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JAPAN INTERNATIONAL COOPERATION AGENCY
STATE ECONOMIC AND TRADE COMMISSION, PEOPLE'S REPUBLIC OF CHINA
HANGZHOU ENTERPRISE'S MULTIPLE ECONOMY COMMISSION

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

**FINAL REPORT
(SUMMARY)**

DECEMBER 2001

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

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List of Abbreviations

CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
CIMS	Computer-Integrated Manufacturing System
GDP	Gross Domestic Product
HP	Home Page
IPO	Initial Public Offering
ISDN	Integrated Services Digital Network
ISO	International Organization for Standardization
IT	Information Technology
JICA	Japan International Cooperation Agency
LPS	Limited Partnerships
M&A	Merger & Acquisition
NC	Network Computer
OJT	On The Job Training
TLO	Technology Licensing Organization
VC	Venture Capital
WTO	World Trade Organization
WWW	World Wide Web

Preface

Preface

The essential feature of this investigation is not only to prepare the proposal for the promotion of the small and medium enterprises, but also to indicate the means for the improvement through ① the examination and guidance of the selected small and medium enterprises to show how the management of the small and medium enterprises can be improved and ② the performance of the pilot projects to settle the problems they have, so that the concrete results for the promotion of the small and medium enterprises will be realized. As the pilot projects the small and medium enterprise network and the advisory service of the investment fund are performed.

As for the examination and guidance of the enterprises, the simple examination has been performed for 52 enterprises and the detailed examination for 10 model enterprises. The proposals for improvement were submitted and the actual performances and results of each enterprise were checked. Most of the enterprises dealt with the proposals sincerely and the concrete results were achieved. The results of the examination and guidance were submitted as the example of the performed examination and guidance. The issues of the small and medium enterprises collected during the examination and guidance works were used for the analysis of the present situation of the small and medium enterprises and utilized for the preparation of the politics and measures for the promotion of the small and medium enterprises.

According to the questionnaire implemented at the time of the examination and guidance, it was understood that the most serious problem for the management of the small and medium enterprises was a lack of the talented person. The education and training of the personnel in an enterprise is surely important. However, it is impossible that an enterprise employs a sufficient number of the talented persons by themselves and it is efficient for the modernization of the enterprise to obtain the necessary advice from the experts of the external organization. The examination and guidance of the enterprises was performed in a limited scope, but the expected results have been achieved. In this examination and guidance of the enterprises the staffs of the Department of Small and Medium Enterprises of Hangzhou City, the staffs of the related industries, the professors of the Management Department of Zhejiang University and the students of the graduate school participated. At the meeting relating to the examination and guidance held at the end of the second local investigation, the continuous performance of the examination was desired. It was recognized that the improvement of the ballpoint pen factory group achieved during the examination and guidance of the enterprises contributed greatly to the improvement of the typical area-intensive small and medium enterprises of Hangzhou City. Therefore, the investigation team has proposed to start promptly ① the training of the leaders and ② the local examination of the ballpoint pen factory group, to maintain the continuation of the performed examination and guidance of the enterprises.

As the pilot projects ① the small and medium enterprise network and ② the advisory service of the investment fund are selected.

① The small and medium enterprise network has been established on 28. March of this year after a short period of time and is gaining the concrete results. The small and medium enterprise network of Hangzhou City is a unique one among the networks in China and is expected to play a pilot role for the other cities, so that a further development in quality will be expected through a mutual cooperation when the similar networks will be established in the other cities. The suitable efforts will be surely required to maintain the small and medium enterprise network in Hangzhou City now started, but it is expected to make an enough effort to develop the network so that it will be useful for the other enterprises.

② The advisory service for the investment fund has submitted the explanation of the present situation of the Japanese and American investment funds, the explanation of the procedures necessary for the establishment of the funds and the examination manual for the companies planning investment and performed the advisory services for the application in Hangzhou City based on these materials. The establishment of an investment fund company is changed to the limited partner system (LPS) and this system is now to be established. This system is a new one in China and the legal preparation including the LPS bill is now prepared. When this system will be realized in Hangzhou City, it will be an epoch-making event in China. The important point is how the performance after establishment of the system will be developed.

