

SMEs to drive continual economic growth

International event launches over \$100b in procurement plans

By CHEN HONG
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Embracing rising opportunities in terms of better manufacturing, funding and market atmosphere, China's small and medium-sized enterprises have emerged as an important engine driving the country's economic development.

As of the end of July this year, SMEs in China accounted for more than 99 percent of the 46 million business entities on the Chinese mainland, and contributed more than half of all corporate taxes, no less than 60 percent of the gross domestic product, over 70 percent of technological innovation and higher than 80 percent of urban employment, according to the official figures.

"The status of SMEs is getting more important under the new circumstances, and competition will be intensified among more opportunities and greater development space," said Xu Xiaolan, vice-minister of industry and information technology.

She made the remarks at the opening of the first SME International Cooperation Summit in Guangzhou, South China's Guangdong province, last Thursday.

The summit was held simultaneously with the 17th China International SME Fair, or CISMEF, the nation's largest fair of its kind, which ran through Sunday.

The ministry will cultivate more service providers, select and promote industrial applications and solicit solutions to help with the digitalization of SMEs, Xu said.

State-level scientific programs, innovation centers for manufacturing and innovation coalitions will be open to the qualified SMEs, she said, adding that the ministry will encourage big companies, especially industrial leaders, to take SMEs into their industrial ecology to share in production, innovation and capital chains.

Eleven companies released a joint procurement plan during the fair for products and services, valued at 826.3 billion yuan (\$127.85 billion), which is accessible to all SMEs across the globe.

It is the first move since the fair was launched in 2004 to answer the government's call to support the growth of SMEs.

Among the companies, Chinese e-commerce platform JD issued a procurement demand of 500 billion yuan, followed by Xiaomi, a Chinese smartphone company, whose purchase plan amounts to 153.9 billion yuan. Other companies included State-owned enterprises, private companies and two



Clockwise from top: Wang Xi, vice-governor of Guangdong province, gives a keynote speech at the opening ceremony of the 17th China International SME Fair in Guangzhou, Guangdong province. Products are displayed at the Thailand booth at the fair. CHEN HONG / CHINA DAILY
At least 10,000 buyers visited the fair. PHOTOS PROVIDED TO CHINA DAILY

foreign-funded companies, Qualcomm and HP.

Xu said China will seek closer partnerships for SMEs globally and tap collaboration potential in the fields of innovation, high-end manufacturing and digitalization with global partners.

Fair plays a bigger role

She noted that CISMEF and the summit plays a growing role in introducing foreign SMEs to China and encouraging Chinese SMEs to go abroad.

The fair was co-sponsored by Xu's ministry, the State Administration for Market Regulation and the provincial government of Guangdong. The United Nations Industri-

al Development Organization and the Ministry of Commerce of Thailand co-hosted the fair this year.

Covering an exhibition area of 80,000 square meters at the Canton Fair Complex, located on the island of Pazhou in Guangzhou, CISMEF attracted more than 2,000 domestic and foreign-funded companies.

At least 10,000 buyers, including purchasing delegates assigned by retailing giant Wal-Mart, visited the fair, and placed orders with SMEs to explore markets for them, said Wu Hong, deputy director-general of the Department of Industry and Information Technology of Guangdong.

Through online meetings and meetings onsite, the fair facilitated

384 rounds of business talks between domestic SMEs and foreign entities. They reached 242 intent agreements and signed 198 contracts online, data from the organizing committee show.

The fair also staged 25 matchmaking activities to help reach 60 investment initiatives between SMEs and the investment institutes, as well as the overseas industrial parks.

As a whole, the value of the agreements signed and to be signed surpassed 30 billion yuan, the organizing committee said.

"We help SMEs get funding for talents, and most critically, for entering markets through the fair and the summit," said Wu, who is

also the director-general of the secretariat of CISMEF's organizing committee.

Big companies, which have acquired dominant positions in industrial and supply chains, can play a bigger role in leading and supporting the development of SMEs, she said.

Shan Lipo, director-general of the China Center for Promotion of SME Development, said SMEs can work with the big companies to optimize and stabilize the supply chain and enhance competitiveness. "It's essential to promote the positive interaction and coordinated development of big companies and SMEs," he said.

As one of the sponsors of the big

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中国国际中小企业博览会
China International SME Fair



<http://www.chinadaily.com.cn/regional/cismef.html>

companies' procurement plan, the center will organize similar programs in the future and welcomes the participation of more big companies from home and abroad, Shan noted.

The industry and IT departments in Guangdong, Henan and Sichuan provinces signed strategic agreements with China Development Bank, the largest development finance institution in the world, for the five years starting from 2021 during the fair.

