

China

Key indicators

Population (millions)	1379.0
GDP (\$ billions)	11391.6
GDP per capita (\$)	8260.9
Share of world GDP (PPP\$, %)	17.9
Current account surplus/deficit, share of GDP (%)	2.4
Tariff preference margin (percentage points)	0.5
Imports and exports (goods and services), share of GDP (%)	42.2
Services exports, share of total exports (%)	11.2
Geographic region	Asia
Country group	
Income group	Upper-middle income

SME Competitiveness Grid Summary

Average scores [0-100]	Compete	Connect	Change
FIRM CAPABILITIES			
Small	56.5	45.5	41.8
Medium	63.7	64.9	61.4
Large	70.9	71.4	67.2
All	60.7	54.2	54.8
BUSINESS ECOSYSTEM	75.0	69.8	88.2
NATIONAL ENVIRONMENT	60.6	70.4	69.5

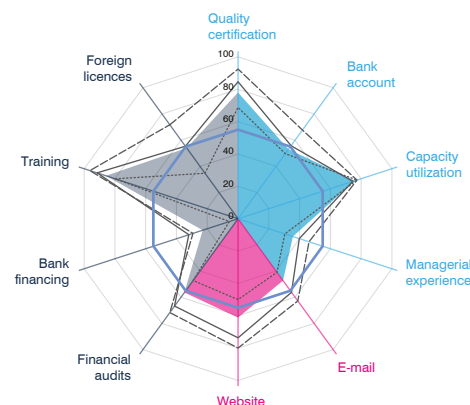
Reference level: 55.0 (a function of GDP per capita)

Weaknesses are scores below: 27.5 | **Strengths are scores above: 82.5**

SME Competitiveness Grid

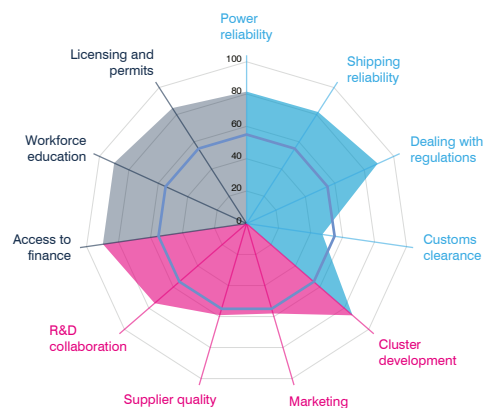
FIRM CAPABILITIES (Normalized scores)

Compete	Small	Medium	Large	All
International quality certificate	68.8	84.6	92.5	78.0
Bank account	49.6	55.8	67.7	53.1
Capacity utilization	77.3	74.6	77.3	75.9
Managerial experience	30.4	39.9	46.1	35.7
Connect				
E-mail	40.9	56.3	62.9	47.3
Firm website	50.0	73.6	79.9	61.1
Change				
Audited financial statement	47.2	66.7	71.7	56.4
Investment financed by banks	5.6	32.0	29.3	23.0
Formal training programme	79.8	91.6	96.3	85.8
Foreign technology licences	34.8	55.4	71.7	54.0



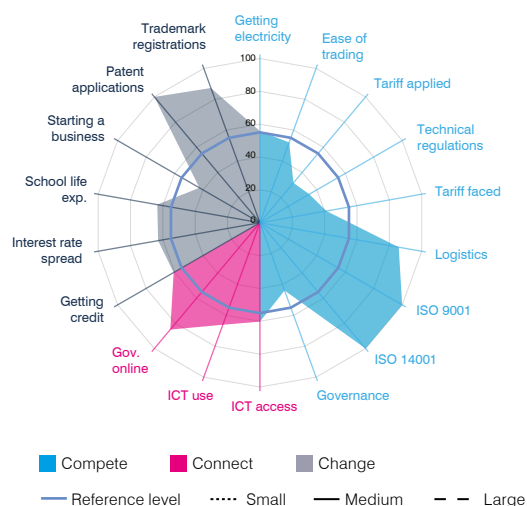
BUSINESS ECOSYSTEM (Normalized scores)

