

Chapter 5 Development of small and medium sized enterprises through internet big data

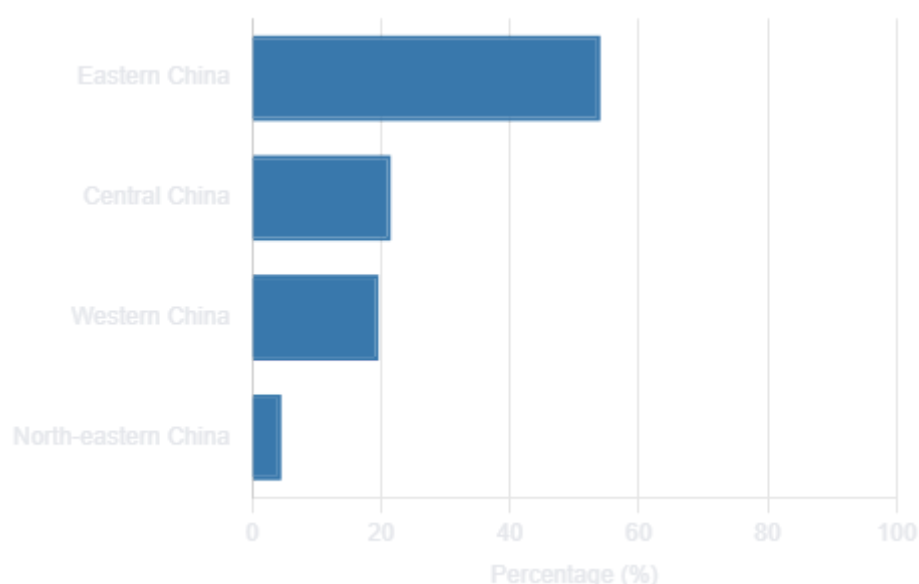
In the first half of 2025, small and medium-sized enterprises (SMEs) continued to operate and produce in an orderly manner, playing an important role in stabilising economic growth and supporting social development. As at June, China had more than 62 million registered SMEs,¹⁰¹ including over 3.9 million branch establishments.¹⁰² More than 3.8 million SMEs were added during the first half of the year.

1 Overall distribution

Regional distribution

As at June 2025, eastern China had the largest number of SMEs, accounting for 54.1% of the national total.¹⁰³ Guangdong, Jiangsu, Shandong, Zhejiang and Henan ranked as the top five provinces by SME numbers, together accounting for 40.3% of the country's SMEs.

Figure 39 SMEs by region



Unit: Percentage (%).

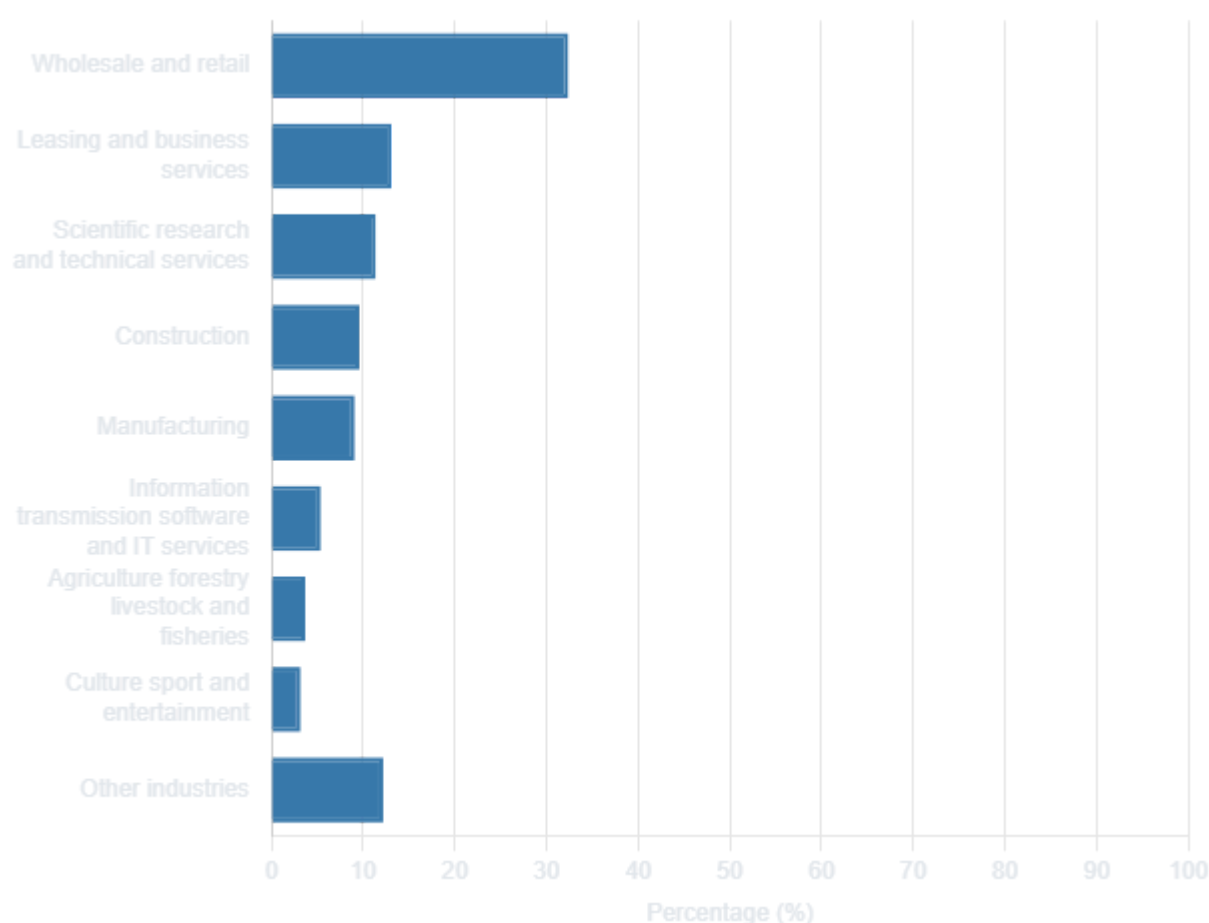
Source: Compiled and estimated from publicly available online information, June 2025

