
Are China's SMEs Lagging Behind the Digital Transition? Evidence From a Survey

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Executive Summary

The sudden outbreak of COVID-19 has brought unprecedented challenges to small and medium-sized enterprises (SMEs), but it has also provided them with **excellent opportunities to go digital**. Digital transformation can eliminate **information barriers between SMEs and financial institutions, reduce information asymmetry and alleviate financing difficulties**. In March this year, the Ministry of Industry and Information Technology of China (MIIT) issued a Special Action Plan on Digital Empowerment of SMEs. Our research results confirm the necessity of this action plan: at present, the digital maturity of SMEs in China is low, hindered by **high costs and tight budgets**. Accordingly, we suggest that governments at all levels in China increase their support to large technology companies that are developing standardized digital services which meet the needs of SMEs, and provide tax cuts and financing facilities for SMEs' digital transformation projects.

In July this year, through on-site interviews and questionnaires, we surveyed nearly 100 enterprises (of which, 86% had fewer than 50 employees in 2019) in a national economic development zone in Shanghai, and found that:

- **The digital maturity of the surveyed enterprises is low:**
 - ▶ **They have low penetration of artificial intelligence (AI) and big data:** more than two-thirds of the surveyed enterprises have not yet used artificial intelligence or big data in their production and business;
 - ▶ **The proportion of online procurement and online sales is low:** only 17% of the surveyed enterprises do more than 50% of their procurement done online, and only 14% of the surveyed enterprises do more than 50% of their sales online.
 - ▶ **The use of smart manufacturing is low:** less than 18% of the surveyed manufacturing enterprises are building smart production lines, smart workshops and smart factories.
 - ▶ **Few companies use internet finance: over 64% of the surveyed enterprises have never used internet finance to obtain financing;** among the 35 surveyed companies that have used internet finance, only one company obtains more than 50% of its financing through this channel.
- **The companies surveyed cited high costs and tight budgets as major obstacles to digital transformation. Thirty-five percent of the companies surveyed said the biggest obstacle to digital transformation was the high fees charged by service providers, while 30% said the biggest obstacle was lack of funds.** At the same time, 97% of the companies surveyed realized that digitalization can help improve their operating efficiency and development. Therefore, reducing service providers' fees and addressing the shortage of funds can effectively promote digital transformation among SMEs.

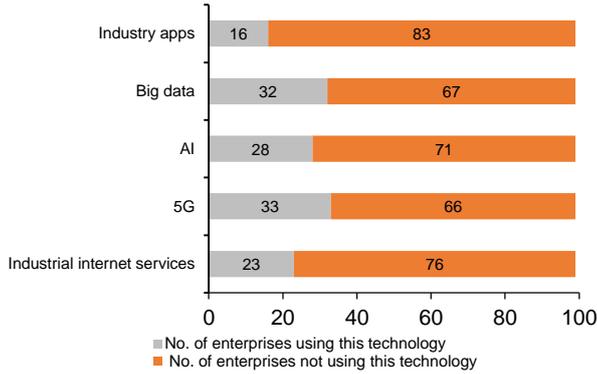
Our suggestions for policy: support the development of standardized digital services and provide tax cuts and financing facilities for SMEs' digital transformation.

1. By taking advantage of the large number of SMEs in China, the size disadvantage of a single enterprise is transformed into the quantity advantage of the whole economy. Governments should support **large technology companies that are developing standardized digital services which meet the needs of SMEs**. In March this year, MIIT proposed to cultivate and promote a number of digital platforms that meet the needs of SMEs. This survey confirms the necessity of this special action plan.
2. Provide SMEs with tax cuts for digital transformation.
3. Guide financial institutions to provide cheap loans to SMEs for digital transformation projects. **Digital transformation can eliminate information barriers between enterprises and financial institutions, reduce information asymmetry, help SMEs obtain more accurate credit assessments, and alleviate financing difficulties.**

Digital maturity and predicament of the surveyed enterprises in six charts

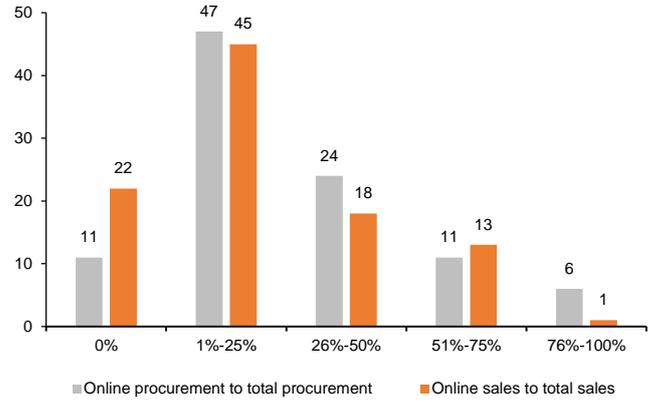
(A total of 99 enterprises were surveyed, including 28 manufacturing enterprises)

1. Low penetration rate of AI and big data: the use of digital technology (99)



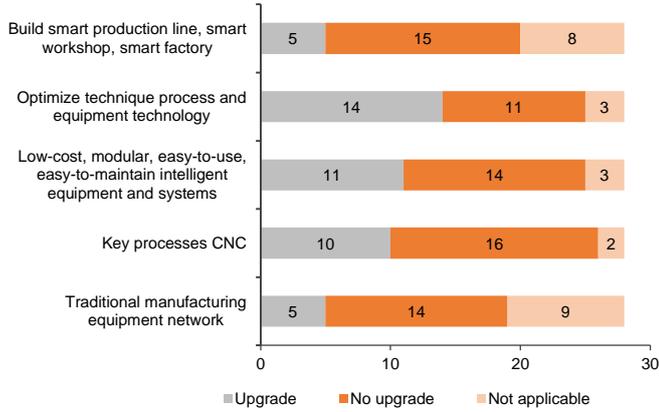
Data source: Fudan-Ping An Research Institute for Macroeconomy

2. Low proportion of online procurement and sales: proportion of online procurement and online sales to total procurement and sales (99)



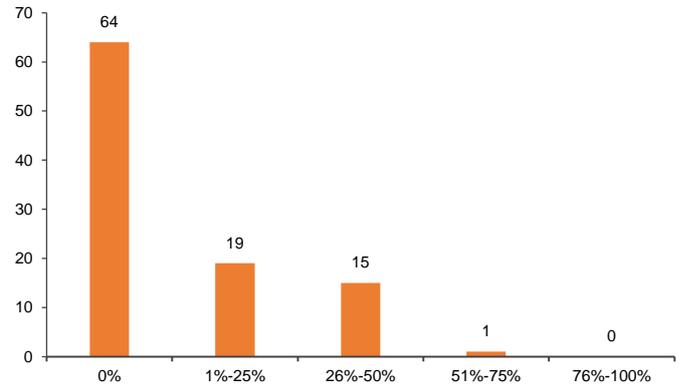
Data source: Fudan-Ping An Research Institute for Macroeconomy

