Research on the Tobacco Industry Institutional Innovations and Market Mechanism Optimization

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Abstract  China is the a industry great nation, the leaf tobacco and the cigarette output and the sales volume are the whole world first, but our country is not the tobacco industry powerful nation, compares with the international tobacco giant also has the big disparity. Along with recent years “modern tobacco agriculture” the experiment site and the promotion, “double ten” the strategic advancement vigorously, “order form ordering” the reform extends thoroughly as well as the FCTC comprehensive implementation, the Chinese tobacco processing industry is facing a more stern challenge and the development opportunity. This is indeed urgent, optimizes the tobacco processing industry effectively the market structure, and improves the market achievements, under the advancement financial crisis background's tobacco processing industry “two figures” guarantee the growth goal realization. The article has utilized the real diagnosis model to the tobacco industry market mechanism, the market achievements and both relations have carried on the quantitative analysis. The result indicated: The opening concentration degree, the economical scale, the industry specialize in selling the policy to the tobacco industrial market achievements influence for negative, production expansion ability influence for positive. Put forward certain policy aspect proposal, the hope impetus tobacco industry healthy development.

Keywords Specializes in selling system; Tobacco processing industry; Market mechanism; Market achievements

1 Introduction

Stiglers (1963) studies the discovery, the industrial centralism and its profit margin linear correlation dependence is not obvious. (Demsetz 1973) empirical study discovery, between concentration degree and profession profit margin relations for misalignment double S curve. (Sumner 1981) the findings confirmed the American tobacco market has not entrusted with the efficiency Cartel to operate. (Appelbaum 1982) studies indicated that tobacco processing industry existence high monopoly degree. (Becker 1992) believed that in the short-term the tobacco product's price and the consumption quantity assume reverse 10%, 4%, long-term in assumes reverse 10%, 7.5%.

Bai Wenyang and (Li rain 1994), (Yin Xingming 1995), (Qi Yudong 1998), (Du Chuanzhong 2002), Wei Houkai (2003) research indicated that between our country industry concentration degree and the profit margin has the obvious linear relationship. (Xu Zhilin 2005) thinks the market mechanism and the achievements existence quite obvious correlation dependence. (Li Baojiang 2001), (Zuo Xiangguo 2004), (Huang Bo 2004), (Tao Ming 2005) discovered that China's tobacco processing industry centralism passed lowly. (Zhao Jiancheng 2004) to believe that the tobacco processing industry market achievements' frontage performance is few, the negative performance is many. The (Dong Deli 2004) studies indicated that the long-term administrative monopoly reduced the tobacco enterprise's competitive ability. (Su Yanlin 2005) pointed out that the industrial policy to sells the profit margin the influence is negative. (Zhang Quanzai 2006) pointed out that China's tobacco industry needs to establish “the oligarch leading” the market organizational structure. (Zhang Yiliang 2007) to discover that the tobacco specializes in selling the system and the market achievements assumes the reverse change relations.

In summary, the market mechanism with the market achievements' relations still not consistent conclusion, the target-oriented analysis specialized in selling system this specific essential factor are also quite few to the tobacco processing industry market mechanism and the market achievements influence. Presently, the Chinese tobacco processing industry is being in the switch time, specializes in selling system's implementation in the place and in Central authorities' gambling process also frequently to present the distortion. Therefore the discussion optimizes the market mechanism to improve the market achievements, the advancement tobacco processing industry healthy development has the big
practical significance.

