge financing, etc., to meet the financing needs of enterprises in the supply chain, to meet the financing needs of enterprises in different business areas [26]. At the same time, combined with financial technology means, such as big data

analysis, blockchain technology, etc., to achieve online and intelligent financing processes, improve financing efficiency and security and provide enterprises with a more convenient and efficient financial service experience.

3.3.2 Platform construction and operation

Local commercial banks are also responsible for financing the construction and operation of the digital platform in the Chengdu-Chongqing Twin Cities supply chain financing. These banks can integrate their own financial resources and technical strength to build a professional supply chain financing digital platform, integrate the information of core enterprises, upstream and downstream enterprises, logistics and transportation parties and other supply chain participants, and realise the sharing and interaction of supply chain data such as order information, logistics information and capital flow information. Through the construction and operation of the platform, banks can provide supply chain enterprises with one-stop financing services, including online financing application, approval, lending, repayment and other full-process services, improve financing efficiency and transparency, reduce financing cost, and promote the scale and intensive development of supply chain financing business.

3.3.3 Risk control and management

Risk control and management are among the core responsibilities of local commercial banks in supply chain finance. These banks need to establish a sound risk assessment and monitoring system, use big data, artificial intelligence, and other technical means to monitor and analyse the transaction data in the supply chain in real-time, and promptly detect potential risk points. At the same time, they should strengthen the risk management of core enterprises and establish a multi-dimensional risk assessment model based on the operational status, financial status and market competitiveness of core enterprises to ensure the stable development of core enterprises. In addition, local commercial banks should also strengthen the risk identification and management of upstream and downstream SMEs and prevent the occurrence of credit risks in advance through credit rating and risk early warning. Based on risk control, banks can reasonably determine the financing amount, interest rate, term and other financing conditions to ensure the sound development of the supply chain financing business.

3.3.4 Policy Transmission and Implementation

As a bridge between the government and enterprises, local commercial banks play an important role in the policy transmission and implementation of the Chengdu-Chongqing Twin Cities Economic Circle. These banks need to pay close attention to the policy documents on supply chain finance and SME financing issued by the national and local governments, promptly communicate the policy information to the supply chain enterprises, and adjust their business strategies and service focus according to the policy requirements. For example, the preferential lending rates, risk compensation funds, tax incentives and other policies issued by the government, local commercial banks can, through the development of corresponding implementation rules and

operational procedures, transform the policy dividends into actual financial support, pass them on to the supply chain SMEs, alleviate the financing problems of enterprises, promote the healthy development of enterprises, and promote the Chengdu-Chongqing Twin Cities Economic Circle industrial policy to take root.

3.3.5 Co-development of regional finance

In the construction and development of the Chengdu-Chongqing Twin Cities Economic Circle, local commercial banks should also actively promote the synergetic development of regional finance. These banks can strengthen cooperation with other regional financial institutions, including policy banks, large state-owned commercial banks, securities, insurance, etc., to jointly build a multi-level, wide-scale supply chain financial service system. Through cooperation and synergy with various financial institutions, local commercial banks can integrate the resources of all parties, achieve complementary advantages, and provide more comprehensive and integrated financial services to supply chain enterprises. At the same time, they can actively participate in regional financial innovation pilot and reform projects, promote the interconnection and integrated development of the financial market in the Chengdu-Chongqing region, and enhance the overall competitiveness and influence of regional finance.

3.4 Cross-regional Policy Synergy

In promoting the innovation of the supply chain financing model, the government of Chengdu-Chongqing twin cities has formed synergy through policy synergy to promote regional economic integration development effectively. This policy synergy is reflected in the following aspects.

3.4.1 Policy planning synergy

For example, they have jointly issued the “Guiding Opinions on the Development of Supply Chain Finance in Chengdu-Chongqing Twin Cities Economic Circle”, which clearly defines the overall objectives, key tasks and safeguards of the development of supply chain finance and provides a policy basis for the screening of core enterprises, platform construction and risk prevention and control. At the same time, coordination policies will be formulated at the regional level to reduce administrative barriers, promote the flow of factors and the optimal allocation of resources, and create a good policy environment for supply chain financing.

3.4.2 Digital and intelligent empowerment cooperation

The governments of Chengdu-Chongqing Twin Cities cooperate to promote the construction of a digital platform for financing the supply chain, integrate regional resources, and achieve information sharing and business synergy. On the one hand, it jointly builds a unified digital platform, integrates information about core enterprises, upstream and downstream enterprises and financial institutions, promotes the integration of capital flow, logistics and information flow, and improves financing efficiency. On the other hand, it promotes the interconnection between the platform and the government affairs system, realizes the sharing of government affairs data,

provides comprehensive and accurate information support for financing decisions, and reduces financial institutions' risk.