3. Low penetration rate of smart manufacturing: digital transformation of manufacturing enterprises (28)



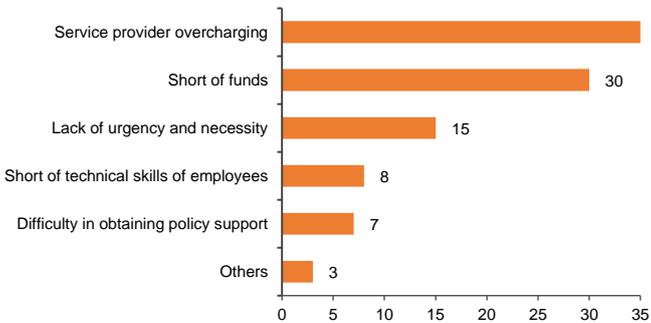
Data source: Fudan-Ping An Research Institute for Macroeconomy

4. Low use of internet finance: proportion of online finance to total financing (99)



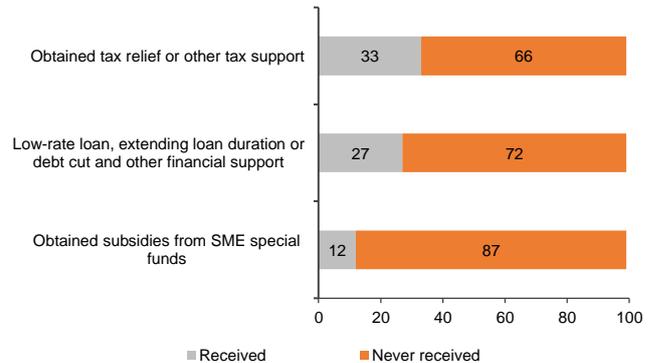
Data source: Fudan-Ping An Research Institute for Macroeconomy

5. Overcharging service providers and lack of funds: the biggest obstacles to digital transformation (99)



Data source: Fudan-Ping An Research Institute for Macroeconomy

6. Low coverage of policy support: policy support obtained for digital transformation (99)



Data source: Fudan-Ping An Research Institute for Macroeconomy

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1. SMEs in the Digital Epoch

The digital economy is surging. The application of digital technology will transform every aspect of production and operation for a company. Companies that take the lead in this digital race will outperform.¹ Whether SMEs, the main pillar of China's economy, can ride the wave of the digital movement is vital to the sustainability of China's economic growth.

The sudden outbreak of **COVID-19** has brought unprecedented challenges to SMEs, but it has also **provided them with excellent opportunities for digital transformation**. Digital tools have been upgraded and played an important role in helping SMEs resume work and production during the epidemic prevention and control phase with practices such as , such as telecommuting and videoconferencing. At the same time, new opportunities in the "online economy" such as live commerce, online diagnosis and treatment, and online exhibitions came into being.

In the long run, **digital technology is also a solution to alleviate the financing difficulties of SMEs**. The challenge to achieving financial inclusion for SMEs is to obtain data at a low cost and carry out risk control before and after lending. The digital transformation of SMEs will enable financial institutions to use big data, AI and other means to identify and control risks.

How digitally mature are SMEs in China? **What difficulties do SMEs encounter in digital transformation?** To answer these questions, Fudan-Ping An Research Institute for Macroeconomy launched a digital survey of SMEs to provide an empirical basis for academic research and relevant policy discussions.²

2. The Digital Maturity and Predicament of SMEs: Survey Results

2.1 Survey Overview

The survey was conducted in a national economic development zone in Shanghai. The economic development zone is an important institutional innovation evolving in the course of reform and opening up in China. It is also one of the core tools for implementing industrial policies in China. After more than 30 years of development since the establishment of the first economic development zone in 1984, there were 2,543 development zones of various types in China by the end of 2018, covering a total area of 17,800 square kilometers. They accounted for 31.7% of the total urban construction area of the country in the same period.³ The combined GDP of these 2,543 development zones is an estimated RMB29.2 trillion for 2018, accounting for about 32% of the country's GDP.⁴ These development zones have played a crucial role in

¹Capgemini Consulting, the world's leading IT consultancy, noted in a report that in every industry, companies that pioneered digital technology performed better. "The digital advantage: how digital leaders outperform their peers in every industry", Capgemini Consulting.

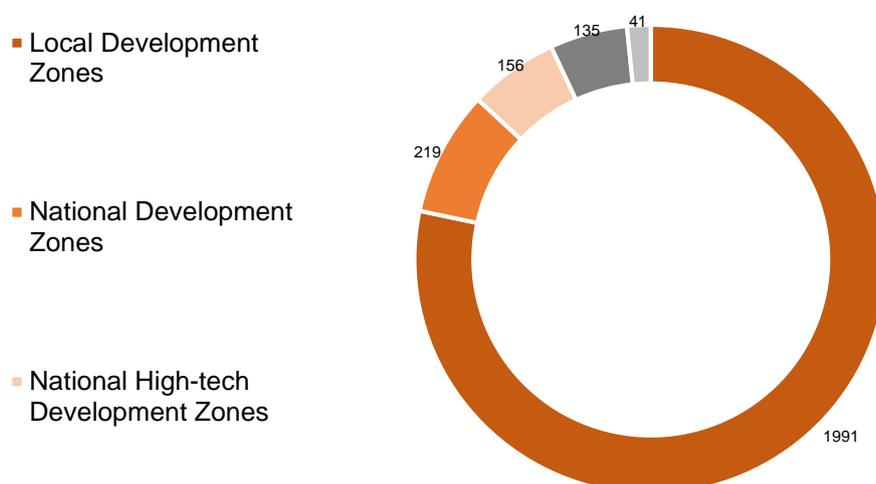
²The research team is made up of experts and scholars from Fudan University and Shanghai University of International Business and Economics. We would like to thank Li Huiwen, Jin Quan and Feng Hao from Shanghai University of International Business and Economics, as well as colleagues from Fudan-Ping An Research Institute for Macroeconomy for their help in designing the questionnaire. Meanwhile, we would also like to thank all of those who support and assist in the promotion and implementation of the questionnaire.

³Data sources: China Development Zone Public Catalogue, see <https://www.ndrc.gov.cn/xxgk/zcfb/gg/201803/W020190905485789879419.pdf>

⁴Calculation method:(1) Calculate the total area of development zones in all provinces according to the Public Catalogue of Development Zones for China; (2) Calculate the GDP per unit of area created by each province according to the GDP and urban area of each province in 2018; (3) Estimate the GDP of development zones by multiplying the per unit GDP of each province with total land area of development zone of each province in 2018; (4) Add the GDP created by the development zones in each province in 2018 together to get the sum of the GDP created by

attracting foreign investment, promoting industrial clustering, promoting industrial transformation and upgrading and accelerating economic growth.⁵ Therefore, it is of great practical and policy significance to understand the digital maturity of SMEs in economic development zones.

