



**White Paper on  
Small and Medium Enterprises  
in Taiwan  
2025**



# **2025 White Paper on Small and Medium Enterprises in Taiwan**

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## **Edited by**

Chung-Hua Institution for Economic Research  
No. 75, Changxing St., Da'an Dist., Taipei City 106220, Taiwan (R.O.C.)

## **Editor in Chief**

Jiann-Chyuan Wang

## **Managing Editor**

Shih-Chang Huang, Chia-Hui Lin

## **English Translator**

Linguitronics Co., Ltd., Ying-Xuan Chen

## **Proof Reader**

Chia-Hui Lin, Ying-Xuan Chen, Chien-Ching Liao

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# Foreword

Small and medium enterprises (SMEs) are the cornerstone of Taiwan's economic development and play a key role in maintaining social stability. Over the years, SMEs have demonstrated remarkable flexibility and resilience, driving Taiwan's economic growth, creating countless job opportunities, and laying an important foundation for a stable country and society.

In 2024, the number of SMEs in Taiwan exceeded 1.715 million, a 2.48% increase from the previous year. These enterprises employed approximately 9.194 million people, accounting for nearly 80% of the country's employment, and generated over NT\$31 trillion (USD984billion) in sales, representing more than 50% of all business revenue. Moreover, by the end of 2024, more than 9,500 startups with innovative capabilities were operating across diverse fields such as healthcare and software applications. This abundance of innovation underscores the central role SMEs play in Taiwan's economic development.

Globally, both the political and economic landscape and rules of market competition are undergoing significant restructuring. These geopolitical shifts, evolving international dynamics, and the United States' reciprocal tariff policies have created an increasingly complex landscape; for SMEs, this means the business environment has become more challenging than ever. In response, the Ministry of Economic Affairs launched the Micro-, Small and Medium-sized Enterprise Diversified Revitalization and Development Plan in January 2025. This plan aims to assist SMEs to achieve steady growth and enhance competitiveness through three major strategies: digital transformation, net-zero transformation, and market expansion. These strategies are complemented by supporting measures such as inclusive finance, tax incentives, and additional credit guarantees to support employee salary increases. Through these combined efforts, the plan aims to drive innovative transformation among SMEs while pursuing a broader policy goal of inclusive growth.

Furthermore, following the approval of the Special Act to Strengthen Economic, Social, Livelihood and Security Resilience in Response to Global Challenges, the Ministry of Economic Affairs launched advisory services to help businesses strengthen their competitiveness. These services aim to help businesses build resilience and adapt to the new economic and trade order. By establishing a one-stop service platform, they provide comprehensive support in areas such as digital transformation, market expansion, technical guidance, talent cultivation, and financial assistance to help SMEs enhance their operations, overcome obstacles, and navigate emerging challenges.

The *2025 White Paper on Small and Medium Enterprises in Taiwan* aims to provide a comprehensive overview of SMEs and government policy in Taiwan across two main themes: Operational Trends and Policies and Measures. The first theme provides an in-depth examination of current SME and startup operations while the second theme systematically compiles relevant government policies and measures. We hope that this publication will serve as a valuable reference for understanding SME development in Taiwan, promote academic research and international exchange, and provide meaningful support for the upgrading and sustainable development of SMEs.



**GJ Lee**

Director General

Small and Medium Enterprise and Startup Administration

Ministry of Economic Affairs

December 2025

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# Summary

The *2025 White Paper on Small and Medium Enterprises in Taiwan* includes two parts. Part 1 “Operational Trends” describes the operations and development of SMEs. Part 2 “Policies and Measures” introduces the policies and measures provided by various government authorities to SMEs which can be used as reference for SME operations and innovation.

## Part 1 Operational Trends

Small and medium-sized enterprises (SMEs) are a key force in Taiwan’s economic development and social stability, providing nearly 80% of employment opportunities. Their operational resilience and adaptability enable them to play a crucial role in the overall economy. Faced with an uncertain economic environment and an aging and low-birth-rate population, the data show that SMEs have demonstrated a high degree of adaptability, such as by reducing their debt ratio to improve their financial structure and reduce risks. They also use diverse employment models to alleviate labor shortages. These sound business strategies were also reflected in their operating performance in 2024, with positive growth in the number of businesses, employment, and revenue. Domestic sales records were outstanding, and export growth also turned from negative to positive.

## Part 2 Policies and Measures

To help SMEs adapt to international trends and resolve operational challenges, the government continues to provide support and guidance measures to help them grasp development opportunities, accelerate transformation and upgrading, and enhance their overall competitiveness. The key measures for 2025 will be implemented by adopting a two-pronged approach, with a focus on medium- to long-term structural transformation, including digital transformation, net-zero transformation, and channel development. The other part of the approach will be to respond to immediate external shocks, such as reciprocal tariffs from the United States and exchange rate fluctuations. The government has not only established a single service window to provide immediate and convenient services, but has also proposed a variety of measures, including financial support, R&D upgrades and new market development, to help businesses strengthen their resilience, expand into diverse markets, and transform crises into opportunities.



# Part 1

## Operational Trends

### Chapter 1 Current Situation of SMEs and Startups

### Chapter 2 Financial Overview and Funding of SMEs

### Chapter 3 Human Resources of SMEs

Small and medium-sized enterprises (SMEs) have been a key force for Taiwan's economic development and social stability, providing nearly 80% of employment opportunities. Their operational resilience and the adaptability of enterprises are crucial for overall economic and industrial development. Given their importance, this first part uses data and results of surveys published by government agencies to analyze the operating status as well as trends and changes in SMEs from multiple perspectives.

To fully portray the current status of SME operations, this part is presented in three chapters. Chapter 1 explores the operating trends of SMEs through indicators such as the number of entrepreneurs, revenue, and startup development. Chapter 2 provides an in-depth analysis of SMEs' asset-liability structure, profitability, and financing channels through a financial overview and funding. In Chapter 3, we analyze human resources data to examine the utilization of human resources in SMEs from the perspectives of labor force structure, employment patterns, and average working hours.

Overall, the number of Taiwan's SMEs, employment, and revenue in 2024 showed positive growth. Their performance in terms of domestic sales improved, and the export growth rate shifted from negative to positive. To cope with the uncertain economic environment, SMEs reduced their debt ratios and strengthened their financial structures to lower operating risks. In terms of human resource utilization, SMEs actively addressed labor shortages through various employment models in response to the aging society and declining birthrates.

# Chapter 1

## Current Situation of SMEs and Startups

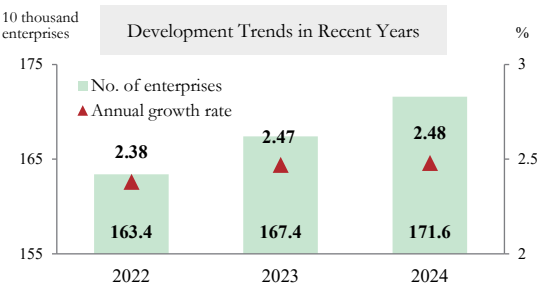
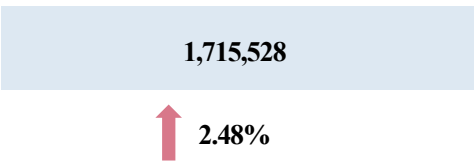
### Key Highlights

Taiwan's economic growth rate in 2024 was 4.84%, up 3.72 percentage points from 2023 and the highest in nearly three years. This was mainly due to the strong demand for emerging technology applications such as AI and cloud computing, as well as the steady growth of corporate investment and private consumption, which supports the overall economic growth. This chapter focuses on the business management indicators that analyze the development and changes in SMEs and startups in Taiwan in 2024 as reference for business operations. It presents the overall operations of Taiwan's SMEs, the characteristics of their operations, and profiles of startups, the characteristics of the operations of SMEs with female owners, the operating situation of SMEs, and an overview of R&D funding investment by SMEs. The summary of important statistics for SMEs is as follows:

#### ● SMEs Are Growing Steadily and Continue to Play an Important Role in Economic Development

- SMEs are not only the cornerstone of Taiwan's economic development, but also a manifestation of its vitality. In 2024, the number of SMEs exceeded 1.715 million, an increase of 2.48% from 2023, accounting for 98.87% of the total number of enterprises. The survival and development of SMEs have contributed to the strong foundations and vitality of the Taiwan economy.

#### SMEs' Number of Enterprises



#### ● SMEs Employed Over 9.194 Million People, Playing a Key Role in Stabilizing the Employment Market

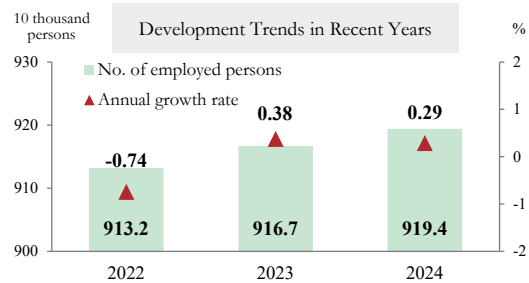
- In 2024, SMEs had 9.194 million employees, an increase of 27 thousand over the previous year (an increase of 0.29%), accounting for nearly 80% of employment in Taiwan. With more people employed, it is evident that SMEs provide a solid foundation for social stability and employment security.



**SMEs' Employed Persons**

9.194 million

↑ 0.29%



### ● SMEs' Revenue Exceeded NT\$31.1 Trillion, with Strong Domestic Sales Powering an 8% Growth

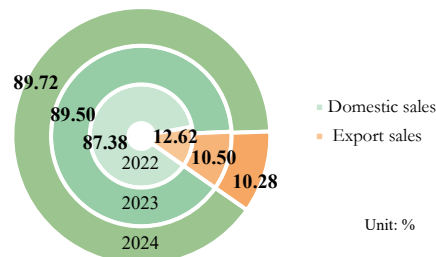
- In 2024, the total revenue of SMEs exceeded NT\$31.1 trillion, accounting for 51.99% of the total corporate revenue, with an annual revenue growth rate of 8.05%. Their performance was stable. Revenue from domestic sales totaled over NT\$27.9 trillion, up 8.32%. It was the main source of revenue growth. The export volume was NT\$3.1934 trillion, with a growth rate of 5.78%, shifting from negative to positive, which also showed the recovery of exports. In addition, in terms of the ratios of the domestic and foreign sales of SMEs, their revenue was mainly from the domestic market, with 89.72% of revenue from domestic sales and exports accounting for 10.28%.

**SMEs' Total Sales**

NT\$31.1 trillion

↑ 8.05%

Shares of Domestic and Export Sales in Recent Years



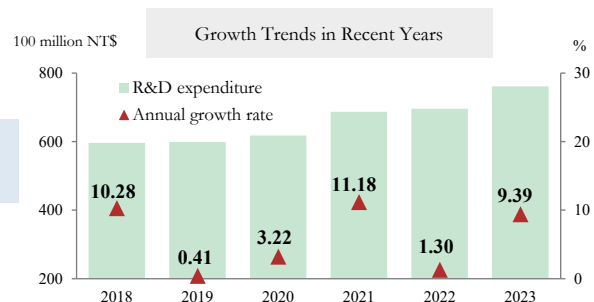
### ● R&D Funding for SMEs Has Continued to Grow, Driving Upgrading and Transformation and Empowering Industrial Development

- In 2023, the total R&D funding of SMEs reached NT\$76.1 billion, a significant increase of 9.39% over 2022. In recent years, the R&D funding of SMEs has continuously increased, with a growth rate exceeding 10% in 2018 and 2021, and reaching 9.39% in 2023. It demonstrates the ambition of SMEs to actively invest in innovation and R&D to enhance their competitiveness.

**SMEs' R&D Funding**

NT\$76.1 billion

↑ 9.39%



# I General Business Performance of SMEs

We have compiled Taiwan's public sector statistics for 2024 and observed the indicators of business operations, including the number of enterprises, sales, domestic sales, exports, and the number of people employed and number of employees. The description and analysis of the related information are provided below:

## 1. Number and Structure of SMEs and the Current Conditions for Employment

### (1) Approximately 1.716 Million SMEs in 2024

As of 2024, the total number of businesses in Taiwan was 1,735,220, which was a 2.49% increase from 2023. They included 1,715,528 SMEs, which accounted for 98.87% of the total, an increase of 41,467 enterprises from 2023 and reflecting a growth rate of 2.48%. There were 19,692 large enterprises (1.13%) and the growth rate was 3.90% (Table 1-1-1).

### (2) SMEs Provided 9.194 Million Employment Opportunities in 2024

In 2024, the total number of people employed in Taiwan was 11.595 million and 9.194 million people (79.29%) were employed by SMEs. The number of employed persons in SMEs in 2024 increased by 27 thousand (a 0.29% increase) from the previous year. In 2024, the total number of paid employees in Taiwan amounted to 9.394 million and 6.994 million (74.45%) were employed by SMEs. The number of paid employees in SMEs in 2024 increased by 47 thousand (a 0.68% increase) from the previous year (Table 1-1-1).

### (3) SMEs Accounted for Approximately 80% of Enterprises and 70% of Sales in the Service Sector

In terms of the three levels of industries of SMEs, most SMEs in Taiwan are in the service sector. In 2024, there were 1,375,625 SMEs in the service sector and they accounted for approximately 80.19% of the total. There were 327,322 small and medium enterprises in the industrial sector which accounted for 19.08% of the total. In terms of sales, the revenue of SMEs in 2024 totaled \$31,075,170 million. The industrial sector accounted for 31.35% and the service sector accounted for 67.79%. The domestic sales and exports were also mainly attributed to the service sector, which accounted for 68.45% and 62.04% of the total, respectively (Table 1-1-2).

Table 1-1-1

**Number of Enterprises, Annual Sales, Employed Persons and Paid Employees in Taiwan by Enterprise Size, 2023-2024**

Unit: Enterprises; million NT\$; thousand persons; %

Indicator	All enterprises		SMEs		Large enterprises	
	2023	2024	2023	2024	2023	2024
<b>No. of enterprises</b>	1,693,014	1,735,220	1,674,061	1,715,528	18,953	19,692
Share of total	100.00	100.00	98.88	98.87	1.12	1.13
Annual growth rate	2.46	2.49	2.47	2.48	3.85	3.90
<b>Total sales</b>	54,611,411	59,772,590	28,760,346	31,075,170	25,851,065	28,697,420
Share of total	100.00	100.00	52.66	51.99	47.34	48.01
Annual growth rate	-1.48	9.45	0.59	8.05	-3.68	11.01
<b>Domestic sales</b>	41,777,424	45,329,868	25,741,322	27,881,794	16,036,101	17,448,074
Share of total	100.00	100.00	61.62	61.51	38.38	38.49
Annual growth rate	2.48	8.50	3.03	8.32	1.60	8.80
<b>Export sales</b>	12,833,987	14,442,722	3,019,024	3,193,376	9,814,964	11,249,345
Share of total	100.00	100.00	23.52	22.11	76.48	77.89
Annual growth rate	-12.47	12.53	-16.31	5.78	-11.21	14.61
<b>No. of employed persons</b>	11,528	11,595	9,167	9,194	1,332	1,372
Share of total	100.00	100.00	79.52	79.29	11.55	11.83
Annual growth rate	0.96	0.58	0.38	0.29	5.30	3.00
<b>No. of paid employees</b>	9,306	9,394	6,947	6,994	1,331	1,371
Share of total	100.00	100.00	74.65	74.45	14.30	14.59
Annual growth rate	1.28	0.95	0.62	0.68	5.38	3.01

## Notes:

1. SMEs in this table refer to enterprises with paid-in capital of less than NT\$100 million (inclusive) in terms of the number of enterprises and revenue (including domestic sales and exports) as defined in the “Standards for Identifying Small and Medium-sized Enterprises” revised and promulgated by the Ministry of Economic Affairs (MOEA) on November 27, 2024. In terms of the number of people employed and the number of employees, they are defined as those with fewer than 200 regular employees.
2. The number of SMEs and revenue already include data obtained from small stores. The export value in terms of revenue is the export value reported by the company in the sales tax filing, and the results of the import and export customs clearance data from the Ministry of Finance. This may vary due to changes in the exchange rate, the scope of data, and calculation methods.
3. In addition, the impact of the epidemic in 2020 created severe challenges for manufacturers in their operations. Based on operational considerations, manufacturers may adopt flexible measures (e.g., reduce business hours, shorten work hours, or cancel shifts), and may also take measures such as suspending operations or closing the business. However, the main source of the data used for the analysis in this chapter (the original data on sales tax collection were from the Fiscal Information Agency “FIA” of the Ministry of Finance “MOF”) has been stripped of identifiable business information of companies due to personal information protection requirements. It is therefore impossible to compare the changes in the operations of companies in different years. This means that we were unable to verify the changes caused by the suspension of business operations or closure of plants due to data limitations.
4. The number and percentage of people employed and the number of employees of “all enterprises” in the table include SMEs and large enterprises as well as 1,029 thousand people employed by the government (public sector) and the percentage (8.87% of the number of people employed by the government and 10.95% of the total number of people employed). The number of people employed and the number of employees also include people whose household registration is in Taiwan, who are employed by SMEs in Taiwan, and are assigned to Mainland China (including Hong Kong and Macao) or a foreign country to work (for employment).

Source: 1. Fiscal Information Agency (FIA), Ministry of Finance (MOF), Value-Added Business Tax (VAT) data, 2023-2024.

2. Directorate-General of Budget, Accounting and Statistics (DGBAS), Executive Yuan (EY), *Manpower Survey* data, 2023-2024.

**Table 1-1-2 Shares of SMEs in Taiwan by Sector, 2022-2024**

Unit: Enterprises; million NT\$; %

Sector \ Year	2022	2023	2024
<b>No. of enterprises</b>	1,633,788	1,674,061	1,715,528
Primary sector	0.73	0.74	0.73
Industrial sector	19.02	19.03	19.08
Service sector	80.24	80.23	80.19
<b>Total sales</b>	28,592,007	28,760,346	31,075,170
Primary sector	0.33	0.44	0.86
Industrial sector	31.74	31.24	31.35
Service sector	67.94	68.32	67.79
<b>Domestic sales</b>	24,984,763	25,741,322	27,881,794
Primary sector	0.35	0.47	0.92
Industrial sector	30.80	30.40	30.63
Service sector	68.85	69.13	68.45
<b>Export sales</b>	3,607,244	3,019,024	3,193,376
Primary sector	0.15	0.26	0.33
Industrial sector	38.26	38.36	37.63
Service sector	61.59	61.38	62.04

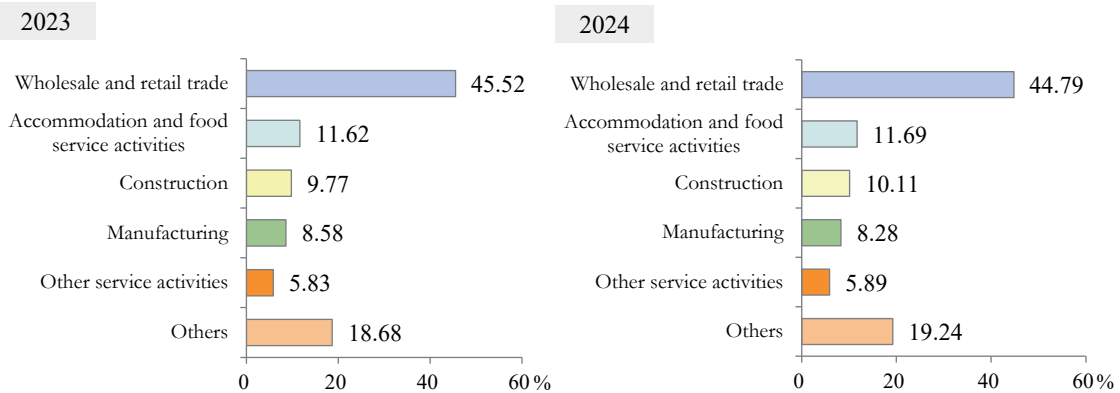
Notes: Sectors: Due to data restrictions, the industry categories will be adjusted as follows starting from 2023:

1. The primary sector refers to “agriculture, forestry, fishing and animal husbandry; mining and quarrying.”
2. The industrial sector includes “manufacturing”, “electricity and gas supply; water supply and remediation activities”, and “construction.”
3. The service sector includes “wholesale and retail trade”, “transportation and storage”, “accommodation and food service activities”, “information and communication”, “financial and insurance activities”, “real estate activities”, “professional, scientific and technical activities”, “support service activities”, “education”, “human health and social work activities”, “arts, entertainment and recreation”, and “other service activities.”

Source: FIA, MOF, VAT data, 2022-2024.

#### (4) 44.79% of SMEs Engaged in Wholesale and Retail Trade

In terms of industries, SMEs in the wholesale and retail sector accounted for the largest share of all SMEs in 2024. The industry had 768,408 SMEs, which accounted for 44.79%, or nearly half, of the total number of SMEs. They were followed by accommodation and food service activities with 200,462 SMEs, which accounted for 11.69%. The third largest industry was construction with 173,493 SMEs which accounted for 10.11%. They were followed by manufacturing (8.28%), and other service activities (maintenance, laundry, hair and beauty, funeral, and household services, which accounted for 5.89%). Overall, the industry structure of the sales proportion of SMEs in 2024 was roughly the same as in 2023, but with slight differences in the proportion (Figure 1-1-1 and Appendix D Table D-1).

**Figure 1-1-1 Distribution of SMEs by Industry, 2023-2024**

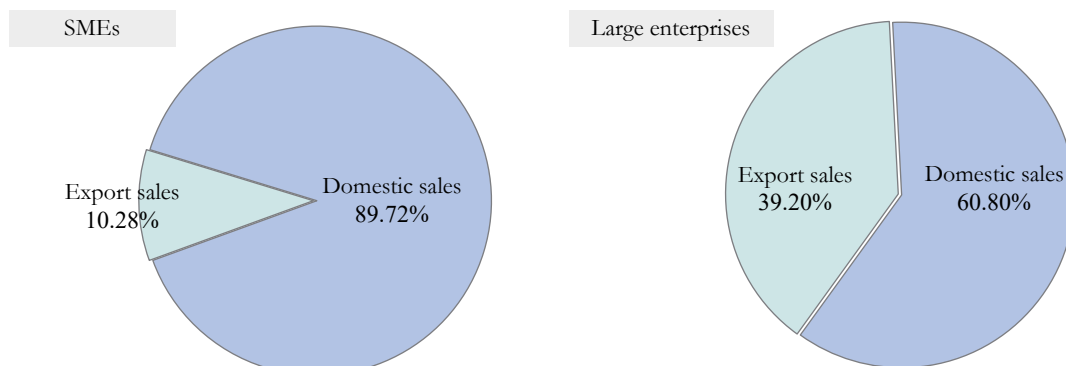
Note: "Others" refers to industries other than the top 5 industries ("wholesale and retail trade", "accommodation and food service activities", "construction", "manufacturing", and "other service activities"). They include "agriculture, forestry, fishing and animal husbandry; mining and quarrying", "electricity and gas supply; water supply and remediation activities", "transportation and storage", "information and communication", "financial and insurance activities", "real estate activities", "professional, scientific and technical activities", "support service activities", "education", "human health and social work activities", and "arts, entertainment and recreation."

Source: FIA, MOF, VAT data, 2023-2024.

## 2. Current Sales Status and Changes in SMEs

### (1) Nearly 90% of the Revenue of SMEs in 2024 Came from Domestic Sales

The total revenue of all enterprises in 2024 amounted to NT\$59.77259 trillion. The revenue of SMEs totaled NT\$31.07517 trillion, which accounted for more than half (51.99%) of the revenue of all enterprises. The revenue increased by NT\$2.314824 trillion compared to the previous year, representing an annual growth rate of 8.05%. Revenue from domestic sales amounted to NT\$27.881794 trillion, which accounted for nearly nine-tenths (89.72%) of the revenue of SMEs. Revenue from domestic sales increased by NT\$2.140472 trillion compared to the previous year, with an annual growth rate of 8.32%. The revenue of large enterprises totaled NT\$28.69742 trillion. Domestic sales totaled NT\$17.448074 trillion, which accounted for 60.80% of the revenue of large enterprises (Table 1-1-1 and Figure 1-1-2).

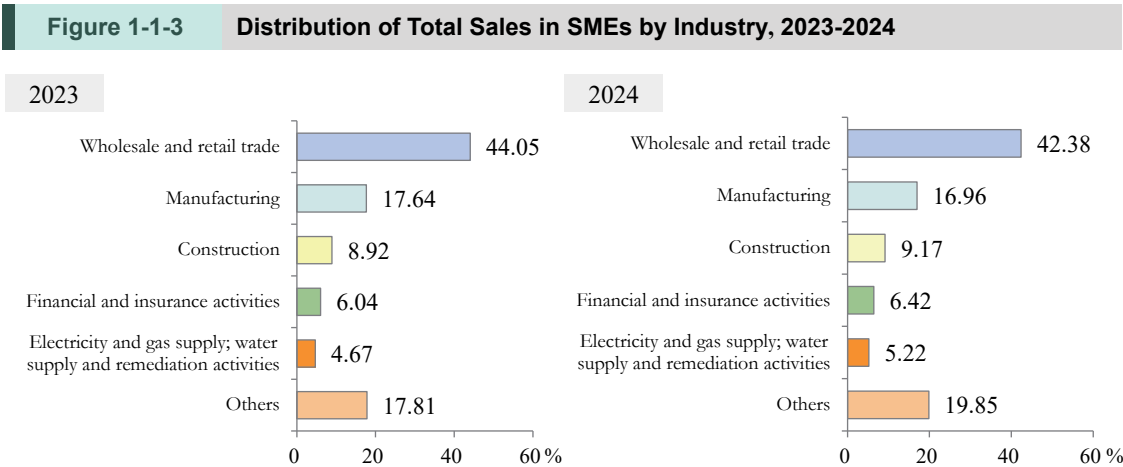
**Figure 1-1-2 Shares of Domestic and Export Sales in Total Sales by Enterprise Size, 2024**

Source: FIA, MOF, VAT data, 2024.

The proportion of revenue shows that SMEs are relatively dependent on the domestic market compared to large enterprises. Although large enterprises also focus on the domestic market, their exports accounted for nearly 40%. The main reason is SMEs’ smaller scale and limited resources (funding, talents, etc.), which make it difficult to expand overseas markets. They thus focus mainly on the domestic market.

(2) Wholesale and Retail Trade Had the Highest Revenue

In terms of overall industry sales, the top 3 industries by sales volume for SMEs in 2024 were wholesale and retail trade, manufacturing, and construction. Their revenue amounted to NT\$13.170379 trillion (42.38%), NT\$5.270609 trillion (16.96%), and NT\$2.849291 trillion (9.17%), respectively. The revenue of all 3 industries reached 68.51%. Next in order were finance and insurance activities (6.42%), and electricity and gas supply; water supply and remediation activities (5.22%). Overall, the industry structure of the sales proportion of SMEs in 2024 was roughly the same as in 2023, but with slight differences in the proportion. (Figure 1-1-3).



Note: “Others” refers to industries other than the top 5 industries.  
Source: FIA, MOF, VAT data, 2023-2024.

Based on the domestic sales by industry and the ratio of domestic sales of all SMEs, the top 3 industries in terms of the value of domestic sales of all SMEs in 2024 were wholesale and retail trade, manufacturing, and construction. Domestic sales amounted to NT\$11.642676 trillion (41.76% of total domestic sales), NT\$4.08956 trillion (14.67%) and NT\$2.836937 trillion (10.17%), respectively (Appendix D Table D-3).

(3) SME Exports Grew by 5.78% Year-on-Year in 2024

As the global economy improved and commodity trade picked up, the total exports of all businesses in Taiwan in 2024 amounted to NT\$14.442722 trillion, which was an increase of NT\$1.608735 trillion (an increase of 12.53%) compared with 2023. This strong growth was likely due to the active development of emerging business opportunities created by high-performance computing and artificial intelligence (AI). The export volume of SMEs was NT\$3.193376 trillion,

an increase of NT\$174.352 billion or 5.78% from the previous year as the growth rate shifted from negative to positive growth. However, the growth rate of exports of SMEs in 2024 was lower than the growth rate of exports of all businesses as a whole (Table 1-1-3).