In the summary, the politics for the promotion of the small and medium enterprises are described.

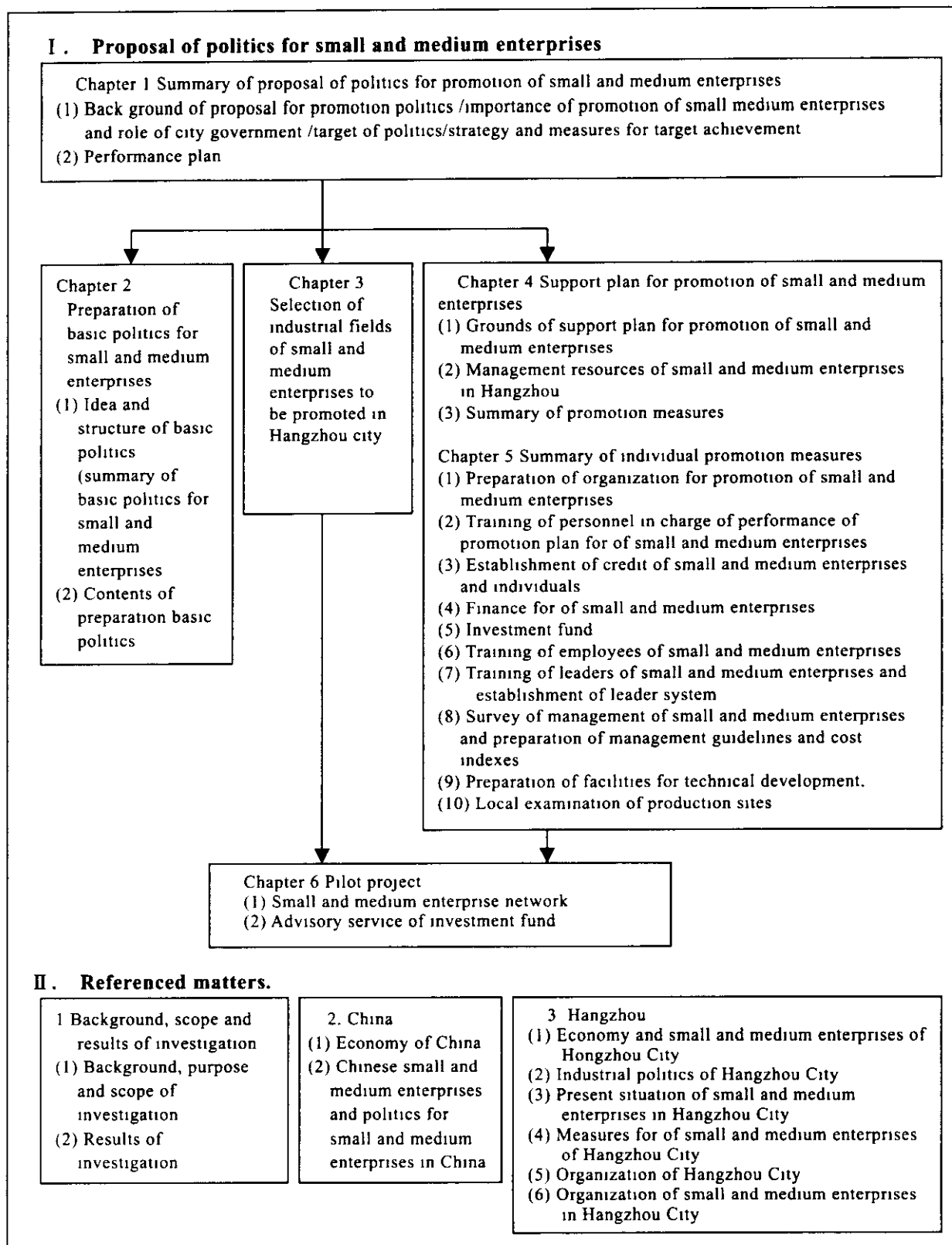


Figure I -1 Structure of summary