Figure 1: Number of development zones by type (as of 2018)



Data source: National Development and Reform Commission (NDRC)

The survey was conducted both online and offline with electronic and paper questionnaires. In June 2020, the research team identified the industrial structure and the distribution of enterprises in the zone through field visits, and designed a questionnaire in line with the profile of the development zone. The questionnaire covers basic information of the enterprises, information technology infrastructure, adoption of digital technology in production, research and development (R&D), operations and management, use of internet finance, use of digital technology in epidemic prevention and control, level of policy support and self-assessment. In July 2020, with assistance from the zone management committee, the research team collected **a total of 99 valid questionnaires, including 40 electronic questionnaires and 59 paper questionnaires.**

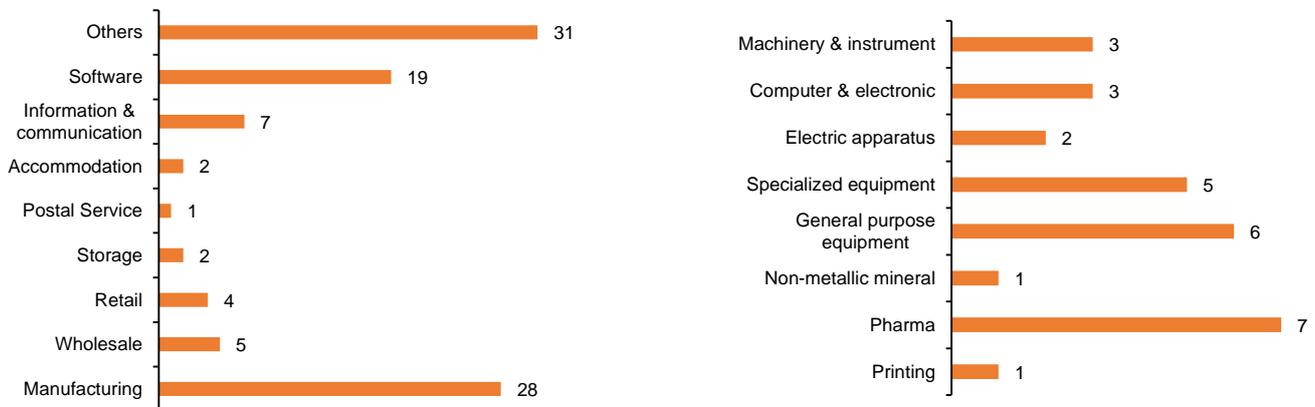
The enterprises surveyed are all registered in Shanghai and have their main business located in Shanghai. In terms of enterprise ownership, 83 of the surveyed enterprises are private or private holding enterprises, accounting for 84% of all the surveyed enterprises. There are a few collective enterprises or collective holding, and state-owned and foreign-owned ownership accounted for a very small proportion. Nearly 70% of the respondents who filled in the questionnaire were middle and senior managers, which ensures the quality of the responses.

In terms of industry distribution, 28 respondents (about 28%) are manufacturing enterprises, mainly concentrated in the fields of medicine, general and special equipment, electronic equipment, 19 (about 19%) are software and information technology companies, and the information and communication, wholesale and retail industries combined account for a significant proportion (about 16%).

the 2,543 development zones in China in 2018.

⁵Cheng and Kwan (2000); Wang (2013); Alder and Zilibotti (2016); Lu, Wang and Zhu (2019); Chen, Lu, Timmins and Xiang (2019); Liu Ruiming and Zhao Renjie (2015); Li Lixing and Shen Guangjun (2015); Wang Yongjin, Zhang Guofeng (2016) et al.

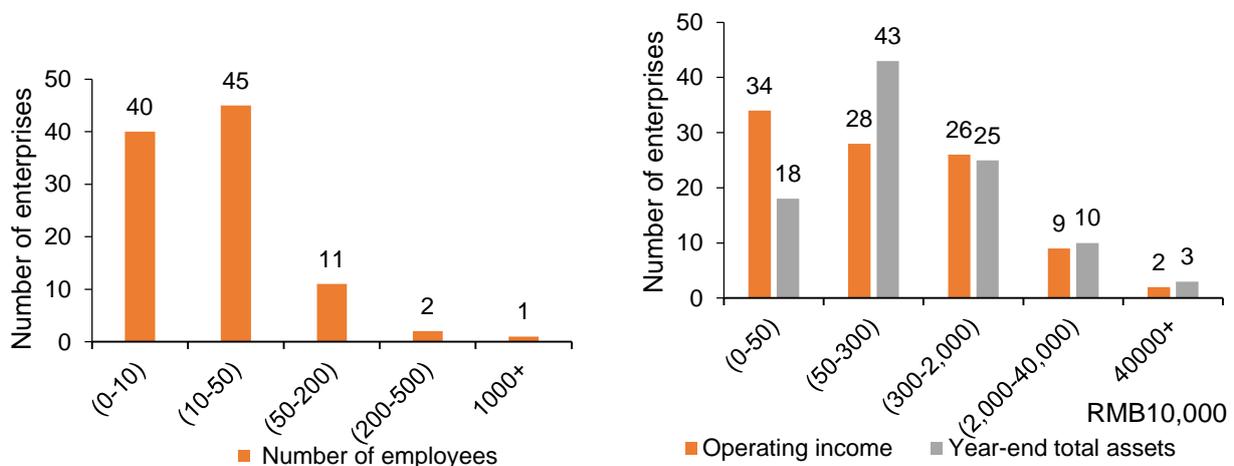
Figure 2: Industry distribution of the surveyed enterprises (left, 99 in total) and manufacturing enterprises (right, 28 in total)



Data source: Fudan-Ping An Research Institute for Macroeconomy

In terms of enterprise age distribution, the enterprises surveyed this time are very young, most of which were founded in the last 10 years. In terms of enterprise size, 85 enterprises (about 86%) had fewer than 50 employees in 2019 and 88 enterprises (about 89%) had operating revenue of less than RMB20 million.

Figure 3: Number of employees, operating income and total assets



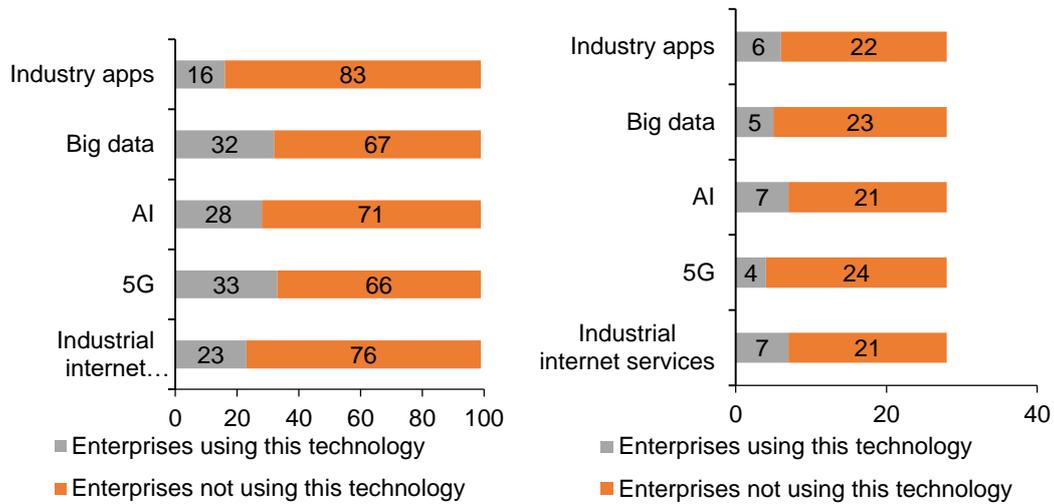
Data source: Fudan-Ping An Research Institute for Macroeconomy

2.2 The Digital Maturity of the Surveyed Enterprises

2.2.1 The Penetration of Artificial Intelligence and Big Data is Low

The results show that 80% of the companies surveyed transfer a large amount of information over the internet, and the vast majority are satisfied with the uploading and downloading speed. However, the penetration of industrial internet services, 5G, big data, AI and industrial apps is less than one-third. The story is similar among the manufacturing companies surveyed.