**Table 1-1-3 Number and Sales Performance of SMEs, 2022-2024**

Unit: Enterprises; million NT\$; %

Indicator \ Year	2022	2023	2024
<b>No. of SMEs</b>	1,633,788	1,674,061	1,715,528
Ratio	98.90	98.88	98.87
Annual growth rate	2.38	2.47	2.48
<b>SME total sales</b>	28,592,007	28,760,346	31,075,170
Ratio	51.58	52.66	51.99
Annual growth rate	7.41	0.59	8.05
<b>SME domestic sales</b>	24,984,763	25,741,322	27,881,794
Ratio	61.29	61.62	61.51
Annual growth rate	7.42	3.03	8.32
<b>SME export sales</b>	3,607,244	3,019,024	3,193,376
Ratio (Export contribution)	24.60	23.52	22.11
Export propensity	12.62	10.50	10.28
Annual growth rate	7.33	-16.31	5.78

Notes:

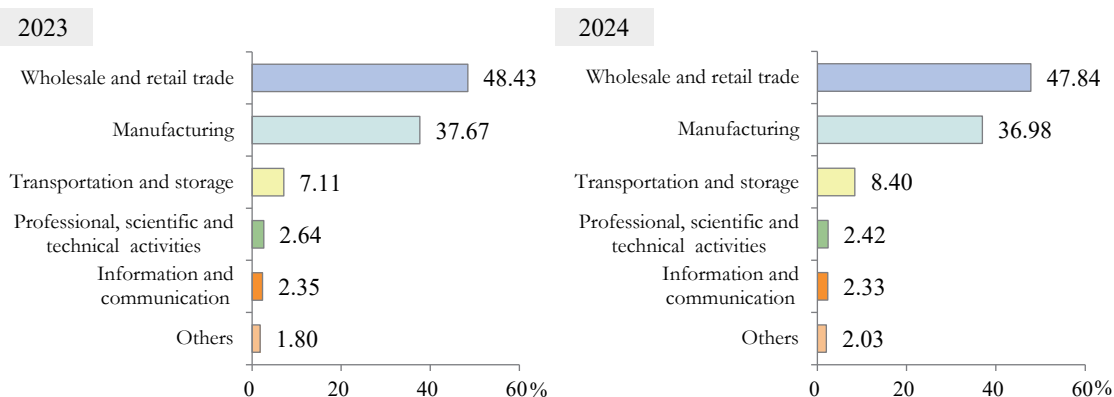
1. The ratio in the table is the percentage of SMEs among all enterprises.
2. The annual growth rate is the rate of increase from the previous year.
3. Export contribution = (export sales value of SMEs/export sales value of all enterprises) × 100%.
4. Export propensity = (export sales value of SMEs/total sales value of SMEs) × 100%.

Source: FIA, MOF, VAT data, 2022-2024.

In 2024, the export contribution ratio of SMEs (SME exports as a percentage of the exports of all enterprises) was 22.11%, which was a decrease of 1.41 percentage points compared to the previous year and marked a second consecutive year of decrease. In the same year, the export volume of large enterprises showed a significant growth, resulting in an increase in the export contribution of large enterprises compared with the previous year. The export propensity (the export value of SMEs as a percentage of their revenue) of SMEs was 10.28%, which was a slight decrease of 0.22 percentage points compared to the previous year (Table 1-1-3).

#### (4) Wholesale and Retail Trade and Manufacturing Accounted for 84.82% of Exports

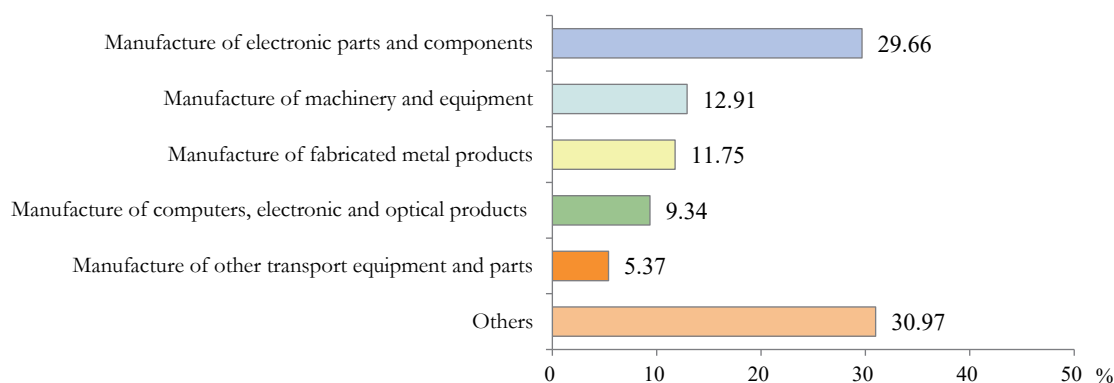
The top 3 export sectors for SMEs in 2024 in descending order were wholesale and retail trade, manufacturing, and transportation and storage. Their export values amounted to NT\$1.527702 trillion (47.84%), NT\$1.181049 trillion (36.98%), and NT\$268.166 billion (8.40%), respectively. The top 2 industries accounted for 84.82% and the concentration of export products remained relatively high. In terms of the ranking of the industries in 2024 and 2023, the top 5 industries remained the same (Figure 1-1-4 and Appendix D Table D-4).

**Figure 1-1-4 Distribution of Export Sales in SMEs by Industry, 2023-2024**

Note: "Others" refers to industries other than the top 5 industries.

Source: FIA, MOF, VAT data, 2023-2024.

Upon closer observation, the export performance of SMEs in the manufacturing sector showed that SMEs in the manufacturing sector achieved an export value of NT\$1.181049 trillion in 2024. The top 3 industries in terms of the value of exports in descending order were the manufacture of electronic parts and components (29.66%), the manufacture of machinery and equipment (12.91%), and the manufacture of fabricated metal products (11.75%). The total share of the top 3 industries was 54.32% and the concentration of export products remained relatively high (Figure 1-1-5 and Appendix D Table D-7). It is worth mentioning that thanks to the booming exports of AI and cloud computing related products, the export volume of the manufacture of computers, electronic and optical products has grown significantly compared with the previous year, and its market share ranking has also improved.

**Figure 1-1-5 Distribution of Export Sales in SMEs by Manufacturing Industry, 2024**

Note: "Others" refers to industries other than the top 5 industries.

Source: FIA, MOF, VAT data, 2024.



## (5) The US Ranked First in the Percentage of SME Export Value by Region in 2024, Followed by Mainland China

In terms of the export value share of SMEs in 2024, the top 3 regions were the United States (32.23%), Mainland China (including Hong Kong and Macao) (21.52%), and the 18 New Southbound Countries (20.79%). The three regions together accounted for 74.54% of the total export value of SMEs. It is worth noting that since 2018, the United States has surpassed Mainland China for the first time in 2024 to become the country with the largest share of exports of SMEs (Figure 1-1-6).

**Figure 1-1-6 Shares of Regions in Export Sales by Enterprise Size, 2024**



Notes:

1 Micro enterprises are those with fewer than 5 employees.

2. Regional categories: (1) Mainland China includes Hong Kong and Macao; (2) The 18 New Southbound Countries include Thailand, the Philippines, Indonesia, Malaysia, Singapore, Vietnam, Cambodia, Laos, Myanmar, Brunei, India, Pakistan, Bangladesh, Nepal, Sri Lanka, Bhutan, New Zealand and Australia; (3) Others include nations other than Mainland China, the United States, the 18 New Southbound countries, Europe, Japan and Korea.

Source: International Trade Administration (ITA), MOEA, Customs data, 2024.

Micro enterprises and large enterprises were more dependent on the Chinese mainland market. The proportion of their export value was led by Mainland China (including Hong Kong and Macao) (32.38% and 34.36% respectively), followed by the 18 New Southbound Countries (20.68% and 22.30%), and then the United States (17.17% and 20.66%). The three markets accounted for more than 70% of the total export value of each category of enterprises, or 70.23% and 77.32%, respectively (Figure 1-1-6).

By taking a closer look at the regional share of SME export value in the second quarter of 2025 and comparing it with the second quarter of 2024, we see that the United States (33.88%) continues to rank highest, followed by Mainland China (including Hong Kong and Macao) (23.73%) and the 18 New Southbound Countries (21.86%) in second and third place. In terms of the share of export value in the second quarter of 2025, the regions with the largest year-on-year increases and decreases include the 18 New Southbound Countries (an increase of 3.88 percentage points) and Europe (a decrease of 5.24 percentage points) (Table 1-1-4).

**Table 1-1-4 Share of SME Exports by Region, 2024Q1-2025Q2**

Unit: %; percentage points

Region (Country) \ Year Quarter	2024				2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Year-on-year increase or decrease
United States	32.10	34.84	34.45	27.66	33.20	32.88	-1.96
Mainland China	19.59	21.61	20.83	23.92	20.10	23.73	2.12
18 New Southbound Countries	25.12	17.98	17.11	23.10	23.22	21.86	3.88
Europe	9.99	11.99	10.45	9.00	6.48	6.75	-5.24
Japan	6.33	5.54	6.21	5.51	4.84	4.70	-0.84
Korea	1.45	2.48	3.85	3.09	1.83	2.52	0.04
Others	5.42	5.57	7.10	7.72	10.33	7.55	1.98

Source: ITA, MOEA, Customs data, 2024Q1-2025Q2.

### 3. Number of Years of Operation and Organizational Structure of SMEs

#### (1) The Number of SMEs Decreased as the Number of Years in Business Increased

In terms of the changes in the number of years in operation, there were 110,081 newly-established SMEs (with less than one year of operation) in 2024, accounting for 6.42% of all SMEs. There were 123,363 businesses (accounting for 7.19%) with 1 to 2 years of operation (referring to businesses with more than 1 year but less than 2 years of operation, and so on). It was 0.77 percentage points higher than that of businesses with less than 1 year of operation. There were 100,821 companies with 2 to 3 years of operation (accounting for 5.88%), which was 1.31 percentage points lower compared with those with 1 to 2 years of operation. There were 97,298 companies with 3 to 4 years of operation (accounting for 5.67%), this being 0.21 percentage points lower compared with those with 2 to 3 years of operation. There were 83,829 companies with 4 to 5 years of operation (accounting for 4.89%), which was 0.78 percentage points lower compared with those with 3 to 4 years of operation. This logic applies to the data for other years. Those with less than 10 years of operation accounted for about 48.17%, and the majority of them were companies with 1 to 2 years of operation. As the number of years of operation increased, the proportion decreased accordingly (Table 1-1-5).

The proportion of SMEs with less than 10 years of operation was 48.16%, while those with more than 10 years of operation reached 51.84%. This means that more than half of SMEs have operated for more than 10 years. The proportion of large enterprises with less than 10 years of operation was only 20.43%, while those with more than 10 years of operation reached 79.57%. In comparison, we can infer that there are fewer SMEs with more years of operation, while large enterprises mostly have longer years of operation. Secondly, the longer the years of operation of SMEs, the lower their structural proportion becomes. This means that there is a gradual decline in the structural proportion, while large enterprises do not exhibit this phenomenon (Table 1-1-5).

Table 1-1-5

**Number, Shares, and Annual Change Ratio of Enterprises by Particular Age and Enterprise Size, 2024**

Unit: Enterprises; %; percentage points

Enterprise size Age	Total	SMEs			Large enterprises		
		Number of enterprises	Share of total	Annual Change Ratio	Number of enterprises	Share of total	Annual Change Ratio
<b>Total</b>	1,735,220	1,715,528	100.00	-	19,692	100.00	-
Less than 1 year	110,247	110,081	6.42	-	166	0.84	-
1 – 2 years	123,609	123,363	7.19	0.77	246	1.25	0.41
2 – 3 years	101,180	100,821	5.88	-1.31	359	1.82	0.57
3 – 4 years	97,737	97,298	5.67	-0.21	439	2.23	0.41
4 – 5 years	84,333	83,829	4.89	-0.78	504	2.56	0.33
5 – 6 years	72,645	72,189	4.21	-0.68	456	2.32	-0.24
6 – 7 years	67,223	66,749	3.89	-0.32	474	2.41	0.09
7 – 8 years	62,933	62,472	3.64	-0.25	461	2.34	-0.07
8 – 9 years	55,852	55,421	3.23	-0.41	431	2.19	-0.15
9 – 10 years	54,482	53,995	3.15	-0.08	487	2.47	0.28
10 – 20 years	401,590	397,252	23.16	-	4,338	22.03	-
20 years or more	503,389	492,058	28.68	-	11,331	57.54	-

Notes:

1. Annual change ratio in years of operation = structure ratio of the number of enterprises in year t of operation – structure ratio of the number of enterprises in year t-1 of operation. For example, the percentage point change in the structure ratio of enterprises that have been in operation for 1 to 2 years compared with the structure ratio of enterprises that have been established for less than 1 year is  $7.19\% - 6.42\% = 0.77$  percentage points.

2. “-”: not applicable.

Source: FIA, MOF, VAT data, 2024.

The decrease in the number of SMEs as the number of years of operation increases not only reflects the economic boom and bust, but is also affected by changes in the overall global economic environment and fluctuations in industrial cycles. In recent years, under the global digital transformation and net-zero emissions reduction, Taiwan’s SMEs have faced many challenges, especially in introducing new AI technologies. They not only face cost challenges, but also difficulties such as information gaps and efficiency in introducing new technologies.

In addition, in terms of the number of years of operation, there were 110,081 new SMEs established within one year in 2024, accounting for 6.42% of the overall number of SMEs. There were 716,802 newly established within 8 years (less than 8 years of operation<sup>1</sup>), accounting for 41.78%. 998,726 companies have operated for more than 8 years, accounting for 58.22%. Large enterprises had relatively longer operations, with those newly established within one year and those newly established within eight years accounting for only 0.84% and 15.77%, respectively. Those that have been in business for more than 8 years accounted for 84.23%. This shows that there are many young startups among SMEs and they have active entrepreneurial aspirations (Table 1-1-6).

<sup>1</sup> According to the “Directions of Recognition for Startups with Innovation Capability” of the MOEA, startups are SMEs with a paid-in capital of less than NT\$100 million or those with fewer than 200 regular employees that are less than 8 years old. Therefore, the study observes the ratio of those with less than 8 years in operation.

**Table 1-1-6 Number and Shares of Enterprises by Particular Ages, 2024**

Unit: Enterprises; %

Enterprise size Age	Total	SMEs		Large enterprises	
		Number of enterprises	Share of total	Number of enterprises	Share of total
<b>Total</b>	1,735,220	1,715,528	100.00	19,692	100.00
Less than 8 years	719,907	716,802	41.78	3,105	15.77
Less than 1 year	110,247	110,081	6.42	166	0.84
Less than 3 years	335,036	334,265	19.48	771	3.92
Less than 5 years	517,106	515,392	30.04	1,714	8.70
8 years or more	1,015,313	998,726	58.22	16,587	84.23

Source: FIA, MOF, VAT data, 2024.

## (2) Sole Proprietorships Accounted for the Highest Number of SMEs with 51.79%

In terms of the business type, the majority of SMEs were sole proprietorships in 2024. There were approximately 888,465 sole proprietorships (51.79%); this was followed by limited companies with 535,957 SMEs (31.24%); and companies limited by shares with 150,301 (8.76%) in 3rd place. SMEs in the three categories accounted for 91.79% of all SMEs. Large enterprises consisted mostly of companies limited by shares (89.27%), followed by limited companies (7.08%). Companies in these two categories accounted for 96.35% of the total number of large enterprises (Table 1-1-7).

**Table 1-1-7 Number and Shares of Enterprises by Form of Organization, 2024**

Unit: Enterprises; %

Enterprise size Organization	Total	SMEs		Large enterprises	
		Number of enterprises	Share of total	Number of enterprises	Share of total
<b>Total</b>	1,735,220	1,715,528	100.00	19,692	100.00
Company limited by shares	167,881	150,301	8.76	17,580	89.27
Limited company	537,351	535,957	31.24	1,394	7.08
Partnership	43,302	43,301	2.52	*	*
Sole proprietorship	888,477	888,465	51.79	12	0.06
Subsidiary of domestic company	42,605	42,605	2.48	0	0.00
Others	55,604	54,899	3.20	705	3.58

Notes:

- Where the number of enterprises was 5 or under, the number would be indicated by “\*” to keep the information on individual enterprises confidential.
- “Others” refer to business entities that are not companies, sole proprietorships, or partnerships. They mainly include branch institutions of domestic companies such as “business offices (premises), stores (departments), and branch stores” that are not classified as branch companies.
- Due to data restrictions, “the limited partnership”, “unlimited companies”, “unlimited companies with limited liability shareholders”, and “branches of foreign companies” in the organization types are listed as “others.”

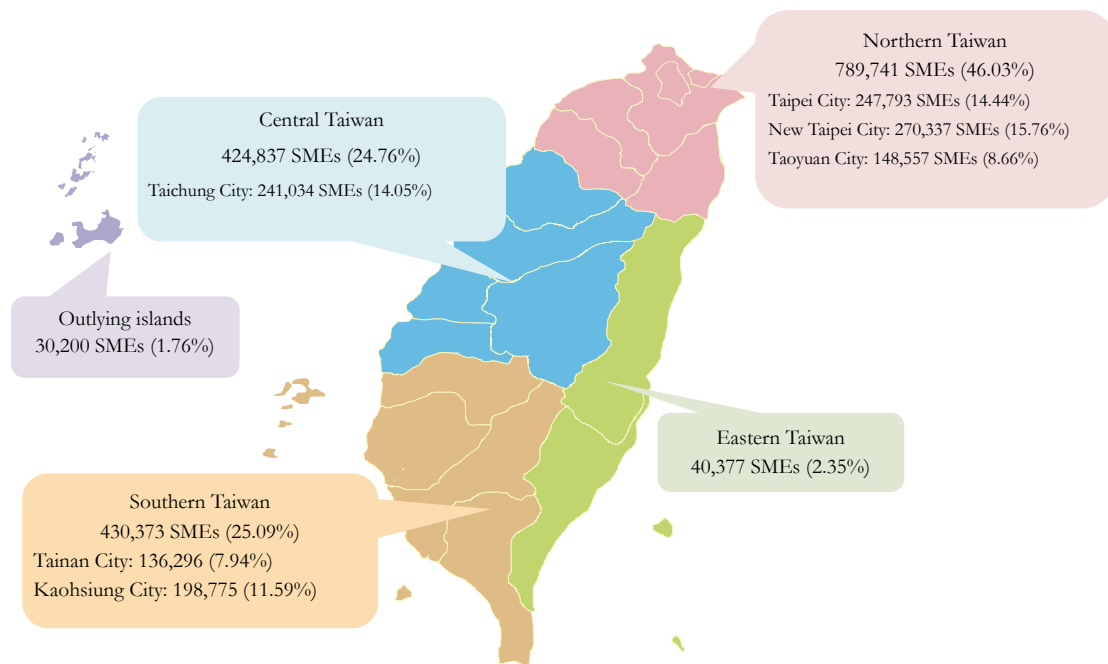
Source: FIA, MOF, VAT data, 2024.

## 4. SMEs and Regional Development

### (1) 72.44% of SMEs Were Concentrated in the Six Metropolitan Areas

As for the regional distribution of SMEs, there were 789,741 SMEs in Northern Taiwan in 2024, which accounted for 46.03% of the total. There were 424,837 (24.76%) and 430,373 SMEs (25.09%) in Central and Southern Taiwan, respectively. SMEs in Eastern Taiwan and on outlying islands accounted for 4.11%. By contrast, the regional distribution of large enterprises had a more prominent geographical disparity. 70.04% of large enterprises were in Northern Taiwan, 14.50% were in Central Taiwan, 14.80% were in Southern Taiwan, and only 0.66% were in Eastern Taiwan and on outlying islands (Figure 1-1-7 and Table 1-1-8).

**Figure 1-1-7 Distribution of SMEs by Region, 2024**



Notes: Due to data restrictions, the number of profit-seeking enterprises and revenue by region are adjusted as follows starting from 2021:

1. Northern Taiwan includes Taipei City, New Taipei City, Taoyuan City, Keelung City, Ilan County, Hsinchu City and Hsinchu County.
2. Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County and Yunlin County.
3. Southern Taiwan includes Chiayi City, Chiayi County, Tainan City, Kaohsiung City, and Pingtung County.
4. Eastern Taiwan includes Hualien County and Taitung County.
5. Outlying islands include Penghu County, Kinmen County and Lienchiang County.

Source: FIA, MOF, VAT data, 2024.

In terms of the distribution of SMEs in metropolitan areas, most SMEs were concentrated in the six metropolitan areas, with a total of 1,242,792 SMEs, which accounted for 72.44% of all SMEs. The number of enterprises in New Taipei City ranked first with 270,337 enterprises (accounting for 15.76%), followed by Taipei City with 247,793 enterprises (14.44%), and Taichung City ranked third with 241,034 enterprises (14.05%). For large enterprises, Taipei City took the lead with 7,839 enterprises (39.81%), followed by New Taipei City with 2,920 enterprises (14.83%) (Table 1-1-9).

Table 1-1-8

### Number and Total Sales of Enterprises in Each Region by Enterprise Size, 2024

Unit: Enterprises; million NT\$; %

Enterprise size \ Region	Total	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Outlying islands
<b>Number of enterprises</b>						
All enterprises	1,735,220	803,533	427,693	433,288	40,453	30,253
SMEs	1,715,528	789,741	424,837	430,373	40,377	30,200
Share of total	100.00	46.03	24.76	25.09	2.35	1.76
Large enterprises	19,692	13,792	2,856	2,915	76	53
Share of total	100.00	70.04	14.50	14.80	0.39	0.27
<b>Total sales</b>						
All enterprises	59,772,590	38,894,356	10,137,355	10,297,951	319,259	123,669
SMEs	31,075,170	17,716,806	6,509,321	6,484,600	258,747	105,696
Share of total	100.00	57.01	20.95	20.87	0.83	0.34
Large enterprises	28,697,420	21,177,551	3,628,034	3,813,351	60,512	17,973
Share of total	100.00	73.80	12.64	13.29	0.21	0.06

Note: The scope includes the number of businesses in all parts of Taiwan, the Outlying islands, and their revenue.

Source: FIA, MOF, VAT data, 2024.

Table 1-1-9

### Number and Total Sales of Enterprises in Six Special Municipalities by Enterprise Size, 2024

Unit: Enterprises; million NT\$; %

Enterprise size \ Major cities	Total	Combined total for the six special municipalities	Taipei City	New Taipei City	Taoyuan City	Taichung City	Tainan City	Kaohsiung City
<b>Number of enterprises</b>								
All enterprises	1,735,220	1,259,582	255,632	273,257	150,163	242,926	137,314	200,290
SMEs	1,715,528	1,242,792	247,793	270,337	148,557	241,034	136,296	198,775
Share of total	100.00	72.44	14.44	15.76	8.66	14.05	7.94	11.59
Large enterprises	19,692	16,790	7,839	2,920	1,606	1,892	1,018	1,515
Share of total	100.00	85.26	39.81	14.83	8.16	9.61	5.17	7.69
<b>Total sales</b>								
All enterprises	59,772,590	46,424,632	18,377,378	7,283,871	6,013,325	5,691,102	3,010,683	6,048,273
SMEs	31,075,170	25,084,505	8,105,245	4,206,068	3,363,609	3,946,954	1,939,027	3,523,602
Share of total	100.00	80.72	26.08	13.54	10.82	12.70	6.24	11.34
Large enterprises	28,697,420	21,340,127	10,272,134	3,077,803	2,649,715	1,744,148	1,071,656	2,524,671
Share of total	100.00	74.36	35.79	10.73	9.23	6.08	3.73	8.80

Note: The scope includes the number of businesses in all parts of Taiwan, the Outlying islands, and their revenue.

Source: FIA, MOF, VAT data, 2024.

## (2) Distribution of SMEs in Each Region by Industry

The regional distribution of the number of SMEs and sales in 2024 showed that except for the agriculture, forestry, fishing and animal husbandry; mining and quarrying industries, which were mainly in the south, Northern Taiwan accounted for a higher share of companies in all other industries. In terms of the regional distribution by industries, the industries in Northern Taiwan in which SMEs accounted for more than 50% were information and communication (72.08%), financial and insurance activities (64.85%), professional, scientific, and technical activities (61.12%),

education (52.54%), real estate activities (51.26%), and transportation and storage (51.13%). They are all part of the service sector (Table 1-1-10).

**Table 1-1-10 Distribution of Number of SMEs in Each Region by Industry, 2024**

Unit: Enterprises; %

Industry \ Region	Total	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Outlying islands
<b>Total</b>	1,715,528	46.03	24.76	25.09	2.35	1.76
Agriculture, forestry, fishing and animal husbandry; mining and quarrying	12,581	24.49	33.02	33.34	8.28	0.87
Manufacturing	141,996	41.52	37.33	20.03	0.81	0.32
Electricity and gas supply; water supply and remediation activities	11,833	36.48	29.16	31.56	2.01	0.79
Construction	173,493	44.10	25.89	26.32	2.59	1.10
Wholesale and retail trade	768,408	46.11	23.99	25.24	2.11	2.55
Transportation and storage	39,711	51.13	19.94	25.69	1.87	1.36
Accommodation and food service activities	200,462	41.58	22.85	29.30	4.35	1.92
Information and communication	29,067	72.08	14.49	12.21	0.81	0.42
Financial and insurance activities	23,926	64.85	16.29	17.41	1.14	0.31
Real estate activities	48,663	51.26	24.44	21.20	1.93	1.17
Professional, scientific and technical activities	69,164	61.12	19.73	17.34	1.25	0.56
Support service activities	37,775	47.04	22.14	24.96	2.95	2.90
Education	7,820	52.54	19.96	24.67	2.12	0.70
Human health and social work activities	2,548	42.46	20.60	34.18	2.20	0.55
Arts, entertainment and recreation	47,011	46.43	23.58	25.63	3.34	1.03
Other service activities	101,070	40.02	25.77	30.86	2.53	0.83

Notes:

1. Due to data restrictions, starting from 2022, the “agriculture, forestry, fishing and animal husbandry” and “mining and quarrying” industries are listed as “agriculture, forestry, fishing and animal husbandry; mining and quarrying”; “electricity and gas supply” and “water supply and remediation activities” are listed as “electricity and gas supply; water supply and remediation activities.”
2. The scope includes the number of businesses in all parts of Taiwan and on Outlying islands.

Source: FIA, MOF, VAT data, 2024.

The industry in Central Taiwan with the highest ratio in terms of numbers was manufacturing (37.33%). However, it remained lower than the ratio in Northern Taiwan (41.52%). The industry in Southern Taiwan with the highest ratio was human health and social work activities (34.18%). The industries in Eastern Taiwan accounted for less than 10% and agriculture, forestry, fishing and animal husbandry; mining and quarrying accounted for the highest ratio (8.28%). The industries in the outlying islands accounted for less than 3% and support service activities (2.90%) accounted for the highest ratio (Table 1-1-10).

Northern Taiwan reported the highest SME sales in 2024, accounting for 57.01% of total SME sales. In terms of the regional distribution by industries, the industries in Northern Taiwan in which SME sales accounted for more than 60% were information and communication (87.08%), professional, scientific, and technical services (79.95%), financial and insurance activities (74.85%), transportation and storage (68.96%), education (66.49%), arts, entertainment and recreation

(64.20%), and support service activities (62.83%). They are all part of the service sector (Table 1-1-11).