Compete	Small	Medium	Large	All
Power reliability	81.5	81.5	81.5	81.5
Domestic shipping reliability	81.9	72.8	66.6	81.9
Dealing with regulations	90.3	87.0	87.0	89.2
Customs clearance efficiency	-	46.8	47.2	47.4
Connect				
State of cluster development				86.8
Extent of marketing				58.0
Local supplier quality				59.1
University-industry collaboration in R&D				75.3
Change				
Access to finance	92.2	86.2	90.1	89.8
Access to educated workforce	93.2	86.0	88.9	90.0
Business licensing and permits	84.1	85.7	90.0	84.9



NATIONAL ENVIRONMENT (Normalized scores)

Compete	All
Getting electricity	55.8
Ease of trading across borders	52.0
Applied tariff, trade-weighted average	31.8
Prevalence of technical regulations	34.7
Faced tariff, trade-weighted average	41.1
Logistics performance index	85.8
ISO 9001 quality certificates	100.0
ISO 14001 environmental certificates	100.0
Governance index	43.9
Connect	
ICT access	60.2
ICT use	66.1
Government's online service	84.9
Change	
Ease of getting credit	60.7
Interest rate spread	63.0
School life expectancy	63.5
Ease of starting a business	42.6
Patent applications	100.0
Trademark registrations	87.3



Note: Scores range from 0 to 100, a higher score indicates a better outcome. Series with missing data are indicated as (-) in the tables and omitted from the radar charts.

Source: World Bank Enterprise Survey (2012) for firm level data; for other sources and methodology see Annex.

SME Export Potential

China is an upper-middle income country with a population of 1379 million and GDP of \$11,391.6 billion. Goods and services account for 88.8% and 11.2% of exports, respectively.

The country's unrealized potential to increase existing exports of goods lies mainly within its home region and to Europe and the Americas (see table below). *Automatic data-processing machines* have an increasing export potential of around \$15 billion in the home region, \$18 billion to the Americas, and \$27 billion to Europe.

Regarding new export products, China has diversification opportunities in transportation equipment, chemicals, as well as machinery and electronics with products such as *cinematographic films* and *ethylene*. The production of the latter good involves a relatively strong representation of women and SMEs and scores relatively well on the price stability indicator. Other products identified for diversification include *motor cars* and *broaching machines for working metals*.

Small firms in China perform well in dealing with regulations, in accessing finance and an educated workforce, as well as in dealing with business licensing and permits. They underperform, however, in having investments financed by banks. The largest performance gap between small and large firms lies in owning foreign technology licences. The country's national environment performs well in attaining ISO certification related to quality and the environment, and in patent applications.

Unrealized potential: Existing export products

Product description	Product code	Exports (\$ million)	Value of unrealized potential exports by destination (\$ million)					Development indicators			
			Africa	Americas	Asia	Europe	Oceania	Price stability	SME presence	Women employed	Technology
Apparatus for the transmission or reception of voice, images or other data, incl. apparatus for...	85XXXb	163956	0	0	0	0	0	■	■	■	■
Automatic data-processing machines and processing units for automatic data-processing...	8471XX	135433	0	0	0	0	0	■	■	■	■
Parts of telephone sets, telephones for cellular networks or for other wireless networks and of...	85XXXc	64471	0	0	0	0	0	■	■	■	■
Parts and accessories of printers, copying machines, facsimile machines and other office machines of...	84XXXd	51890	0	0	0	0	0	■	■	■	■
Printers, copying machines and facsimile machines, whether or not combined (excluding printing...	84XXXc	25308	0	0	0	0	0	■	■	■	■
Static converters	850440	18434	0	0	0	0	0	■	■	■	■
Photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in...	854140	20749	0	0	0	0	0	■	■	■	■
Storage units for automatic data-processing machines	847170	18441	0	0	0	0	0	■	■	■	■
Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; reduced...	950300	21288	0	0	0	0	0	■	■	■	■
Printed circuits	853400	15442	0	0	0	0	0	■	■	■	■

Notes: Unrealized potential table: Top 10 products in decreasing order of unrealized export potential to the world. **Exports:** Average value over 2011-2015. **Price stability, SME presence, and Women employed:** Green - performance above a country's trade-weighted mean. Red - the opposite. **Technology:** Green - transformed products exported by countries at least matching the country's per capita GDP. Red - the opposite. Blank spaces - data not available.

Source: ITC Export Potential Map, <http://exportpotential.intracen.org>