Figure 4: The use of various digital technologies in the surveyed enterprises (left, 99 in total) and manufacturing enterprises (right, 28 in total)



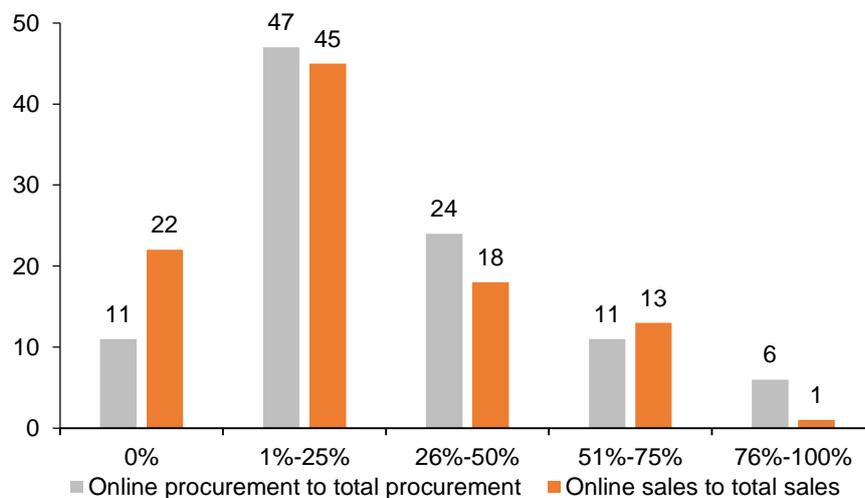
Data source: Fudan-Ping An Research Institute for Macroeconomy

Ten percent of enterprises said that they had purchased data services from third-party service providers, and 6% of them purchased AI services, all spending less than RMB100,000. The status of equipment and business systems migrating to the cloud is more optimistic: half of the enterprises have migrated to cloud services, and nearly half of the enterprises that have not yet done so say they plan to do so in the near future.

2.2.2 The Proportion of Online Procurement and Online Sales is Low

For the majority of enterprises surveyed, online procurement accounts for 1% to 50% of the total procurement, and online sales account for less than 25% of the total sales.

Figure 5: Online procurement and online sales of the surveyed enterprises (99 in total)



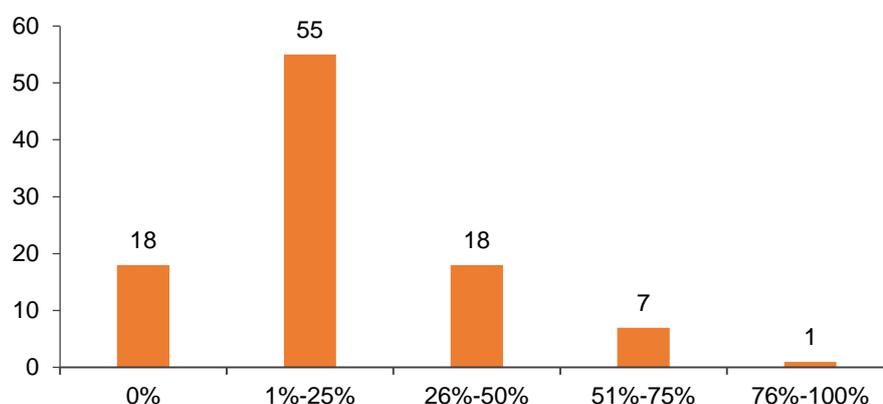
Data source: Fudan-Ping An Research Institute for Macroeconomy

For comparison, we reviewed the findings of Cardiff University's survey of SMEs in Wales, UK.⁶ Among the companies surveyed, 13% did not purchase online in 2019, 44% did between 1% and 50% of total procurement online, and 44% of SMEs did more than 50% of total procurement online. Also in 2019, about 20% of enterprises did not conduct online sales, 36% of enterprises did 1% to 50% of total sales online, and 44% of enterprises did more than 50% of total sales online. Among SMEs in Wales, the popularity of online procurement is also greater than that of online marketing and sales, but the popularity of both among these enterprises is significantly higher than that of the surveyed enterprises in our Shanghai survey.

Our survey results show that the larger the enterprises, the higher the proportion of online procurement. After grouping the companies by 2019 revenue, assets and number of employees, we found that the larger the enterprise, the more likely their online procurement accounts for more than 50% of the total. This may be because larger enterprises have sufficient capital and human resources to make investments related to online procurement. However, in terms of the relationship between enterprise size and online sales penetration, no obvious correlation is found.

When it comes to online marketing, more than 80% of enterprises have done online marketing, and more than half of those have explored new models of marketing such as internet and online media. However, only a small number of enterprises have purchased digital marketing services from third-party service providers such as Weimob and Youzan. At the same time, more than half of the companies have used the merchant services from third-party payment companies such as PayPal, Alipay and WeChat Pay/Tenpay.

Figure 6: Proportion of online marketing expenditure among the surveyed enterprises (99 in total)

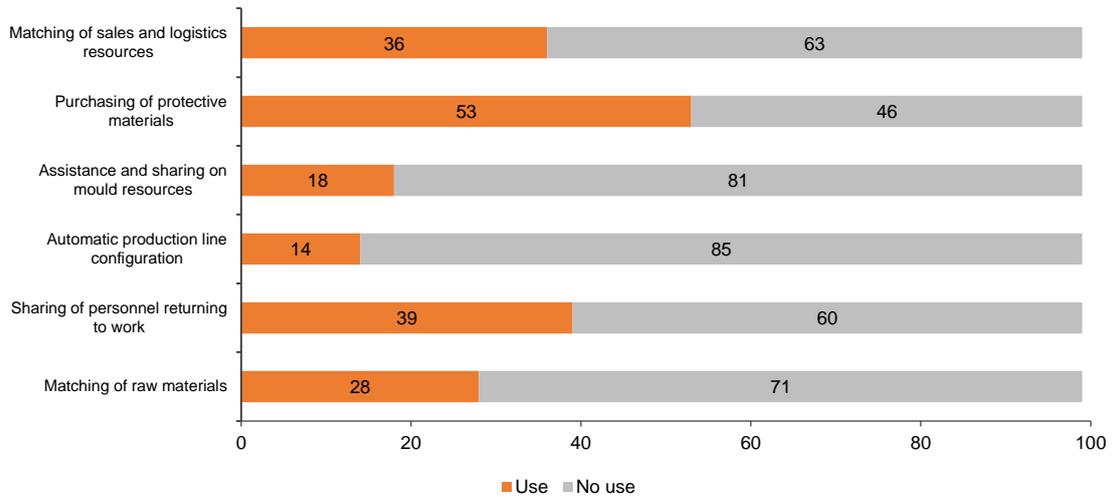


Data source: Fudan-Ping An Research Institute for Macroeconomy

The survey also look at the extent that enterprises used services obtained from industry supply chain platforms. More than 30% of the enterprises used employees sharing, protective material purchasing and sales and logistics resources sharing services, but less than 30% of the enterprises used other services on these platforms. This suggests that the industry supply chain platforms have provided valuable emergency measures during the epidemic, but when it comes to ongoing operational needs, such as the matching of suppliers and buyers of raw materials, automatic production line configuration and mold resources sharing and assistance, there is room to develop.

