

**Debt Financing and Enterprise Growth
in the Steel Industry in China**

A Dissertation

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Abstract

This study, which aimed to determine the debt financing and enterprise growth in steel industry in China since its listing until 2020, utilized the descriptive-correlational research design. The respondents in the study were 437 listed steel trading enterprises and their core enterprises in the supply chain, including 47 upstream enterprises (steel mills), 30 steel trading enterprises and 364 downstream end customer enterprises. The frequency count and percentage were employed for descriptive statistics. Pearson's r and regression were used for inferential statistics, all set at .05 level of significance. The results revealed that the debt financing of China's steel industry is at a low level in terms of both debt financing level and maturity. Generally, debt financing has a negative correlation with the growth of China's steel enterprises, while the relationship between General Debt Ratio (GDR) and development capacity is not significant. Short-term debt ratio (SDR) has a positive correlation with the operational capacity of enterprise growth, while it has a negative correlation with other aspects of enterprise growth. Long-term debt ratio (LDR) is positively correlated with the development ability of enterprise growth, while it is negatively correlated with other aspects of enterprise growth. This implies that the debt financing of China's steel industry is at a low level, and is negatively related to the growth of enterprises. When the debt financing is low, the growth of steel enterprises is positive.