

33. People's Republic of China

Key facts on SME financing

In China, SMEs play a key role in maintaining the economic dynamism and boosting innovation and entrepreneurship. SMEs contribute approximately 50% of tax revenue, 60% of GDP, 70% of technological innovation, and 80% of urban employment. In 2022, there were about 52 million SMEs in China, and the number of newly registered enterprises reached an average of 23 800 per day.

Outstanding business loans for Micro and Small Enterprises (MSEs) increased to CNY 59.7 trillion in 2022, up 19.4% from 2021. The share of outstanding business loans for MSEs has been relatively stable for the past two years, at 46.52% in 2021 and 49.12% in 2022, respectively. The ratio of short-term loans to total loans for SMEs increased from 40.76% to 42.22% over 2020-21. This ratio increases to 43.1%, up 0.88 percentage points in 2022.

In 2022, interest rates for SMEs and large firms were 4.45% and 4.29%, down 0.07 and 0.24 percentage points, respectively, compared to 2021. The interest rate spread between SMEs and large enterprises was positive, and the difference rose from -0.01% to 0.16% in 2021-22 (the difference rose from -0.22% to -0.01% in 2020-21). In recent years, China has improved and implemented the policy of cutting taxes and fees on debt finance. In 2022, SMEs were on average charged 1.42% of the total value of bank loans in the form of extra loan fees, slightly down 0.39 percentage points with respect to the previous year. In 2022, the 1-year interest rate in the shadow banking sector¹ ranged from 11.78% - 13.11%, with a spread of about 7.3% - 8.7% compared to formal bank loans. In 2022, the shadow banking assets reached CNY 50.3 trillion, a significant decrease of CNY 3.29 trillion, and the ratio of shadow banking assets to GDP dropped to 41.6%, the lowest level since 2013.

In 2022, the rejection rate of SME loan applications was stable at around 3.61%, and the utilisation rate of SME bank loans has remained at a high rate of 87.69%. On average, 58.38% of SMEs tried to apply for a bank loan.

In 2022, SMEs obtained CNY 252.0 billion from STAR Market, CNY 179.6 billion from Shenzhen Venture Board, and CNY 16.38 billion from Beijing Stock Exchange, up by 24.22%, 21.78%, and 117.81% respectively, compared to the previous year. Venture capital, leasing and factoring, online lending and crowdfunding continue to remain important sources of SME financing.

In 2020, the ratio of non-performing loans to total MSE loans was 2.81%, down 0.28 percentage points from 2019. The bankruptcy rate for SMEs was 3.48% in 2022 according to survey data, up 6.42% from the previous year.

In 2022, the National Financing Guarantee Fund supported 45.6 million SMEs, totalling CNY 70.91 billion. The National SME Development Fund raised nearly CNY 90 billion and invested in more than 1 100 projects. Special funds for SME Development account for over CNY 5.65 billion in total. Rewards and subsidies to reduce financing guarantee fees account for about CNY 3 billion.

In 2022, the Chinese government has continued to alleviate financing difficulties and reduce costs for SMEs, including tax and fee reduction, subsidies, financing guarantee, expansion of financing channels,

improving financial services, and enhancing the connection between industry and finance. China has carried out special projects to clear up arrears in payments to SMEs, focusing on the development of technology-based SMEs.