⁶ Source: Dylan Henderson, Calvin Jones, Max Munday, Annette Roberts, Neil Roche, and Chen Xu, "Digital Maturity Survey for Wales 2019", Superfast Broadband Project Report, Cardiff University, <http://www.cardiff.ac.uk/superfast-broadband-project>.

Figure 7: Surveyed enterprises' use of services from industrial supply chain platforms (99 in total)

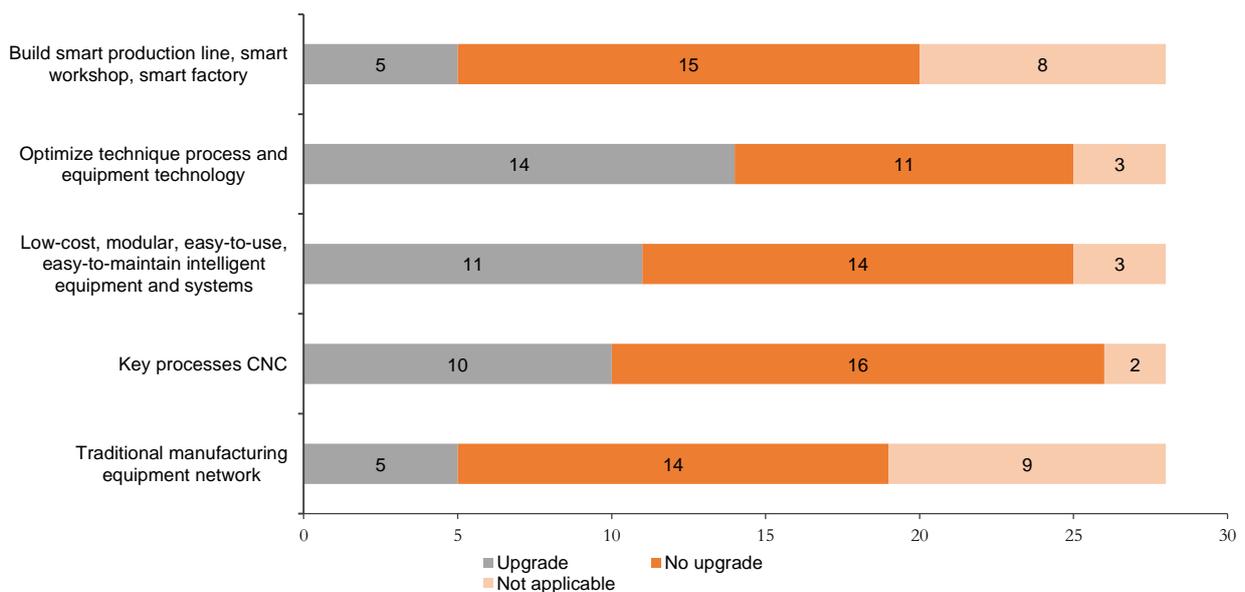


Data source: Fudan-Ping An Research Institute for Macroeconomy

2.2.3 The Penetration of Smart Manufacturing is Low

The adoption of digital technology in manufacturing is relatively low. Less than 20% of traditional manufacturing equipment is connected to the internet, smart production lines, smart workshops or smart factories. In contrast, key processes with computer numerical control (CNC), optimization of process flow and equipment technology, and low-cost modular intelligent equipment and systems have been more widely used in enterprises, accounting for about 30% of the enterprises.

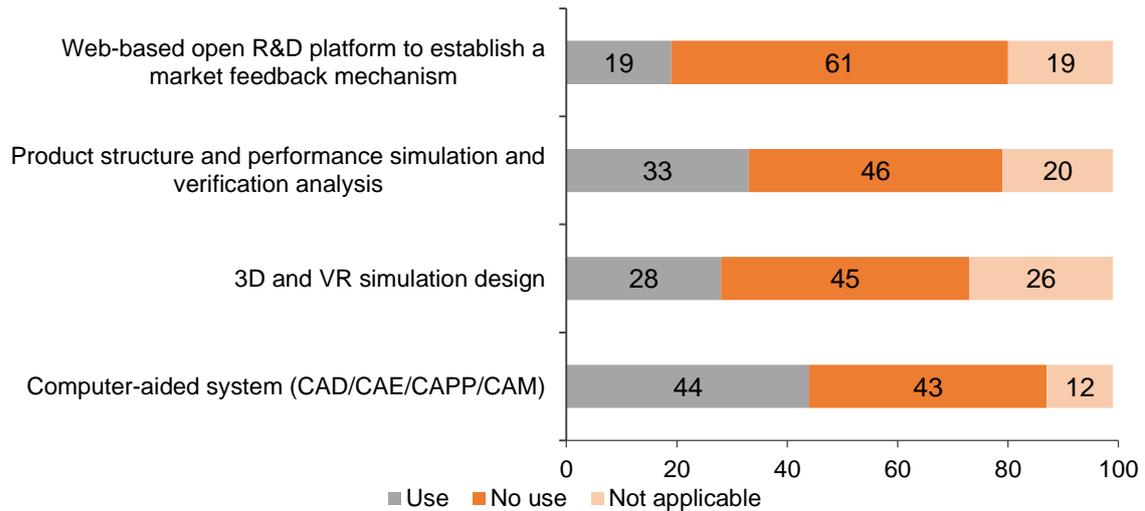
Figure 8: Digital maturity of 28 surveyed manufacturing enterprises in production



Data source: Fudan-Ping An Research Institute for Macroeconomy

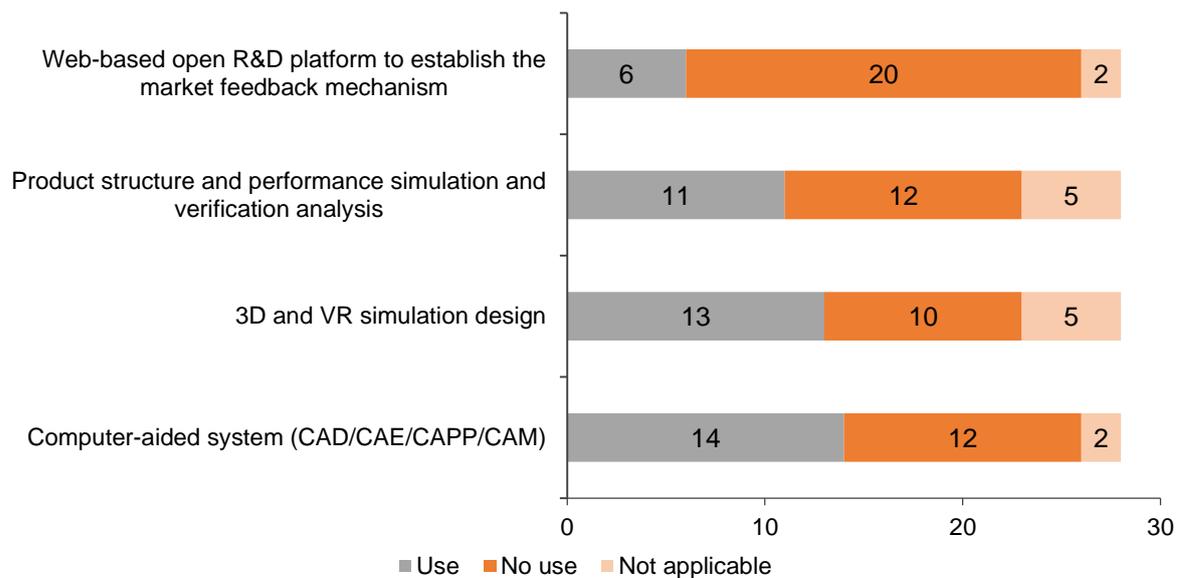
For the process of R&D design, less than 20% of enterprises use a web-based open R&D platform for market feedback. About 30% use 3D and VR simulation design or product structure and performance simulation and verification analysis based on the digital model. Forty-four percent use computer-aided systems for design (CAD), engineering (CAE), process planning (CAPP) or manufacturing (CAM). In general, the proportion of manufacturing enterprises adopting digital and intelligent technologies is higher than the proportion of the total sample.