**Table 1-1-11 Distribution of Total Sales of SMEs in Each Region by Industry, 2024**

Unit: Enterprises; million NT\$; %

Industry \ Region	Total	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Outlying islands
<b>Total</b>	31,075,170	57.01	20.95	20.87	0.83	0.34
Agriculture, forestry, fishing and animal husbandry; mining and quarrying	268,165	13.87	8.71	74.66	1.71	1.04
Manufacturing	5,270,609	45.21	30.98	23.42	0.35	0.04
Electricity and gas supply; water supply and remediation activities	1,620,978	37.38	30.73	30.73	0.94	0.22
Construction	2,849,291	49.13	24.38	24.27	1.51	0.71
Wholesale and retail trade	13,170,379	60.01	18.90	19.93	0.82	0.34
Transportation and storage	1,079,046	68.96	10.85	18.20	1.08	0.90
Accommodation and food service activities	874,216	53.89	20.86	22.36	2.02	0.87
Information and communication	997,187	87.08	6.73	5.56	0.47	0.17
Financial and insurance activities	1,993,658	74.85	12.02	12.55	0.47	0.10
Real estate activities	1,251,398	51.69	26.13	20.73	1.09	0.36
Professional, scientific and technical activities	776,719	79.95	9.76	9.73	0.44	0.13
Support service activities	422,030	62.83	17.00	18.76	0.71	0.71
Education	34,752	66.49	17.37	15.33	0.58	0.24
Human health and social work activities	44,664	24.89	13.53	61.00	0.56	0.02
Arts, entertainment and recreation	144,424	64.20	15.68	18.26	1.32	0.54
Other service activities	277,654	54.76	20.27	23.34	1.20	0.44

Notes:

1. Due to data restrictions, starting from 2022, the “agriculture, forestry, fishing and animal husbandry” and “mining and quarrying” industries are listed as “agriculture, forestry, fishing and animal husbandry; mining and quarrying”; “electricity and gas supply” and “water supply and remediation activities” are listed as “electricity and gas supply; water supply and remediation activities.”
2. The scope includes the number of businesses in all parts of Taiwan and on Outlying islands.

Source: FIA, MOF, VAT data, 2024.

The industry in Central Taiwan with the highest ratio in terms of sales was manufacturing with 30.98% and electricity and gas supply; water supply and remediation activities with 30.73%, but it remained lower than the 45.21% and 37.38% in Northern Taiwan. Clustering was more prominent in Southern Taiwan in human health and social work activities with SME sales accounting for 61.00%, which was higher than the ratio in Northern Taiwan (24.89%) and Central Taiwan (13.53%) (Table 1-1-11).

### (3) Distribution of SME Employees in Each Region

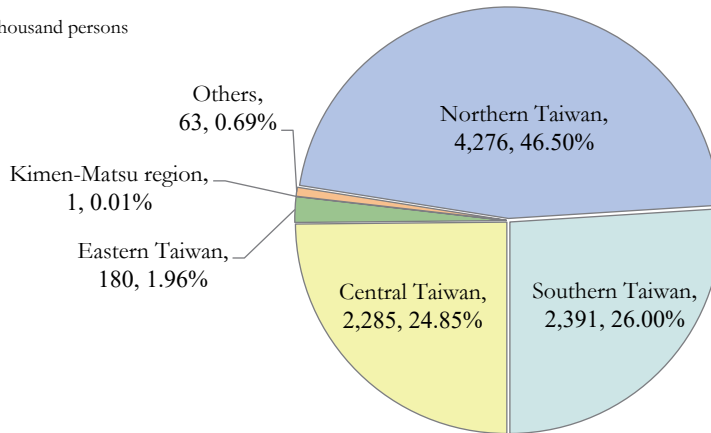
In 2024, the number of employed persons in Taiwan’s SMEs totaled 9.196 million. In terms of the regional distribution, 4.276 million people (46.50%) worked in Northern Taiwan, followed by Southern Taiwan (2.391 million people, 26.00%), and Central Taiwan (2.285 million people, 24.85%).



They were followed by Eastern Taiwan (1.96%), other regions (0.69%), and Kinmen and Matsu (0.01%) (Figure 1-1-8).

**Figure 1-1-8 Distribution of SME Employment by Region, 2024**

Unit: Thousand persons



Notes: Number of people employed by region:

1. Northern Taiwan includes Taipei City, New Taipei City, Taoyuan City, Keelung City, Ilan County, Hsinchu City, Hsinchu County.
2. Central Taiwan includes Miaoli County, Taichung City, Changhua County, Nantou County, Yunlin County.
3. Southern Taiwan includes Chiayi City, Chiayi County, Tainan City, Kaohsiung City, Pingtung County, Penghu County.
4. Eastern Taiwan includes Hualien County, Taitung County.
5. The Kinmen-Matsu region includes Kinmen County, Lienchiang County.
6. “Others” refer to the number of people employed whose household registration is in Taiwan, who are employed by SMEs in Taiwan, and are assigned to Mainland China (including Hong Kong and Macao) or a foreign country.

Source: DGBAS, EY, *Manpower Survey* data, 2024.

## II Operational Overview of Startups

This section first provides an overview of the members and development of the startup ecosystem and network. In addition, two types of statistical data are used to measure the operational development of Taiwan’s startups: SMEs newly established within 8 years (including within 1 year) and startups with technological or business model innovations:

1. According to the “Directions of Recognition for Startups with Innovation Capability” of the MOEA, startups are SMEs with a paid-in capital of less than NT\$100 million or those with fewer than 200 regular employees, and are less than 8 years old. We therefore used the original business tax collection data of the Fiscal Information Agency (FIA) of the Ministry of Finance (MOF) to present the operational overview of SMEs newly-established in the past 8 years, and continue to observe the operation and development of new SMEs within the first year of establishment;
2. We used the Taiwan Startup Information Platform (FINDIT) of the Small and Medium Enterprise and Startup Administration (SMESA) of the Ministry of Economic Affairs (MOEA) to provide preliminary information on startups with technological or business model innovation.

To help people at home and abroad to understand the full picture of Taiwan's entrepreneurial environment, the MOEA released the *2024 White Paper on Startups* for the first time in March 2025, explaining the advantages of Taiwan's entrepreneurial environment, recent policy achievements, and an overview of the overall entrepreneurial ecosystem. For a more complete and detailed development trend of startups at home and abroad, please refer to the *2025 White Paper on Startups in Taiwan* in early 2026.

## 1. Taiwan Entrepreneurship Ecology and Network

Startup ecosystem members such as incubators, academic research institutions, enterprises, venture capital and governments should build a startup ecosystem suitable for the development of startups, provide a variety of policy measures from creativity, innovation to entrepreneurship, and support startups in exploring business opportunities, developing new technologies, verifying products or services, and finding orders and cooperation opportunities, and thereby expand the market. Taiwan's new startups receive assistance from members of the new startup ecosystem such as incubators, enterprises, and venture capital, allowing new startups to resolve difficulties and promote the sustainable operation and development of new startups.

In the entrepreneurial ecosystem, startup incubators that support the growth of startups also play key roles. The following describes the development and overview of the members of Taiwan's entrepreneurial ecosystem network, including startups and incubators. The data and contents cited herein are mainly from the *2024 Taiwan Startup Ecosystem Survey* published by PwC Taiwan and the Taiwan Institute of Economic Research (TIER) on December 30, 2024.

### (1) Startup development

The *2024 Taiwan Startup Ecosystem Survey* distributed questionnaires to startup teams and companies that had contact with or received guidance from the main organizers and partners. It conducted surveys on startups that were less than 8 years old and were in the process of being organized or had completed company registration. A total of 733 valid questionnaires were collected during the survey period.

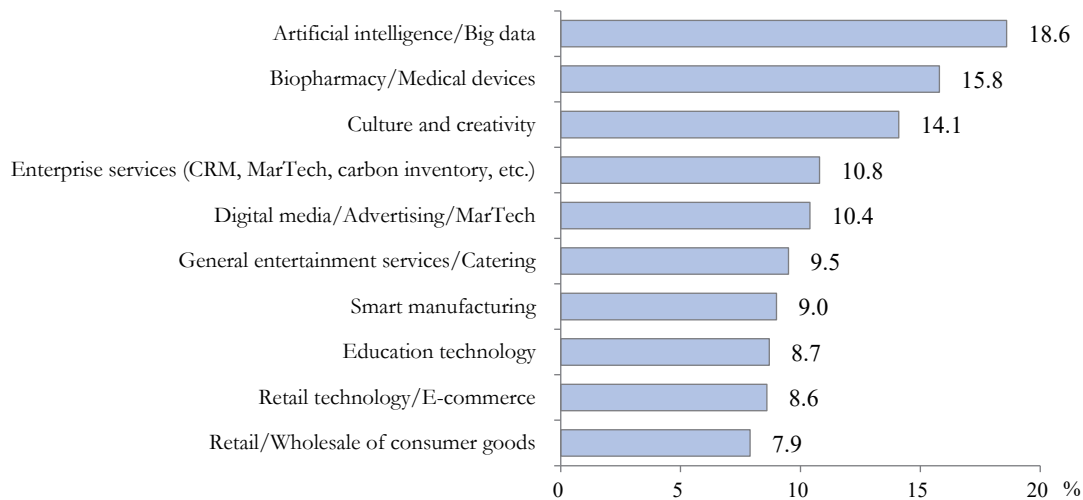
#### A. Unique Characteristics of Startups

The first-time entrepreneurship rate of startups in 2024 was 68.8%, and they had an average of 12.4 years of work experience before starting a business. 57.0% of new startups had a B2B business model, and 91.8% of new startups had completed company registration, which was 8.7 percentage points higher than in 2023 and the highest in history. This may be attributed to the government's convenient company registration process and the requirement for legal person status for startup subsidies and rewards.

## B. Entrepreneurship Trends

The top 5 startup keywords in 2024 were artificial intelligence (AI)/big data (accounting for 18.6%), biopharmacy/medical devices (accounting for 15.8%), culture and creativity (accounting for 14.1%), enterprise services (CRM, MarTech, carbon inventory, etc.) (accounting for 10.8%), and digital media/advertising/marketing technology (accounting for 10.4%) (Figure 1-2-1).

**Figure 1-2-1 Top 10 Startup Keywords, 2024 (Multiple Selection)**



Note: The survey questions were designed to be multiple selection questions and so the total sum of all options in the survey may often exceed 100%.

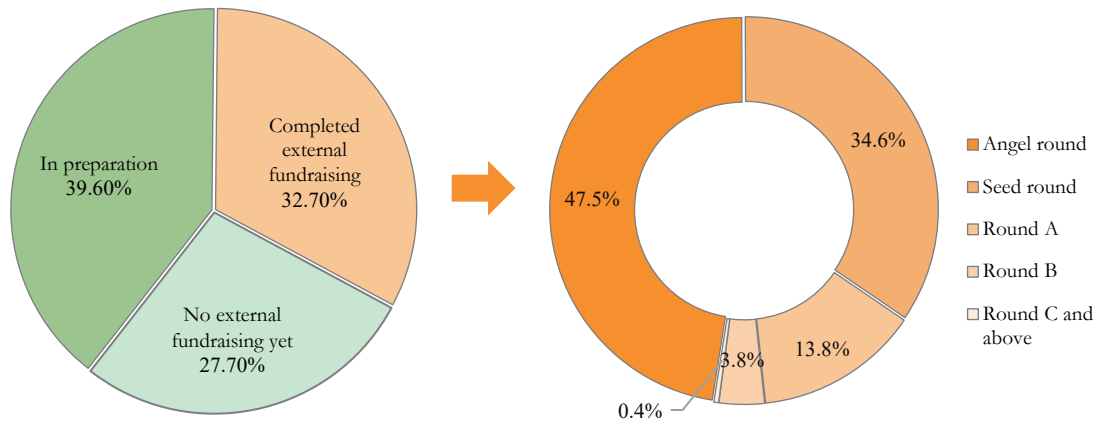
Source: PwC Taiwan and TIER (December 30, 2024). *2024 Taiwan Startup Ecosystem Survey*.

AI/big data remained the top startup keyword, and digital technology applications continued to be a major startup trend. Also worth noting is that the ranking of enterprise services (CRM, MarTech, carbon inventory, etc.) has increased significantly, from 10th in 2023 to 4th in 2024.

## C. Fundraising Phase

Fundraising is a key issue for the growth and development of new startups. In terms of the fundraising stage of new startups in 2024, 39.6% of startups were in preparation, 27.7% of new startups had not yet raised external funds, and a total of 67.3% of new startups had not yet completed fundraising. 32.7% of startups had completed fundraising, of which more than 80% were in the early fundraising stage (the angel round and seed round accounted for 47.5% and 34.6%, respectively), and round A and above (including round A, round B and round C and above) accounted for 18.0% (Figure 1-2-2).

**Figure 1-2-2 Startup Fundraising Status, 2024**

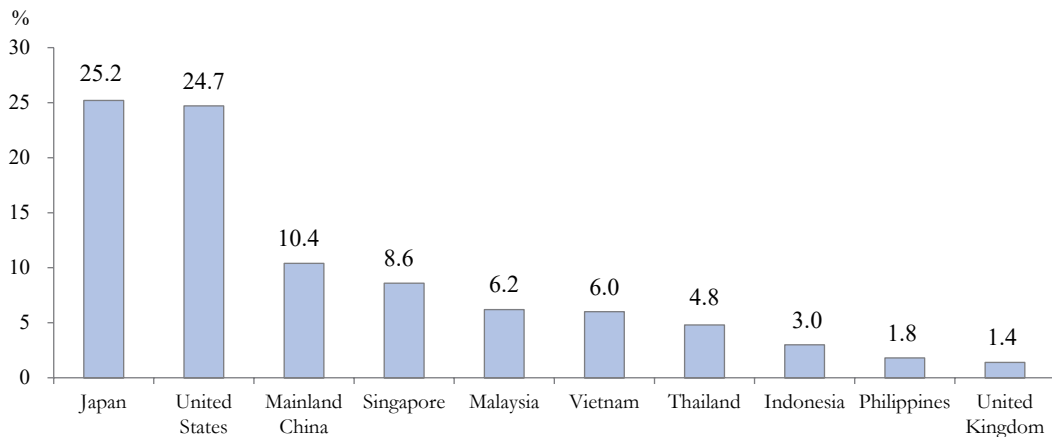


Source: PwC Taiwan and TIER (December 30, 2024). *2024 Taiwan Startup Ecosystem Survey*.

#### D. Overseas Challenges

International development has always been a major challenge for startups. For startups planning to expand into overseas markets over the next two to three years, the top 3 preferred countries were Japan (25.2%), the United States (24.7%), and Mainland China (10.4%). Japan has overtaken the United States as the top choice for 'Taiwanese startups' future overseas market development. This may be due to Japan's recent active efforts to attract foreign startups and investors, as well as its geographical and cultural proximity. The top 3 regions were East Asia (37.0%), Southeast Asia (30.3%), and North America (25.2%) (Figure 1-2-3).

**Figure 1-2-3 Top Countries for Overseas Market Development for Startups, 2024**



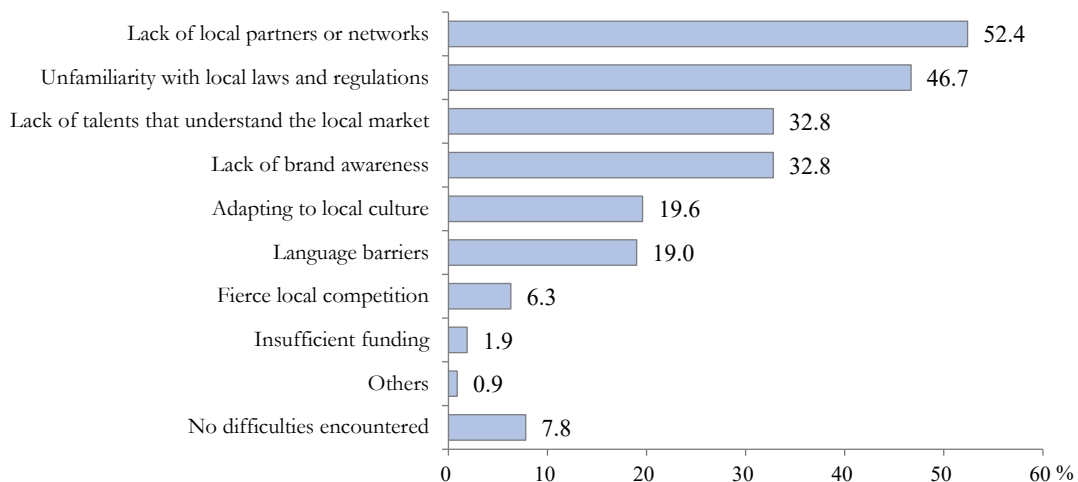
Note: Only the top 10 countries are listed.

Source: PwC Taiwan and TIER (December 30, 2024). *2024 Taiwan Startup Ecosystem Survey*.

The main difficulties encountered by startups in expanding overseas were a lack of local partners or networks (52.4%), unfamiliarity with local laws and regulations (46.7%), a lack of talents who understand the local market (32.8%), and a lack of brand awareness (32.8%), which were tied for third. In other words, the main challenge faced by startups when entering the international market is insufficient market readiness, such as unfamiliarity with local market operations, laws and regulations, talent, and culture (Figure 1-2-4).

Figure 1-2-4

#### Main Difficulties for Startups in Expanding Overseas, 2024 (Multiple Selection)



Note: "Others" indicates that the company's own products, technology or supply chain are not yet complete.

Source: PwC Taiwan and TIER (December 30, 2024). *2024 Taiwan Startup Ecosystem Survey*.

## (2) Overview of Incubators

The *2024 Taiwan Startup Ecosystem Survey* distributed questionnaires to eligible incubators through units with relevant communication channels. A total of 202 valid questionnaires were collected during the survey period.

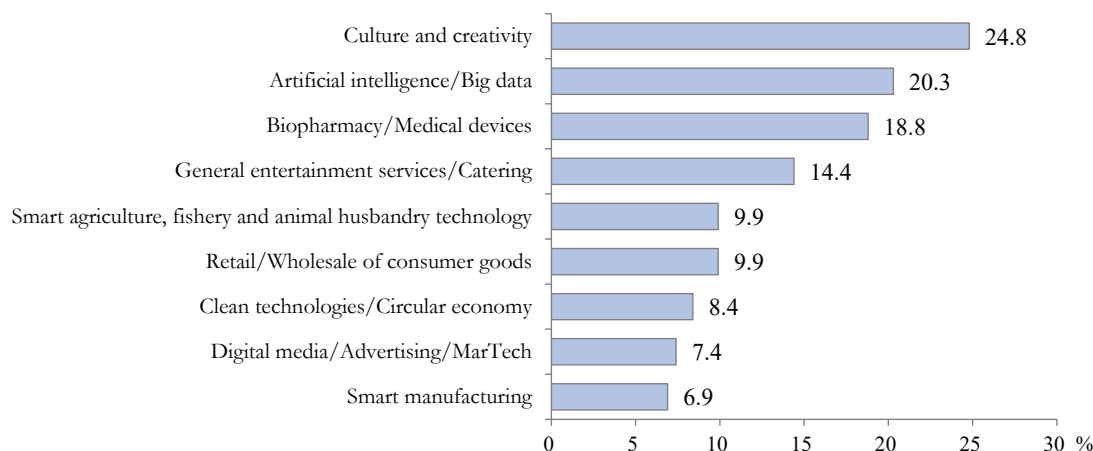
### A. Siting Experience

For early-stage startups and entrepreneurs, using incubators is a great way to quickly grow their businesses. 67.3% of startups have experience in incubators. The top 3 types of incubators for new businesses were incubation centers (46.7%), accelerators (37.3%), and parks or bases (35.3%).

### B. Guidance

The top 5 areas of startups with guidance provided by incubators were culture and creativity (accounting for 24.8%), AI/big data (accounting for 20.3%), biopharmacy/medical devices (accounting for 18.8%), and general entertainment services/catering (accounting for 14.4%), with smart agriculture, fishery and animal husbandry technology (accounting for 9.9%) and retail/wholesale of consumer goods (accounting for 9.9%) tied for fifth place (Figure 1-2-5).

**Figure 1-2-5 Top Fields for Incubators, 2024 (Multiple Selection)**



Note: Only the top 9 fields are listed, and unspecified fields (accounting for 19.8%) are excluded.

Source: PwC Taiwan and TIER (December 30, 2024). *2024 Taiwan Startup Ecosystem Survey*.

## 2. Operational Overview of SMEs Newly Established in the Last 8 Years

### (1) Approximately 710 Thousand New SMEs Were Established in the Last 8 Years and Their Revenue Was Mainly Derived from the Domestic Market

In 2024, there were 716,802 SMEs among the 719,907 enterprises established in the last 8 years. It was an increase of 19,581 enterprises (or 2.81%) over the 697,221 companies in 2023, and they accounted for approximately 99.57% in terms of the number of enterprises. There were 3,105 large enterprises, accounting for only 0.43% (Table 1-2-1).

**Table 1-2-1 Number and Sales Performance of Enterprises Newly Established in the Last 8 Years by Enterprise Size, 2024**

Unit: Enterprises; million NT\$; %

Enterprise size Indicator	Total (1)	No. of SMEs (2)	SMEs ratio (3) = (2)/(1)	Share of SMEs total	No. of large enterprises (4)	Large enterprises ratio (5) = (4)/(1)	Share of large enterprises total
No. of enterprises	719,907	716,802	99.57	-	3,105	0.43	-
Total sales	7,603,164	6,277,701	82.57	100.00	1,325,463	17.43	100.00
Domestic sales	6,527,483	5,733,602	87.84	91.33	793,881	12.16	59.89
Export sales	1,075,681	544,099	50.58	8.67	531,583	49.42	40.11

Notes:

1. Enterprises established in the last 8 years refer to surviving enterprises that were established between 2017 and 2024.

2 “-”: not applicable.

Source: FIA, MOF, VAT data, 2024.

The total number of enterprises newly established in the last 8 years in 2024 accounted for 41.78% of the total number of SMEs. The revenue of SMEs established in the last 8 years was NT\$6.277701 trillion, accounting for 20.20% of the total revenue of SMEs. In terms of the sales

model, domestic sales accounted for 91.33% of sales, and exports accounted for 8.67%. Although large enterprises also focused on the domestic market, their exports accounted for 40.11% (Table 1-2-1).

### (2) 82.86% of SMEs Newly Established in the Last 8 Years Operated in the Service Sector

In terms of the distribution of industrial sectors, the majority of SMEs newly established in the last 8 years in 2024 operated in the service industry, with 593,908 enterprises, accounting for 82.86%. In terms of the proportions, the sales, domestic sales, and exports of the service industries accounted for 76.56%, 78.27%, and 58.48%, respectively, of the newly-established SMEs in the last 8 years (Table 1-2-2).

**Table 1-2-2**

**Number and Sales Performance of SMEs Newly Established in the Last 8 Years by Sector, 2024**

Unit: Enterprises; million NT\$; %

Indicator Sector	No. of enterprises		Total sales		Domestic sales		Export sales	
		Share of total		Share of total		Share of total		Share of total
<b>All sectors</b>	716,802	100.00	6,277,701	100.00	5,733,602	100.00	544,099	100.00
Primary sector	5,525	0.77	23,931	0.38	22,590	0.39	1,341	0.25
Industrial sector	117,369	16.37	1,447,715	23.06	1,223,165	21.33	224,550	41.27
Service sector	593,908	82.86	4,806,055	76.56	4,487,847	78.27	318,208	58.48

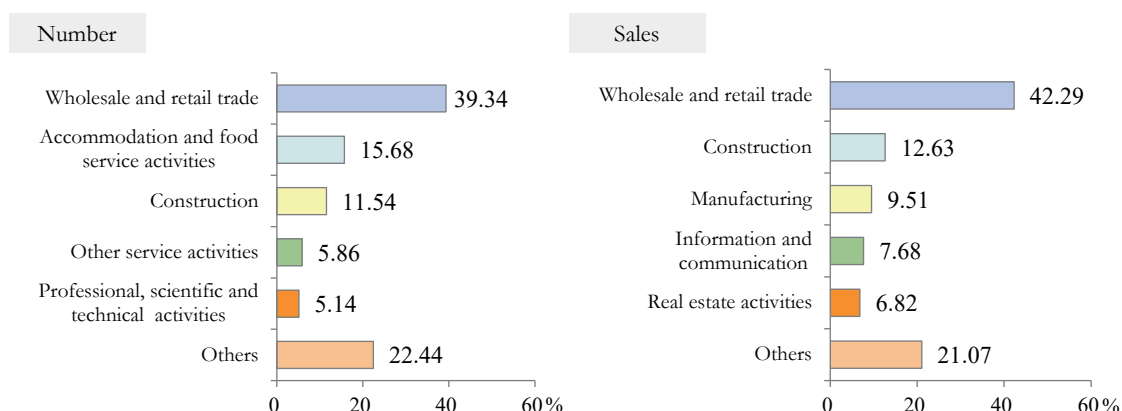
Source: FIA, MOF, VAT data, 2024.

### (3) Wholesale and Retail Trade Accounted for the Highest Number and Revenue of SMEs Newly Established in the Last 8 Years

In terms of the sector distribution patterns, the top 5 industries based on the number of SMEs newly established within the last 8 years in 2024 were wholesale and retail trade (282,011 enterprises or 39.34%), accommodation and food service activities (112,401 enterprises or 15.68%), construction (82,715 enterprises or 11.54%), other service activities (42,028 enterprises or 5.86%), and professional, scientific, and technical activities (36,827 enterprises or 5.14%) (Figure 1-2-6 and Appendix D Table D-8).

The top 5 new industries in terms of the revenue of SMEs newly established in the last 8 years in 2024 were, in order, wholesale and retail trade (NT\$2.654613 trillion, accounting for 42.29%), construction (NT\$792.636 billion, 12.63%), manufacturing (NT\$597.27 billion, 9.51%), information and communication (NT\$482.242 billion, accounting for 7.68%) and real estate activities (NT\$428.134 billion, 6.82%). Manufacturing, information and communication and real estate activities were not among the top 5 in terms of the number of enterprises, but they ranked high in terms of their revenue, indicating a particularly high level of revenue performance of businesses in these three industries (Figure 1-2-6 and Appendix D Table D-8).

**Figure 1-2-6 Distribution of Number and Total Sales of SMEs Newly Established in the Last 8 Years by Industry, 2024**



Note: "Others" refers to industries other than the top 5 industries.

Source: FIA, MOF, VAT data, 2024.

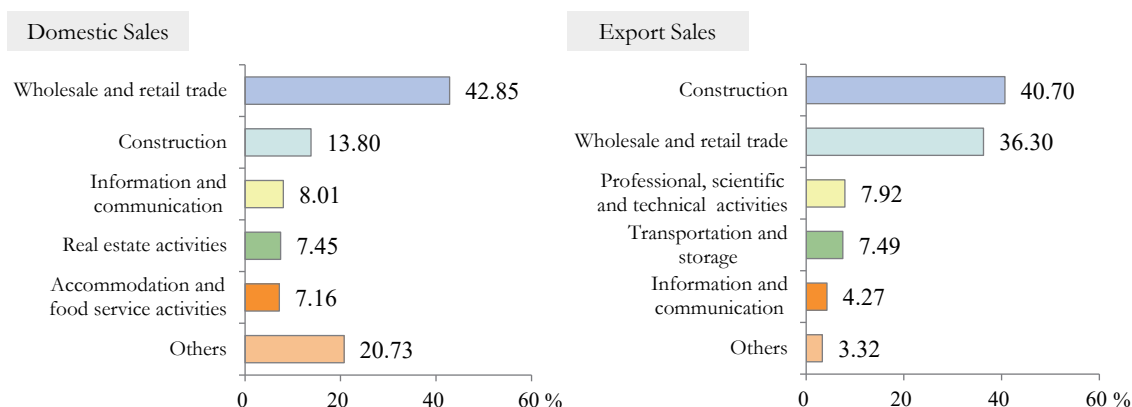
#### (4) Wholesale and Retail Trade Accounted for the Highest Proportion of the Domestic Sales and Manufacturing Accounted for the Highest Proportion of the Exports of SMEs Newly Established in the Last 8 Years

In terms of the domestic and export sales in the market, the top 3 industries accounting for the domestic value of SMEs newly established in the last 8 years in 2024 were wholesale and retail trade, construction, and information and communication. Their domestic values amounted to NT\$2.457129 trillion (accounting for 42.85%), NT\$791.011 billion (13.80%), and NT\$459.018 billion (8.01%), respectively. The top 3 industries in terms of the value of their exports were manufacturing, wholesale and retail trade, and professional, scientific and technical activities. Their export values amounted to NT\$214.29 billion (accounting for 40.70%), NT\$197.484 billion (36.30%), and NT\$43.117 billion (7.92%), respectively. The top 2 industries accounted for 77.00%, and the concentration of export products remained relatively high (Figure 1-2-7 and Appendix D Table D-8).

