

JAPAN INTERNATIONAL COOPERATION AGENCY  
STATE ECONOMIC AND TRADE COMMISSION, PEOPLE'S REPUBLIC OF CHINA  
SHENYANG ECONOMIC AND TRADE COMMISSION

**THE STUDY  
ON  
THE SMALL AND MEDIUM ENTERPRISE  
PROMOTION PLAN  
FOR  
MODEL CITY (SHENYANG)  
IN  
THE PEOPLE'S REPUBLIC OF CHINA**

**FINAL REPORT**

**DECEMBER 2001**

**THE MATERIALS PROCESS TECHNOLOGY CENTER  
UNICO INTERNATIONAL CORPORATION  
FUJI TECHNO SURVEY CO., LTD.**

## PREFACE

In response to a request by the Government of the People's Republic of China, the Government of Japan decided to conduct the Study on the Small and Medium Enterprise Promotion Plan for Shenyang and Hangzhou which were selected as model cities and commissioned the Japan International Cooperation Agency (JICA) to conduct the said study.

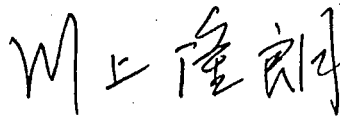
JICA sent two Study Teams, led by Mr. Akira Watanabe, technical advisor, International Cooperation Division of the Materials Processing Technology Center, as the general leader (leader of the Shenyang Study Team) and Mr. Yoshiyasu Mikami, honorable consultant for UNICO International as the sub-general leader (leader of the Hangzhou Study Team) and consisting of employees of these two organizations and those of Fuji Techno Co., Ltd. to the People's Republic of China from September 2000 through October 2001.

The Study Teams held discussions with the officials concerned of the state and municipal governments of the People's Republic of China, conducted field studies at the model cities and compiled the final results in this report.

I hope that this report will contribute to the development of small and medium enterprises in the People's Republic of China and also to the enhancement of the friendly relationship between our two countries.

I would like to express my sincere appreciation to the officials concerned of the Government of the People's Republic of China for their cooperation extended to the Study Teams throughout the Study.

December 2001



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Takako KAWAKAMI  
President  
Japan International Cooperation Agency

December 2001

Mr. Takao Kawakami  
Japan International Cooperation Agency  
President

Dear Mr. Kawakami,

Letter of Transmittal

We are pleased to submit the final report on the Study for the Small and Medium Enterprises Promotion for the Model City (Shenyang) in the People's Republic of China.

The Study Team has conducted the visiting diagnosis on one hundred enterprises that represent the general machines, automotive parts, electronics / information and environment protection industries in order to find and analyze factors impeding SME development. The diagnosis and guidance were carried out for ten selected model enterprises out of the above hundred enterprises according to such three step procedures as diagnosing present condition of enterprises, implementing problem solutions and verifying effectiveness of solutions, and consequently, technology and skills in terms of diagnosis and guidance were transferred to the Chinese counterparts.

The Study Team conducted visiting interview for government organizations, finance institutes, research institutes, universities, and industrial development zones in such specific fields as the current SME supporting measures and organizations, the human resource development, supporting of management and technologies, information networks, indirect finance, and investment fund in order to formulate proposals on SME promotion measures. Eight master plans with action plans to implement measures were formulated. Among them, some major proposed plans were implemented as the Pilot Project in order to test their effectiveness


The theme of the Pilot Project was " the information network service for SMEs". JICA donated computer equipment and software to Shenyang municipal government. The information network opened in August 2001 at the Information Port of the Shenyang Economic trade Commission where the system hardware was installed.

Some major output of the Pilot Project as the bilateral information network, method of partnership activities by means of the Information Technology, concept and implementation of building and fostering of SME support system operated by private sectors, and improvement of SME finance through education of SMEs using cash flow business management method are well generalized so that they can be applied and prevailed to other cities.

We wish our sincerest gratitude to the Japan International Cooperation Agency, the Ministry of Foreign Affairs, Ministry of Economy and Industry and the Advisory Committee for their strong guidance and support.

We also express sincerest gratitude to the officials of the State and Shenyang Municipal Government of the People's Republic of China for their cooperation to the Study.

Very truly yours,



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Akira Watanabe

Team Leader

Study Team for Small and Medium enterprises development plan  
Metals Process Technology Center