2 Research Techniques and Condition Hypothesis

This article profits from the Industrial organization theory the SCP analysis model, the utilization econometric model, the time series statistics analytic method, the real diagnosis analytic method, the static dynamic gambling analytic method, attempts to establish the tobacco processing industry market mechanism, the market achievements with to specialize in selling the system evaluation model, the examination specializes in selling under the system the Chinese tobacco processing industry market mechanism and the achievements relations and optimizes the market mechanism the measure. Hypothesis which makes regarding this research and anticipated as follows:

To market mechanism and achievements relations hypothesis. Between the tobaccos processing industry concentration degree and the market achievements has the linear relationship, take the market achievements as the dependent variable, take the industrial concentration degree's certain influence factor as the independent variable, establishes the regression model;

To previous year industry concentration degree anticipation. Previous year the industrial concentration degree has the positive and negative two kind of possibilities to market mechanism's influence: when in the profession leads the manufacturer to adopt prevents the price strategy which the new manufacturer joins, this coefficient for positive; when in the profession leads the manufacturer the information not to adopt not completely or has no intention to adopt prevents the new manufacturer joins, this coefficient for negative. Because China implements the tobacco to specialize in selling the system, has and the strict admittance limit to the new manufacturer, therefore this article anticipated this coefficient for positive;

To productive plan expansion ability anticipation. In “state monopoly” under the system, various tobacco processing industries is produces strictly according to the national issuing plan quantity. As one kind of ethological barrier, the existing tobacco processing industry realizes on own initiative contains the goal which the new manufacturer enters, urges the potential entrant's anticipated profit to reduce. This article anticipated this coefficient is positive;

To economical scale anticipation. The economical scale indicated by the tobacco processing industry various years property remaining sum and the enterprise number that explains various enterprises' average property level. , The industrial lowest economical scale is generally speaking bigger, joins enterprise's cost barrier to be bigger newly, then the industrial concentration degree is higher, therefore this article anticipated this coefficient for positive;

Specializes in selling the system policy to the tobacco processing industry anticipation. This article tobacco processing industry specializes in selling the system policy to suppose for the dummy variable, when obvious display the evaluation is 1, otherwise the evaluation is 0. For many years, although the Chinese tobacco processing industry has had “state monopoly” system superiority, but place protection and market segmentation still time has the existence. The tobacco profession in 2003 has implemented “the industry and commerce separation” the policy. Therefore this article anticipated, before 2003, this variable is 0, 2003 years later this variable is 1.

3 Real Diagnosis Models and Variable Hypothesis

3.1 Tobacco processing industry market mechanism reckoning model

Market Structure refers to the stipulation to constitute the market seller (enterprise), the buyer as well as between the seller and the buyer group and so on various relational factors and the characteristic. The market mechanism centralism has manifested the market competition and the monopoly degree. Concentration Ration is portrays the industry market mechanism character and the big enterprise market controlling force concept, usually certain enterprise's certain target's sum total number occupies the entire industrial corresponding target before some industry in the proportion to reflect, this ratio is bigger, the showing industry concentration degree is higher. The industrial concentration degree weighs the market mechanism condition the important target, reflects the market directly the monopoly or the competition degree.

At present, the academic circle uses for to weigh the industrial centralism condition the target to be many. One kind is an absolute method, including $CR_n$、$HKI$、$EI$; Another kind is relative method, including $HI$、Lorentz curve、Gini Coefficient. Comparatively speaking, in absolute method main reflection particular market several biggest enterprise's centralized degrees, but has not been able to take
into consideration to this market participation enterprise's number and this market scale not equal degree overall; But the relative principle took into consideration the entire market participation enterprise size difference, actually has not taken into consideration to the leading enterprise's centralized degree. Therefore, this article synthesis utilizes \( CR_n \) and \( HI \) two targets inspects, can reflect the Chinese tobacco processing industry accurately the market mechanism.

3.1.1 \( CR_n \) model

China implements state monopoly to the tobacco industry the system, each enterprise's productivity is the country by administrative instruction form issuing, the production target is the profession extremely rich value scarce resources, also represents one of enterprise size level most important targets. Therefore this article uses the production target target to survey the Chinese tobacco processing industry the market mechanism.

\[
CR_n = \frac{\sum_{i=1}^{N} X_i}{\sum_{i=1}^{N} X_i}
\]

In the formula, \( \sum_{i=1}^{N} X_i \) is the tobacco processing industry ultimate output, \( \sum_{i=1}^{N} X_i \) s the ith enterprise's output cumulative value, \( N \) is the Chinese tobacco processing profession enterprise total number.