3.4.3 Policy implementation synergy

The governments of Chengdu-Chongqing Twin Cities closely cooperate in policy implementation and jointly implement various policies to promote the supply chain financing business. A cross-regional policy implementation coordination mechanism has been established to communicate progress and solve implementation problems regularly. At the same time, policy publicity and training will be carried out in a coordinated manner to improve enterprises' and financial institutions' understanding of the policies and their ability to apply them and promote the supply chain financing model.

3.4.4 Coordinate risk prevention and control

The governments of Chengdu and Chongqing will cooperate in risk prevention and control to jointly establish a risk prevention and control system for supply chain financing and safeguard financial stability. On the one hand, they will jointly formulate a risk management system, clarify the requirements for risk identification, evaluation and disposal, and guide financial institutions to standardise their operations. On the other hand, they will strengthen cross-regional financial supervision coordination, establish a risk information-sharing mechanism, detect and deal with potential risks promptly, and maintain financial market order.

3.4.5 Policy Incentive Synergy

The Chengdu-Chongqing Twin Cities Government mobilises the enthusiasm of all parties to participate in supply chain financing through the coordinated implementation of policy incentives. A special fund will be jointly established to provide financial support for core enterprise screening, platform construction, business innovation, etc. At the same time, incentives and subsidies will be provided to financial institutions participating in supply chain financing to reduce operating costs and increase enthusiasm. In addition, policies such as tax incentives have been adopted to reduce the burden on enterprises and increase their willingness to participate in supply chain financing.

4. Expected Effects of the New Supply Chain Finance Model in Chengdu-Chongqing Twin Cities

Implementing and promoting the supply chain finance model will positively impact the economic circle of the Chengdu-Chongqing Twin Cities. The successful application of this model will provide supply chain enterprises with more convenient financing channels, promote the effective synergetic development of the industrial chain, promote stable economic growth and strengthen the service capacity of local banks. Meanwhile, the government's support and guidance will lay a solid foundation for the smooth implementation of the model. By integrating resources and optimising financing channels, the supply chain finance model will play an important role in the Chengdu-Chongqing Twin Cities Economic Circle, contributing to sustainable and healthy

economic development.

The government will provide policy and financial support to promote the innovation and establishment of the supply chain finance model and better support the development of the Chengdu-Chongqing Twin Cities Economic Circle.

4.1 Enhance the Financing Capacity of Supply Chain Enterprises

By setting up a digital platform for supply chain finance and attracting local banks to join it, the Chengdu-Chongqing Twin Cities Economic Circle will provide more convenient financing channels for off-site supply chain enterprises and solve financing problems. For example, by joining the digital platform for supply chain finance, local banks such as Bank of Sichuan and Bank of Chongqing can leverage their deep understanding of the local market to provide accurate financial services to supply chain enterprises and meet the financing needs of enterprises in different business segments.

4.2 Promote the Cooperative Development of Industries

Implementing the supply chain finance model will promote cooperation among enterprises in the Chengdu-Chongqing Twin Cities Economic Circle and strengthen communication and cooperation upstream and downstream of the industrial chain. With the support of supply chain finance, enterprises can better synergize their development, strengthen the coordination of supply and demand, and improve the efficiency and competitiveness of the whole industrial chain. For example, in the automobile manufacturing industry, core enterprises such as Changan Automobile can establish closer cooperation with upstream and downstream enterprises through the supply chain financing model to jointly carry out research and development, production and sales activities, and realize the synergistic development of the industrial chain.

4.3 Promote Economic Growth

The innovative supply chain finance model will help to stimulate the economic growth potential of the Chengdu-Chongqing Twin Cities Economic Circle. By providing more financial support, enterprises will have more funds to expand production and promote innovation and investment, thus promoting economic growth and further consolidating the regional economic advantages of the Chengdu-Chongqing Twin Cities Economic Circle. For example, the Chengdu-Chongqing Twin Cities Economic Circle has promoted the development of advantageous industries such as electronic information and equipment manufacturing through supply chain financial support, which has led to the agglomeration and upgrading of related industries and the rapid growth of the regional economy.

4.4 Reduce Financing Costs

Traditional financing methods often involve many intermediary links, resulting in high costs. Implementing the supply chain finance model can reduce financing costs by eliminating redundant links and improving financing efficiency, enabling enterprises to obtain financial support at a lower cost and further enhance their competitiveness. For

example, through the digital platform of supply chain finance, enterprises can complete the processes of financing application, approval, and disbursement online, which reduces the submission of paper materials and manual audit links in traditional financing and lowers financing costs.

4.5 Encourage the Development of Local Banks

Implementing the supply chain finance model will attract local banks in the Chengdu-Chongqing region to participate, providing them more business and cooperation opportunities. This will help enhance local banks' service capacity and competitiveness, promote their development and growth, and further promote the development of the whole local financial system. For example, by participating in the supply chain finance business, local banks can expand their customer base, increase their business income and enhance their market competitiveness. At the same time, local banks can cooperate with other financial institutions to jointly promote the innovation and development of supply chain finance and contribute to the financial stability and economic development of the Chengdu-Chongqing Twin Cities Economic Circle.

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