Table 33.1. Scoreboard for the People's Republic of China

Indicator	Unit	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt																	
Outstanding business loans, SMEs	RMB billion			13616	17139	21168	25356	28585	33302	35300	40517	46477					
Outstanding business loans, total	RMB billion			24940	30292	35017	39283	44019	52162	53895	62578	71545	78728	86123	97307	107482	121547
Share of SME outstanding loans	% of total outstanding business loans			54.60	56.58	60.45	64.55	64.94	63.84	65.50	64.75	64.96					
Outstanding business loans, Small and Micro Enterprises	RMB billion											30743.7	33492.3	36900	42700	50000	59700
Share of outstanding loans, Small and Micro Enterprises	% of total outstanding business loans											42.97	42.54	42.85	43.88	46.52	49.12
New business lending, total	RMB billion																
Share of short-term loans, total	% of total business lending							42.12	43.12	42.4	40.35	38.06	35.77	34.35	32.86	30.61	29.6
Share of short-term SME lending	% of total SME lending							56.1	49.24	47.56	54.69	40.97	41.62	39.09	40.76	42.22	43.1
Direct government loans, SMEs	RMB billion				1222.6	1550	1813.4	2082.4	2470	2820							
Non-performing loans, total	% of all business loans			2.58	1.76	1.26	1.21	1.25	1.49	2.04	2.07	2.05	2.29	2.24	1.95		
Non-performing loans, SMEs	% of all SME loans			3.83	2.52	1.75	1.65	1.66	1.97	2.59	2.6	2.58					
Non-performing loans, Small and Micro Enterprises	%							2.01	2.2	2.74	2.68	2.74	3.16	3.09	2.81		
Interest rate, SMEs	%							8.39	7.51	5.23	4.77	5.78	5.17	4.86	4.84	4.52	4.45
Interest rate, large firms	%							7.72	7.47	5.26	4.89	5.4	5.07	5.11	5.06	4.53	4.29
Interest rate spread	% points							0.67	0.04	-0.03	-0.12	0.38	0.1	-0.25	-0.22	-0.01	0.16
Collateral, SMEs	% of SMEs needing collateral to obtain bank lending			50.55	51.64	51.59	52.98	54.52	54.76	55.67	52.05	50.28	50.18				
Collateral, Small and Micro Enterprises	% of Small and Micro Enterprises needing collateral to obtain bank							55.8	56.96	58	54.2	52.4	52.5	53.2	50.9		

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	lending																				
Percentage of SME loan applications	SME loan applications / total number of SMEs											69.88	63.06	53.09	58.36	54.79	57.94	56.67	58.38		
Rejection rate	1 – (SME loans authorised / requested)											6.19	11.97	11.72	6.13	4.07	3.69	4.05	3.79	3.59	3.61
Utilisation rate	SME loans used / authorised			13616.4	17138.9	21167.5	25355.5	93.51	94.75	94.48	94.03	89.91	86.26	84.32	84.55	87.66	87.69				
Non-bank finance																					
Venture and growth capital (stock)	RMB billion	111.29	145.57	160.51	240.66	319.8	331.29	263.9	293.33	336.12	376.52	411.02	476.9	563.6	627.2	728.3					
Venture and growth capital (growth rate, stock)	%, Year-on-year growth rate		30.80	10.26	49.93	32.88	3.59	-20.34	11.15	14.59	12.02	9.16	16.03	18.18	11.28	16.12					
Venture and growth capital (incremental)	RMB billion						25.11	27.90	37.44	46.56	50.55	84.53	52.72	86.68	63.6	101.1					
Venture and growth capital (growth rate, incremental)	%, Year-on-year growth rate							11.11	34.19	24.36	8.57	67.22	-37.63	64.42	-26.63	58.96					
Leasing and hire purchases	RMB billion	24	155	370	700	930	1550	2100	3200	4440	5330	6060	6650	6654	6504	6323	5850				
Factoring and invoicing	EUR billion		55000	67300	154550	274870	343759	378128	406102	352879	301635	405537	411573	403504	433162	469575	576885				
Other indicators																					
Payment delays, B2B	Number of days											95.91	72.31	64.44	65.21	44	38				
Bankruptcies, SMEs	%											7.57	7.24	5.46	4.73	3.7	2.85	3.09	4.06	3.27	3.48
Bankruptcies, SMEs (growth rate)	%, year-on-year growth rate																				

Source: See Table 33.2.

Macroeconomic and financing conditions

2022 saw a slowing expansion of commercial banks' total assets as the divided economic recovery across the world created mounting downward pressure for the Chinese economy. However, aggregate credit expanded steadily with continued structural improvements, focusing on key sectors and weaker links of the economy, such as SMEs, green development, and manufacturing. The structural monetary policy continues to channel credit sources into key sectors and weaker links, lifting SMEs out of difficulties and fixing disruptions in supply chains and production processes.

SMEs in the national economy

SMEs play a key role in maintaining economic dynamism and boosting innovation and entrepreneurship. SMEs in China contribute approximately 50% of tax revenue, 60% of GDP, 70% of technological innovation, and 80% of urban employment.

In 2022, there were about 52 million SMEs, the number of newly registered enterprises reached an average of 23 800 per day, and the annual operating income of SMEs above the designated size ²exceeded CNY 80 trillion.