3.1.2 \( HI \) Model

\( HI \) is the \( CR_n \) supplement, uses for in market which examines the concentration ratio to decide, the manufacturer scale's distribution is whether even. Its formula is:

\[
HI = \frac{n}{\sum_{i=1}^{N} \left( \frac{X_i}{T} \right)^2}
\]

<table>
<thead>
<tr>
<th>Evaluating indicator</th>
<th>Constitution target</th>
<th>Weight</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit capacity</td>
<td>Property ratio of debt to net worth</td>
<td>12</td>
<td>Total liabilities/gross asset×100%</td>
</tr>
<tr>
<td></td>
<td>Has attained the interest multiple</td>
<td>8</td>
<td>Before rest tax, gross profit/interest expense</td>
</tr>
</tbody>
</table>
| Operation ability    | Total assets cycling rate | 9 | Main business income net amount/average gross asset%
|                      | Current assets cycling rate | 9 | Main business income net amount/mean flow gross asset×100%
| Profit ability       | Net assets returns ratio | 25 | Net profit/average net assets×100%
|                      | Total assets return rate | 13 | Before rest tax, gross profit/average gross asset×100%
|                      | Sales rate of increment | 12 | This year sold business income amount of increase/ sell business income total amount last year×100%
| Develop power        | Accumulation of capital rate | 12 | This year ownership interest amount of increase/ at the beginning of the year ownership interest×100%

Data source: Ministry of Finance, the State Economic and Trade Commission, the Central Enterprise Working Committee, the Work Safeguard Department, the State Planning Commission "the Enterprise Effect Twists the Appraisal Operation Regulation (Revision)"

In the formula, \( n \) is the tobacco processing industry all enterprise's number, \( T \) is the profession ultimate output. For each enterprise's productivity.
3.2 Tobacco processing industry market achievements evaluation model

Market achievements are refers to in certain market mechanism foundation, enterprise's market behavior influence resources deployment efficiency and the benefit assignment and so on achieves realistic condition. Based on the different theory viewpoint, grew the different achievements appraisal method, such as the event methodology, the factor analytic method, the non-financial norm analytic method, the discount cash flow menstruation, the expert graded law, brains storm law and so on. The achievements appraisal's method point of application, the stress surface is different, which one method uses to be more appropriate specifically must unify the concrete situation. The Chinese scholars favor in use the accounting data to weigh the market achievements. This is because accountant the profit easy to receive the operation freely, but the fiscal statement earnings digit still included the very strong information content, and any accounting data's operation majority of is only temporary, the enterprise operating results along with the viewing time section's extension, can reflect finally to the fiscal statement. Stemming from such consideration, this article has used the financial norm law, unifies Ministry of Finance, the State Economic and Trade Commission, the central enterprise working committee, the work safeguard department, the State Planning Commission "the Enterprise Effect To twist the Appraisal Operation Regulation (Revision)" appraises the tobacco processing industry the market achievements.

3.3 Tobacco processing industry market mechanism and achievements relational model

\[ Y_t = C + \beta_1 CR + \beta_2 G + \beta_3 S + \beta_4 P + \varepsilon \]

In model, \( Y_t \) expresses the market achievements, \( C \) expression absolute terms, \( \beta_i \) (\( i = 1,2,3,4 \)) expression coefficients, \( \varepsilon \) expression error terms; \( \varepsilon \) independence obeys in \( N(0, \delta) \) normal distribution.

- \( CR \) expressed one year's industrial concentration degree, here uses \( CR_4 \) (\( n=4 \));
- \( G \) Expresses the productive plan expansion ability;
- \( S \) expresses the economical scale, \( S = \frac{\text{Year gross asset}}{\text{Enterprise quantity}} \);
- \( P \) Expressed that the tobacco processing industry specializes in selling the policy.

