

Foreword

Over the past decade, the domestic and international economic environment has seen drastic changes. The rapid rise of mainland China and other emerging economies, globalization led by multinational corporations, and waves of regional economic coalitions around the world all present challenges to the successful economic model Taiwan has depended upon in the past.

“Challenge 2008: Six Years National Development Plan” was launched in 2002 to cope with the new challenges facing Taiwan’s economy. The results have gradually become apparent, with the volume of trade and manufacturing production in Taiwan beginning to expand rapidly in the second half of 2003 after two years of recession. Entering 2004, the economy began to make an even stronger rebound, and the growth rate of 5.8% expected for 2004 is the highest in four years.

The statistics in this volume of the White Paper show that the performance of SMEs in 2003 also improved. The number of SMEs continued to increase, up 3.77% in 2003, the highest in three years, while SME-employment increased 0.87%. Meanwhile, the value of total sales and domestic sales of SMEs increased 16.17% and 20.10%, respectively. However, their export value decreased 1.71%, and thus providing guidance and assistance to SMEs to improve their export capability has become the focus of this Administration.

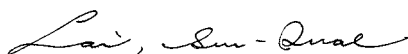
In this volume of the White Paper on SMEs, Part One examines the development of SMEs from all perspectives for

2003, followed by a comparison with their performance in previous years, and with the performance of large enterprises. A comparison of 15 economies in terms of major SME indicators and related government policies are also provided.

Two special topics are analyzed in Part Two, the impact of SARS on SMEs, and female entrepreneurship in Taiwan.

In Part Three, the major government policies and measures relating to SMEs are reviewed, along with their effects in the past year. The last chapter concludes with a discussion of the overall prospects on future SME policies. The Appendix to this volume provides some important SME statistics covering the last decade.

I hope that the publication of this English version of the SME White Paper can serve as a useful reference for SMEs, scholars, and government officials around the world, paving the way for a better understanding of their needs, and facilitating future cooperation.



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September, 2004