Upon closer observation, the export performance of SMEs in the manufacturing sector showed that SMEs in the manufacturing sector established in the last 8 years achieved an export value of NT\$221.429 billion in 2024. The top 3 industries in terms of the value of exports in descending order were the manufacture of electronic parts and components (accounting for 42.41%), the manufacture of computers, electronic and optical products (28.20%), and the manufacture of machinery and equipment (9.42%). The exports of the manufacture of electronic parts and components accounted for more than 40% of the export value, indicating the importance of this industry in terms of export performance (Figure 1-2-8).



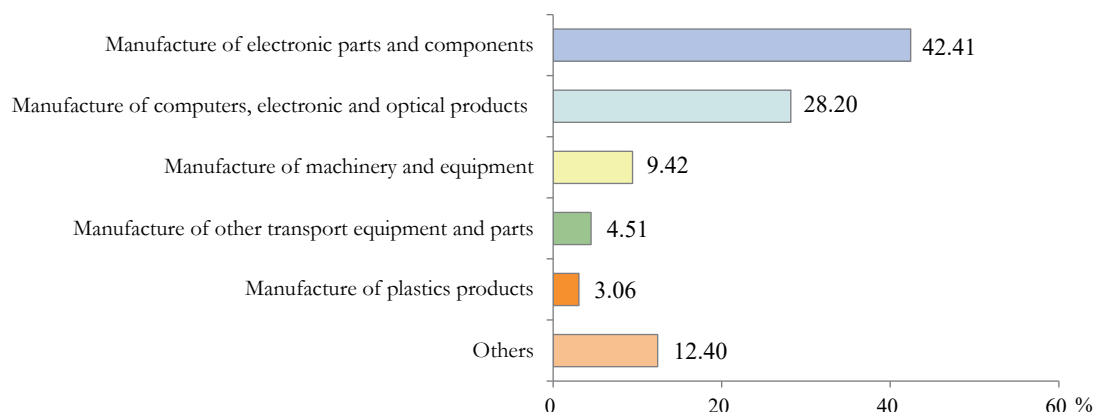
**Figure 1-2-7 Distribution of Domestic and Export Sales of SMEs Newly Established in the Last 8 Years by Industry, 2024**



Note: "Others" refers to industries other than the top 5 industries.

Source: FIA, MOF, VAT data, 2024.

**Figure 1-2-8 Distribution of Export Sales in SMEs Newly Established in the Last 8 Years by Manufacturing Industry, 2024**



Note: "Others" refers to industries other than the top 5 industries.

Source: FIA, MOF, VAT data, 2024.

### (5) Sole Proprietorships Accounted for the Highest Number of SMEs Newly Established in the Last 8 Years with 53.47%

In terms of the business type, the majority of SMEs newly established in the last 8 years in 2024 were sole proprietorships. There were 383,275 sole proprietorships (accounting for 53.47%); this was followed by limited companies with 220,431 SMEs (30.75%); and companies limited by shares with 48,697 (6.79%) in 3rd place. SMEs newly established in the last 8 years in the three categories accounted for 91.01% of all SMEs. Large enterprises consisted mostly of companies limited by shares (83.93%), followed by limited companies (10.79%). Companies in these two categories accounted for 94.72% of the total number of large enterprises (Table 1-2-3).

Table 1-2-3

### Number and Shares of Enterprises Newly Established in the Last 8 Years by Form of Organization and Enterprise Size, 2024

Unit: Enterprises; %

Enterprise size Organization	Total	SMEs		Large enterprises	
		Number of enterprises	Share of total	Number of enterprises	Share of total
<b>Total</b>	719,907	716,802	100.00	3,105	100.00
Company limited by shares	51,303	48,697	6.79	2,606	83.93
Limited company	220,766	220,431	30.75	335	10.79
Partnership	18,809	18,808	2.62	*	*
Sole proprietorship	383,275	383,275	53.47	0	0.00
Subsidiary of domestic company	16,040	16,040	2.24	0	0.00
Others	29,714	29,551	4.12	163	5.25

Notes:

- Where the number of enterprises was 5 or under, the number would be indicated by “\*” to keep the information on individual enterprises confidential.
- “Others” refer to business entities that are not companies, sole proprietorships, and partnerships. They mainly include branch institutions of domestic companies such as “business offices (premises), stores (departments), and branch stores” that are not classified as branch companies.
- Due to data restrictions, “the limited partnership”, “unlimited companies”, “unlimited companies with limited liability shareholders”, and “branches of foreign companies” in the organization types are listed as “others.”

Source: FIA, MOF, VAT data, 2024.

## 3. Operational Overview of SMEs Newly Established in the Last Year

### (1) Approximately 110 Thousand SMEs Were Newly Established in the Last Year in 2024 With Revenue Mainly from Domestic Sales

There were 110,247 enterprises newly established in the last year in 2024 (those that had been established for less than 1 year). There were 110,081 SMEs among enterprises established in the last year, which accounted for 99.85%, and was a decrease of 4,034 enterprises (or 3.54%) over the 114,115 enterprises in 2023. In terms of the sales model, the proportion of the domestic sales of all enterprises newly established in the last year reached 90.45%, the proportion of the domestic sales of SMEs was 90.27%, and the difference was only 0.18 percentage points. This indicates that overall enterprises and SMEs generally targeted the domestic market as their main market when they started their businesses (Table 1-2-4).

Table 1-2-4

### Number and Sales Performance of Enterprises Newly Established in the Last Year by Enterprise Size, 2024

Unit: Enterprises; million NT\$; %

Enterprise size Indicator	Total (1)	No. of SMEs (2)	SMEs ratio (3) = (2)/(1)	Share of SMEs total	No. of large enterprises (4)	Large enterprises ratio (5) = (4)/(1)	Share of large enterprises total
No. of enterprises	110,247	110,081	99.85	-	166	0.15	-
Total sales	344,771	325,853	94.51	100.00	18,917	5.49	100.00
Domestic sales	311,853	294,134	94.32	90.27	17,719	5.68	93.67
Export sales	32,917	31,719	96.36	9.73	1,198	3.64	6.33

Note: “-”: not applicable. Source: FIA, MOF, VAT data, 2024.

## (2) Most SMEs Newly Established in the Last Year Were in the Service Sector

In terms of the distribution by sector, most of the SMEs newly established in the last year in 2024 were in the service sector, with 91,437 enterprises, accounting for approximately 83.06% of the total. In terms of the proportion, the sales and domestic sales of SMEs newly established in the last year in the service sector accounted for 73.56% and 78.27%; however, the export value was concentrated in the industrial sector, which accounted for 70.12% (Table 1-2-5).

Table 1-2-5

**Number and Sales Performance of Enterprises Newly Established in the Last Year by Enterprise Size and Sector, 2024**

Unit: Enterprises; million NT\$; %

Indicator Sector	No. of enterprises	Share of total	Total sales		Domestic sales		Export sales	
			Share of total	Share of total	Share of total	Share of total	Share of total	Share of total
<b>All sectors</b>	110,081	100.00	325,853	100.00	294,134	100.00	31,719	100.00
Primary sector	700	0.64	948	0.29	946	0.32	1	0.00
Industrial sector	17,944	16.30	85,207	26.15	62,968	21.41	22,240	70.12
Service sector	91,437	83.06	239,698	73.56	230,221	78.27	9,478	29.88

Note: “-”: not applicable.

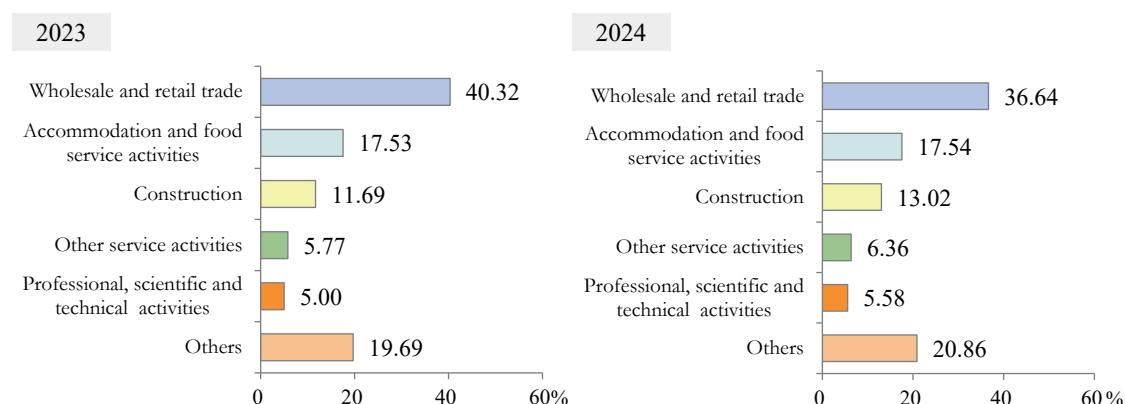
Source: FIA, MOF, VAT data, 2024.

## (3) Wholesale and Retail Trade Accounted for the Highest Number and Revenue of SMEs Newly Established in the Last Year

In terms of the sector distribution patterns, the top 5 industries based on the number of SMEs newly established in the last year in 2024 were wholesale and retail trade (40,333 enterprises, accounting for 36.64%), accommodation and food service activities (19,305 enterprises, 17.54%), construction (14,330 enterprises, 13.02%), other service activities (6,997 enterprises, 6.36%), and professional, scientific, and technical activities (6,142 enterprises, 5.58%). Overall, the number of SMEs and revenue of SMEs newly established in the last year by industry in 2024 were the same as in 2023, with a high concentration in the service sector (Figure 1-2-9 and Appendix D Table D-9).

Figure 1-2-9

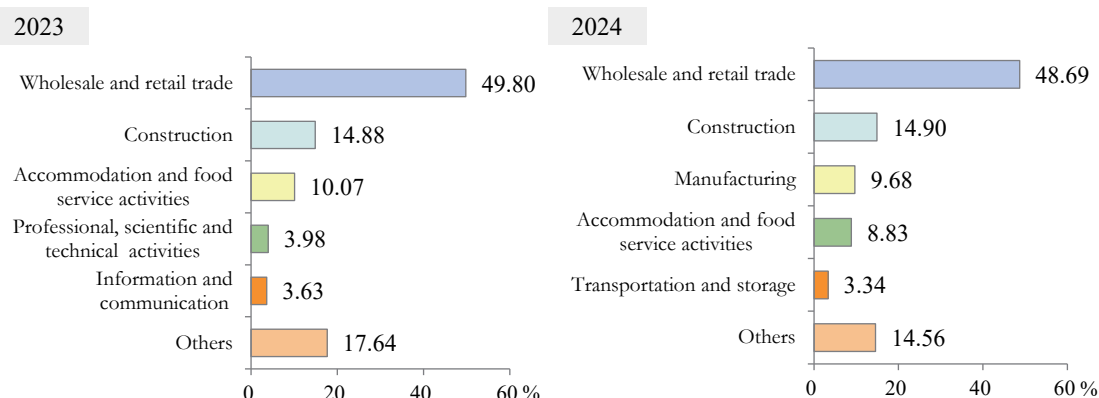
**Distribution of Number of SMEs Newly Established in the Last Year by Industry, 2023-2024**



Source: FIA, MOF, VAT data, 2023-2024.

As for the revenue of the sector distribution patterns, the top 5 industries in terms of SMEs newly established in the last year in 2024 were wholesale and retail trade (NT\$158.643 billion, accounting for 48.69%), construction (NT\$48.568 billion, 14.90%), manufacturing (NT\$31.533 billion, 9.68%), accommodation and food service activities (NT\$28.761 billion, or 8.83%), and transportation and storage (NT\$10.892 billion, 3.34%). Compared with the top 5 industries with a proportion of sales of SMEs newly established in the last year in 2023, the main difference was the increase in the revenue of those in manufacturing in 2024, rising from sixth place in 2023 to third place. The revenue of those in transportation and storage increased and climbed to fifth place (Figure 1-2-10 and Appendix D Table D-9).

**Figure 1-2-10 Distribution of Annual Sales of SMEs Newly Established in the Last Year by Industry, 2023-2024**



Note: "Others" refers to industries other than the top 5 industries.

Source: FIA, MOF, VAT data, 2023-2024.

## 4. Overview of Startups

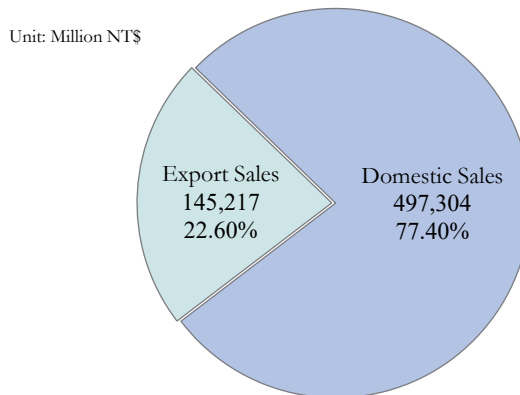
The FINDIT platform includes a list of startups in Taiwan, compiled since 2015, that participated in related contests, exhibitions, and government startup plans, and those that had taken up residence in domestic incubators such as startup sites, accelerators, and incubation centers. The companies included in this list are companies established after 2010 that have innovative technologies or business models and are registered in Taiwan and registered as a company (excluding businesses operating as sole proprietorships and partnerships). They also include companies that are registered overseas but have founders from Taiwan. We used this as the basis to observe the development trajectory of startups, including the overall operations and revenue profile, as well as application fields, years of operation, and organizational type.

### (1) Startups With Revenue Mainly Derived from Domestic Sales

As of December 31, 2024, there were a total of 9,576 startups established and registered in Taiwan after 2010 that had technological or business model innovation. Among them, 8,449

companies were in operation<sup>2</sup>, accounting for 88.23% of the total number of startups. There were 8,235 startups with sales<sup>3</sup> in 2024, with overall sales of NT\$642.521 billion. In terms of the sales model, domestic sales of startups accounted for 77.40% of overall sales in 2024, and exports accounted for 22.60%. Startups remained dependent on the domestic market as their main sales market, but their share of exports was significantly higher than the 8.67% of SMEs newly established in the last 8 years, indicating that startups focus more on the development of overseas markets (Figure 1-2-11).

**Figure 1-2-11 Shares of Domestic and Export Sales in Total Sales of Startups, 2024**



Source: 1. FINDIT platform, December 31, 2024.

2. FIA, MOF, VAT data, 2024.

The regional distribution of the revenue of startups shows a high concentration in Northern Taiwan, with a total revenue of NT\$548.4 billion, accounting for 85.35% of the total revenue of startups. Revenue from Central Taiwan accounted for NT\$52.692 billion (8.20%), and revenue from Southern Taiwan accounted for NT\$40.688 billion (6.33%). Revenue from Eastern Taiwan and the outlying islands accounted for 0.12% (Table 1-2-6).

**Table 1-2-6 Number and Total Sales of Startups in Each Region by Enterprise Size, 2024**

Unit: Enterprises; million NT\$; %

Region Enterprise size	Total	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Outlying islands
<b>Number of enterprises</b>	8,235	5,799	1,032	1,276	103	25
Share of total	100.00	70.42	12.53	15.49	1.25	0.30
<b>Total Sales</b>	642,521	548,400	52,692	40,688	577	164
Share of total	100.00	85.35	8.20	6.33	0.09	0.03

Note: The scope includes the number of businesses in all parts of Taiwan, the Outlying islands, and their revenue.

Source: 1. FINDIT platform, December 31, 2024.

2. FIA, MOF, VAT data, 2024.

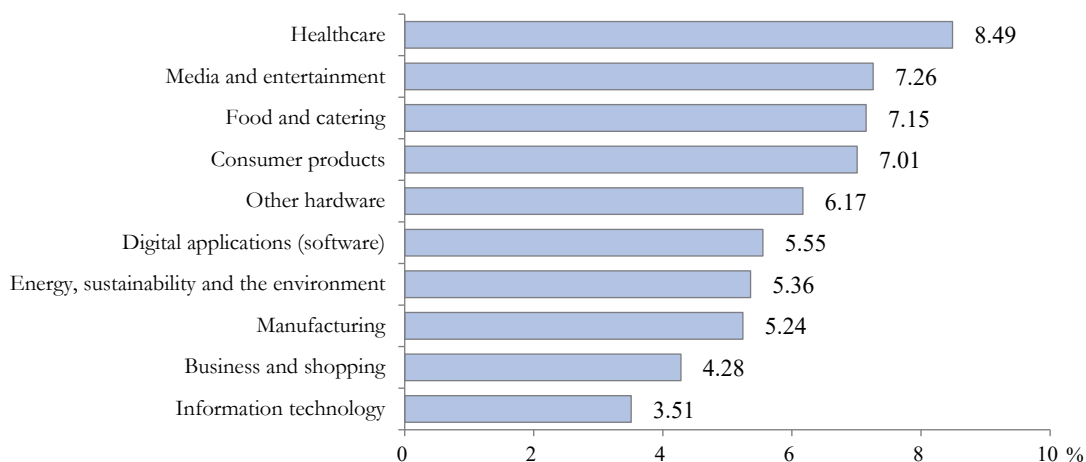
2 Companies whose business registration information in the Administration of Commerce (AOC) of the MOEA shows them as approved for establishment and approved for registration.

3 Statistics on the number of startups with revenue and their revenue (including domestic sales and exports) are based on the FINDIT as of December 31, 2024. The list is produced by comparing the 2024 business tax collection statistical raw data from the FIA of the MOF.

## (2) In Applications Provided by Startups, Healthcare Companies Accounted for the Highest Proportion

As of the end of 2024, the top 5 application areas for startups were, in descending order, healthcare (813 companies, accounting for 8.49%), media and entertainment (695 companies, 7.26%), food and catering (685 companies, 7.15%), consumer products (671 companies, 7.01%), and other hardware (591 companies, 6.17%). The top 10 application fields accounted for 60.02% of the total number of companies (Figure 1-2-12).

**Figure 1-2-12 Number of Startups in the Top 10 Application Fields, 2024**



Note: "Other hardware" includes drones, mobile and wearable devices, and sensors.

Source: SMESA, MOEA (March 2025). *2024 White Paper on Startups in Taiwan*.

## (3) 46.66% of Startups Have Been in Business for More Than 8 Years

In terms of the number of years of operation, in 2024, startups that had been operating for less than one year accounted for 0.30% of the total number of startups, and those that had been operating for less than 3 years, 5 years, and 8 years accounted for 6.76%, 22.66%, and 53.34%, respectively. The proportion of those that had been operating for more than 8 years was 46.66%, which shows that the government actively assists startups in obtaining resources and promotes the stable operations of startups so that they may continue to grow and thrive (Table 1-2-7).

## (4) The Majority of Startups Operated as Companies Limited by Shares, Accounting for 62.36%

In terms of the organizational types of enterprises, there were two types of new business operations in 2024, including companies limited by shares and limited companies. Among them, the number of companies limited by shares was 5,972, accounting for 62.36%. There were 3,604 limited companies, accounting for 37.64%. The main reason is that when new companies raise funds, they must release equity in exchange for funds, so they are mostly organized in the form of companies limited by shares (Figure 1-2-13).

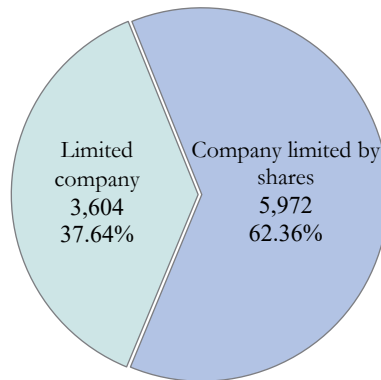
**Table 1-2-7 Number and Shares of Startups by Particular Ages, 2024**

Unit: Enterprises; %		
Age	Number of enterprises	Share of total
<b>Total</b>	9,576	100.00
Less than 8 years	5,108	53.34
Less than 1 year	29	0.30
Less than 3 years	647	6.76
Less than 5 years	2,170	22.66
8 years or more	4,468	46.66

Source: SMESA, MOEA (March 2025). *2024 White Paper on Startups in Taiwan*.

**Figure 1-2-13 Distribution of Startups by Form of Organization, 2024**

Unit: Enterprises



Source: SMESA, MOEA (March 2025). *2024 White Paper on Startups in Taiwan*.

### III Female-owned SMEs

In this section, the first number other than the English letter of the national ID number of the responsible person (or representative) of the enterprise is used to determine the gender. If the responsible person of the enterprise is a legal entity or a foreigner and the gender cannot be thus identified, it is not included in the statistics. Therefore, the sum of male- and female-owned enterprises in this section does not equal the sum of all enterprises in Section I of this chapter. The characteristics and differences of SME owners of both genders are compared and analyzed below.

#### 1. Female-owned SMEs Accounted for 37.76%

The number of enterprises in 2024 for which the gender of the legal representative of the enterprise could be identified was 1,715,425. They included 644,286 enterprises owned by women and 99.47% were SMEs (640,843 SMEs). Compared to 2023, the number of SMEs owned by women increased by 18,912 (an annual growth rate of 3.04%). SMEs owned by women accounted for 37.76% of all SMEs (Table 1-3-1).

Table 1-3-1

### Number and Sales Performance of Enterprises by Sex of Business Owner, 2023-2024

Unit: Enterprises; million NT\$; %

Indicator	Enterprise size Year		Total		SMEs		Large enterprises	
			2023	2024	2023	2024	2023	2024
<b>No. of enterprises</b>			1,673,557	1,715,425	1,655,802	1,696,957	17,755	18,468
Female-owned enterprises			625,175	644,286	621,931	640,843	3,244	3,443
Share of total <sup>a</sup>			100.00	100.00	99.48	99.47	0.52	0.53
Share of total <sup>b</sup>			37.36	37.56	37.56	37.76	18.27	18.64
Male-owned enterprises			1,048,382	1,071,139	1,033,871	1,056,114	14,511	15,025
<b>Total sales</b>			46,806,518	53,775,526	26,383,197	28,530,612	20,423,320	25,244,914
Female-owned enterprises			8,309,989	9,217,881	6,340,526	6,972,662	1,969,464	2,245,219
Share of total <sup>a</sup>			100.00	100.00	76.30	75.64	23.70	24.36
Share of total <sup>b</sup>			17.75	17.14	24.03	24.44	9.64	8.89
Male-owned enterprises			38,496,529	44,557,645	20,042,672	21,557,950	18,453,857	22,999,695
<b>Domestic sales</b>			37,817,633	41,218,006	23,907,876	25,949,508	13,909,757	15,268,498
Female-owned enterprises			7,551,884	8,348,190	5,880,305	6,422,464	1,671,579	1,925,726
Share of total <sup>a</sup>			100.00	100.00	77.87	76.93	22.13	23.07
Share of total <sup>b</sup>			19.97	20.25	24.60	24.75	12.02	12.61
Male-owned enterprises			30,265,750	32,869,816	18,027,571	19,527,044	12,238,178	13,342,772
<b>Export sales</b>			8,988,884	12,557,520	2,475,322	2,581,104	6,513,563	9,976,416
Female-owned enterprises			758,105	869,691	460,221	550,198	297,884	319,493
Share of total <sup>a</sup>			100.00	100.00	60.71	63.26	39.29	36.74
Share of total <sup>b</sup>			8.43	6.93	18.59	21.32	4.57	3.20
Male-owned enterprises			8,230,779	11,687,829	2,015,101	2,030,906	6,215,678	9,656,923

Notes:

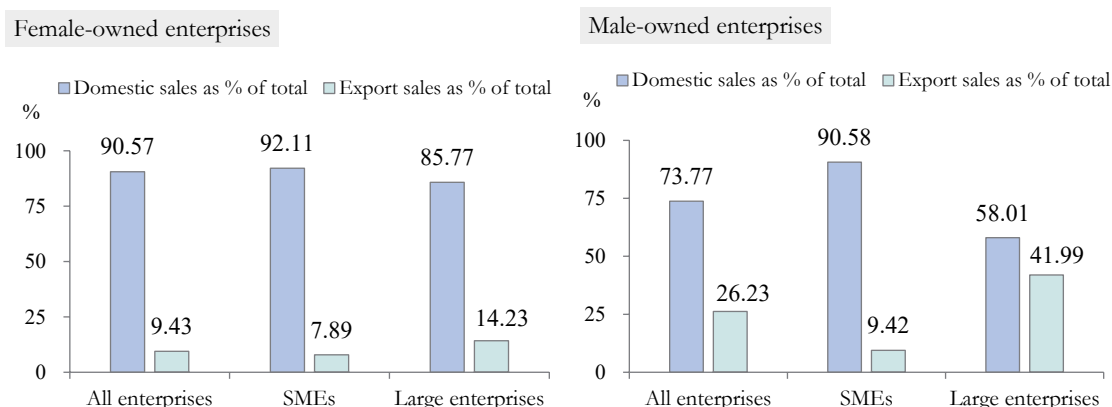
- Whether an enterprise should be classified as male-owned or female-owned was determined using the registered identity of the business owner.
- The totals for all enterprises given in this table do not conform to those given in Table 1-1-1 because some enterprises are registered as being owned by other enterprises or by foreigners; these enterprises were excluded from the data used in this table.
- Share of total <sup>a</sup> in the table represents the percentage of SMEs (large enterprises) in all female-owned enterprises; Share of total <sup>b</sup> represents the percentage of female-owned enterprises in all enterprises.

Source: FIA, MOF, VAT data, 2023-2024.

## 2. Female-owned Enterprises Focus More on Domestic Sales Compared to Male-owned Enterprises

In terms of revenue, female-owned enterprises were more dependent on the domestic market. The domestic sales rate of female-owned SMEs in 2024 was 92.11%, while the export rate was only 7.89%. Similarly, the domestic sales rate of male-owned SMEs was approximately 90.58%, while the export rate was 9.42%. The domestic sales rate of female-owned SMEs was 1.53 percentage points higher than the domestic sales rate of male-owned SMEs. Moreover, the domestic sales rate of female-owned large enterprises was 85.77%, which was 27.76 percentage points higher than the domestic sales rate of male-owned large enterprises (58.01%). This shows that female-owned enterprises focus more on domestic sales, and this is more obvious in large enterprises (Figure 1-3-1).



**Figure 1-3-1 Shares of Domestic Sales and Export Sales by Sex of Business Owner, 2024**

Source: FIA, MOF, VAT data, 2024.

### 3. Top 3 Industries with Female-owned SMEs: Wholesale and Retail Trade, Accommodation and Food Service Activities, and Other Service Activities

In terms of the number of male- and female-owned SMEs by industry in 2024, 87.50% of female-owned SMEs and 76.64% of male-owned SMEs were in the service sector. The difference between the two was 9.06 percentage points. In terms of the industries, the number of female-owned SMEs, and their revenue, domestic sales, and exports in 2024 were the highest in wholesale and retail trade (47.38%, 44.98%, 43.81%, and 58.73%, respectively) (Appendix D Table D-10).

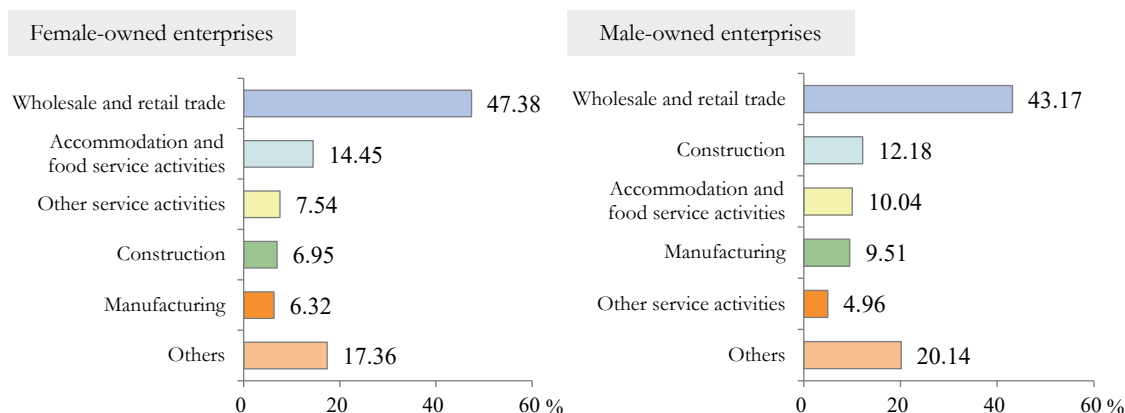
Although the top 5 industries with the highest number of SMEs owned by females were the same as those with SMEs owned by males in 2024, the sequence was slightly different. The rankings of industries with female-owned SMEs were, in descending order, as follows: wholesale and retail trade (47.38%), accommodation and food service activities (14.45%), other service activities (7.54%), construction (6.95%), and manufacturing (6.32%). Male-owned SMEs in wholesale and retail trade (43.17%) topped the list, which was the same for female-owned SMEs. This was followed by construction (12.18%), accommodation and food service activities (10.04%), manufacturing (9.51%), and other service activities (4.96%) (Figure 1-3-2).