Figure 9: Use of digital technology in R&D and design for the surveyed enterprises (99 in total)



Data source: Fudan-Ping An Research Institute for Macroeconomy

Figure 10: Use of digital technology in R&D and design of the surveyed manufacturing enterprises (28 in total)

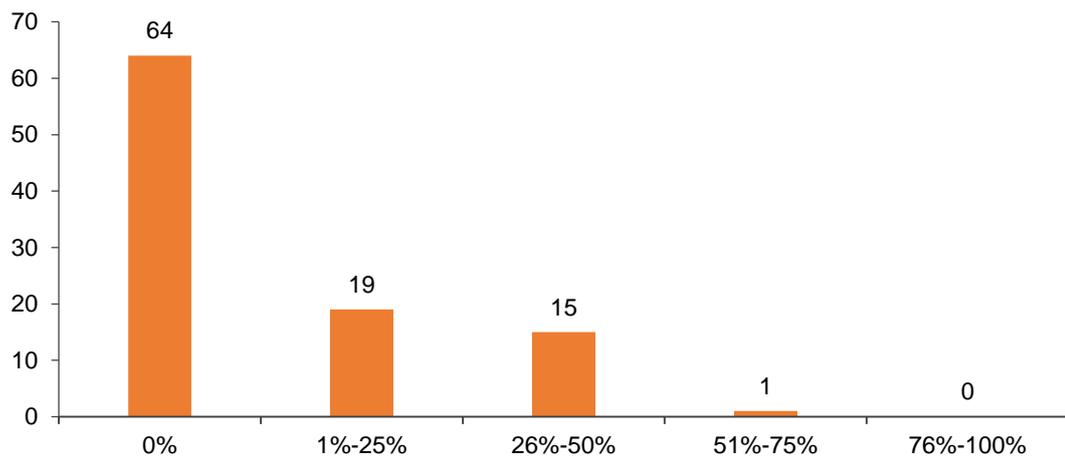


Data source: Fudan-Ping An Research Institute for Macroeconomy

2.2.4 Low Use of Internet Finance

The surveyed enterprises show low interest and participation in online finance. Only 30% of the surveyed enterprises obtained financing through the internet, excluding online channels of traditional banks, but including internet banking, internet consumer finance/supply chain finance, and internet-based small loan/internet-based intermediary platforms. Only one enterprise obtained more than 50% of funding through an internet financing channel.

Figure 11: Proportion of internet financing of the respondents (99 in total)



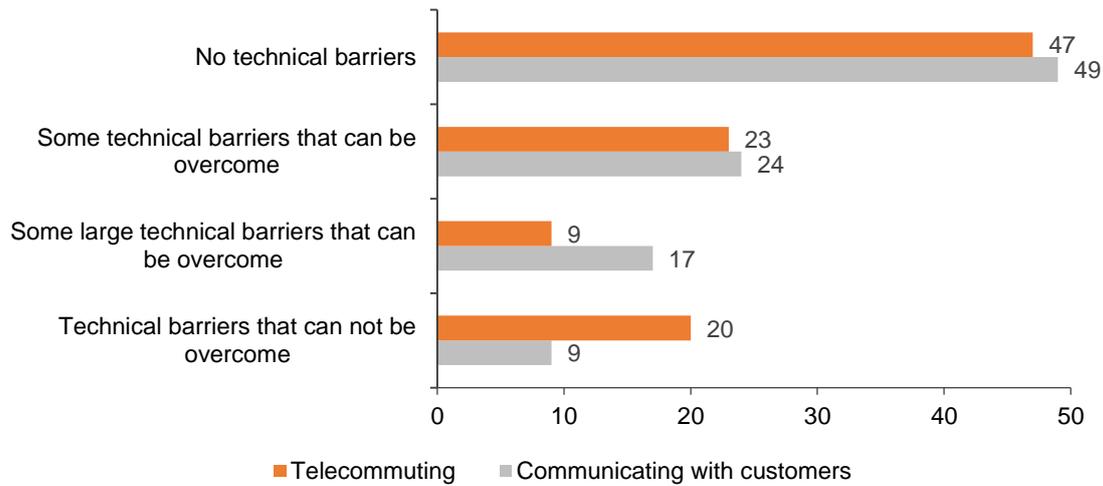
Data source: Fudan-Ping An Research Institute for Macroeconomy

In addition, 30% of surveyed enterprises expressed great interest in financing service platforms for SMEs launched by financial institutions, while 60% expressed average interest and the rest showed no interest.

2.2.5 COVID-19 is a Challenge to Business Operations

COVID-19 has brought unprecedented operational challenges to SMEs. However, our survey results show that most enterprises have not encountered insurmountable technical obstacles in using digital technology for epidemic prevention and control and resumption of work and production. To be specific, more than 90% of enterprises can successfully solve technical obstacles when communicating with customers online, and more than 80% of enterprises can organize employees to work remotely and successfully overcome technical obstacles.

Figure 12: Technical barriers in communicating with customers and telecommuting during the epidemic (99 in total)



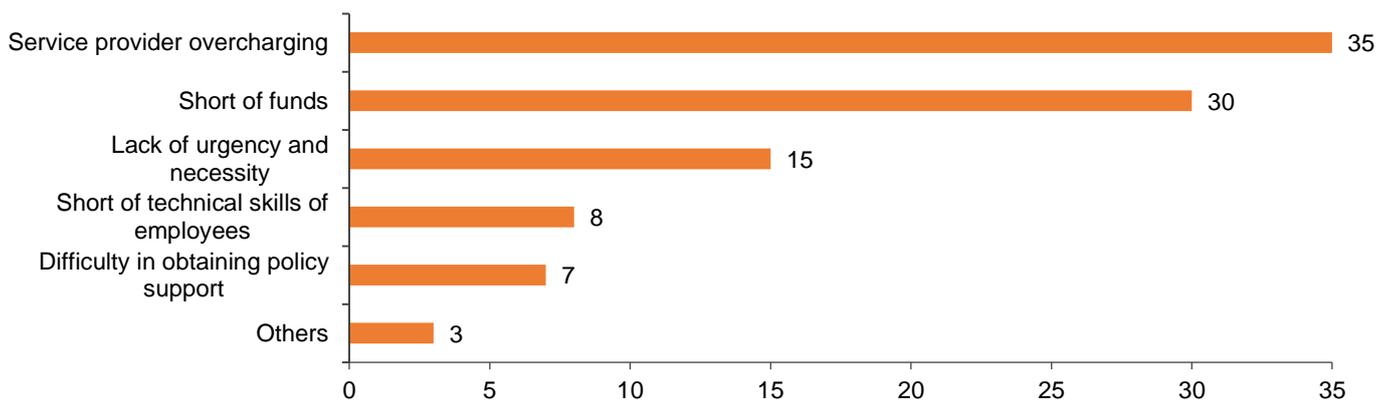
Data source: Fudan-Ping An Research Institute for Macroeconomy

In addition, after experiencing the COVID-19 epidemic, more than 90% of the companies surveyed recognized the importance of improving digitalization.