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Distribution by industry

As at June 2025, wholesale and retail; leasing and business services; scientific research and technical services; construction; and manufacturing were the five largest industries by SME numbers. Together, they accounted for 75.6% of the national total.

Figure 40 SMEs by industry



Unit: Percentage (%).

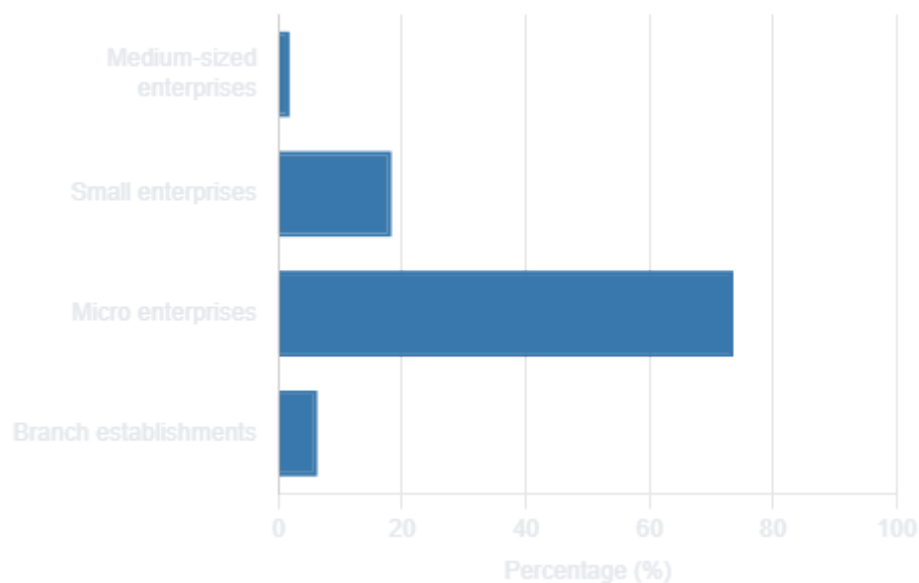
Source: Compiled and estimated from publicly available online information, June 2025

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Distribution by enterprise type

As at June 2025, micro enterprises accounted for 73.6% of SMEs, while small enterprises represented 18.3%.

Figure 41 SMEs by enterprise type



Unit: Percentage (%).

Source: Compiled and estimated from publicly available online information, June 2025

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2 Developments in SME activity

In the first half of 2025, China continued to promote high-quality SME development. Progress in operations and business development contributed to economic and social development.

SME operations remained stable

First, more than eight in ten SMEs had no recorded operational risk indicators. As at June 2025, among the more than 58 million registered SMEs excluding branches, 85.1% had no operational risk indicators such as administrative penalties or inclusion on the list of discredited judgment debtors.

Second, business conditions were stable or improving for more than six in ten SMEs. The survey found that 61.6% of SME employees said their company's business conditions over the preceding six months had remained stable or improved compared with before.¹⁰⁴

Third, staffing and pay were stable or growing at more than seven in ten SMEs. Among SME employees, 78.0% said their company's workforce had remained

stable or increased over the preceding six months, and 79.3% said average employee pay had remained stable or risen.

SME business capabilities improved gradually

First, SMEs strengthened their competitiveness through technological innovation. As at June 2025, more than 1.7 million registered SMEs excluding branches held patents, and over 1.1 million held software copyrights. These figures were respectively 4.8% and 5.9% higher than in December 2024.

Second, more SMEs won project tenders. In the first half of 2025, more than 1.1 million SMEs won project tenders, an increase of 8.7% compared with December 2024. Of these, 53.6% won projects from Party and government bodies or public institutions, and 13.6% won major projects worth more than RMB 3 million.

Third, SMEs continued to expand their business channels. More than 2.2 million SMEs held import and export credit qualifications and were actively seeking overseas growth. Meanwhile, 57.8% of SME employees said their company combined online and offline operations and was actively developing its online business.

Notes and sources

¹⁰¹ Unless otherwise stated, registered SMEs in this report are SMEs operating normally. Normal operation includes three status categories: existing, in operation, and moving into or out of a registration jurisdiction. Abnormal operation comprises eight categories: deregistration, licence revocation, annulment, liquidation, suspension of business, temporary cessation of business, removal from the register, and ordered closure.

¹⁰² Unless otherwise stated, subsequent SME counts include branch establishments.

¹⁰³ Eastern China comprises Beijing, Tianjin, Hebei, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong and Hainan. Central China comprises Shanxi, Anhui, Jiangxi, Henan, Hubei and Hunan. Western China comprises Inner Mongolia, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia and Xinjiang. North-eastern China comprises Liaoning, Jilin and Heilongjiang.

¹⁰⁴ The 56th Statistical Survey on Internet Development in China included a sample of more than 20,000 enterprise employees, of whom nearly 14,000 were SME employees.