4 Models estimated that the result and discusses

4.1 Model estimate result

4.1.1 Tobacco processing industry market mechanism

![Figure 1](hi) The expression China tobacco processing industry concentration degree from 1995 to 2007

Data origin: According to National Tobacco Monopoly bureau internal data reorganization
Table 2  The $CR_n$ expressed Chinese tobacco processing industry concentration degree from 1995 to 2007

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>$CR_4$</td>
<td>15.2</td>
<td>16.4</td>
<td>16.2</td>
<td>16.6</td>
<td>16.1</td>
<td>16.3</td>
<td>16.8</td>
<td>16.4</td>
<td>19.6</td>
<td>23.9</td>
<td>24.0</td>
<td>25.0</td>
<td>27.3</td>
</tr>
<tr>
<td>$CR_8$</td>
<td>24.4</td>
<td>26.2</td>
<td>25.5</td>
<td>26.2</td>
<td>26.1</td>
<td>26.3</td>
<td>26.5</td>
<td>26.8</td>
<td>31.4</td>
<td>39.9</td>
<td>41.4</td>
<td>44.8</td>
<td>49.6</td>
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<tr>
<td>$CR_{12}$</td>
<td>32.6</td>
<td>33.9</td>
<td>33.1</td>
<td>33.9</td>
<td>33.8</td>
<td>34.1</td>
<td>35.0</td>
<td>35.8</td>
<td>39.5</td>
<td>46.3</td>
<td>48.2</td>
<td>60.2</td>
<td>67.5</td>
</tr>
</tbody>
</table>

Data Origin: According to National Tobacco Monopoly Bureau Internal Data Reorganization

4.1.2 Tobacco processing industry market achievements

Table 3 The Chinese tobacco processing industry market achievements value from 1996 to 2007

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit capacity</td>
<td>Property ratio of debt to net worth</td>
<td>7.2</td>
<td>6.6</td>
<td>5.8</td>
<td>5.3</td>
<td>5.3</td>
<td>6.0</td>
<td>5.4</td>
<td>5.0</td>
<td>4.4</td>
<td>4.1</td>
<td>3.5</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>Has attained the interest multiple</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.8</td>
<td>0.8</td>
<td>0.6</td>
<td>0.7</td>
<td>1.1</td>
<td>1.4</td>
<td>1.6</td>
<td>2.3</td>
<td>3.6</td>
</tr>
<tr>
<td></td>
<td>Total assets cycling rate</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Operation ability</td>
<td>Current assets cycling rate</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>Net assets returns ratio</td>
<td>3.9</td>
<td>3.6</td>
<td>2.8</td>
<td>2.3</td>
<td>2.4</td>
<td>2.2</td>
<td>2.5</td>
<td>2.7</td>
<td>3.6</td>
<td>3.3</td>
<td>3.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Profit ability</td>
<td>Total assets return rate</td>
<td>1.4</td>
<td>1.4</td>
<td>1.2</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.2</td>
<td>1.3</td>
<td>1.7</td>
<td>1.7</td>
<td>1.9</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td>Sales rate of increment</td>
<td>1.9</td>
<td>0.9</td>
<td>0.6</td>
<td>0.1</td>
<td>1.8</td>
<td>2.4</td>
<td>1.7</td>
<td>2.0</td>
<td>2.6</td>
<td>1.2</td>
<td>1.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Develop power</td>
<td>Accumulation of capital rate</td>
<td>3.3</td>
<td>2.9</td>
<td>1.9</td>
<td>1.8</td>
<td>1.0</td>
<td>2.2</td>
<td>1.8</td>
<td>2.2</td>
<td>2.3</td>
<td>1.9</td>
<td>1.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Achievements synthesis minute</td>
<td>18.4</td>
<td>16.0</td>
<td>13.0</td>
<td>11.5</td>
<td>12.6</td>
<td>14.5</td>
<td>13.6</td>
<td>14.5</td>
<td>16.3</td>
<td>13.9</td>
<td>14.0</td>
<td>16.9</td>
<td></td>
</tr>
</tbody>
</table>