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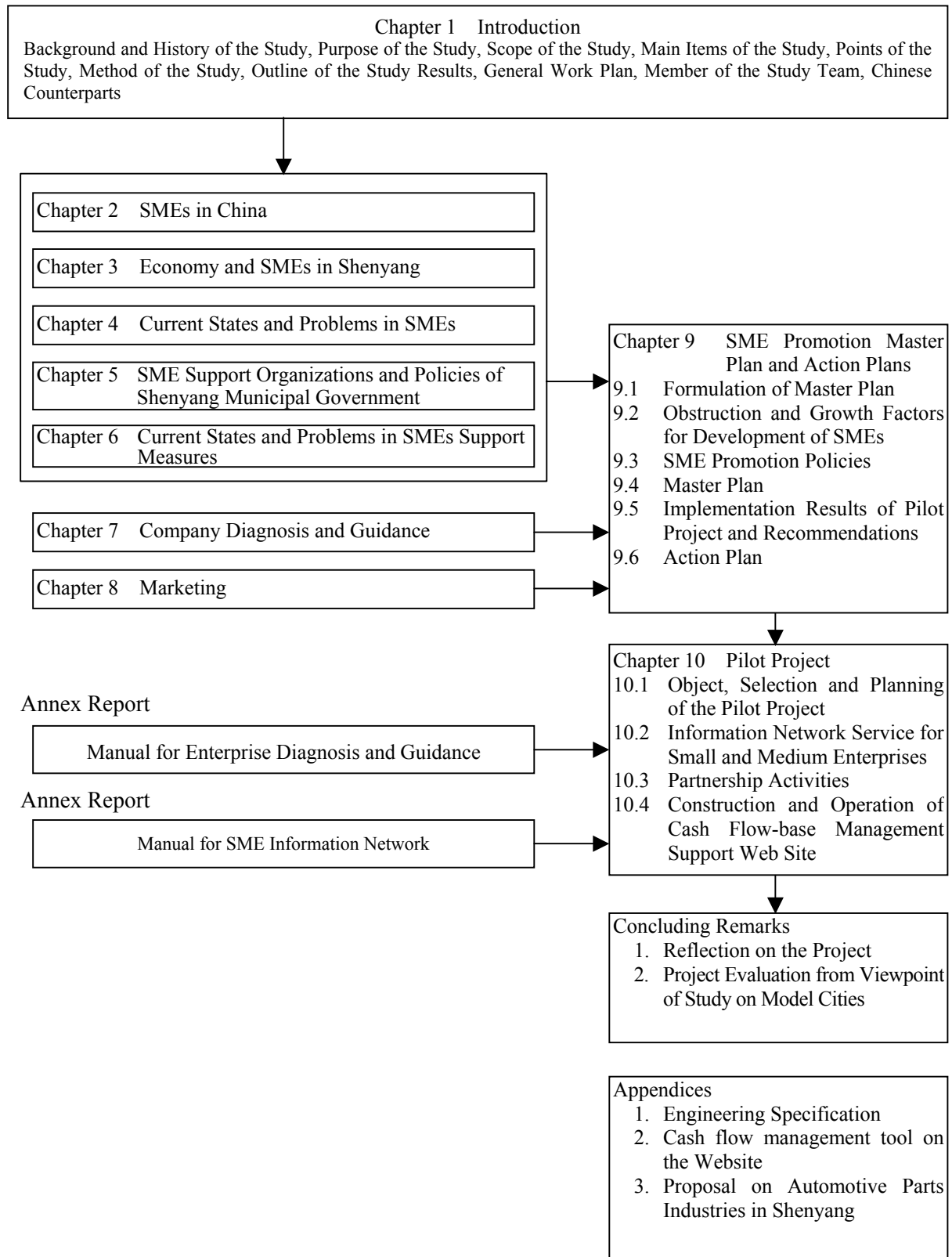
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# COMPOSITION OF THE REPORT



## ABBREVIATION

5W1H	what, why, who, when, where, how
AMT	advance manufacturing technology
AOTS	The Association For Overseas Technical Scholarship
APEC	Asia-Pacific Economic Cooperation Conference
BOF	buyout fund
C/P	counterpart
CAD	computer-aided design
CAE	computer aided engineering
CAM	computer-aided manufacturing
CCEC	China National Commodity Exchange Center
CGF	Credit Guarantee Fund
CICC	Center of the International Cooperation for Computerization
CIS	Commonwealth of Independent States
COMFAR	Computer Model for Feasibility Analysis and Reporting
DAC	Development Assistance Committee
DB	database
DFID	Department for International Development
EDI	electronic data interchange
FMS	flexible manufacturing system
ETC	Economic and Trade Commission
FAQ	frequently asked question
FASID	Foundation for Advanced Studies on International Development
FDI	foreign direct investment
FS	feasibility study
GDP	gross domestic product
GP	general partner
HP	home page
HRD	human resources development
IFC	The International Finance Corporation
IPO	initial public offering
ISO	International Organization for Standardization.
IT	information technology
JAPIA	Japan Auto Parts Industries Association
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
JTM	The Japan Technomart Foundation
KTF	The Kanagawa High-Technology Foundation
LC	local consultant
LP	limited partnership
M&A	merger & acquisition

MBA	master of business administration
MBO	management buyout
N.A.	not available
NC	numerical control
NIES	newly industrializing economies
NW	network
OECD	Organization for Economic Cooperation and Development
OEM	original equipment manufacturing
OFF · J · T	off the job training
OJT	on the job training
OS	operation System
PCM	project cycle management
PDM	project design matrix
PE	private equity
R&D	research and development
SME	small and medium enterprises
SMEBAC	Shenyang SME Business Advisory Center
SMETC	Syenyang Municipal Economic and Trade Commission
SOE	state-owned enterprise
SOE-RBOF	SOE restructuring buyout fund
SWOT	strengths, weaknesses, opportunities, threats
TLO	technology licensing organization
TPM	total productivity maintenance
TQM	total productivity management
TTPP	Trade Tie-up Promotion Program
UHV	ultra high vacuum
UNIDO	United Nations Industrial Development Organization
URL	universal resource locater
VB	venture business
VC	venture capital
WTO	World Trade Organization