Their cooperation will focus on improving the quality development of the manufacturing industry, strengthening the core competitiveness of the manufacturing industry and deepening the cooperation between governments and the bank.

It will boost the confidence of SMEs, said the fair's organizing committee.

Three State-owned commercial banks, including Industrial and Commercial Bank of China, China Construction Bank and Bank of China, set up booths at the fair to provide tailor-made credit products for SMEs.

The establishment of the Beijing Stock Exchange, which was announced in early September, will be a new platform to serve innovative SMEs, said Ye Dingda, inspector of the SME Bureau of the MIIT.

A set of fundamental rules covering listing, trading, delisting, continued supervision and investor qualification will be formulated for the exchange and all will cater to the features of innovative SMEs, according to media reports.

Leading niche companies recognized as 'little giants' in China market

By CHEN HONG

Chinese high-tech small- and medium-sized enterprises have shown high growth potential on the back of support from the central and local governments.

During the 14th Five-Year Plan period (2021-25), China aims to nurture about 10,000 SMEs to become what the government refers to as "little giant" companies, a program initiated by the Ministry of Industry and Information Technology at the end of 2018.

The term "little giant" refers to leading SMEs that specialize in niche sectors, command a high market share, and boast a strong innovative capacity and core technologies.

So far the program has recognized nearly 5,000 such SMEs and has inspired provinces, municipalities and autonomous regions in China to launch similar plans, according to data released by the MIIT during the China International SME Fair in Guangzhou, South China's Guangdong province.

Another 40,000 SMEs have reached provincial requirements while more than 110,000 have been nurtured, data show. The figures are projected to increase to 100,000 and 1 million, respectively, by the end of 2025.

"People usually admire big and comprehensive companies, and it

has long been neglected that SMEs with leading technologies in niche sectors could make a big contribution to the country's innovative environment," said Zhang Fan, general manager of domestically-listed Keanda Electronic Technology Corp.

"The strength of a country's manufacturing does not count on one or two big companies or a monopoly.

"Instead, it needs numerous champions in niche sectors that could even make a screw to the world's No 1," she told China Daily.

The company, based in Shenzhen, is a leading provider of products, service and system solutions for rail transit since 1998.

It was crowned a "little giant" together with another 247 companies in May 2019. Seven months later, it was listed on the SME board on the Shenzhen Stock Exchange.

So far its lightning protection system has been applied in more than 5,000 domestic railway stations and its signal axle counting system, a train positioning technology that is critical to safe operations, has been used in more than 180 metro lines in nearly 40 Chinese cities, said Zhang.

About 99 percent of the company's revenue came from the rail transit sector in the first half of this year. Signal control systems contributed to more than 80 percent of the total revenue.



From left: Representatives attend the Specialization and Innovation SMEs Development Forum in Guangzhou, Guangdong province. Participants work at a news conference on SMEs during the 17th China International SME Fair. PHOTOS PROVIDED TO CHINA DAILY

During the same period, about one-third of the staff, 117 employees, were working on development and research.

"The title of 'little giant' is an honor to Keanda and a kind of affirmation of our continuous efforts in the rail transit sector," Zhang said.

Instead of expanding the business to other sectors, she noted the company will keep working in the field to meet new demands, for example, smart rail systems for driverless trains.

Shanghai Westwell Information and Technology Co, a fast-growing company that has earned a reputation for its full-stack intelligent

port solutions and driverless container trucks, was selected as a "little giant" in August by the MIIT.

Expertise in such a niche area has driven its business growth up more than 300 percent annually, accounting for nearly two-thirds of the company's total revenue, the company figures show.

Overseas business has contributed significantly in the company's total orders.

Its research input keeps doubling each year, which demonstrated the company's commitment to unleashing new technologies, said Zhou Min, public relations manager of Westwell.

The company has benefited from the nation's incentive policies that aims to boost the innovation and technology development, and benefit from the local government support in improving SMEs conditions also, she noted.

"More importantly, the title of 'little giant' is like an industrial endorsement and a credit enhancement that could help us earn the trust for our business expansion and collaboration with the multinational corporations," Zhou noted.

Wang Jiumin, president of Dongguan Tianluo Technology Co, also said the title of "little giant"

could help the company get more orders from big companies such as Huawei, and expand funding channels.

The high-growth company, based in Dongguan, a manufacturing hub in Guangdong, is applying for the title.

It specializes in the research and production of keyboards and accessories for tablets, such as the protection covers.

"The sector was once monopolized by Taiwan-funded companies. We will keep investing in research for more patents and industrial design inventions to be the industrial leader," said Wang.