Data origin: According to National Tobacco Monopoly Bureau Internal Data Reorganization

4.1.3 Tobacco processing industry market mechanism and achievements relations

Table 4 The Chinese Tobacco Processing Industry Market Achievements and Market Mechanism Influencing Factor from 1996 to 2007

<table>
<thead>
<tr>
<th>年份</th>
<th>$Y_i$</th>
<th>$CR_4$</th>
<th>$G$</th>
<th>$S$</th>
<th>$P$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>18.44</td>
<td>15.20</td>
<td>3.40</td>
<td>7.94</td>
<td>0</td>
</tr>
<tr>
<td>1997</td>
<td>16.01</td>
<td>16.40</td>
<td>3.19</td>
<td>8.79</td>
<td>0</td>
</tr>
<tr>
<td>1998</td>
<td>13.00</td>
<td>16.20</td>
<td>3.17</td>
<td>9.26</td>
<td>0</td>
</tr>
<tr>
<td>1999</td>
<td>11.45</td>
<td>16.60</td>
<td>3.09</td>
<td>10.38</td>
<td>0</td>
</tr>
<tr>
<td>2000</td>
<td>12.60</td>
<td>16.10</td>
<td>3.16</td>
<td>11.88</td>
<td>0</td>
</tr>
<tr>
<td>2001</td>
<td>14.54</td>
<td>16.30</td>
<td>3.24</td>
<td>16.19</td>
<td>0</td>
</tr>
<tr>
<td>2002</td>
<td>13.57</td>
<td>16.80</td>
<td>3.34</td>
<td>18.87</td>
<td>0</td>
</tr>
<tr>
<td>2003</td>
<td>14.54</td>
<td>16.40</td>
<td>3.48</td>
<td>31.81</td>
<td>0</td>
</tr>
<tr>
<td>2004</td>
<td>16.34</td>
<td>19.60</td>
<td>3.76</td>
<td>52.86</td>
<td>0</td>
</tr>
<tr>
<td>2005</td>
<td>13.92</td>
<td>23.90</td>
<td>3.93</td>
<td>76.57</td>
<td>1</td>
</tr>
<tr>
<td>2006</td>
<td>13.97</td>
<td>24.00</td>
<td>4.04</td>
<td>96.89</td>
<td>1</td>
</tr>
<tr>
<td>2007</td>
<td>16.86</td>
<td>25.00</td>
<td>4.28</td>
<td>129.69</td>
<td>1</td>
</tr>
</tbody>
</table>

Data origin: According to National Tobacco Monopoly Bureau Internal Data Reorganization
The regression equation adopted the related examination, may establish the tobacco processing industry market mechanism and the market achievements' regression equation is:

\[ Y_t = -27.202 - 0.842CR_1 + 17.267G - 0.052S - 2.582P \]

4.2 Discussions

4.2.1 Tobacco processing industry market mechanism discussion

Junction 2, charts 1 analysis: Since 1995, has been following the profession enterprise quantity reduction, the Chinese tobacco processing industry concentration degree enhances gradually, after particularly 2003, \( CR_4 \), \( CR_8 \), \( CR_{12} \) have the large promotion. 1995 to 2002 was biggest 4 enterprises the shares nearby 16%, after 2003, the remarkable promotion, in 2007 achieved 27.3%. 1995 to 2002 was biggest 8 enterprises the shares nearby 26%, after 2003, the remarkable promotion, in 2007 achieved 49.6%. 1995 to 2002 was biggest 12 enterprises the shares nearby 34%, after 2003, the remarkable promotion, in 2007 achieved 67.5%. Were 158, 1996-2002 years maintains in 1995 between 170-185, after 2003, the large promotion, in 2007 has achieved 467. According to Wei Houkai's industrial concentration degree and the market mechanism synthesis classification, the Chinese tobacco processing industry market mechanism starts by the E dispersion to the D dispersion competition transformation, the market mechanism to optimize gradually highly, but compares with the overseas tobacco enterprise, the Chinese tobacco processing industry concentration degree was still somewhat low.