2.3 Major Obstacles to Digital Transformation of the Surveyed Companies

The results of the survey show that the biggest obstacles faced by SMEs in digital transformation are the overcharging of service providers and the shortage of funds.

Figure 13: Biggest obstacles in digital transformation of the surveyed enterprises (99 in total)

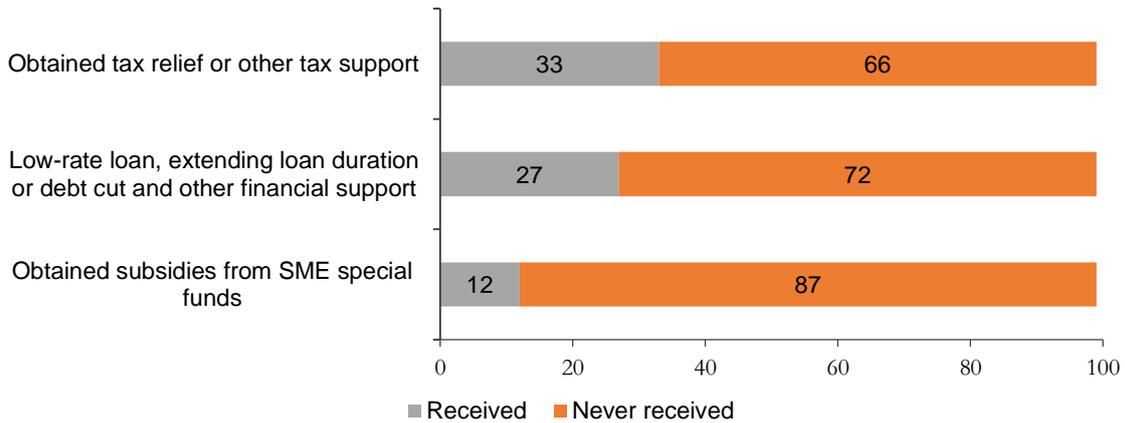


Data source: Fudan-Ping An Research Institute for Macroeconomy

At the same time, there is still room for improvement in the coverage of government policy support, including financial subsidies, financial support and tax support policies: about one-third of enterprises enjoy tax support policies, less than 30% of enterprises have received low-interest loans and other financial support, and less

than 15% of enterprises have received special fund subsidies for SMEs. At the same time, 97% of the enterprises realize that digital transformation can help improve their production and operation efficiency and development.

Figure 14: Policy support received by the surveyed enterprises (99 in total) for digital transformation and upgrading



Data source: Fudan-Ping An Research Institute for Macroeconomy

3. Policy Suggestions

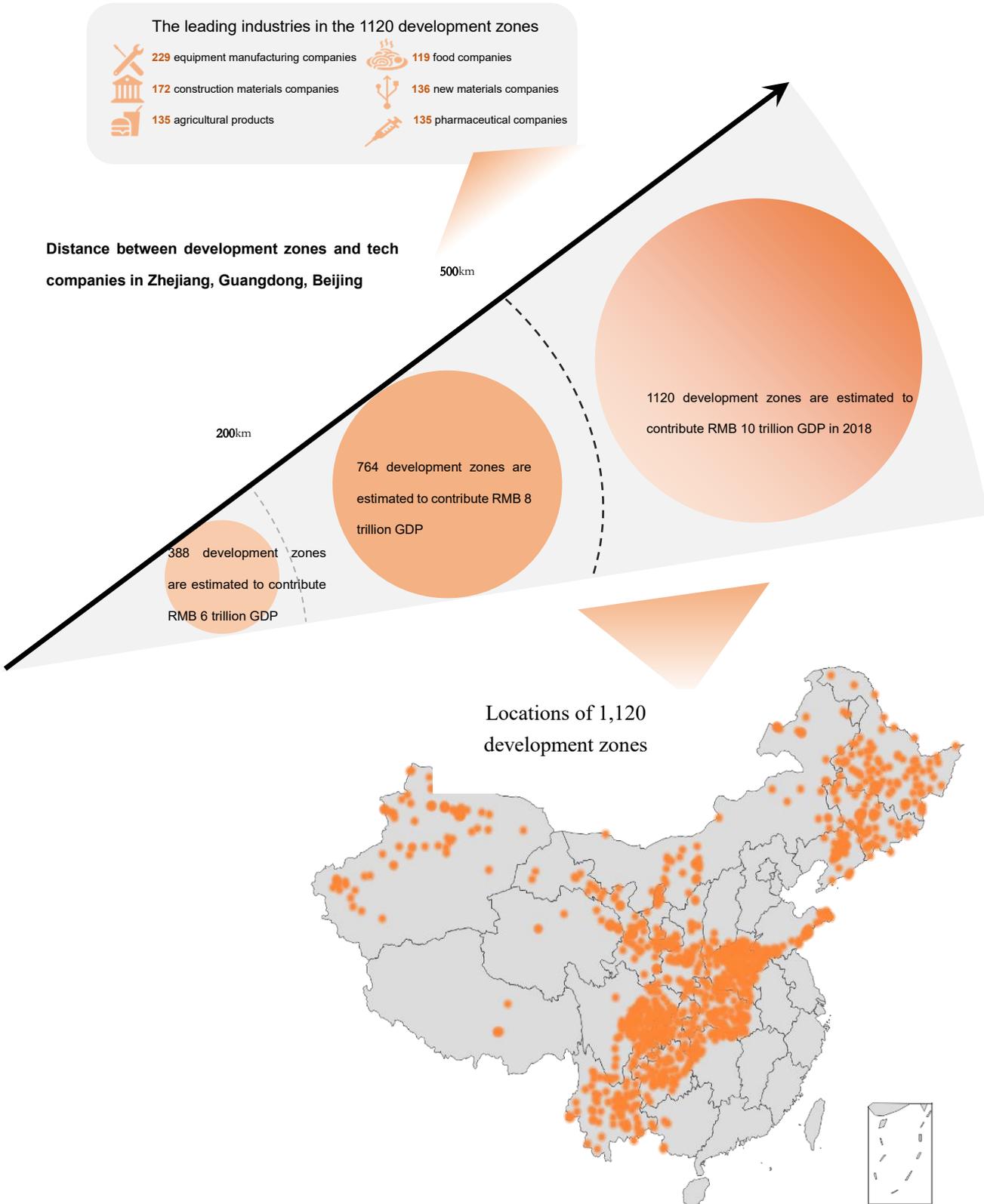
3.1 The Main Challenges of Digital Transformation of SMEs are High Costs and Tight Budgets

The survey results show that there is still room for improvement in the adoption of digital technology among the surveyed enterprises. These surveyed enterprises, located in a national economic development zone, are likely to have higher production and operation capacity and better technology than ordinary SMEs in China. Therefore, it is plausible that the digital maturity of SMEs overall in China is lower than the ones in our survey. There are five factors that hinder the digital transformation of SMEs:

1. **Service providers charge too much:** Digital technologies are relatively new at present, and the application and penetration of new technologies often have relatively high fixed costs. Due to their size disadvantage, SMEs cannot effectively cover these fixed costs, so the related costs of these new technologies are the first setback.
2. **Capital shortage:** China's SMEs have been faced with serious financing problems for a long time, so it is not surprising that the shortage of capital is a major obstacle to the adoption of advanced technologies by SMEs.
3. **Lack of urgency and necessity:** Most of China's SMEs are not at the forefront of technology, so there is no immediate demand for digital and other cutting-edge technologies.
4. **Insufficient skills of existing employees:** The digital transformation relies on information technology (IT) and other technical personnel, but a large number of SMEs do not have these human resources. Shanghai is one of the regions with rich skilled human resources in China. It is likely that in other parts of China, insufficient skills of existing employees are a greater obstacle to the digital transformation of SMEs. On the supply side, China's technology companies capable of enabling digital transformation are mainly concentrated in a few regions, such as Zhejiang, Guangdong province and Beijing. However, due to physical distance, the demand for digital transformation may not be fully met in other regions.⁷
5. **Difficulty in obtaining government support:** The survey results show that there is still room for improvement in the coverage of policies supporting the digital transformation of SMEs. For example, less than 15% of enterprises have received special fund subsidies for SMEs.

⁷In China, technology companies are mainly concentrated in Zhejiang, Guangdong and Beijing. Large technology companies in China and abroad registered a total of 564 companies in China, with a total registered capital of about RMB243.685 billion. Among them, 206 companies have been registered in Zhejiang, Guangdong and Beijing, with a total registered capital of RMB181.805 billion, accounting for more than 74%. The total registered capital of technology companies registered in the other 28 provinces, municipalities directly under the central government and autonomous regions was only RMB61.88 billion, accounting for less than 26%. But there are 2,272 development zones in the 28 provinces, with a combined GDP estimated at RMB25 trillion (86%) in 2018. The digital transformation of SMEs in these regions will unleash huge demand for technology products and services, but they need to rely on the output and capacity of technology companies in Zhejiang, Guangdong and Beijing.

Figure 15: 1,120 development zones that are 500km away from tech companies in Zhejiang, Guangdong and Beijing



Data sources: Tianyancha, National Development and Reform Commission, Ping An Digital Economic Research Center

3.2 Suggestions: More policy support for the development of standardized digital services, and tax cuts and financing facilities for digital transformation

In view of the main barriers to digital transformation of SMEs, overcharging of service providers and the shortage of funds, we put forward the following suggestions:

1. **More support to large technology companies that are developing standardized digital services suitable for SMEs. Since China has a large number of SMEs, this can help achieve economy of scale (solutions for factor (1)).** Individual SMEs do not have the resources or motivation to pay the fixed costs required by digital technologies. However, China has hundreds of millions of SMEs, which is a huge numerical advantage. For big tech companies and digital platforms, that means huge market opportunities. The fundamental way to reduce the cost of digital technology is to develop standardized digital services and tools suitable for the massive SME sector. MIIT issued its Special Action Plan for Digitalization Empowering SMEs, with the goal of promoting a batch of digital platforms, system solutions, products and services that can meet the demand of SMEs, help SMEs resume work and production and improve the quality of development through digital networked intelligence. This survey has confirmed the urgency of developing standardized digital services suitable for SMEs.
2. **Provide SMEs with tax cuts for digital transformation (targeting factors (1) and (2)).** The survey results show that there is considerable room for improvement in the coverage of policy support. Tax cuts will reduce the cost of digital transformation for SMEs and alleviate financial pressures.
3. **Guide financial institutions to provide cheap loans for SMEs' digital transformation projects (targeting factor (2)).** For example, the People's Bank of China could set up special re-loans to guide financial institutions to provide cheap loans to SMEs for digital transformation. **The elimination of information barriers between enterprises and financial institutions and the reduction of information asymmetry through digital transformation can further help SMEs obtain more accurate credit assessments and alleviate their financing difficulties.** For example, increasing the proportion of online procurement and sales can make it possible to effectively access transaction data within the supply chain, thus facilitating the delivery of supply chain financial services (see the below column for details).

4. Discussion: Improve SME Finance through Supply Chain Financial Trading Platforms

Supply chain finance refers to the integration of the logistics, capital flow, information flow and other data in the whole industrial chain, and the construction of a financial supply system and financial risk assessment system that integrates core enterprises and upstream and downstream enterprises in the supply chain. This integration enables rapid response to the capital needs of enterprises in the supply chain, and improve the overall value of the supply chain. The credit evaluation of a large number of small SMEs in the supply chain can be based on the actual transaction information and the credit level of the core enterprises, which is usually more accurate than the credit evaluation of a single enterprise.

Chinese governments attach great importance to the role of supply chain finance in SME financing and stable development of the industrial chain. On March 18, 2020, MIIT issued a special action plan for digitalization empowering SMEs, asking administrative bureaus all over China in charge of SMEs and related bureaus to improve production matchmaking services and build a public service platform that promotes SME financing and credit enhancement, facilitates the application of a new generation of information technology, supports contract e-signing and online deposit certificates and increases supply chain credit value.

On Sept. 18, 2020, the People's Bank of China, MIIT, the China Banking Regulatory Commission and five other policy makers jointly issued the Opinions on Standardizing the Development of Supply Chain Finance to Support the Stable Cycle and Optimization and Upgrading of Supply Chain and Industrial Chain (the Opinions). The Opinions **specify that financial institutions, core enterprises, government departments and third-party professional institutions should strengthen cooperation**, establish a stable relationship between financial institutions and enterprises, and encourage banks and other financial institutions to provide comprehensive financial solutions for the industrial chain. As for the financing of SMEs, the Opinions encourage banks to provide more convenient financing such as discounts and pledges for supply chain bills, and support SMEs **to raise funds from the bond market through standardized bills**. It is also called for **improved financing efficiency of receivables of small, medium and micro enterprises**. In terms of preventing risks in supply chain finance, the Opinions put forward that **financial institutions should strengthen the application of fintech**, monitoring funds online for the whole process, and make it clear that participants in supply chain finance should **use blockchain, big data, AI and other information technologies** to strengthen the security of financial service platforms.

As an example, Beiqi Foton Motor Co., Ltd. (Foton Motor) introduced **the supply chain finance trading platform, Fujin All-Link System, based on blockchain technology**, which alleviates the financing difficulties of SMEs in the chain and **improves the competitiveness of the whole supply chain**. In August 2018, as the first application of blockchain in the automotive industry, Foton Motor worked with OneConnect, a leading technology-as-a-service platform for financial institutions in China and an associate company of the Ping An Group. They launched the Fujin All-Link System, which covers the upstream and downstream enterprises and core enterprises of the supply chain, banks and other major financing participants, and integrates seamlessly business flow, cash flow, logistics and information flow with no time lag. It improves the turnover efficiency of the entire industrial chain and significantly reduces transaction costs. At the same time, it solves the financing problem of chain enterprises of Foton, reduces the capital financing cost of chain enterprises, and improves the overall competitiveness of the supply chain. Compared with traditional supply

chain finance, which can only serve first-level suppliers, the application of blockchain and other technologies enables the verification of cross-level transactions between second-level and multi-level small and medium-sized suppliers and core enterprises, **so that more than 70% of the customers that cannot be covered by banks can be included into the overall credit system of the supply chain.**

About Us

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