SME lending

In the past years, China has shifted its focus to the share of Micro and Small Enterprises (MSEs) in total business loans. The outstanding business loans for Micro and Small Enterprises (MSEs) increased to CNY 59.7 trillion in 2022, up 19.4% from 2021. The share of outstanding business loans for MSEs has remained relatively stable for the past two years, at 46.52% in 2021 and 49.12% and 2022, respectively.

In 2022, 58.38% of SMEs applied for bank loans, up 1.71 percentage points compared with the previous year. Short-term loans have re-emerged as the preferred financing option for SMEs. The ratio of short-term loans to total loans for SMEs increased from 40.76% to 42.22% over 2020-21. This ratio increased to 43.1%, up 0.88 percentage points in 2022.

In 2022, banking institutions have enhanced their comprehensive services in sci-tech innovation finance by providing stronger funding support for the technology-based SMEs, offering innovative financial products and services, exploring new models of sci-tech innovation finance, and broadening the coverage of special tech finance products. In July 2022, the China Banking and Insurance Regulatory Commission issued a Notice on Further Promoting High-quality Development of Financial Services in the Manufacturing Industry, which strengthened financial support for advanced manufacturing and strategic emerging industries. By the end of 2022, banking institutions' outstanding lending to technology-based SMEs increased by 23.2% year on year. More than 1000 tech sub-branches, tech-featured sub-branches and specialized tech finance institutions were set up.

Credit conditions

The People's Bank of China took a critical step towards market-oriented reform of loan interest rates. The formation mechanism of loan market quotation rate was introduced in 2020. The Loan Prime Rate (LPR) is determined by augmenting points to the market-based bidding open market operating rate, while banks' lending rates are set based on the LPR. The one-year LPR decreased to 3.65% and the over-five-years LPR decreased 4.3% on August 22, 2022.

In 2022, interest rates for SMEs and large firms were 4.45% and 4.29%, down 0.07 and 0.24 percentage points, respectively, compared to 2021. SMEs' interest rates exceeded those of large firms, the interest rate spread between SMEs and large enterprises was positive, and the difference rose from -0.01% to 0.16% in 2021-22. Thus, in recent years, interest rates of large firms have fallen faster than for SMEs.

The extra fees in the process of loan application are an important component of the financing cost for an SME loan. In 2022, SMEs were on average charged 1.42% of the total value of bank loans in the form of extra loan fees, which have decreased slightly by 0.39 percentage points with respect to the previous year. In recent years, China has improved and implemented the policy of cutting taxes and fees, with the total amount of tax and fee cuts in 2022 exceeding CNY 4.2 trillion. SMEs and individual businesses were the main beneficiaries, with new tax and fee cuts exceeding CNY 1.7 trillion, accounting for about 40% of the total. Nearly 80% of individual businesses do not need to pay taxes in 2022.

Collateral requirements are another constraint for SMEs to access bank loans. During 2019-20, the ratio of bank loans for SMEs backed by collateral has steadily decreased from 53.2% to 50.9%, down 2.3 percentage points. Demand-side surveys show that this ratio is still high for SMEs compared to large companies.

In 2022, the structural monetary policy continued to direct credit towards strategic sectors and vulnerable areas of the economy in response to the impact of COVID-19. In general, the credit conditions of SMEs have been improved. Besides, the rejection rate of SME loan applications was stable at around 3.6%, and the utilisation rate of SME bank loans has remained at a high rate of 87.69%.

Alternative sources of SME financing

Equity financing

In 2021, China continued to assist the growth and innovation of SMEs, further the New Third Board's reform and establish the Beijing Stock Exchange. In 2022, China has built a multi-level capital market system, consisting of traditional mainboards of Shanghai and Shenzhen, the Science and Technology Innovation Board (STAR Market), the Venture Board, the Beijing Stock Exchange, National Equities Exchange, and Quotations (NEEQ).

In 2022, SMEs obtained CNY 252.0 billion from STAR Market, CNY 179.6 billion from Shenzhen Venture Board, and CNY 16.38 billion from Beijing Stock Exchange, up by 24.22%, 21.78%, and 117.81% respectively, compared to the previous year. In total, 148 small companies were listed in the STAR Market, 123 in the Venture Board and 83 small companies were listed in the Beijing Stock Exchange in 2022, down 25.63%, 24.07% and 102.44% respectively compared to the previous year.