### 4. Female SME Owners Have Fewer Years of Experience in Business than Male Owners

In terms of the number of years of operation, there were 44,318 new SMEs established by women within one year (less than one year of operation) in 2024, accounting for 6.92% of the number of female SME owners. There were 64,213 new SMEs established by men within one year, accounting for 6.08% of the number of the number of male SME owners. Among those established in the last 8 years (with less than 8 years of operation), 280,865 SMEs had female owners and 425,523 SMEs had male owners. In terms of the gender ratio, women slightly outnumbered men

with 43.83% and 40.29%, respectively. The gap was 3.54 percentage points, indicating that female SME owners have fewer years of business experience than male owners (Table 1-3-2).

**Figure 1-3-2 Industry Distribution of SMEs by Sex of Business Owner, 2024**



Source: FIA, MOF, VAT data, 2024.

**Table 1-3-2 Number and Shares of SMEs by Particular Ages and Sex of Business Owner, 2024**

Unit: Enterprises; %

Age \ Sex of owner	Total men and women	Female-owned enterprises		Male-owned enterprises	
		No. of enterprises	Share of total	No. of enterprises	Share of total
<b>Total</b>	1,696,957	640,843	100.00	1,056,114	100.00
Less than 8 years	706,388	280,865	43.83	425,523	40.29
Less than 1 year	108,531	44,318	6.92	64,213	6.08
Less than 3 years	329,811	134,658	21.01	195,153	18.48
Less than 5 years	508,328	205,006	31.99	303,322	28.72
8 years or more	990,569	359,978	56.17	630,591	59.71

Note: The difference between the sum of all indicators and the sum listed in Table 1-1-5 arises because representatives of some enterprises were legal persons or foreigners and thus their gender could not be determined.

Source: FIA, MOF, VAT data, 2024.

## 5. Female-owned SMEs Newly Established in the Last Year Accounted for Nearly 40% of All New SMEs

Among the new SMEs established by both genders within one year in 2024, 44,318 were owned by women, accounting for 40.83% of the total number of new SMEs established by both genders within one year. It was a decrease of 2,433 (or 5.20%) compared with 2023. 64,213 were owned by men, accounting for 59.17% (Table 1-3-3).

In terms of the revenue of new enterprises established within 1 year, the revenue of new SMEs established by female owners and male owners totaled NT\$84.521 billion and NT\$223.121 billion, respectively. It accounted for 1.21% and 1.03% of the total revenue of SMEs owned by female and male owners, respectively. The combined sales amounted to NT\$307.642 billion, accounting for

approximately 1.08% of the total sales of SMEs of both genders (NT\$28.530612 trillion).

**Table 1-3-3 Number and Sales Performance of SMEs Newly Established in the Last Year by Sex of Business Owner, 2024**

Unit: Enterprises; million NT\$; %

Indicator \ Item	Male and female combined (1)	Female-owned enterprise size (2)	Female-owned enterprise ratio (3)=(2)/(1)	Female-owned enterprise structural ratio	Male-owned enterprise size (4)	Male-owned enterprise ratio (5)=(4)/(1)	Male-owned enterprise structural ratio
Number	108,531	44,318	40.83	-	64,213	59.17	-
Sales	307,642	84,521	27.47	100.00	223,121	72.53	100.00
Domestic sales	281,961	82,823	29.37	97.99	199,138	70.63	89.25
Export sales	25,681	1,698	6.61	2.01	23,983	93.39	10.75

Notes:

1. “-”: not applicable.

2. The difference between the sum of all indicators and the sum listed in Table 1-2-11 arises because representatives of some enterprises were legal persons or foreigners and thus their gender could not be determined.

Source: FIA, MOF, VAT data, 2024.

Although the ratio of the revenue of SMEs established within 1 year with female owners accounted for a slightly higher ratio of revenue than new SMEs set up by male owners, they accounted for 27.47% of the overall revenue of new SMEs, which was lower than the 72.53% for male owners. The revenue of SMEs established within 1 year with male owners was approximately 2.64 times that of SMEs with female owners. As the enterprises continue to operate, the gap between the revenue of male-owned and female-owned enterprises has widened (Table 1-3-3).

In terms of the domestic sales ratio, about 90% of the sales of SMEs with female and male owners were derived from domestic sales (92.11% and 90.58%, respectively), while the domestic sales of new SMEs established by women within one year accounted for 97.99% of the sales by female SMEs within one year, with the ratio of domestic sales being 89.25% for male owners. It shows that regardless of the gender of the business owner, SMEs established within 1 year were still in the budding stage and were focused more on the domestic market (Figure 1-3-1 and Table 1-3-3).

## 6. Nearly 60% of Female-owned SMEs Were Sole Proprietorships

As regards the organization type, sole proprietorships accounted for the largest share of both male- and female-owned SMEs, with 374,677 female-owned SMEs (58.47%) and 512,731 male-owned SMEs (48.55%). They were followed by limited companies, with 185,164 (28.89%) and 343,821 (32.56%). Companies limited by shares accounted for the 3rd largest share, with 6.33% and 10.05%, respectively. The top 3 organization types accounted for 93.69% and 91.16% of female-owned and male-owned SMEs, respectively. This shows that the organization types of female-owned and male-owned SMEs were generally similar, but sole proprietorships accounted for a higher percentage of female-owned SMEs (Table 1-3-4).

Table 1-3-4

**Number and Shares of SMEs by Form of Organization and Sex of Business Owner, 2024**

Unit: Enterprises; %

Sex of owner Organization	Total men and women	Female-owned enterprises		Male-owned enterprises	
		No. of enterprises	Share of total	No. of enterprises	Share of total
<b>Total</b>	1,696,957	640,843	100.00	1,056,114	100.00
Company limited by shares	146,712	40,547	6.33	106,165	10.05
Limited company	528,967	185,146	28.89	343,821	32.56
Partnership	43,257	16,187	2.53	27,070	2.56
Sole proprietorship	887,408	374,677	58.47	512,731	48.55
Subsidiary of domestic company	41,135	11,625	1.81	29,510	2.79
Others	49,478	12,661	1.98	36,817	3.49

Notes:

1. The difference between the sum of all indicators and the sum listed in Table 1-1-5 arises because representatives of some enterprises were legal persons or foreigners and thus their gender could not be determined.
2. "Others" refer to business entities that are not companies, sole proprietorships, or partnerships. They mainly include branch institutions of domestic companies such as "business offices (premises), stores (departments), and branch stores" that are not classified as branch companies.
3. Due to data restrictions, the "limited partnership", "unlimited companies", "unlimited companies with limited liability shareholders", and "branches of foreign companies" in the organization types are listed as "others."

Source: FIA, MOF, VAT data, 2024.

## IV Business Performance of SMEs

The overview of the business operations of SMEs is based on the results of the *Report of the Survey Analysis of Wholesale, Retail and Food Services in 2024* compiled by the Department Standards of Statistics (DOS) of the MOEA. The scale of enterprises is based on the definitions in the "for Identifying Small and Medium-sized Enterprises" published on November 27, 2024. As a result, micro enterprises refer to those with fewer than 5 employees, small and medium enterprises refer to those with fewer than 200 employees (including those with fewer than 5 employees), and large enterprises refer to those with 200 or more employees. It must be noted that the survey questions were designed to be multiple selection questions and so the total sum of all options in the survey may often exceed 100%. Due to the small sample size of micro enterprises in food and beverage service activities, the analysis was conducted only for small and medium enterprises and large enterprises.

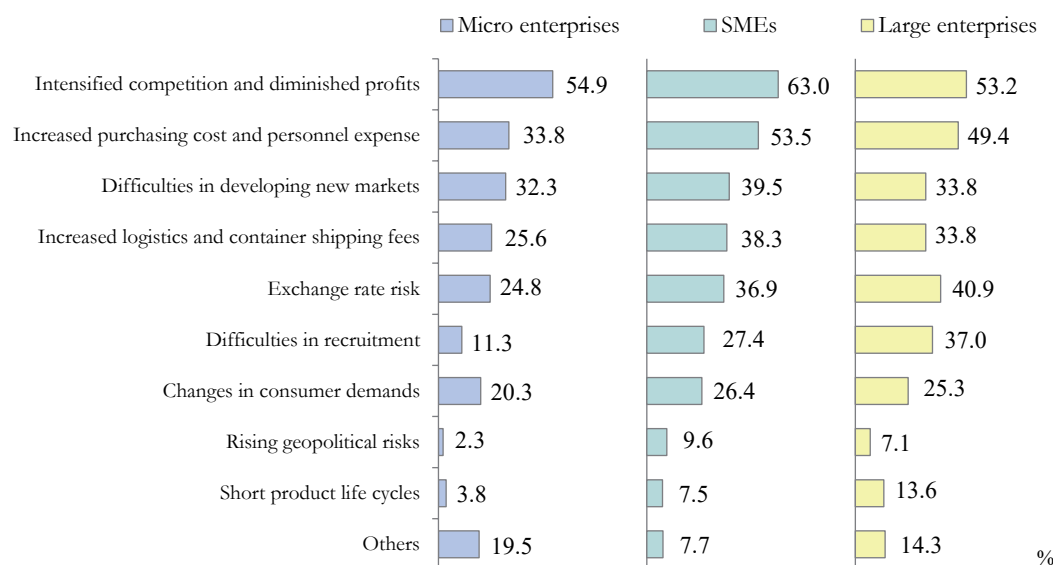
### 1. Wholesale Trade Business Performance

#### (1) The Main Business Predicaments for Wholesale Trade Were Intensified Competition and Diminished Profits and Increased Purchasing Cost and Personnel Expense

The operating difficulties encountered by wholesale industries of all sizes in 2024 were mainly intensified competition and diminished profits, accounting for 50% to 60%, followed by increased purchasing cost and personnel expense, accounting for 30% to 50%. The third operating difficulty was difficulties in developing new markets for the micro- and small and medium-scale wholesale industry (accounting for 32.3% and 39.5%, respectively), and exchange rate risk for the large

wholesale industry (accounting for 40.9%) (Figure 1-4-1).

**Figure 1-4-1 Wholesale Trade Business Predicaments by Size, 2024 (Multiple Selection)**



Note: The sample size of the wholesale industry totaled 2,003 companies, including 133 micro enterprises, 1,849 SMEs, and 154 large enterprises.

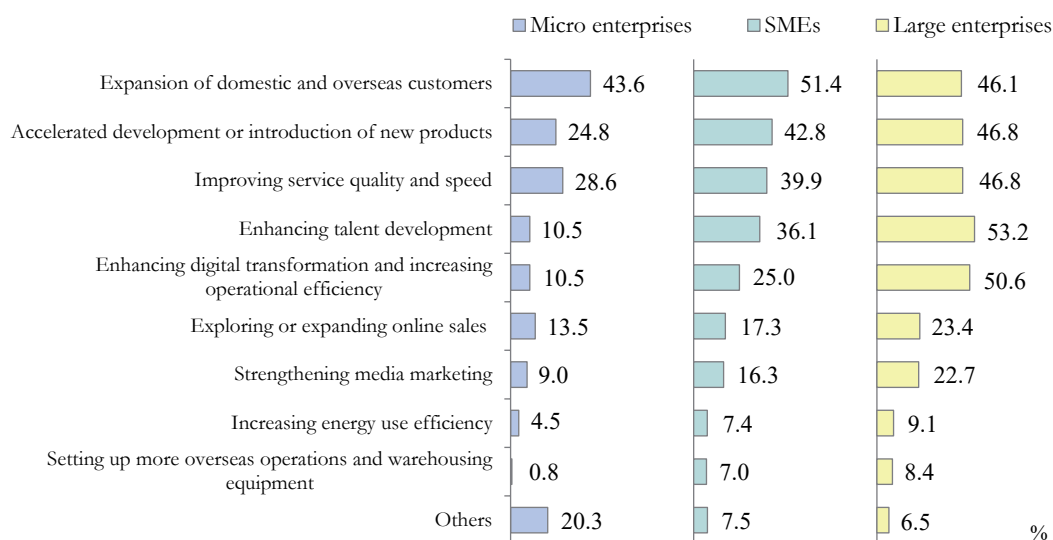
Source: DOS, MOEA (October 2024). *Report of the Survey Analysis of Wholesale, Retail and Food Services in 2024*.

## (2) Future Business Development Plans for SMEs in Wholesale Trade Focused First on Expansion of Domestic and Overseas Customers and Second on Accelerated Development or Introduction of New Products

In 2024, the micro and small and medium wholesale companies both regarded the expansion of domestic and overseas customers (accounting for 43.6% and 51.4%, respectively) as the focus of their future operations and development plans. For micro-scale wholesale companies, the second priority was to improve service quality and speed. In response to new business models and market patterns, consumer preferences tended to be diversified. The accelerated development or introduction of new products (accounting for 42.8%) became important for the small and medium wholesale industry. For large-scale wholesale companies, the top priority was to enhance talent development and the second priority was to enhance digital transformation and increase operational efficiency. Both accounted for 50% (Figure 1-4-2).

Figure 1-4-2

### Future Business Development Plans of Wholesale Trade by Size, 2024 (Multiple Selection)



Note: The sample size of the wholesale industry totaled 2,003 companies, including 133 micro enterprises, 1,849 SMEs, and 154 large enterprises.

Source: DOS, MOEA (October 2024). *Report of the Survey Analysis of Wholesale, Retail and Food Services in 2024*.

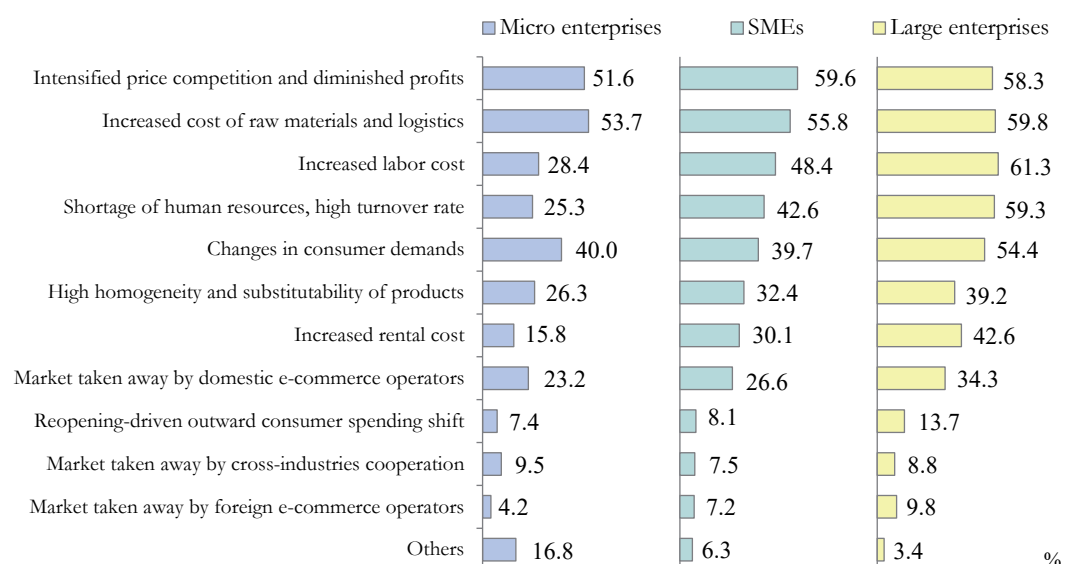
## 2. Retail Trade Business Performance

### (1) The Business Predicaments for SME Retailers Were Mainly Intensified Price Competition and Diminished Profits and Increased Cost of Raw Materials and Logistics

In 2024, the operating difficulties of micro and small and medium-sized retailers consisted mainly of cost and price factors. The top 2 factors were intensified price competition and diminished profits and the increased cost of raw materials and logistics, accounting for 50% to 60%, but the retailers placed them in a different order. The main factor affecting large-scale wholesale industry was cost, with increased labor costs taking the lead, followed by the increased cost of raw materials and logistics, accounting for about 60% (Figure 1-4-3).

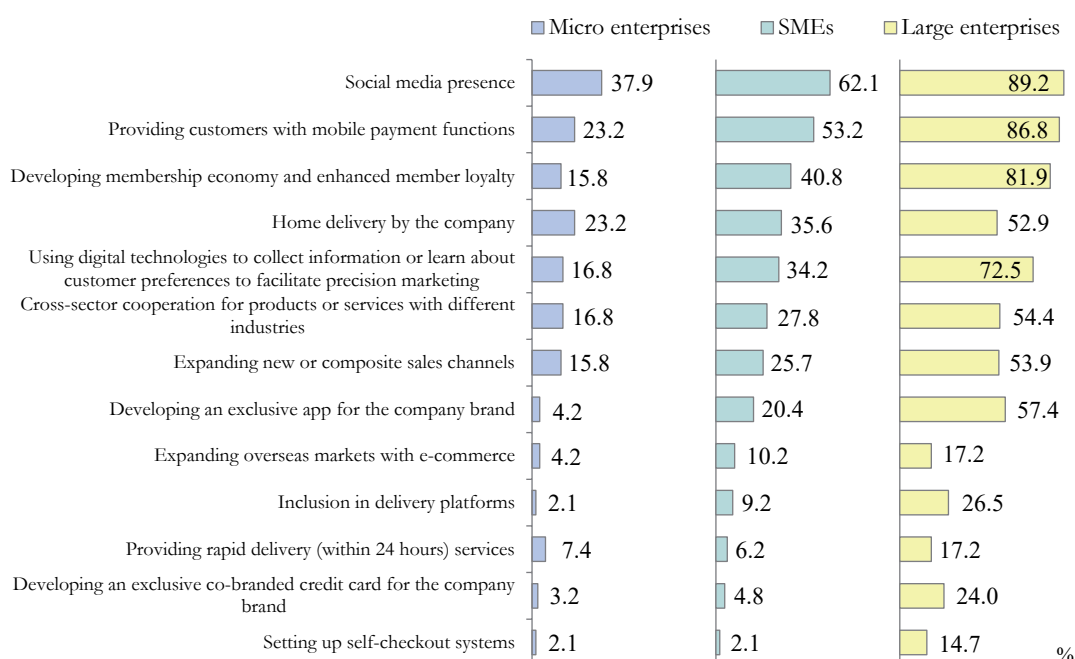
### (2) The Primary Development Strategy for Retailers Was Social Media Presence

In 2024, the top operational strategy for the development of retail businesses of all sizes was social media presence as part of their digital transformation efforts, with micro, small and medium, and large retail businesses accounting for approximately 40%, 60%, and 90%, respectively. For micro retailers, the strategies of providing customers with mobile payment functions and home delivery by the company tied for second place, accounting for 23.2%. SMEs and large retailers focused on providing customers with mobile payment functions (with 53.2% and 86.8%, respectively) in second place and developing a membership economy and enhanced member loyalty (40.8% and 81.9%, respectively) in third place (Figure 1-4-4).

**Figure 1-4-3 Retail Trade Business Predicaments by Size, 2024 (Multiple Selection)**

Note: The sample size of the retail industry totaled 1,241 companies, including 95 micro enterprises, 1,036 SMEs, and 204 large enterprises.

Source: DOS, MOEA (October 2024). *Report of the Survey Analysis of Wholesale, Retail and Food Services in 2024*.

**Figure 1-4-4 Business Strategies for the Development of Retail Trade by Size, 2024 (Multiple Selection)**

Note:

1. The sample size of the retail industry totaled 1,241 companies, including 95 micro enterprises, 1,036 SMEs, and 204 large enterprises.

2. The data shown in the figure are the ratio of enterprises that currently adopt the business strategy.

Source: DOS, MOEA (October 2024). *Report of the Survey Analysis of Wholesale, Retail and Food Services in 2024*.

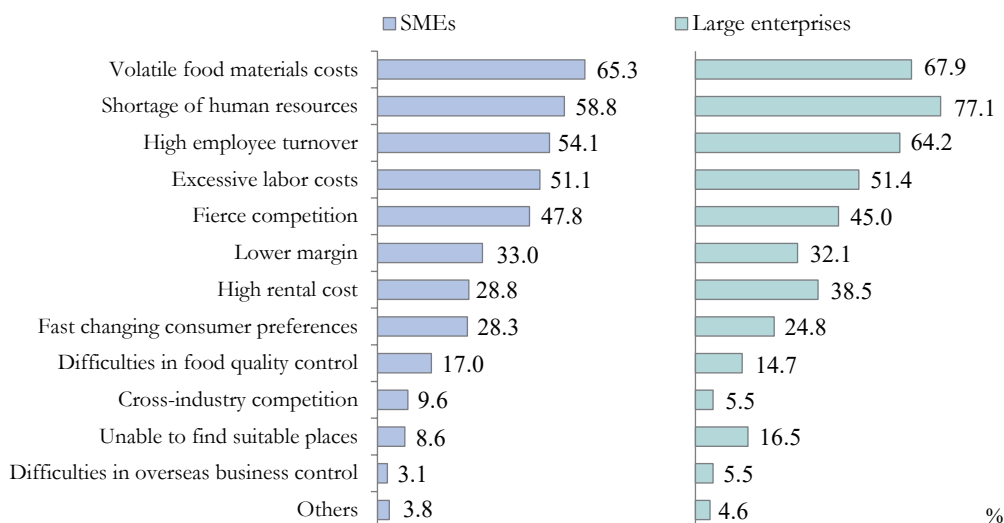
### 3. Food and Beverage Service Activities Business Performance

#### (1) Volatile Food Materials Costs, Shortage of Human Resources, and High Employee Turnover Were the Main Challenges for the Food and Beverage Service Activities

The difficulties faced by the food and beverage service activities in 2024 were the same for small and medium and large catering industries. The top 3 operating difficulties were the same, but the ranking of the first and second items was different. The main factors were cost and labor, including volatile food materials costs (accounting for 65.3% and 67.9%, respectively), a shortage of human resources (accounting for 58.8% and 77.1%), and high employee turnover (accounting for 54.1% and 64.2%) (Figure 1-4-5).

Figure 1-4-5

Food and Beverage Service Activities Predicaments by Size, 2024 (Multiple Selection)



Note: The sample size of the food and beverage service industry totaled 725 companies, including 636 SMEs, and 109 large enterprises.

Source: DOS, MOEA (October 2024). *Report of the Survey Analysis of Wholesale, Retail and Food Services in 2024*.

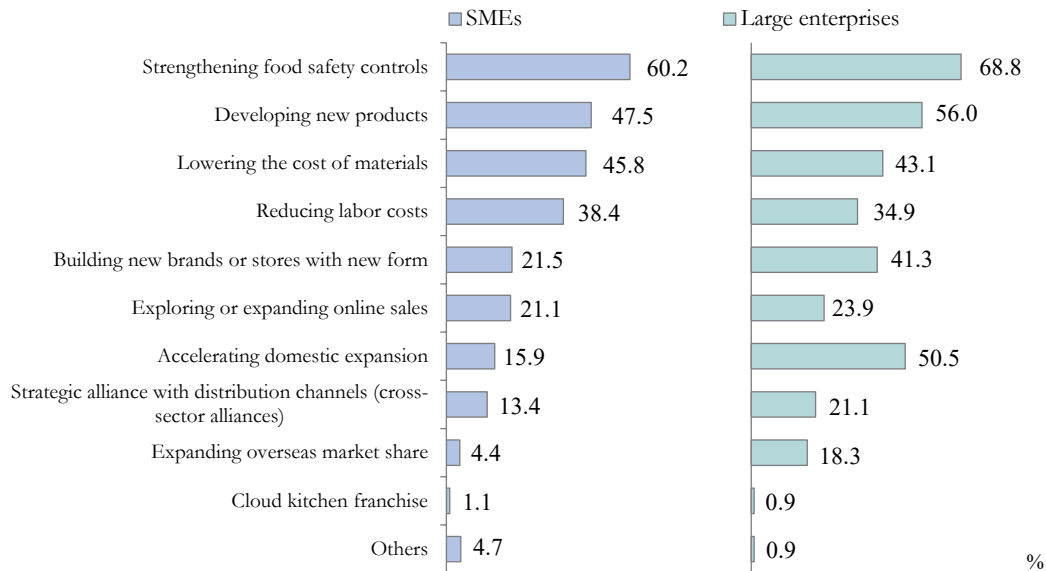
#### (2) The Food and Beverage Service Activities Regarded Strengthening Food Safety Controls and Developing New Products as Key Issues for Future Operations

Given consumers' increasing emphasis on food safety and the trend towards diversified tastes, in 2024 small and medium and large food and beverage service activities prioritized strengthening food safety controls (accounting for 60.2% and 68.8%, respectively), followed by developing new products (accounting for 47.5% and 56.0%) (Figure 1-4-6).



Figure 1-4-6

### Future Business Development Plans of Food and Beverage Service Activities by Size, 2024 (Multiple Selection)



Note: The sample size of the food and beverage service industry totaled 725 companies, including 636 SMEs, and 109 large enterprises.

Source: DOS, MOEA (October 2024). *Report of the Survey Analysis of Wholesale, Retail and Food Services in 2024*.

## V Overview of SMEs' Expenditure on R&D

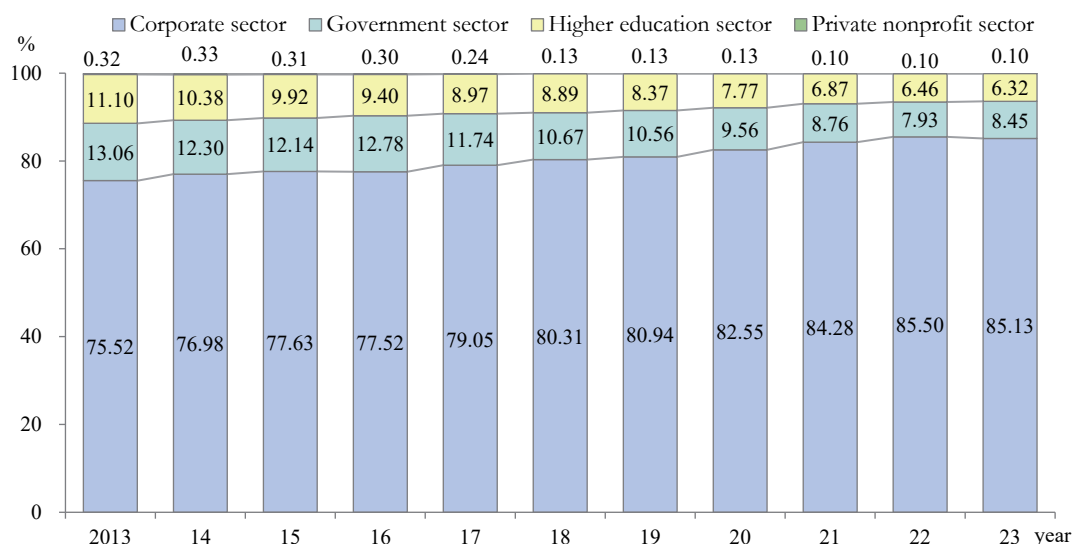
R&D expenditures are crucial for the survival and growth of SMEs amid intense market competition and the continuous upgrading of products, technologies, and services. This section provides an overall description of the R&D investments of SMEs based on the *Indicators of Science and Technology Taiwan 2024* published by the National Science and Technology Council (NSTC).

### 1. The Corporate Sector Spearheaded R&D

Total R&D expenses in Taiwan in 2023 amounted to NT\$937.306 billion, which reflected growth of 4.38% compared with the NT\$897.975 billion in 2022. The R&D expenditures of all sectors as a percentage of all R&D expenditures in Taiwan were as follows: the corporate sector invested NT\$797.9 billion (85.13%), the government sector invested NT\$79.234 billion (8.45%), the higher education sector invested NT\$59.242 billion (6.32%), and the private nonprofit sector invested only NT\$929 million (0.10%) (Figure 1-5-1).