4.2.2 Tobacco processing industry market achievements discussion

Junction 3 analyses: Looking from the credit capacity, the Chinese tobacco processing industry's property ratio of debt to net worth market achievements value 7.16 dropped from 1996 to 2000 5.3, although went up in 2001, but continually dropped afterward until 2007 3.01; The interest safeguard multiple assumes the constant rise trend as a whole. From this reflected the Chinese tobacco processing industry through many year development, the credit capacity had the remarkable improvement. Looking from transport business ability, the Chinese tobacco processing industry total assets cycling rate and the current assets cycling rate assumes the constant rise trend as a whole. Looking from the profit ability, Chinese tobacco processing industry transport business ability can also enhance as a whole, the net assets returns ratio market achievements value in 1996 was 3.94,2001 year drop to 2.19, but in afterward in 2002, in 2003 on constant rise until 2007 3.87; The total assets return rate market achievements value in 1996 was 1.38,2001 year drop to 1.01, but in afterward in 2002, in 2003 on constant rise until 2007 2.31. Looked from the develop power that the sales rate of increment market achievements value from 1996 1.89, dropped continually to 1999 0.10, although afterward had many years to present the large growth, but fluctuated as a whole in a big way, the capital rate of accumulation's change tendency was similar with it, reflected the Chinese tobacco processing industry the develop power has not been able to obtain long-enduring the effective promotion. As a whole the Chinese tobacco processing industry's market achievements synthesis score by 1996 from 18.44 drops to 1999 11.45, in 15.00 high and low fluctuation, rose afterward in 2007 to 16.86, the financial achievements the tendency which presented improves continually.

4.2.3 Tobacco processing industry market mechanism and achievements relational discussion

Junction 4 analyses: The opening concentration degree's influence coefficient for - 0.842, indicated that the opening concentration degree to the tobacco processing industry market achievements' influence for negative, this showed that in recent years in specialized in selling under the system to impel to have the strong administrative color tobacco processing industry large-scale merge, although has brought the market concentration degree promotion, but has not vacillated the profession the monopoly pattern, has not been able to promote the market achievements improvement effectively. The production expansion ability's influence coefficient is 17.267, indicate the production expansion ability positively to the tobacco processing industry market achievements influence. Namely market absorption capacity's expansion forms the remarkable promoter action regarding the market achievements' improvement. In recent years, along with the resident consumption level's promotion, the cigarette consumption quantity upscale smoke's consumption quantity large scale enhancement, the profession productivity increased particularly from 1996 34,017,000 box to 2007 42,828,000 box, promoted the tobacco processing industry fast development. The economical scale's influence coefficient for - 0.052, indicates the economical scale to the tobacco processing industry market achievements influence for negative, and the influence coefficient is only 0.052, explained that the economical scale is not obvious to the tobacco processing industry market achievements' influence function, indicated the Chinese tobacco processing industry the economies of scale are not obvious, enterprise size's size with and profit targets and so on
its sales profits and taxes rate and not obviously relates. The industry specializes in selling the policy influence coefficient for - 2.582, indicated that the industry specializes in selling the system policy to the tobacco processing industry market achievements influence for negative, indicated that the existing some industrial policy does not favor our country tobacco processing industry market achievements improvement. For instance, the Chinese present finance and taxation system, “endures richly in drafts” the tax policy and the administrative decentralization, caused the state monopoly distortion to specialize in selling for the place, has created our country tobacco's regional protectionism and the market segmentation, and did not favor the superiority enterprise's development. In 2003 implemented industry and commerce separation, although had the very big promoter action to the tobacco industry market mechanism's adjustment, but after reorganizing the conformity process had the very big uncertainty, has also had certain negative influence to the achievements promotion.