In 2022, the total number of listed companies on the NEEQ was 6580, down 5.08%, compared to 2021, and the total transaction amount decreased by 62.85% compared with 2021, reaching CNY 79.8 billion. The total amount of stocks raised by listed companies throughout the year was CNY 23.2 billion compared to CNY 25.9 billion in 2021.

Table 33.2. Basic Statistics on the Development of NEEQ, 2018-2022

	2018	2019	2020	2021	2022
The number of listed companies	1 0691	8953	8187	6932	6580
Total market value (CNY, billion)	3 448.7	2 939.9	2 654.2	2284.5	2118.1
Financing value (CNY, billion)	60.4	26.5	33.9	25.9	23.2
Exchange value (CNY, billion)	88.8	82.6	129.5	214.8	79.8
Turnover ratio (%)	5.31	6.00	9.90	17.66	7.41
P/E ratio	20.86	19.74	21.10	20.48	17.20

Source: official website of National Equities Exchange and Quotations (NEEQ), <http://www.neeq.com.cn>.

Venture capital, which plays an important role in fostering national innovation systems, has become an important financing source for SMEs and entrepreneurship. In 2021, despite the impact of the domestic and international environment, the venture capital industry rebounded strongly, the stock of venture capital investment reached CNY 728.3 billion in 2021, up 16.12% compared to 2020. In which, CNY 101.12 billion was incremental VC investment in this year.

Table 33.3. Venture and Growth capital in China, 2015-21

	2015	2016	2017	2018	2019	2020	2021
The number of VC organizations	1 775	2 045	2296	2800	2994	3290	3568
Total VC managed capital (CNY, billion)	665.3	827.7	887.25	917.9	998.91	1115.75	1303.53
The stock of VC investments (CNY, billion)	336.1	376.5	411.02	476.9	563.58	627.18	728.3

In which, incremental VC investments in this year (CNY, billion)	46.6	50.6	84.53	52.72	86.68	63.6	101.12
Incremental VC investments/GDP (%)	0.0676	0.0680	0.1030	0.059	0.087		

Leasing and factoring

As a result of the industry's regulatory framework being adjusted, the growth of China's financial leasing contract balance has steadily slowed down in recent years, and the domestic financial leasing contract balance has been declining since 2020. In 2022, China's financial leasing contracts had a balance of around CNY 58.5 trillion, which is reduced by CNY 3.6 trillion and a decrease of 5.8% compared with 2021. The number of companies in the financial leasing sector in China was 9 840, which decreased by 2 077 compared with 11 917 in 2021.

Commercial factoring continued to grow after a strong rebound in 2020, which is a microcosm of the whole economic cycle, filling the industrial chain of SMEs. In 2022, the total factoring volume was about EUR 576.9 billion, up 22.85% compared to 2021.

Shadow banking

As the important role of the banking industry in economic growth has gradually become apparent, the size of shadow banking has been restricted under strict restrictive measures. According to Moody's, in 2022, the shadow banking assets reached CNY 50.3 trillion, a significant decrease of CNY 3.29 trillion, and the ratio of shadow banking assets to GDP dropped to 41.6%, the lowest level since 2013. In recent years, China Banking and Insurance Regulatory Commission have gradually reduced the risk of shadow banking.

The Wenzhou Private Financing Index, published since 2012, is a barometer for the regional and national private financing market. In 2022, the interest rate for 1-year private loan ranged between 11.78% - 13.11%, compared to the 10.78% - 13.64% interest rate range in 2021. The private lending rate, on average, exceeds the formal bank lending rate by 8.07%.

Table 33.4. Wenzhou index of private lending interest rate in the Chinese shadow banking system, 2022 (% of total)

Term of lending	1 month	3 months	6 months	1 year	Over 1 year	LPR (August 22, 2022)	Interest rate by survey
January	17.38	16.09	14.16	11.95	13.50	The one-year LPR is 3.65% and the over-five-year LPR is 4.3%	The average interest rate for SMEs is 4.45%
February	16.14	14.84	13.66	11.78	13.22		
March	17.95	16.96	14.03	12.62	13.80		
April	16.67	17.11	14.48	12.52	15.18		
May	17.62	16.19	13.54	12.87	11.86		
June	18.32	17.13	13.40	12.57	13.50		
July	17.50	16.50	13.60	12.32	12.51		
August	16.73	17.57	13.24	12.80	13.99		
September	14.93	16.96	14.19	12.57	15.03		
October	14.20	14.82	13.00	12.04	12.82		
November	16.21	18.03	14.61	13.11	12.79		
December	15.34	19.25	13.23	13.03	13.02		