The corporate sector has always been the main source of R&D funding in Taiwan. In the past 10 years, the proportion of R&D expenditure in the corporate sector has generally increased, rising from 75.52% in 2013 to 85.13% in 2023, an increase of 9.61 percentage points. In addition, R&D funding for the corporate sector continues to grow, having risen from NT\$346.206 billion in 2013 to NT\$797.9 billion in 2023, with a growth rate of 3.93% in 2023 (Figure 1-5-1).

**Figure 1-5-1 Ratio of R&D Expenditure by Sector, 2013-2023**

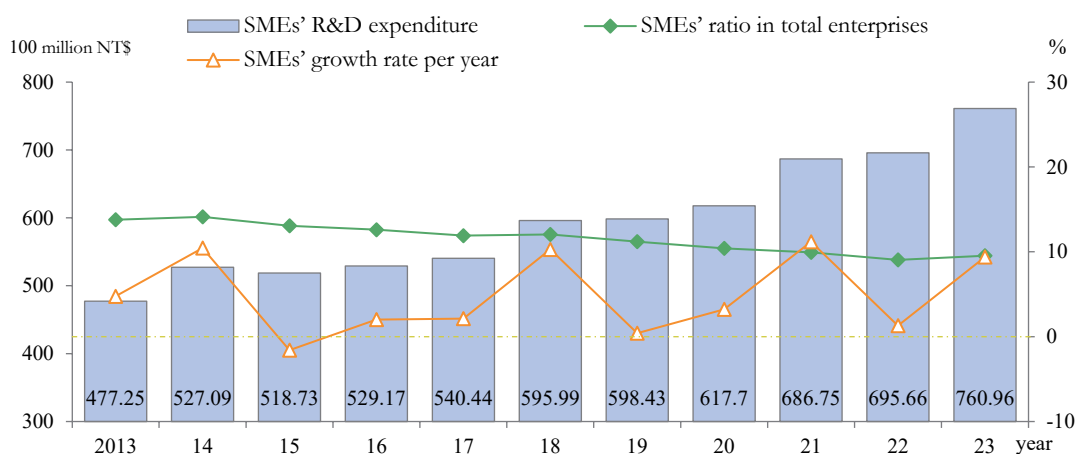


Source: NSTC (December 2024). *Indicators of Science and Technology Taiwan 2024*.

## 2. R&D Expenditures of SMEs Continued to Increase

Total R&D expenditures of SMEs amounted to NT\$76.096 billion in 2023, which reflected significant growth of 9.39% compared with the NT\$69.566 billion in 2022. During the past decade, the percentage of R&D expenditures of SMEs in the corporate sector declined. However, the R&D expenditures of SMEs generally increased and the growth rate shifted from negative to positive in 2016. The growth rate in 2018 and 2021 exceeded 10% and in 2023 reached about 10% (Figure 1-5-2). The R&D expenditures of large enterprises rose each year, with a growth rate of 3.38% being recorded in 2023.

**Figure 1-5-2 Overview of SMEs' R&D Expenditure, 2013-2023**



Note: SMEs here are those enterprises with fewer than 200 employees.

Source: NSTC (December 2024). *Indicators of Science and Technology Taiwan 2024*.

# Chapter 2

## Financial Overview and Funding of SMEs

### Key Highlights

The financial conditions of SMEs are generally not as sound as those of large enterprises, and their financial structure is relatively weak. Financial analysis is crucial for understanding the current status and development of SMEs. In addition, SMEs have relatively limited capital, and smooth financing is crucial to their sustainable operation. This chapter focuses on this by providing an in-depth analysis of the financial profile of Taiwan's SMEs and examining their financing conditions.

#### ● Financial Overview

- The financial structures of SMEs tended to be conservative and risk-averse in 2023. In response to economic uncertainties, companies have reduced their debt to mitigate operational risks. The overall debt ratio was 67.22%, down 2.27 percentage points from the previous year. Current liabilities accounted for 54.29%, down 2.08 percentage points from the previous year. The proportion of overall long-term funding sources increased slightly.
- In 2023, the profit and loss ratio of SMEs was 5.88%, a slight decrease of 0.13 percentage points from the previous year, and the profit margin was reduced. Although operating costs declined, the reduction was still not enough to offset the increase in operating expenses, highlighting that companies still face pressure in cost control.

#### ● Overview of SMEs' Financial Ratios

- The net debt ratio of SMEs dropped from 227.73% in 2022 to 205.04% in 2023. The long-term capital ratio rose from 211.91% in 2022 to 225.15% in 2023, indicating that SMEs are using funds in a more prudent and conservative manner. This shows that in the face of changes and challenges in the global economic environment, they tend to reduce their financial leverage and enhance financial stability and resistance to risk to cope with future uncertainties.
- Due to the global economic slowdown, profits of SMEs have declined. In 2023, SMEs' operating margin, the return on total assets, the return on fixed assets, the return on capital, and the return on net worth all decreased from 2022.

#### ● SME Funding and Financing

- The main sources of funds for SMEs were loans from financial institutions and commercial credit. By the end of 2023, the proportions of loans from financial institutions and commercial credit in the debt structure of SMEs were 52.76% and 44.95%, respectively.

- The balance of general bank loans to SMEs continued to grow and reached a new high. The loan balance was approximately NT\$10.51 trillion, with a growth rate of 5.99%. Both public and private banks actively increased their lending to SMEs.

## I Financial Overview

In this section, the consolidated balance sheet (conversion of values in the balance sheet to a common ratio of 100 based on the total assets) approach is adopted to observe the enterprise's capital utilization and asset allocation and to understand the overall financial structure of SMEs. The profit increase and decrease of SMEs were analyzed based on the income statement items. The basis for the analysis is the latest information from the Fiscal Information Agency (FIA) of the Ministry of Finance (MOF) on the income tax reporting of profit-seeking enterprises. The latest available information is for 2023. Therefore, the data herein are one year older than the data in other chapters.

### 1. Asset Allocation Analysis

#### (1) Current Assets of SMEs Accounted for More than 60% of Total Assets

Overall, as of 2023, the current assets to total assets ratio and the debt ratio of SMEs in Taiwan decreased and the debt ratio also decreased from 2022. According to the data on current assets, cash holdings decreased slightly and accounted for 23.85% of total assets. Receivables accounted for 14.03%, and inventories accounted for 18.73%. There was a slight increase in the ratio of non-current assets to total assets of nearly 39.49%. Fixed assets accounted for a higher ratio with 19.07% (Table 2-1-1).

In terms of the financial indicators in different industries, of the 16 major industries in 2023, SMEs in 10 industries had current assets in excess of 50% of total assets. They included manufacturing, construction, wholesale and retail trade, transportation and storage, information and communication, real estate activities, professional, scientific and technical activities, support service activities, education, and other service activities (Table 2-1-2).

**Table 2-1-1 Consolidated Balance Sheet for Enterprises by Enterprise Size, 2022-2023**

Unit: %

Item	Enterprise size Year	SMEs		Large enterprises	
		2022	2023	2022	2023
<b>Current assets</b>		62.46	60.51	49.35	49.32
Cash		24.31	23.85	17.83	17.07
Accounts receivable		15.73	14.03	25.03	25.67
Inventories		18.61	18.73	5.20	5.28
Advance payments		1.88	1.92	0.40	0.42
Other current assets		1.94	1.98	0.88	0.87
<b>Non-current assets</b>		37.54	39.49	50.65	50.68
Long-term investment		9.02	9.60	16.40	17.95
Fixed assets		19.07	19.07	9.01	9.13

Item	Enterprise size Year	SMEs		Large enterprises	
		2022	2023	2022	2023
Land and buildings		13.38	13.40	3.95	4.02
Machinery and equipment		4.52	4.47	4.39	4.38
Other fixed assets		1.18	1.20	0.67	0.72
Intangible and other non-current assets		9.45	10.82	25.24	23.60
<b>Total assets = Liabilities + Net worth</b>		<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Liabilities</b>		<b>69.49</b>	<b>67.22</b>	<b>73.66</b>	<b>71.61</b>
Current liabilities		56.37	54.29	48.11	45.96
Short-term loans		16.65	13.60	31.57	29.02
Accounts payable		15.97	15.73	6.95	6.69
Income received in advance		5.69	6.01	3.52	3.83
Other current liabilities		18.07	18.96	6.07	6.43
Non-current liabilities		13.12	12.92	25.55	25.64
<b>Net worth</b>		<b>30.51</b>	<b>32.78</b>	<b>26.34</b>	<b>28.39</b>

Source: Fiscal Information Agency (FIA), Ministry of Finance (MOF), Business Income Tax Return data, 2022-2023.

**Table 2-1-2 Consolidated Balance Sheet for SMEs by Industry, 2023**

Unit: %

Item	Industry	Agriculture, forestry, fishing and animal husbandry; mining and quarrying	Manu- facturing	Electricity and gas supply; water supply and remediation activities	Construc- tion	Wholesale and retail trade	Transpor- tation and storage	Accommo- dation and food service activities	Information and commu- cation
<b>Current assets</b>		42.97	56.47	33.26	83.48	73.03	60.71	42.64	71.10
Cash		19.47	23.81	17.1	22.82	27.11	23.09	23.37	36.20
Accounts receivable		9.41	15.73	9.41	16.60	21.35	28.20	9.06	23.71
Inventories		6.80	13.99	2.50	40.51	20.09	0.42	5.93	3.96
Advance payments		5.60	1.65	3.00	2.12	2.66	2.46	2.26	4.31
Other current assets		1.70	1.29	1.25	1.44	1.83	6.54	2.02	2.93
<b>Non-current assets</b>		57.03	43.53	66.74	16.52	26.97	39.29	57.36	28.90
Long-term investment		4.84	2.26	3.89	1.33	3.53	2.81	3.72	5.65
Fixed assets		45.53	37.51	53.81	11.37	18.80	30.79	41.45	13.16
Land and buildings		13.44	26.14	10.26	5.03	14.19	8.43	28.19	9.10
Machinery and equipment		26.83	9.75	31.82	5.13	3.36	21.03	4.95	2.43
Other fixed assets		5.26	1.62	11.73	1.20	1.24	1.34	8.31	1.63
Intangible and other non-current assets		6.66	3.75	9.04	3.82	4.64	5.68	12.19	10.09
<b>Total assets = Liabilities + Net worth</b>		<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Liabilities</b>		<b>78.11</b>	<b>68.02</b>	<b>71.47</b>	<b>75.12</b>	<b>69.16</b>	<b>59.60</b>	<b>81.79</b>	<b>79.06</b>
Current liabilities		57.10	53.66	43.09	69.03	59.33	49.11	60.53	69.29
Short-term loans		17.34	15.46	13.91	7.27	13.88	7.67	12.42	6.97
Accounts payable		13.44	19.14	15.50	16.87	25.57	30.52	17.91	29.59
Income received in advance		1.58	3.69	1.19	35.60	2.33	0.45	0.84	7.06
Other current liabilities		24.74	15.37	12.49	9.30	17.55	10.48	29.35	25.68
Non-current liabilities		21.01	14.36	28.38	6.09	9.83	10.49	21.26	9.77
<b>Net worth</b>		<b>21.89</b>	<b>31.98</b>	<b>28.53</b>	<b>24.87</b>	<b>30.85</b>	<b>40.40</b>	<b>18.21</b>	<b>20.94</b>

**Table 2-1-2 Consolidated Balance Sheet for SMEs by Industry, 2023 (Continued)**

Unit: %

Item \ Industry	Financial and insurance activities	Real estate activities	Professional, scientific and technical activities	Support service activities	Education	Human health and social work activities	Arts, entertainment and recreation	Other service activities
<b>Current assets</b>	40.56	62.46	65.83	61.68	60.81	41.71	45.56	63.22
Cash	27.31	11.7	32.72	26.57	42.58	22.65	27.87	27.82
Accounts receivable	7.75	3.85	19.77	25.56	10.17	14.25	9.00	16.12
Inventories	3.60	41.69	6.05	2.98	0.59	0.67	2.54	13.34
Advance payments	0.46	2.32	2.49	3.98	3.66	2.07	3.74	2.68
Other current assets	1.45	2.90	4.79	2.59	3.81	2.07	2.42	3.26
<b>Non-current assets</b>	59.44	37.54	34.17	38.32	39.19	58.29	54.44	36.78
Long-term investment	30.46	4.84	10.32	9.59	2.82	1.63	2.40	4.55
Fixed assets	3.91	18.69	15.40	20.68	24.92	41.30	36.42	22.38
Land and buildings	3.57	17.37	10.83	9.24	16.04	26.71	22.77	13.73
Machinery and equipment	0.28	0.74	3.29	8.48	3.34	7.54	6.83	5.86
Other fixed assets	0.07	0.58	1.27	2.96	5.54	7.04	6.83	2.79
Intangible and other non-current assets	25.07	14.01	8.45	8.05	11.46	15.37	15.61	9.86
<b>Total assets = Liabilities + Net worth</b>	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<b>Liabilities</b>	49.69	82.00	71.52	61.59	85.48	70.59	88.11	71.61
Current liabilities	37.36	61.39	61.25	49.24	70.96	47.16	61.91	63.36
Short-term loans	13.64	17.70	9.43	10.06	11.19	6.82	9.39	7.32
Accounts payable	3.47	8.77	20.32	17.56	20.74	18.49	17.53	20.01
Income received in advance	0.20	5.78	6.56	4.99	14.56	2.63	3.61	10.57
Other current liabilities	20.05	29.13	24.94	16.63	24.47	19.23	31.38	25.46
Non-current liabilities	12.33	20.61	10.27	12.35	14.52	23.43	26.20	8.25
<b>Net worth</b>	50.31	18.00	28.49	38.41	14.52	29.41	11.89	28.39

Note: Due to data restrictions, starting from 2021, the “agriculture, forestry, fishing and animal husbandry” and “mining and quarrying” are listed as “agriculture, forestry, fishing and animal husbandry; mining and quarrying”; “electricity and gas supply” and “water supply and remediation activities” are listed as “electricity and gas supply; water supply and remediation activities.”

Source: FIA, MOF, Business Income Tax Return data, 2023.

## (2) Increase in the Ratio of Long-term Investments of SMEs

Long-term investment refers to the plans of businesses for long-term ownership of assets or investments such as stocks and convertible bonds to obtain financial or business benefits. They are usually investments that are not intended to be converted into cash or disposed of within one year of operations. The ratio of long-term investments to total assets increased for both SMEs and large enterprises in 2023. The long-term investment ratio of SMEs increased by 0.58 percentage points from 2022 to 9.60% (Table 2-1-1).

### (3) Fixed Assets Ratio Remained Unchanged

The ratio of fixed assets of SMEs to total assets in 2023 was 19.07%, which was the same as that for the previous year. In terms of the detailed items of the fixed assets of SMEs, with the exception of a slight decrease in machinery and equipment compared to the previous year, the ratios of land and buildings, and other fixed assets have all increased slightly compared with the previous year, accounting for 4.47%, 13.40%, and 1.20%, respectively (Table 2-1-1).

## 2. Analysis of SMEs' Financial Structure

After observing the asset allocation of SMEs, we explored their debt structure to fully understand the overall financial structure of SMEs. In 2023, the overall debt ratio of SMEs was 67.22%, a decrease of 2.27 percentage points from 2022, indicating that when facing an uncertain economic environment, SMEs tend to reduce debt to improve their financial structure and reduce operating risks (Table 2-1-1).

Further analysis of the debt structure of SMEs reveals that their current liabilities ratio was 54.29%, of which 13.60% was attributable to short-term loans, while the non-current liabilities ratio was 12.92%, indicating that SMEs had similar reliance on short-term and long-term funds. In comparison, the current liabilities ratio of large enterprises was 45.96%, the ratio attributable to short-term loans was 29.02%, and the non-current liabilities ratio was 25.64%, indicating that large enterprises rely slightly more on short-term funds than long-term funds. Compared with long-term funds, short-term funds have the advantage of lower costs, but they incur higher turnover pressure. Due to their relatively limited ability to allocate funds, SMEs tend to be more conservative when choosing their financial strategies (Table 2-1-1).

## 3. Analysis of SMEs' Profit and Loss

Comprehensive income reflects the realized gains or losses incurred by an enterprise within a specific period and can be used to understand the reason for the increase and decrease in business profitability.

### (1) Decrease in Ratio of Operating Costs

In terms of the ratio of operating costs to net operating income, the operating cost of SMEs in 2023 was 76.36%, which was a slight decrease of 0.78 percentage points compared to 2022 (Table 2-1-3).

### (2) Increase in Ratio of Operating Expenses

Operating expenses refer to expenses derived from the business operations of enterprises such as employee salaries and rent. The operating expenses to net operating income ratio of SMEs increased slightly from 17.63% in 2022 to 18.48% in 2023, which was clearly higher than that of large enterprises (8.58%) (Table 2-1-3).

**Table 2-1-3 Profit and Loss of Enterprises by Enterprise Size, 2022-2023**

Unit: %

Item	Enterprise size		SMEs		Large enterprises	
	Year		2022	2023	2022	2023
<b>Net operating income</b>			100.00	100.00	100.00	100.00
Minus: Operating costs			77.14	76.36	87.42	86.89
<b>Operating gross profit</b>			22.86	23.64	12.58	13.11
Minus: Operating expenses			17.63	18.48	8.19	8.58
<b>Net operating profit</b>			5.23	5.16	4.39	4.53
Plus: Non-operating income			1.77	1.78	4.94	4.96
Minus: Interest expenses			0.43	0.56	0.44	0.65
Minus: Other non-operating expenses			0.56	0.50	2.95	2.47
<b>Current term profit</b>			6.01	5.88	5.94	6.37

Notes:

1. Operating income refers to all income earned by an enterprise from selling products or providing services.
2. Operating costs refer to the costs directly related to operating income that an enterprise must bear during a period of time due to its main business activities, such as selling goods or providing services.
3. Operating expenses refer to expenses derived from the business operations of enterprises such as employee salaries and rent.
4. Operating costs are expenses incurred directly by a company when manufacturing products, also known as "direct costs." Operating expenses are the expenses incurred by an enterprise for selling products or performing management activities after completing product manufacturing, also known as "indirect costs."

Source: FIA, MOF, Business Income Tax Return data, 2022-2023.

### (3) SME Profitability Decreased

Although SMEs had a lower ratio of operating costs than that of large enterprises, their ratio of operating expenses was higher than that of large enterprises. In 2023, the operating cost ratio decreased and the operating expense ratio increased, for both SMEs and large enterprises. However, as the increase in operating expenses of SMEs was greater than the decrease in operating costs, the profits of SMEs in 2023 decreased slightly by 0.13 percentage points compared with 2022 (Table 2-1-3).

## II Overview of SMEs' Financial Ratios

This section uses balance sheet and income statement items to analyze the financial ratio profile of SMEs, examining their operating efficiency, operating capabilities, and profitability. The basis for the analysis is the latest information from the FIA of the MOF on the income tax reporting of profit-seeking enterprises. The latest available information is for 2023. Therefore, the data herein are one year older than the data in other chapters.

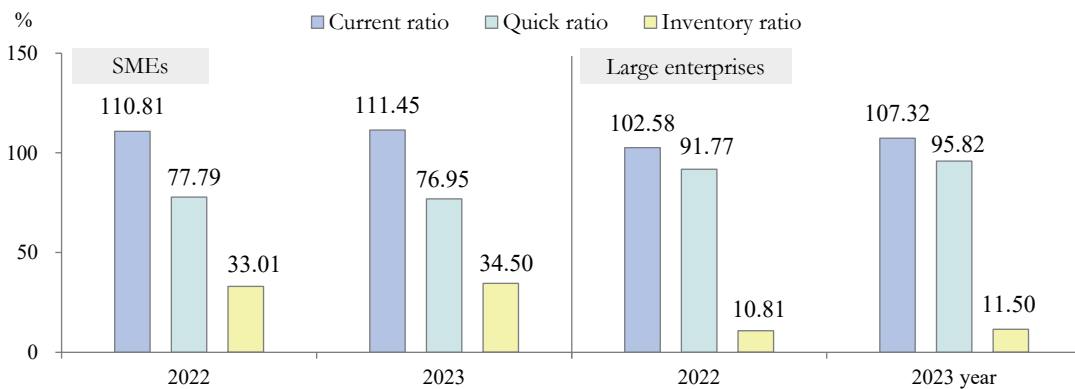
### 1. Short-term Solvency Remained Unchanged

The short-term solvency of an enterprise can be evaluated by the current ratio and the quick ratio. The current ratio reflects the company's short-term solvency. As the quick ratio does not include inventory with lower liquidity in its calculation, it reflects a company's very short-term solvency. In 2023, the current ratio of SMEs increased from 110.81% in 2022 to 111.45%, but the



quick ratio decreased by 0.84 percentage points, reflecting that the operations of SMEs were affected by the uncertainty of terminal market demand and industrial inventory adjustments, which increased the proportion of inventory (the inventory ratio increased by 1.49 percentage points). Overall, the short-term liquidity risk of SMEs has not increased significantly (Figure 2-2-1).

**Figure 2-2-1 Short-term Liquidity of Enterprises by Enterprise Size, 2022-2023**



Notes: 1. Current ratio = current assets ÷ current liabilities × 100%. 2. Quick ratio = (current assets – inventories) ÷ current liabilities × 100%.

3. Inventory ratio = inventories ÷ current assets × 100%.

Source: FIA, MOF, Business Income Tax Return data, 2022-2023.

## 2. More Prudent and Conservative Use of Funds

The general reference value of the net debt ratio is 100%. This means that every NT\$1 of capital covers NT\$1 in liabilities. A higher ratio indicates higher financial leverage. The long-term capital ratio can be used to measure the appropriateness of capital utilization by enterprises. In 2023, the debt-to-net-worth ratios of both SMEs and large enterprises decreased. The debt-to-net-worth ratio of SMEs dropped from 227.73% in 2022 to 205.04%. The long-term funding ratio increased from 211.91% in 2022 to 225.15% in 2023. It is clear that in the face of changes in the global economic environment, including challenges such as rising interest rates and geopolitical risks, SMEs tend to reduce their financial leverage, enhance their financial stability and resistance to risk, and cope with economic uncertainties (Figure 2-2-2).

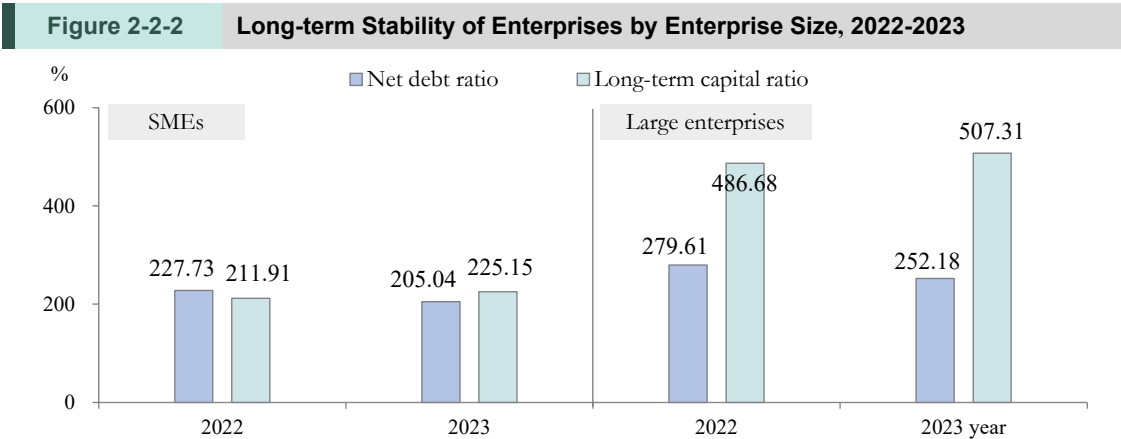
## 3. Optimizing Accounts Receivable Management to Respond to External Economic Challenges

The merchandise turnover ratio, receivables turnover ratio, fixed assets turnover ratio, and net worth turnover ratio are indicators that can be used to measure the efficiency of business operations. The merchandise turnover ratio is an indicator used for determining whether goods are shipped smoothly and can thus be used to determine the stability of the company's inventory and sales. The receivables turnover ratio is used to measure the effectiveness of an enterprise's credit expansion and payment collection. The fixed assets turnover ratio can be used to measure the efficiency of the use of fixed assets such as plant, machinery and equipment, and land. The net worth turnover ratio indicates the number of times the own capital is recovered. If the ratio is too high, it means that the

own capital is too low and the business is less stable. If the ratio is too low, it means that the own capital is too high or the revenue is too low.

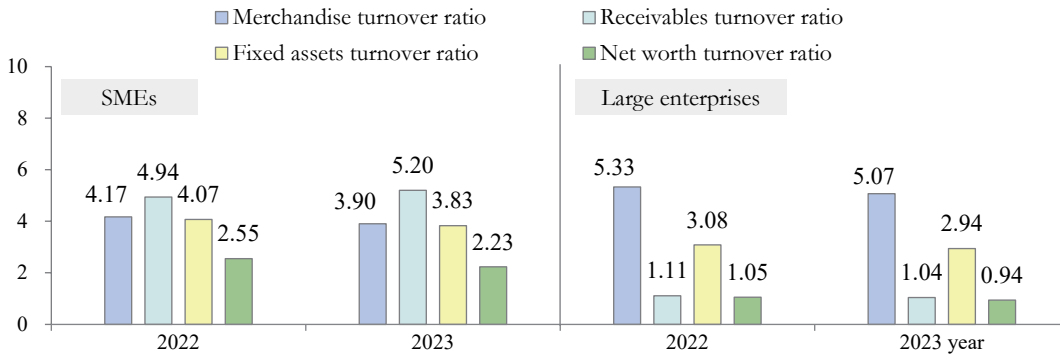
In 2023, the merchandise turnover ratio of SMEs fell from 4.17 in 2022 to 3.90 (i.e., the average inventory turnover days<sup>4</sup> increased slightly from 87.5 days to 93.6 days). The receivables turnover ratio rose from 4.94 to 5.20 (the days of sales outstanding<sup>5</sup> decreased from 73.9 days to 70.2 days). The merchandise turnover ratio of large enterprises fell from 5.33 to 5.07 (the average inventory turnover days rose from 68.5 days to 72.0 days). The receivables turnover ratio fell from 1.11 to 1.04 (the days of sales outstanding increased slightly from 328.8 days to 351.0 days). Based on the two indicators, the sales stability of SMEs and large enterprises fell slightly in 2023 but the cash collection period of receivables decreased slightly for SMEs and increased for large enterprises (Figure 2-2-3).

In terms of the fixed assets turnover ratio and net worth turnover ratio, the SMEs' fixed assets turnover ratio decreased from 4.07 in 2022 to 3.83 in 2023. The net worth turnover ratio fell from 2.55 to 2.23. The decrease in both the fixed assets turnover ratio and the net worth turnover ratio for SMEs in 2023 indicates a decline in the efficiency of generating revenue from their assets. The fixed assets turnover ratio of large enterprises fell from 3.08 in 2022 to 2.94 in 2023. The net worth turnover ratio decreased from 1.05 to 0.94, which shows that the fixed assets turnover ratio and net worth turnover ratio of large enterprises were both lower than those of SMEs. It is evident that SMEs were more efficient in the use of assets and own funds. This also means that SMEs have responded to external economic challenges by optimizing accounts receivable management, and their overall operating capabilities remain robust (Figure 2-2-3).



Notes: 1. Net debt ratio = debt ÷ net worth × 100% (reference value = 100; ideally, the ratio should be below the reference value).  
2. Long-term capital ratio = (equity + long-term debt) ÷ fixed assets × 100% (reference value = 100; ideally, the ratio should be above the reference value).  
Source: FIA, MOF, Business Income Tax Return data, 2022-2023.

4 Average inventory turnover days = 365 ÷ merchandise turnover ratio.  
5 Days of sales outstanding = 365 ÷ receivables turnover ratio.

