

Making the Difference



Western firms get helping hand from EU SME Centre in China

For small- and medium-sized enterprises (SMEs), establishing a presence in China is like a journey with several hidden obstacles.

As the Chinese economy continues to blossom, the number of SMEs seeking access to the world's next biggest consumer market is also increasing exponentially. But many are hesitant to take the first steps into a complicated market thousands of miles away due to the risks involved.

“What started out as a sort of curiosity about the Chinese market for many has now turned into a desire for action and we’ve seen a big increase in the number of businesses looking to move to China, as the situation back home is not that encouraging,” says Chris Cheung, director of the European Union SME Centre and market advisor in business development.

By 2011, 12 percent of all EU businesses working on an international scale had operations in China, a significant jump from five years ago and a sign of a growing change, according to a report published by the European Commission late last year.

With more than 99 percent of European businesses considered SMEs, which usually means companies having fewer than 250 employees, a staggering 92 percent fall under the micro category – often employing much smaller teams to turn creative dreams into reality.

With SMEs generating more than 50 percent of the \$211 billion (161 billion euros) worth of EU exports to China in 2011, there is no question of the importance of supporting such businesses.

Seeing the pivotal role these businesses play, the EU has adapted the strategy of “think small first” in order to help make the move.

Aided by the EU’s Small Business Act, an effort by European member states to ease the regulatory burden facing small businesses enacted in 2008, Cheung and his team of industry experts opened the EU SME Centre in Beijing early last year to ease the transition for these businesses, which often lack the resources to gather quality information on China’s complex business environment and different culture.

“The first step for any business considering a move to China is to get informed and know how the market works,” he says.

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