Source: Monitoring website of Wenzhou Private Finance Index, <https://www.wzpf.gov.cn/Download.aspx>

Online lending and crowdfunding

The scale of China's online lending market has steadily expanded in 2022, the outstanding volume of online lending having reached CNY 4.5 trillion with an increase of 12.5% from 2021 to 2022. However, the number of online lending platforms has further declined, with the total number of regularly running platforms at 148, a decrease of 18.6% from the previous year, indicating a tendency of head concentration.

As the crowdfunding industry moves into a period of regulation, there were 267 crowdfunding platforms still running by the midpoint of 2022. Equity crowdfunding dominates, accounting for about 51%.

With the advent of the digital era, digital banks widely use fintech to provide small and high-frequency working capital for SMEs. In 2022, WeBank provided roughly 60% of the incremental loan volume to SME clients and outstanding loans exceeded CNY 460 billion, and the average lending rate of WeBank stand at approximately 9%. The number of SMEs and self-employed receiving banking services from MYBank reached 50 million by 2022. NetBank extended CNY 228.2 billion in loans to SMEs, up 29% from the previous year.

Other indicators

In 2020, the ratio of non-performing loans to total MSE loans was 2.81%, down 0.28 percentage points from 2019. The ratio of non-performing loans to total business loans was 1.95% in 2020, 0.86 percentage points lower than the ratio of non-performing loans to total MSE loans. Finally, the bankruptcy rate for SMEs was 3.48% in 2022 according to survey data, up 6.42% from the previous year.

Government policy response

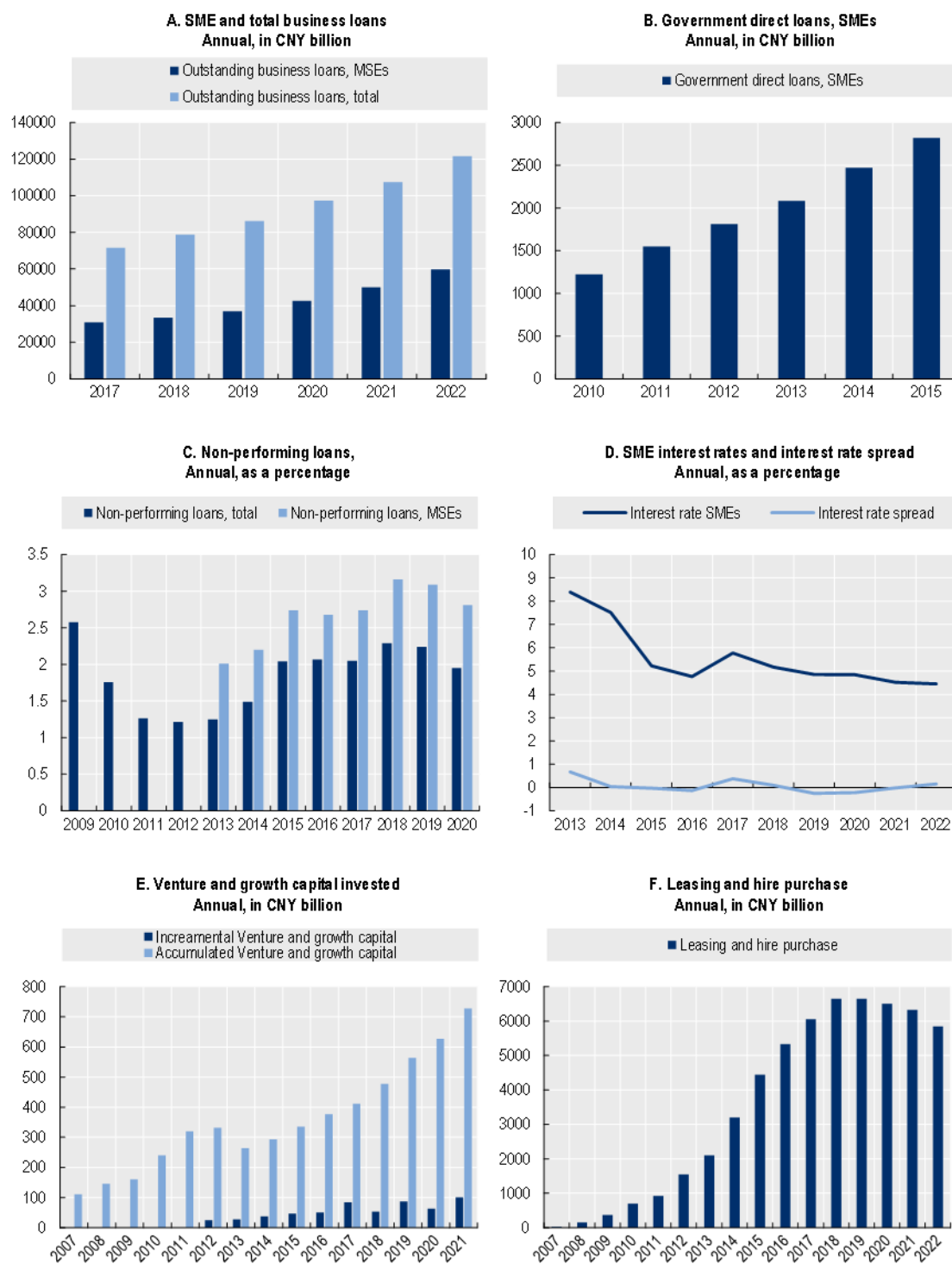
In 2022, the Chinese government has continued to alleviate financing difficulties and reduce costs for SMEs, including: tax and fee reduction, subsidies, financing guarantees, expanded financing channels, improved financial services, and an enhancement of the connection between industry and finance. China has carried out special projects to clear up arrears in payments to SMEs, focusing on the development of technology-based SMEs. The main policy responses and adjustments are listed below:

- On January 7, the People's Bank of China introduced an inclusive loan supporting instrument for MSEs, which provides funds at 1% of the increase in the balance of MSEs loans to encourage banks to continually provide inclusive loans to MSEs. Another inclusive credit-loan supporting plan for MSEs with a quota of CNY 400 billion has been incorporated into refinancing fund for Agricultural and SMEs.
- On April 25, the People's Bank of China lowered the reserve requirement ratio for financial institutions by 0.25 percentage points (excluding financial institutions that have already implemented a 5% reserve requirement ratio), releasing about CNY 530 billion of long-term funds.
- On May 25, the People's Bank of China promoted the establishment of a long-term mechanism for financial services to SMEs, so as to improve the willingness, ability and sustainability of financial institutions to serve SMEs.
- On August 22, the People's Bank of China adjusted the 1-year LPR to 3.65% and the 5+ year LPR to 4.3%, down 5 and 15 basis points from the previous quarter respectively.
- On September 21, the People's Bank of China directed policy and development banks to invest CNY 739.9 billion of funds for policy development financial instruments.
- On November 8, the People's Bank of China expanded its support for MSE loans with delayed debt service payments.

- On December 5, the People's Bank of China lowered the reserve requirement ratio for financial institutions by 0.25 percentage points (excluding financial institutions that had already implemented a 5% reserve requirement ratio).

In past years, China has strengthened its policy support for SMEs. China launched the National SME Development Fund Co., Ltd. in 2020, which is the first national parent fund targeting the development of SMEs. In 2022, this fund raised nearly CNY 90 billion and invested in more than 1 100 projects. In 2022, the National Financing Guarantee Fund provided re-guarantee services amounting to CNY 1.2 trillion, reflecting a substantial increase of 59.99%. As a result, a total of 1.39 million SMEs benefited from these services, showcasing an impressive growth rate of 91.60%. Special Funds for SME Development account for over CNY 5.65 billion in total. Rewards and Subsidies to Reduce Financing Guarantee Fees account for about CNY 3 billion.