**Figure 2-2-3 Operating Capability of Enterprises by Enterprise Size, 2022-2023**

Notes: 1. Merchandise turnover ratio = net sales ÷ inventories. 2. Receivables turnover ratio = net sales ÷ receivables.

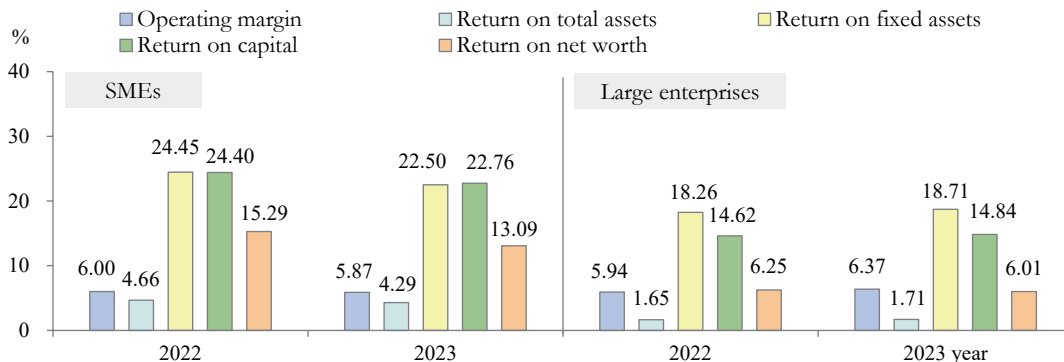
3. Fixed assets turnover ratio = net sales ÷ fixed assets. 4. Net worth turnover ratio = net sales ÷ net worth.

Source: FIA, MOF, Business Income Tax Return data, 2022-2023.

#### 4. Global Economic Slowdown Had Affected Profitability of SMEs

The 5 profitability indicators include the operating margin, return on total assets, return on fixed assets, return on capital, and return on net worth. For SMEs in 2023, the operating margin was 5.87%, the return on total assets was 4.29%, the return on fixed assets was 22.50%, the return on capital was 22.76%, and the return on net worth was 13.09%.

All figures decreased from 2022, showing that the profits of SMEs declined in 2023 due to the global economic slowdown. In 2023, except for the decrease in the net profit margin of large enterprises compared with the previous year, their operating profit margin, total asset profit margin, fixed asset profit margin, and capital return rate all increased compared with the previous year. This shows that faced with the pressure of the international political and economic conditions and the overall economic environment, the profitability of SMEs has been more significantly impacted due to their limited operating scale and resources and weaker bargaining power (Figure 2-2-4).

**Figure 2-2-4 Profitability of Enterprises by Enterprise Size, 2022-2023**

Notes: 1. Operating margin = current profit ÷ net operating income × 100%. 2. Return on total assets = current profit ÷ total assets × 100%.

3. Return on fixed assets = current profit ÷ fixed assets × 100%. 4. Return on capital = current profit ÷ capital × 100%.

5. Return on net worth = current profit ÷ net worth × 100%.

Source: FIA, MOF, Business Income Tax Return data, 2022-2023.

### III SME Funding and Financing

This section uses the debt structure of SMEs published by the Central Bank of the Republic of China (Taiwan) (CBC) to identify their sources of funding. It also uses data on bank loans to SMEs released by the Banking Bureau of the Financial Supervisory Commission (FSC) to observe the lending situation between SMEs and banks.

#### 1. Corporate Financial Accommodations

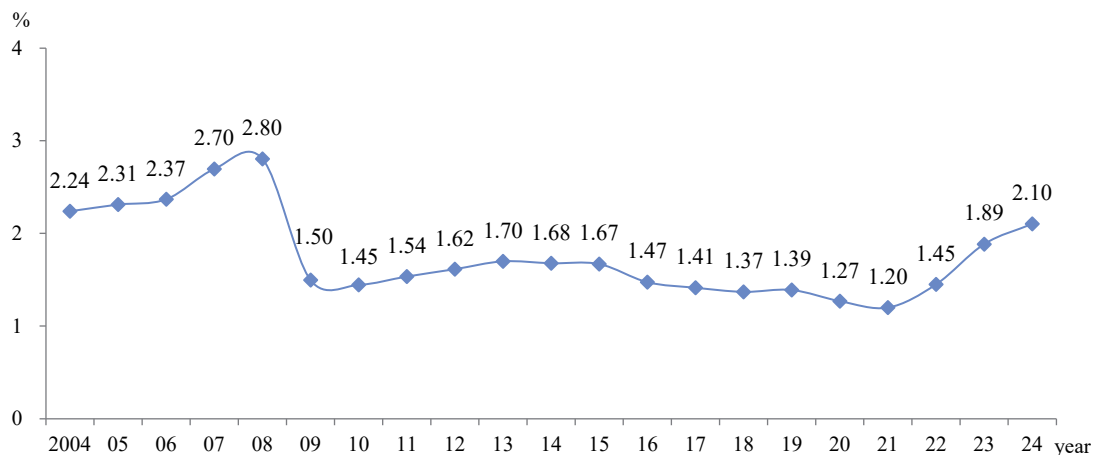
Corporate funding can be divided into internal and external funds. Internal funds include corporate earnings and reserves and the amounts are determined by the business operations of the company. External funds include private loans, business credit, loans from banks, and securities issued in the financial markets. Large enterprises have high earnings and large amounts of internal funding, but SMEs are more dependent on external capital financing.

##### (1) Slight Increase in the Borrowing Cost for Enterprises

The overall average new loan interest rate of the five major banks has fallen since 2013 (except for 2019) and fell to 1.20% in 2021. The borrowing cost for enterprises has decreased. However, due to the continuous interest rate hikes by the United States Federal Reserve Board of Governors (Fed) since March 2022, the average loan interest rate in Taiwan has increased since 2022, rising to 2.10% in 2024, which increased the borrowing cost for enterprises (Figure 2-3-1).

Figure 2-3-1

Average Interest Rate on New Loans by Taiwan's 5 Largest Banks, 2004-2024



Notes: 1. The interest rates given in the figure are weighted averages for the month of December in each year.

2. Up until October 2008, the five largest banks in Taiwan were the Bank of Taiwan, the Taiwan Cooperative Bank, the First Commercial Bank, the Hua Nan Commercial Bank and the Chang Hwa Commercial Bank; from November 2008 onwards the five largest banks were the Bank of Taiwan, the Taiwan Cooperative Bank, the First Commercial Bank, the Hua Nan Commercial Bank and the Land Bank of Taiwan.

Source: Central Bank of the Republic of China (Taiwan) (CBC) (February 27, 2025). *Financial Statistics Monthly Republic of China (Taiwan)* (February, 2025).

## (2) Loans from Financial Institutions as the Main Source of SME Funding

Enterprises are the main entities financed by loans and business credit (i.e., trading liabilities, payables, and advance receipts) provided by financial institutions. In terms of the ratio of loans obtained by enterprises of different sizes from financial institutions as of the end of 2023, loans for SMEs accounted for 52.76% and loans for large enterprises accounted for 36.51%. In terms of the ratio of business loans, the ratios for SMEs and large enterprises were relatively close, at 44.95% and 46.37%, respectively (Table 2-3-1).

**Table 2-3-1 Corporate Liability Structure as of the End of 2023**

Unit: 100 million NT\$, %

Item	SMEs		Large enterprises	
	Amount	Share	Amount	Share
<b>Total liabilities</b>	109,948	100.00	314,990	100.00
Borrowings from financial institutions	58,011	52.76	114,999	36.51
Government loans	1	0.00	68	0.02
Borrowings from firms and individuals	1,540	1.40	4,043	1.28
Overseas borrowings	141	0.13	1,532	0.49
Transactions with repurchase clause	-	-	-	-
Short-term bills	276	0.25	10,351	3.29
Domestic corporate bonds	-	-	18,819	5.97
Overseas securities	-	-	466	0.15
Commercial credit (Trading liabilities)	49,426	44.95	146,049	46.37
Provisions and other liabilities	552	0.50	18,662	5.92

Notes:

1. “-” denotes no data available or data uncertain.

2. Data may not sum to the total due to rounding.

3. An enterprise with total assets of NT\$100 million or more is classified as a large enterprise; a small and medium-sized enterprise: less than NT\$100 million.

Source: Economic Research Dept., CBC (December 2024). *Yearbook of Flow of Funds (2023)*.

## 2. Overview of Bank Loans to SMEs

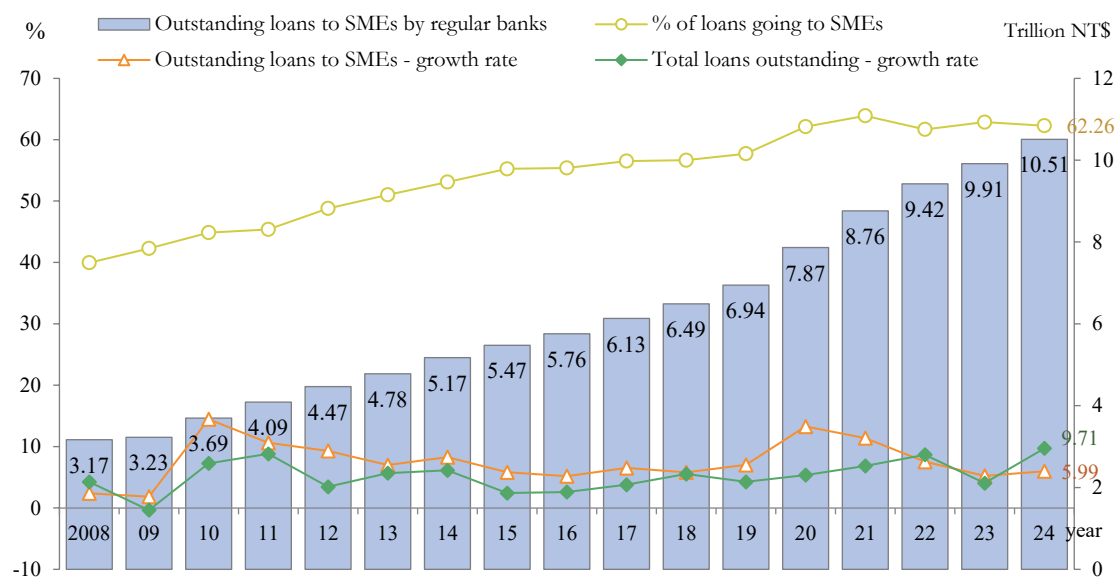
As bank loans are the main channel of financing for SMEs, we analyze the capital flow between SMEs and banks below.

### (1) SME Loan Balance from Banks Remained High

As of the end of 2024, the SME loan balance from general banks (including branches of foreign banks in Taiwan and branches of Mainland Chinese banks in Taiwan but excluding overseas loans) continued to increase and reached a record high of approximately NT\$10.51 trillion. The SME loan balance as a percentage of the total loan balance was 62.26% as of the end of 2024. The SME loan balance as of the end of 2024 increased to 5.99%, representing a slight increase compared to the end of 2023 (Figure 2-3-2).

Figure 2-3-2

### Changes in Bank Loans to SMEs by Regular Banks as of the End of 2008-2024



Note: Total loans outstanding = (regular banks' outstanding loans to SMEs, overdue loans included) ÷ (loans to SMEs as a percentage of total loans).

Source: Banking Bureau, Financial Supervisory Commission (FSC), "Database Inquiry System."

## (2) Top 10 Banks Based on SME Loan Balance

As of the end of 2024, the First Commercial Bank was ranked first among the top 10 banks based on the SME loan balance. The Taiwan Cooperative Bank, the Taiwan Business Bank, and the Hua Nan Commercial Bank were ranked second to fourth. The top 10 banks by loan balance held a combined market share of 64.75%, slightly lower than the 66.06% as of the end of 2023 (Table 2-3-2).

## (3) Top 10 Banks Based on SME Loan Balance as a Percentage of Total Loans Averaged 46.79% of Loans to SMEs

As of the end of 2024, the top 10 banks in terms of the SME loan balance as a percentage of total loans were the same as those at the end of 2023 while there were minor changes in rankings. The SME loan balance as a percentage of total loans of the top 10 banks averaged 46.79%. For individual banks, the King's Town Bank had the highest SME loan balance as a percentage of total loans of the bank with 65.28%. The top 10 banks with the highest SME loan balance ratio as of the end of 2024 included 4 public banks and 6 private banks (Table 2-3-3).

**Table 2-3-2 Top 10 Banks by Amount of Loans to SMEs as of the End of 2024**

Unit: 100 million NT\$; %

Bank	Loans outstanding	Market share	Loans to SMEs as percentage of total loans
<b>Total</b>	68,048.32	64.75	-
First Commercial Bank	9,605.70	9.14	42.93
Taiwan Cooperative Bank	8,377.73	7.97	29.58
Taiwan Business Bank	8,070.73	7.68	54.50
Hua Nan Commercial Bank	7,883.23	7.50	36.95
Mega International Commercial Bank	7,084.00	6.74	39.79
Chang Hwa Commercial Bank	6,659.80	6.34	38.70
E.Sun Commercial Bank	6,052.50	5.76	31.33
Land Bank of Taiwan	5,852.96	5.57	25.49
Bank of Taiwan	4,458.53	4.24	13.83
Bank SinoPac	4,003.14	3.81	30.77

Note: The Bank of Taiwan and the Land Bank of Taiwan are wholly government-owned and are classified as state-owned banks. The Taiwan Cooperative Bank, the First Commercial Bank, the Hua Nan Commercial Bank, the Taiwan Business Bank, the Mega International Commercial Bank, the Chang Hwa Bank, etc. are partially-state-owned banks.

Source: Banking Bureau, FSC (February 2025). *Statistics of Banking Business (December 2024)*.

**Table 2-3-3 Top 10 Banks Based on SME Loan Balance Ratio as of the End of 2023-2024**

Unit: 100 million NT\$; %

As of the end of 2023			As of the end of 2024		
Bank	Loans outstanding	Loans to SMEs as percentage of total loans	Bank	Loans outstanding	Loans to SMEs as percentage of total loans
King's Town Bank	1,447.66	65.43	King's Town Bank	1,519.57	65.28
Taiwan Business Bank	7,738.31	56.55	Taiwan Business Bank	8,070.73	54.50
Bank of Panhsin	966.46	50.28	Bank of Panhsin	998.74	49.63
Sunny Bank	2,232.76	47.56	Bank of Kaohsiung	943.77	47.36
Hwatai Bank	717.21	47.33	Sunny Bank	2,278.36	46.39
Bank of Kaohsiung	790.14	47.30	Hwatai Bank	758.74	44.81
First Commercial Bank	9,257.81	45.34	First Commercial Bank	9,605.70	42.93
Mega International Commercial Bank	6,495.73	39.82	Mega International Commercial Bank	7,084.00	39.79
Chang Hwa Commercial Bank	6,257.70	39.34	Chang Hwa Commercial Bank	6,659.80	38.70
Taichung Commercial Bank	1,996.84	38.79	Taichung Commercial Bank	2,174.85	38.49

Source: Banking Bureau, FSC (February 2025). *Statistics of Banking Business (December 2024)*.

#### (4) Private Banks Actively Continued to Extend Bank Loans to SMEs

As of the end of 2024, the top 10 private banks in terms of SME loan balances were the same as those at the end of 2023 while there were minor changes in rankings. The private bank with the highest loan balance as of the end of 2024 was the E.Sun Commercial Bank with NT\$605.25 billion. There was a significant increase in the SME loan balance of the top 10 banks. For instance, the SME loan balance of Bank SinoPac increased by 23.14% from the previous year with the highest growth rate. Yuanta Bank ranked second, with an annual growth rate of 20.94% (Table 2-3-4).

**Table 2-3-4****Top 10 Private Banks by Amount of Loans to SMEs as of the End of 2023-2024**

Unit: 100 million NT\$; %

Bank	Loans outstanding as of the end of 2023	Loans outstanding as of the end of 2024	Annual growth rate
E.Sun Commercial Bank	5,594.48	6,052.50	8.19
Bank SinoPac	3,250.96	4,003.14	23.14
CTBC Bank	3,462.90	3,944.24	13.90
Taipei Fubon Bank	3,433.14	3,907.45	13.82
Cathay United Bank	3,240.48	3,351.99	3.44
Taishin International Bank	2,813.81	3,042.65	8.13
Shanghai Commercial & Savings Bank	2,828.82	2,891.42	2.21
Sunny Bank	2,232.76	2,278.36	2.04
Yuanta Bank	1,880.12	2,273.88	20.94
Taichung Commercial Bank	1,996.84	2,174.85	8.91

Source: Banking Bureau, FSC (February 2025). *Statistics of Banking Business (December 2024)*.

Loans from foreign banks to SMEs in Taiwan remained low and only accounted for 1.60%. In terms of the balance of loans, the top 3 foreign banks as of the end of 2024, in descending order, were Mizuho Bank (NT\$74.306 billion), Sumitomo Mitsui Banking Corporation (NT\$48.44 billion), and MUFG Bank (NT\$33.261 billion) (Table 2-3-5).

**Table 2-3-5****Top 3 Foreign Banks Based on SME Loan Balance as of the End of 2023-2024**

Unit: 100 million NT\$; %

Bank	Loans outstanding as of the end of 2023	Loans outstanding as of the end of 2024	Annual growth rate
Mizuho Bank	683.29	743.06	8.75
Sumitomo Mitsui Banking Corporation	387.30	484.40	25.07
MUFG Bank	261.93	332.61	26.98

Note: Foreign banks refer to foreign banks' branches in Taiwan.

Source: Banking Bureau, FSC, "Database Inquiry System."



# Chapter 3

## Human Resources of SMEs

### Key Highlights

In 2024, the stability of the domestic demand market and the strong exports of information and communication products contributed to continuous growth in Taiwan's economy and stable growth in the labor market. This chapter provides a comprehensive overview of the human resources landscape of Taiwan's SMEs in 2024. In addition to portraying the current state of the labor force structure of SMEs, it also focuses on employment patterns and working hours.

#### ● Labor Utilization by SMEs

- The number of people employed in small and medium enterprises in Taiwan in 2024 amounted to 9.194 million people, which was a slight increase of 0.29% compared to 2023. They accounted for 79.29% of the total number of people employed and were the main source of domestic employment opportunities. The number of people employed in SMEs amounted to 6.994 million people, up 0.68% from the previous year. They accounted for 74.45% of the total number of people employed in Taiwan. The top 3 industries for SMEs in terms of employment and number of employed were, in descending order, manufacturing, wholesale and retail trade, and construction.
- In 2024, the human resource structure of SMEs showed significant changes in age and educational level. Compared with 2021, in terms of age structure, the proportion of employed persons and paid employees aged 55 and above increased by 1.74 percentage points and 2.07 percentage points, respectively. In terms of education level, the proportion of people with a college degree or above also increased by 4.06 percentage points and 4.30 percentage points, respectively, showing a clear trend of aging and higher education background in the human resources of SMEs.
- The age distribution of employers in SMEs was wide, and they were mainly in the 45-59 age group, but the proportion of employers over 55 years old increased from 37.85% in 2023 to 39.59% in 2024, and the age structure of employers exhibited an aging trend.

#### ● Labor Employment Patterns

- SMEs employed approximately 399 thousand part-time workers in 2024, accounting for 4.33% of the total SME workforce, an increase of 0.13 percentage points from the previous year. SMEs had a higher demand for part-time workers compared to large enterprises and government agencies. SMEs employed 535 thousand temporary or dispatched workers, an increase of 1

thousand (a 0.19% increase) compared to the previous year.

- SMEs employed approximately 268 thousand part-time workers in 2024, an increase of approximately 19 thousand compared to the previous year.

## I Current Labor Force Structure

To gain a better understanding of the labor market landscape of SMEs, this section presents the labor force structure of SMEs through data on the distinguishing characteristics of the employed persons, paid employees, and unemployed of SMEs, as well as the characteristics of owners and self-employed individuals.

### 1. The Number of SME Employed Persons in 2024 Increased, Affirming SMEs' Role as the Main Contributor to Job Creation

In 2024, the total number of employed persons in Taiwan (including employers and persons who were self-employed, government-employed, privately-employed, and unpaid family workers) totaled 11.595 million, which was an increase of 67 thousand people (a 0.58% increase) compared to 2023 (Table 3-1-1).

**Table 3-1-1 Employed Persons and Paid Employees by Enterprise Size, 2023-2024**

Unit: Thousand persons; %

Indicator \ Enterprise size Year	Total		SMEs		Large enterprises		Government employment	
	2023	2024	2023	2024	2023	2024	2023	2024
<b>No. of employed persons</b>	11,528	11,595	9,167	9,194	1,332	1,372	1,028	1,029
Share of total	100.00	100.00	79.52	79.29	11.55	11.83	8.92	8.87
Annual growth rate	0.96	0.58	0.38	0.29	5.30	3.00	0.69	0.10
<b>No. of paid employees</b>	9,306	9,394	6,947	6,994	1,331	1,371	1,028	1,029
Share of total	100.00	100.00	74.65	74.45	14.30	14.59	11.05	10.95
Annual growth rate	1.28	0.95	0.62	0.68	5.38	3.01	0.69	0.10

Notes:

1. The SMEs in terms of the number of employed and number of employees in the table are based on Article 2 of the “Standards for Identifying Small and Medium-sized Enterprises” revised and promulgated by the MOEA on November 27, 2024. They include businesses in all industries that hire fewer than 200 regular employees.
2. The number of employed persons includes employers, persons who are self-employed, government-employed, privately-employed, and unpaid family workers. Paid employees include employees of the government and the private sector.
3. The number of people employed and the number of employees also include people whose household registration is in Taiwan, who are employed by SMEs in Taiwan, and are assigned to Mainland China (including Hong Kong and Macao) or a foreign country to work (for employment).

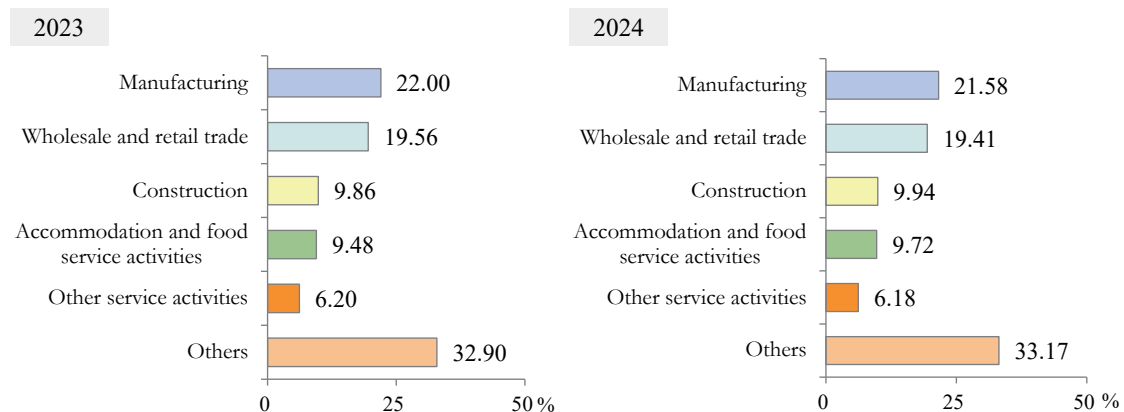
Source: Directorate General of Budget, Accounting and Statistics (DGBAS), the Executive Yuan (EY), *Manpower Survey* data, 2023-2024.

Broken down by enterprise size, the number of employed persons in SMEs totaled 9.194 million in 2024, which was an increase of 27 thousand (a 0.29% increase) over the previous year. However, the number of people employed by SMEs accounted for 79.29% of all people employed in Taiwan. Although the ratio decreased from the previous year (79.52%), SMEs remained the main source of domestic job opportunities. In addition, 1.372 million people were employed by large enterprises (11.83% of the total employed), which was an increase of 40 thousand (a 3.00% increase) compared

to the previous year. The number of government-employed persons totaled 1.029 million (8.87%), which was a slight increase of 1 thousand (a 0.10% increase) compared to the previous year (Table 3-1-1).

In terms of the rankings of the number of employed persons in SMEs by industries, manufacturing topped the charts with 1.984 million, totaling 21.58%. It was followed by wholesale and retail trade with 1.785 million, totaling 19.41%. Construction ranked third with 914 thousand, totaling 9.94%. In general, while the number of employed persons in SMEs varied across different industries in 2024, the overall structure remained the same as in 2023, with only minor changes in the proportion (Figure 3-1-1 and Appendix D Table D-5).

**Figure 3-1-1 Breakdown of SME Employees by Industry, 2023-2024**



Note: "Others" refers to industries other than the top 5 industries.

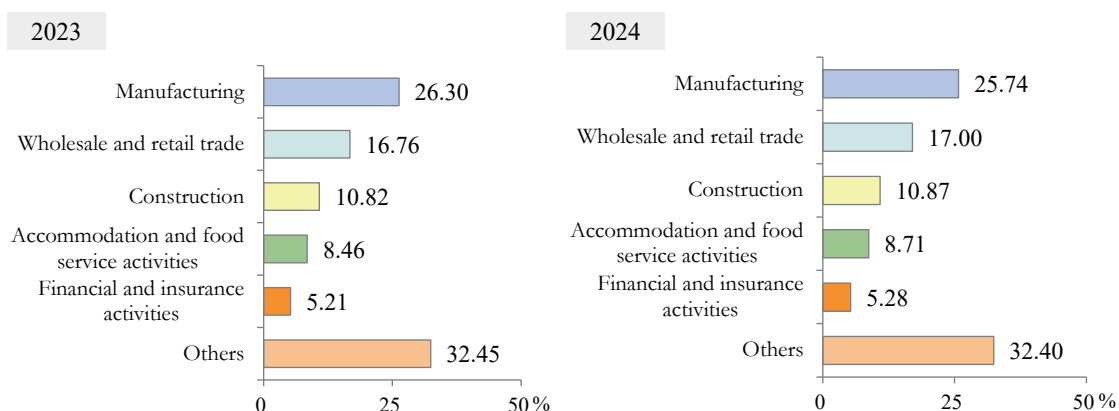
Source: DGBAS, EY, *Manpower Survey* data, 2023-2024.

## 2. The Number of Paid Employees Working in SMEs in 2024 Increased

The number of paid employees in Taiwan (including those employed by the government and private sector) totaled 9.394 million in 2024, which was an increase of 88 thousand persons compared to 2023 (a 0.95% increase). The number of paid employees in SMEs was 6.994 million, which accounted for 74.45% of the total number of paid employees in Taiwan and an increase of 47 thousand compared to the previous year (a 0.68% increase). In addition, 1.371 million people were employed by large enterprises and accounted for 14.59% of the total employed. It was an increase of 40 thousand (a 3.01% increase) compared to the previous year (Table 3-1-1).

In terms of the rankings of the number of paid employees in SMEs by industries in 2024, manufacturing topped the charts with 1.8 million, totaling 25.74%. It was followed by wholesale and retail trade with 1.189 million, totaling 17.00%. Construction ranked third with 760 thousand, totaling 10.87%. In general, the overall structure of the SME paid employees by industry in 2024 was consistent with that of 2023, with only minor changes in the proportion (Figure 3-1-2 and Appendix D Table D-6).

**Figure 3-1-2 Breakdown of Paid SME Employees by Industry, 2023-2024**



Note: "Others" refers to industries other than the top 5 industries.

Source: DGBAS, EY, *Manpower Survey* data, 2023-2024.