5 Tobacco processing industry market mechanisms optimizes gambling analysis

China implements state monopoly to the tobacco processing industry the system, the tobacco processing industry market mechanism the Central authorities and the Local authority benefit gambling relations immediate influence. In both gambling relations, Central authorities' through enterprise method transform outmoded habit and customs and so on merger and acquisition reorganization, makes every effort the industry to do does strongly greatly; Tax benefit's influence, the Local authority will be had regarding Central authorities' behavior receives and resists two different manner.

In the static gambling model, the payoff matrix which the Central authorities expected for (optimization, accepts), by now the Central authorities obtained pay $T^C$, the payment which the Local authority obtains were $T^L$ most greatly, but speaking of the Local authority, to obtain the huge tax revenue income which the place tobacco enterprise brings and so on, it expected obtains the result maintains the present situation, namely seeks pays $T^L$ most greatly. May know by the central committee and the place intergovernmental static state gambling model, the Central authorities to reduce because of the optimized tobacco processing industry market mechanism suffer send Local authority's resisting, deals suffers injury the Local authority to give the corresponding economical compensation, and compensation dynamics should not be smaller than $T^L$, thus realizes (optimization, accepts) is balanced in new payoff matrix Nash, achieves the Central authorities and the Local authority overall benefit maximization.
A more realistic situation is, stemming from deals with reasons and so on international competition, the Central authorities to the tobacco processing industry market mechanism's adjustment are inevitably, by now the Central authorities and the Local authority were a dynamic gambling process. In the dynamic gambling process, the Central authorities first make the policy-making issue industrial policy, and knows payment \((U_1,V_1)\), \((U_2,V_2)\)(and\(U_3,V_3)\) possibly realizes. Stemming from will obtain reasons and so on huge tax revenue income which the place tobacco enterprise will bring, the Local authority definitely will choose \((U_3,V_3)\). Thus the Central authorities must make the decision-making in \((U_1,V_1)\) and \((U_3,V_3)\), but the Central authorities optimize the market mechanism the determination to decide, then (optimization, resisting), (optimization, resisting) becomes Nash to be balanced. May know by the central committee and the place intergovernmental dynamic gambling model, the Central authorities must realize the tobacco processing industry market mechanism optimization smoothly, only depends on the industrial policy is insufficient, but also a need more concrete measure, gives the Local authority solid benefit, reduces Local authority's resisting, and even drives the Local authority initiative Central authorities' action.

6 Conclusions

The article studies indicated that the industrial concentration degree, production expansion ability, the economical scale and the industry specialize in selling the policy to have certain influence to the Chinese tobacco processing industry market achievements, what affects is biggest produces the expansion ability, next is the industry specializes in selling the policy and the industrial concentration degree. Must enhance the Chinese tobacco processing industry market achievements, first should defer to the moderate economies of scale the principle, take “the oligopoly” as the goal pattern, under the total quantity control's premise, introduces the competitive system moderately, the change tradition productive plan assignment mechanism, is centralized the limited resources to the superiority enterprise, builds positively is advantageous the system environment which expands continually in the core enterprise; Next must, in the national tobacco specializes in selling under system's frame, further consummates the market competition mechanism, lets loose gradually to enters the fund the control, straightening out system sexual relationships and so on tax revenue finance and plan; Should break the tobacco Processing industry gradually once more in aspect and so on output plan, trans-regional sale, property management institutional restraints, establishes the unification, the opening, the competition, the order tobacco market system, lets “superior win and the inferior wash out” the market mechanism advancement industry gathers, optimizes the market mechanism, promotes the Chinese tobacco processing industry market the market achievements.

References