

# Small and Medium Enterprises(SMEs) Manufacturing in China



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# Important Facts

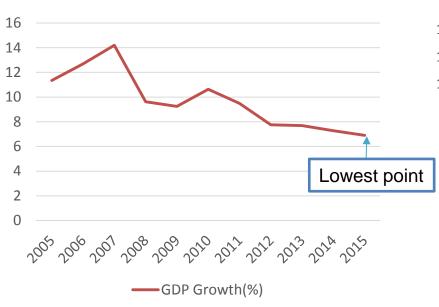
The largest manufacturing country since 2010

- Manufacturing:40% of GDP
- Manufacturing SMEs: 24% of GDP
- SME: 97% of the manufacturing companies

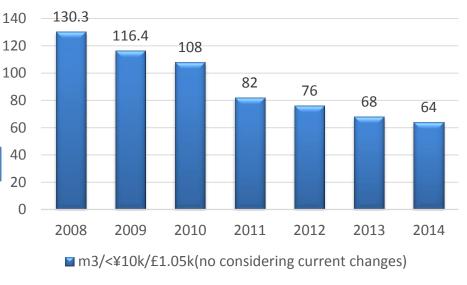


# **Macro Environment**

### GDP growth in China



# Water consumption on industrial value added



Source: data.stats.gov.cn, www.miit.gov.cn



### Definition of SME

Definition of SME in Manufacturing based on: persons employed or the annual revenues

Classifications	Employment	Turnover
Medium	<1000	<¥400m(£42.6m)
Small	<300	<\pre><\pre>20m(£2.13m)
Micro	<20	<\p><\p>3m(£0.32m)







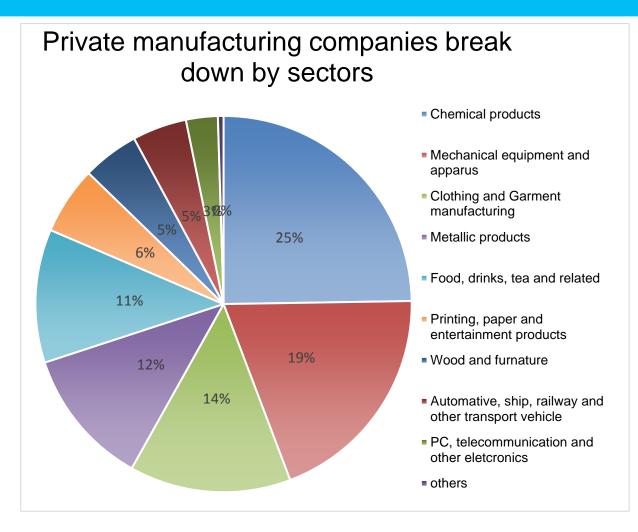
VS







### **SMEs Sectors**



#### TOP 3



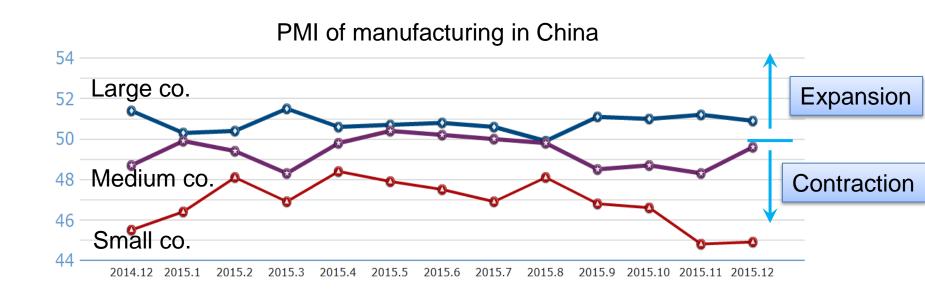




Source: data.stats.gov.cn/



# PMI in Manufacturing



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# Challenges

#### Cost dilemma

- Rising cost in labour;
- Rising price of raw materials

# Financing difficulties

- Credit problems
- No specialized banks
- High costs in social financing

# Technical difficulties

- Backward technology and equipment
- Lack innovation

Government Support

Technical Upgradation



Source: finance.china.com



# Chinese Characteristic Support



Special development fund



£6.39b





Special support action



Tax incentives



Pilot project on intelligent manufacturing

Source: www.scmp.com



# **Hidden Champions**















































## Conclusions

- Support from Chinese government.
- Move towards technological upgradation.
- Challenges and opportunities: Made in China 2025