Figure 33.1. Trends in SME and entrepreneurship finance in China



*Note that MSEs in these graphs refer to Micro- and Small-Enterprises.
Source: See Table.33.1

Table 33.5. Sources and definitions of the People's Republic of China's Scoreboard

Indicator	Definition	Source
Debt		
Outstanding business loans, SMEs	Outstanding (stocks) of business loans granted to domestic SMEs by banks (including foreign banks) and financing agencies under the supervision of the People's Bank of China in the end of the year, in CNY	People's Bank of China
Outstanding business loans, total	Outstanding (stocks) of business loans granted to domestic firms by banks (including foreign banks) and financing agencies under the supervision of the People's Bank of China in the end of the year, in CNY	People's Bank of China
Share of SME outstanding loans	Calculated as percentage of SME outstanding loans in total outstanding business loans	People's Bank of China
Outstanding business loans, Small and Micro Enterprises	Outstanding (stocks) of business loans granted to domestic Small and Micro Enterprises by banks (including foreign banks) and financing agencies under the supervision of the People's Bank of China in the end of the year, in CNY	People's Bank of China
Share of outstanding loans, Small and Micro Enterprises	Calculated as percentage of Small and Micro Enterprises outstanding loans in total outstanding business loans	People's Bank of China
Share of short-term SME lending	The average ratio of short-term loans to the total amount of bank loans among surveyed SMEs, SME (%)	Annual Survey on SME Financing Conditions, CSME
Non-performing loans, total	Outstanding (stocks) of all non-performing loans as defined by The People's Bank of China	People's Bank of China
Non-performing loans, SMEs	Outstanding (stocks) of SME non-performing loans to as defined by The People's Bank of China	People's Bank of China
Interest rate, SMEs	Average 1-year interest rate for bank loans of SMEs	Annual Survey on SME Financing Conditions, CSME
Interest rate, large firms	Average 1-year interest rate for bank loans of larger companies	Annual Survey on SME Financing Conditions, CSME
Interest rate spread	The difference of average 1-year interest rate for SME's loans and larger company's loans (in percentages)	Annual Survey on SME Financing Conditions, CSME
Collateral, SMEs	Percentage of collateral-based loans of SMEs to the total amount of bank loan of SMEs	People's Bank of China
Collateral, Small and Micro Enterprises	Percentage of collateral-based loans of Small and Micro Enterprises to the total amount of bank loan of Small and Micro Enterprises	People's Bank of China
Percentage of SME loan applications	The share of SMEs that have applied bank loan in latest year	Annual Survey on SME Financing Conditions, CSME
Rejection rate	The ratio of rejection to latest loan applications in latest month	Annual Survey on SME Financing Conditions, CSME
Utilisation rate	1- the proportion of money that is deposited in bank account for reserve use in its latest bank loans of SMEs	Annual Survey on SME Financing Conditions, CSME
Non-bank finance		
Venture and growth capital	Total amount of outstanding venture and growth capital invested in all stages, calculated in accumulative way. The stock of VC in this year =The stock of VC in previous year + the incremental VC in this year -the exit VC in this year	Chinese Academy of Science and Technology for Development, Ministry of Science and Technology of P.R.China
Venture and growth capital (growth rate)	Total amount of venture and growth capital invested in growth stage, mature stage and restructure stage	Chinese Academy of Science and Technology for Development, Ministry of Science and Technology of P.R.China
Venture and growth capital (incremental)	Total amount of incremental venture and growth capital invested in all stages in this year	Chinese Academy of Science and Technology for Development, Ministry of Science and Technology of P.R.China
Venture and growth capital (incremental, growth rate)	the year-on-year growth of total amount of incremental venture and growth capital invested in all stages in this year	Chinese Academy of Science and Technology for Development, Ministry of Science and Technology of P.R.China
Leasing and hire purchases	Outstanding contract volume of all kinds of financing lease companies	China Financing Leasing Development Annual Report

Factoring and invoice discounting	Total turnover of factoring industry, in million Euro	International Factors Group SCRL
Other indicators		
Payment delays, B2B	The average number of days that a B2B company can collect delayed payment from clients after the contract deadline	Annual Survey on SME Financing Conditions, CSME
Bankruptcies, SMEs	Average of SME bankruptcy (including shut-off) ratios in surveyed regions (%)	Annual Survey on SME Financing Conditions, CSME
Bankruptcies, SMEs (growth rate)	the year-to-year growth rate of bankruptcies of SME	Annual Survey on SME Financing Conditions, CSME

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Notes

¹ The shadow banking sector primarily encompasses special purpose vehicle (SPV), entrusted loans, trust loans, non-equity private funds, and online P2P lending institutions.

² The National Bureau of Statistics of China defines SMEs above the designated size as SMEs in the industrial sector with an annual main business income exceeding CNY 20 million.



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