### 3. SME Manpower Structure Continued to Rise in Age and Education

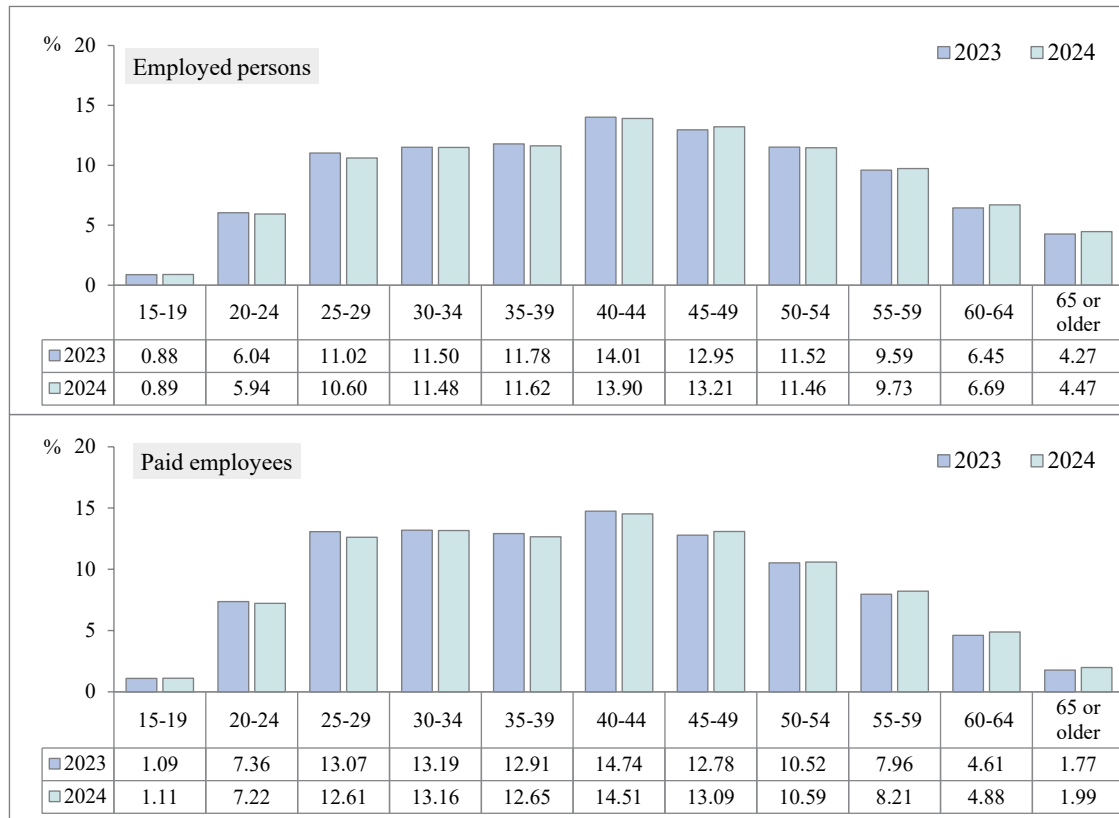
In terms of the age structure of employed persons in SMEs in 2024, the top 3 age groups were the 40 to 44, 45 to 49, and 35 to 39 age groups, which accounted for 13.90%, 13.21%, and 11.62%, respectively, of the total. As for the age distribution of paid employees of SMEs in 2024, of the top 3 groups, those aged 40 to 44 accounted for the highest percentage of paid employees at 14.51%; they were followed by those aged 30 to 34 which accounted for 13.16%; the third group was those aged 45 to 49 with 13.09%. Overall, the age structure of employed persons and paid employees in SMEs showed an inverted U-shaped distribution. It first increased with age, reached a peak at 40-44 years old, and then decreased with age (Figure 3-1-3).

In addition, the percentage of elderly employed persons and paid employees over the age of 55 in SMEs increased each year. The proportion of the employed over 55 years old in 2024 was 20.89%, which was an increase of 1.74 percentage points in three years compared with 2021. The ratio of the paid employees aged 55 and above in 2024 was 15.08%, which was an increase of 2.06 percentage points compared with 2021. It indicates that the labor force in Taiwan has gradually aged (Figure 3-1-3).

In terms of the gender composition, the percentage of males in SMEs was higher than the percentage of women in terms of both the number of employed persons and paid employees in 2024. Male and female employed persons accounted for 55.21% and 44.79%, respectively, and male and female paid employees accounted for 52.55% and 47.45%, respectively (Figure 3-1-4). It is worth noting that the percentage of both female employed persons and paid employees has increased each year in the past three years, with respective increases of 1.05 and 0.83 percentage points.

Figure 3-1-3

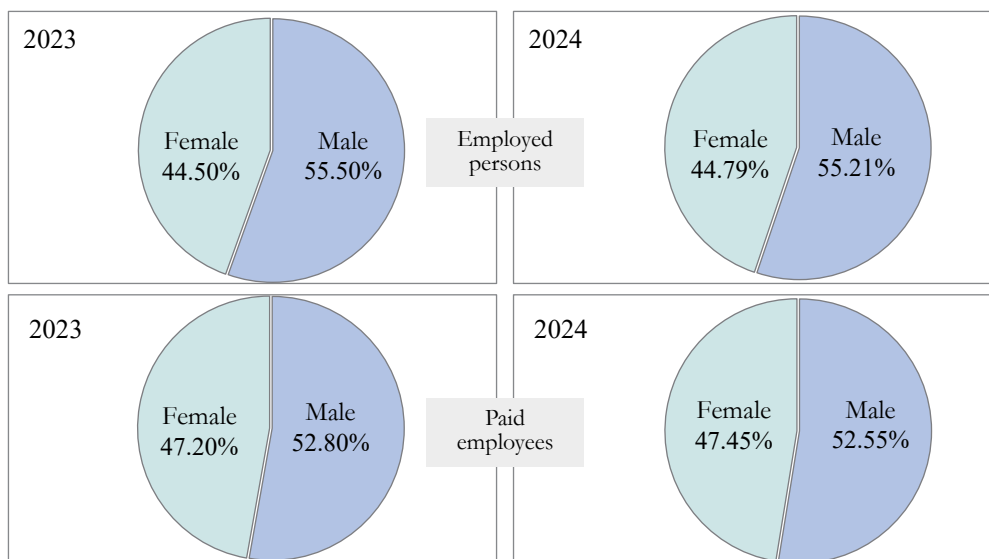
### Age Structure of Employed Persons and Paid Employees Working in SMEs, 2023-2024



Source: DGBAS, EY, *Manpower Survey* data, 2023-2024.

Figure 3-1-4

### Male/Female Ratio of Employed Persons and Paid Employees Working in SMEs, 2023-2024

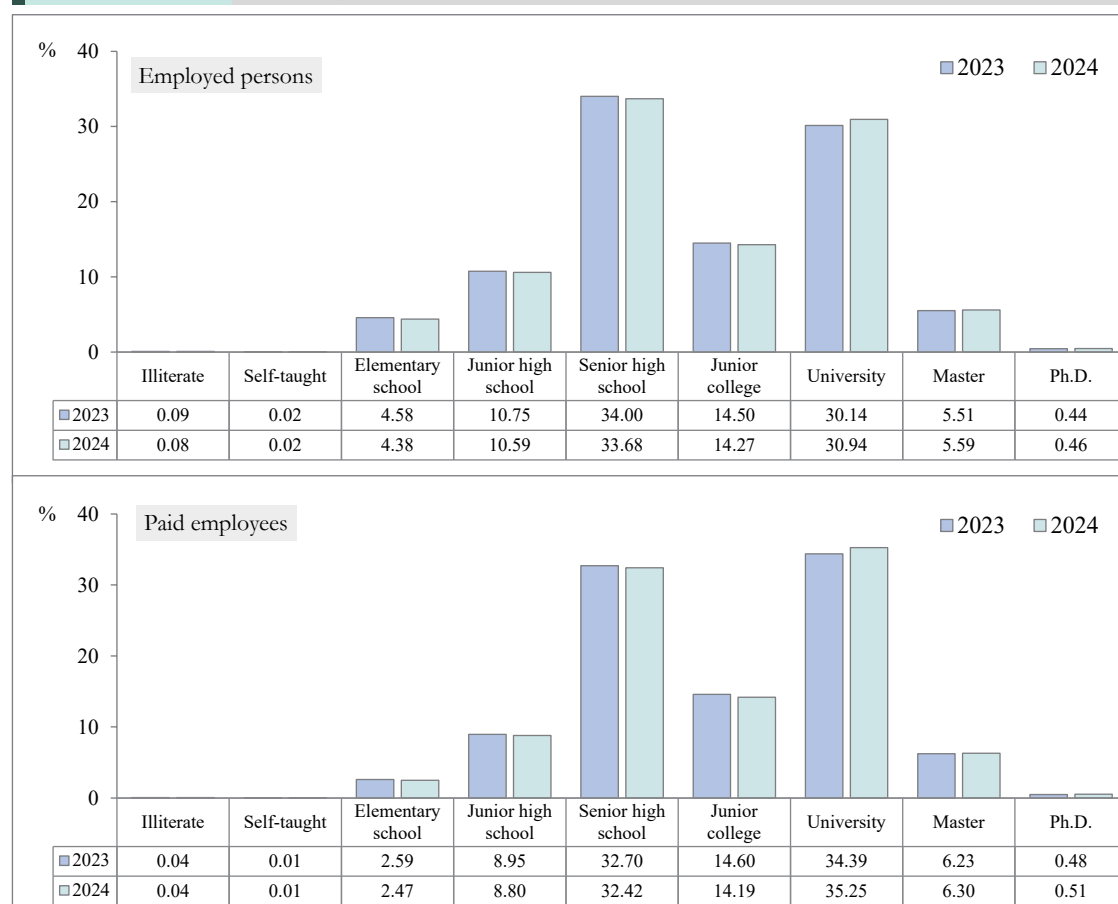


Source: DGBAS, EY, *Manpower Survey* data, 2023-2024.

As for education, the top 3 groups in terms of the level of education of SME employees in 2024 were senior high school (including senior high school and vocational school), university, and junior college, which accounted for 33.68%, 30.94%, and 14.27%, respectively. The education structure of paid employees in SMEs was slightly different from that of employed persons. The top 3 groups with the highest proportions were university, senior high school and junior college, accounting for 35.25%, 32.42% and 14.19%, respectively (Figure 3-1-5).

**Figure 3-1-5**

**Educational Structure of Employed Persons and Paid Employees Working in SMEs, 2023-2024**



Note: Senior high schools and vocational high schools were integrated into senior high schools starting from 2020.

Source: DGBAS, EY, *Manpower Survey* data, 2023-2024.

In terms of the changes in the education levels of the employed persons and paid employees, the ratio of employed persons and paid employees of SMEs with a college degree or above (including university, master's, and PhD degrees) in 2024 increased from 2021. The proportion of employed persons with a college degree or above has increased by 4.06 percentage points in the past three years. The proportion of paid employees with a college degree or above also increased by 4.30 percentage points in the past three years. It is evident that the employed persons and paid employees of SMEs have become more educated (Figure 3-1-5).

#### 4. Most Human Resources of SMEs Were Concentrated in the Six Metropolitan Areas

According to the distribution of the SME workforce in Taiwan in 2024, 74.35% of employed persons in SMEs were concentrated in the six metropolitan areas, a slight decrease of 0.13 percentage points from the previous year. New Taipei City and Taipei City had the largest number of employees, with 1.475 million and 1.361 million people, respectively (accounting for 16.04% and 14.80%). Compared with the previous year, New Taipei City had an increase of 12 thousand employees, while Taipei City had an increase of 1 thousand employees. As for the number of employed persons of large enterprises, most were in Taoyuan City and Taipei City with 257 thousand and 206 thousand, respectively (18.73% and 15.01%). Compared with the previous year, Taoyuan City had an increase of 3 thousand employees, while Taipei City had a decrease of 1 thousand employees (Table 3-1-2).

**Table 3-1-2 Number of Employed Persons by Region, 2024**

Unit: Thousand persons; %

Enterprise size City or County	Total	SMEs		Large enterprises		Government employment	
			Share		Share		Share
<b>Total</b>	11,595	9,194	100.00	1,372	100.00	1,029	100.00
Taipei City	1,804	1,361	14.80	206	15.01	237	23.03
New Taipei City	1,695	1,475	16.04	102	7.43	117	11.37
Taoyuan City	1,194	858	9.33	257	18.73	78	7.58
Taichung City	1,571	1,314	14.29	143	10.42	114	11.08
Tainan City	954	752	8.18	136	9.91	66	6.41
Kaohsiung City	1,333	1,076	11.70	145	10.57	111	10.79
<b>6 cities combined</b>	8,551	6,836	74.35	989	72.08	723	70.26
<b>Other cities combined</b>	3,044	2,358	25.65	383	27.92	306	29.74

Source: DGBAS, EY, *Manpower Survey* data, 2024.

According to data on the SME workforce in Taiwan in 2024, 78.11% of paid employees in SMEs were concentrated in the six metropolitan areas, a decrease of 0.10 percentage points from the previous year. New Taipei City and Taipei City had the largest number of paid employees, with 1.203 million and 1.187 million people, respectively (accounting for 17.20% and 16.97%), an increase of 20 thousand people and 8 thousand people from the previous year. Most paid employees of large enterprises were in Taoyuan City and Taipei City with 257 thousand and 206 thousand, respectively (18.75% and 15.03%, respectively). Compared with the previous year, Taoyuan City had an increase of 4 thousand paid employees, while Taipei City had a decrease of 1 thousand paid employees (Table 3-1-3).

**Table 3-1-3 Number of Paid Employees by Region, 2024**

Unit: Thousand persons; %

Enterprise size City or County	Total	SMEs		Large enterprises		Government employment	
			Share		Share		Share
<b>Total</b>	9,394	6,994	100.00	1,371	100.00	1,029	100.00
Taipei City	1,629	1,187	16.97	206	15.03	237	23.03
New Taipei City	1,423	1,203	17.20	102	7.44	117	11.37
Taoyuan City	1,025	690	9.87	257	18.75	78	7.58
Taichung City	1,259	1,003	14.34	143	10.43	114	11.08
Tainan City	740	538	7.69	136	9.92	66	6.41
Kaohsiung City	1,098	842	12.04	145	10.58	111	10.79
<b>6 cities combined</b>	7,174	5,463	78.11	989	72.14	723	70.26
<b>Other cities combined</b>	2,220	1,531	21.89	382	27.86	306	29.74

Source: DGBAS, EY, *Manpower Survey* data, 2024.

## 5. The Number of SME Employers Increased in 2024; SME Employers Were Relatively Younger than Large Enterprise Employers

Employers refer to employed persons who operate or jointly operate businesses with partners and hire others to assist in work. The number of SME employers totaled 467 thousand in 2024, which was an increase of 16 thousand from 2023 with an increase of 3.65%. The number of employers of large enterprises totaled 8.9 hundred which was an increase of over 1 hundred persons or 14.10% compared to the previous year (Table 3-1-4).

In terms of the age composition, employers of SMEs under the age of 45 in 2024 accounted for 27.72% of all employers of SMEs, a 1.22 percentage point decrease compared to the previous year. However, only 4.78% of employers at large enterprises were aged 20 to 24, with the remainder being 50 or older. This shows that owners of SMEs were relatively younger than those of large enterprises (Table 3-1-4).

As for education, the top 3 groups in terms of the level of education of SME employers in 2024 were senior high school, university, and junior college, which accounted for 35.01%, 20.99%, and 19.73%, respectively. Those with a university degree or higher accounted for 28.61%. About nine-tenths of the employers of large enterprises had a degree from a university or above with 46.68% being recorded. Overall, the distribution of the education level of SME employers in 2024 was more diverse than that of employers of large enterprises, who generally had more education than SME employers (Table 3-1-4).



**Table 3-1-4 Characteristics of Employers by Enterprise Size, 2023-2024**

Unit: Thousand persons; %

Item	Year Enterprise size	2023		2024	
		SMEs	Large enterprises	SMEs	Large enterprises
<b>No. of employers</b>		450.55	0.78	467.00	0.89
Share of total		99.83	0.17	99.81	0.19
<b>Age</b>		100.00	100.00	100.00	100.00
15 – 19		-	-	0.01	-
20 – 24		0.35	-	0.26	4.78
25 – 29		2.18	-	2.20	-
30 – 34		5.59	-	5.19	-
35 – 39		7.71	-	8.07	-
40 – 44		13.11	-	11.99	-
45 – 49		15.37	-	15.91	-
50 – 54		17.84	43.51	16.78	16.50
55 – 59		16.56	15.10	17.05	22.15
60 – 64		12.88	6.51	13.67	12.34
65 or older		8.41	34.89	8.87	44.23
<b>Sex</b>		100.00	100.00	100.00	100.00
Male		78.44	100.00	78.96	95.22
Female		21.56	-	21.04	4.78
<b>Education</b>		100.00	100.00	100.00	100.00
Illiterate		-	-	0.01	-
Self-taught		-	-	0.01	-
Elementary school		4.54	-	4.91	-
Junior high school		11.59	-	11.72	-
Senior high school		35.77	4.74	35.01	10.59
Junior college		19.36	5.89	19.73	42.73
University		20.91	35.54	20.99	18.75
Master		6.99	24.24	6.90	14.92
Ph.D.		0.83	29.59	0.72	13.01

Notes:

1. Senior high schools and vocational high schools were integrated into senior high schools starting from 2020.

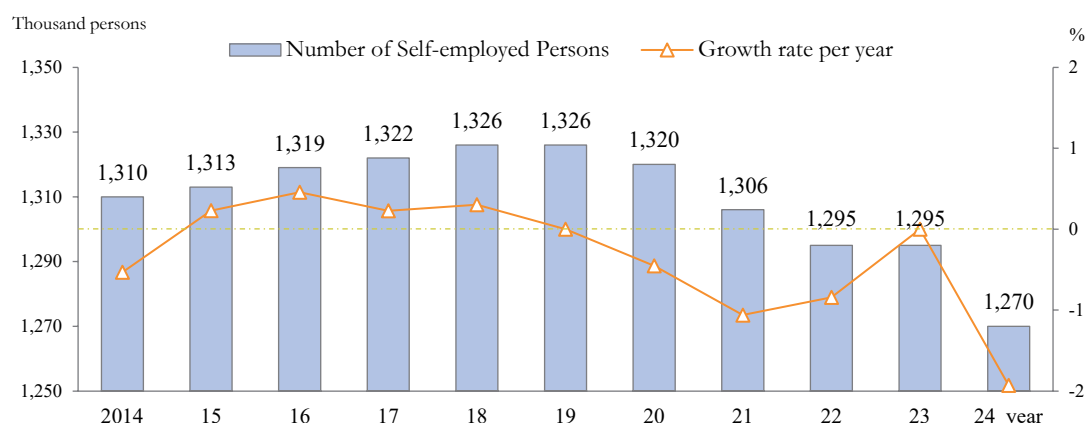
2. “-”: not applicable.

Source: DGBAS, EY, *Manpower Survey* data, 2023-2024.

## 6. The Number of Self-employed Persons Fell Slightly; the Share of Self-employed with a University Education Increased

Self-employed persons refer to those who are independently engaged in labor or technical work in return for payment and those who do not have any paid employees to assist in work. As for self-employed who operate small-scale businesses, they are all considered to be SMEs. The number of self-employed persons in Taiwan has increased since 2014 but has fallen since 2020. The number of self-employed persons totaled 1.27 million in 2024, representing a decrease of 25 thousand from 2023, a 1.93% reduction (Figure 3-1-6).

**Figure 3-1-6 Changes in the Number of Self-employed Persons, 2014-2024**



Source: DGBAS, EY, *Manpower Survey* data, 2014-2024.

In terms of age structure, the largest number of self-employed persons in 2024 consisted of those aged 55 to 59 (accounting for 14.73%). They were followed by those aged 50 to 54 (14.13%) and those aged 65 or older (14.01%) (Table 3-1-5).

As for the distribution of education, the highest percentage of self-employed persons in 2023 consisted of those with a senior high school education with 37.77%. They were followed by those with a junior high school education (accounting for 17.86%), and those with a university degree (15.80%). The percentage of self-employed persons with a university degree or higher increased to 18.72% in 2024, up from 17.70% in 2023 (Table 3-1-5).

**Table 3-1-5 Characteristics of Self-employed Persons, 2023-2024**

		Unit: Thousand persons; %	
Item \ Year	2023	2024	
<b>No. of self-employed persons</b>	1,295	1,270	
<b>Age</b>	100.00	100.00	
15 – 19	0.04	0.11	
20 – 24	1.19	1.25	
25 – 29	4.10	3.72	
30 – 34	5.75	5.78	
35 – 39	8.16	8.14	
40 – 44	11.27	11.83	
45 – 49	13.40	13.45	
50 – 54	14.33	14.13	
55 – 59	15.02	14.73	
60 – 64	12.83	12.86	
65 or older	13.91	14.01	
<b>Sex</b>	100.00	100.00	
Male	71.00	70.13	
Female	29.00	29.87	

Item \ Year	2023	2024
<b>Education</b>	100.00	100.00
Illiterate	0.20	0.17
Self-taught	0.05	0.05
Elementary school	12.66	11.99
Junior high school	17.94	17.86
Senior high school	38.38	37.77
Junior college	13.06	13.43
University	14.91	15.80
Master	2.62	2.72
Ph.D.	0.17	0.20

Note: Senior high schools and vocational high schools were integrated into senior high schools starting from 2020.

Source: DGBAS, EY, *Manpower Survey* data, 2023-2024.

## 7. The Number of Unemployed Persons Decreased, Mostly from SMEs in Their Previous Jobs

Due to the post-pandemic recovery, the annual average number of unemployed people was 406 thousand in 2024, which was a decrease of 9 thousand or 2.17% from 2023. The average unemployment rate was 3.38%, which was also a decrease of 0.10 percentage points from the previous year.

In terms of the sizes of the enterprises in which the unemployed persons previously worked, the number of unemployed persons who previously worked in SMEs in 2024 was 275 thousand, which was the same as in 2023. The number of unemployed persons who previously worked in large enterprises totaled 25 thousand in 2024, which was a decrease of approximately 4 thousand compared to 2023. The number of unemployed persons who previously worked in government entities totaled 18 thousand, which was a decrease of 2 thousand compared to 2023. In addition, 88 thousand of the unemployed were first-time job seekers, which was a decrease of approximately 3 thousand compared to 2023 (Table 3-1-6).

With regard to the age structure, those aged 25 to 29 accounted for the largest percentage of those whose previous employers were SMEs and the government (accounting for 16.65% and 20.60%, respectively), followed by those aged 30 to 34 (accounting for 13.37%, and 16.09%, respectively). Those aged 25 to 29 accounted for the largest percentage (24.94%) of those whose previous employers were large enterprises. They were followed by those aged 40 to 44 (14.18%). Those aged 20 to 24 accounted for the largest percentage (61.88%) of those who were first-time job seekers. In terms of gender, except for the unemployed who were formerly employed by the government, the proportion of women was higher than that of men. However, the proportion of the unemployed who were formerly employed by SMEs and large enterprises, as well as first-time job seekers, was higher than that of men (Table 3-1-6).

**Table 3-1-6 Characteristics of the Unemployed by Enterprise Size, 2023-2024**

Unit: Thousand persons; %

Item	Year Enterprise size	2023				2024			
		Previous job			First time job-seekers	Previous job			First time job-seekers
		SMEs	Large enter- prises	Govern- ment		SMEs	Large enter- prises	Govern- ment	
<b>No. of unemployed</b>		275	29	20	91	275	25	18	88
Share of total		66.27	6.99	4.82	21.93	67.73	6.16	4.43	21.67
<b>Age</b>		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
15 – 19		0.71	0.57	-	6.19	1.24	-	-	5.46
20 – 24		9.80	3.39	8.87	62.04	9.76	7.63	7.82	61.88
25 – 29		17.59	21.98	18.98	24.89	16.65	24.94	20.60	25.04
30 – 34		14.18	18.14	18.53	4.47	13.37	12.91	16.09	5.63
35 – 39		10.93	17.38	12.89	1.66	11.66	13.36	7.19	0.99
40 – 44		13.67	13.81	7.60	0.33	12.81	14.18	12.98	0.74
45 – 49		11.80	14.10	11.86	0.00	12.79	11.90	10.59	-
50 – 54		9.09	5.50	6.80	0.08	8.86	7.55	12.12	0.08
55 – 59		7.77	2.79	7.12	-	7.68	3.50	6.97	0.06
60 – 64		3.78	2.36	5.58	0.33	4.08	4.03	2.85	0.12
65 or older		0.67	-	1.77	-	1.11	-	2.78	-
<b>Sex</b>		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Male		56.93	65.37	41.41	48.88	55.45	59.94	41.64	52.50
Female		43.07	34.63	58.59	51.12	44.55	40.06	58.36	47.50
<b>Education</b>		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Illiterate		-	-	-	-	-	-	-	-
Self-taught		-	-	-	-	-	-	-	-
Elementary school		2.15	-	2.58	-	1.17	-	1.43	-
Junior high school		9.51	2.15	6.70	1.72	10.04	0.29	3.16	1.06
Senior high school		34.42	22.64	15.75	11.83	34.43	15.35	21.40	13.87
Junior college		12.65	14.22	10.94	3.44	13.67	15.33	8.32	3.36
University		36.01	44.14	52.76	70.59	36.13	48.98	52.29	66.99
Master		5.07	16.27	11.28	12.37	4.40	19.68	13.16	14.46
Ph.D.		0.18	0.58	-	0.04	0.16	0.37	0.24	0.26

Notes:

1. Senior high schools and vocational high schools were integrated into senior high schools starting from 2020.

2. The categories in the table are the sizes of the former employers of the unemployed.

3. “-” denotes no available data.

Source: DGBAS, EY, *Manpower Survey* data, 2023-2024.

In terms of the education level of the unemployed, the highest percentage of the unemployed who were previously employed in SMEs and the government had a university education (accounting for 36.13% and 52.29%, respectively), and they were followed by those with a senior high school education (accounting for 34.43% and 21.40%, respectively). Of the unemployed who previously worked in large enterprises and were first-time job seekers, those with college degrees accounted for the highest proportion (48.98% and 66.99% respectively), followed by those with a master's degree (19.68% and 14.46% respectively). Overall, the age and education composition of unemployed persons in 2024 showed that the number of unemployed in the domestic labor market was relatively high among young people between the ages of 25 and 29 and those with a university

degree (Table 3-1-6).

As for the reasons for leaving their previous jobs, the largest number of those previously employed by SMEs and large enterprises had left their jobs in 2024 due to dissatisfaction with previous jobs with 54.48% and 56.15%, respectively. For those who were previously employed by government agencies, the main reason for their unemployment was the end of seasonal or temporary jobs (50.24%) (Table 3-1-7).

**Table 3-1-7 Reasons for Leaving Previous Jobs by Enterprise Size, 2023-2024**

Unit: %

Item	Year Enterprise size	2023			2024		
		SMEs	Large enterprises	Government	SMEs	Large enterprises	Government
Reduced or suspended business operations		38.47	26.95	7.29	32.48	33.94	4.22
Dissatisfaction with previous jobs		50.81	66.35	25.69	54.48	56.15	37.31
Poor health		2.17	1.62	3.39	3.34	1.06	0.93
End of seasonal or temporary jobs		6.46	2.57	58.12	6.44	3.95	50.24
Women: marriage or giving birth		0.26	0.75	-	0.20	0.00	0.34
Retired		0.08	0.71	1.43	0.47	2.51	4.25
Housework too much		0.93	0.30	1.37	1.26	2.22	0.88
Taking care of children under the age of 12		0.17	-	0.41	0.26	0.14	0.14
Taking care of elderly family members over the age of 65		0.52	0.06	0.96	0.53	1.76	0.74
Housework		0.24	0.25	-	0.47	0.31	-
Others		0.81	0.76	2.71	1.32	0.18	1.83

Notes: The categories in the table are the sizes of the former employers of the unemployed.

Source: DGBAS, EY, *Manpower Survey* data, 2023-2024.

## II Overview of Employment Categories and Working Hours

This section focuses on the labor utilization patterns of SMEs, primarily based on the use of full-time and part-time work, the use of temporary or dispatched labor, the demand for and use of foreign migrant workers, and the average weekly working hours and working conditions of employed persons.

### 1. SMEs Hired More Part-time Workers in 2024 than Did Large Enterprises and Government Agencies

SMEs had a higher demand for part-time workers compared to large enterprises and government agencies in 2024. SMEs employed approximately 399 thousand part-time workers in 2024, an increase of 13 thousand compared to 2023. Large enterprises employed approximately 10 thousand part-time workers, which was the same as in 2023. Government agencies employed 29 thousand part-time workers, which was a decrease of 8 thousand compared to 2023 (Table 3-2-1).

Table 3-2-1

## Full-time and Part-time Manpower Utilization by Industry and Enterprise Size, 2023-2024

Unit: Thousand persons; %

Industry	Year Enterprise Size Item	2023						2024					
		SMEs		Large enterprises		Government agencies		SMEs		Large enterprises		Government agencies	
		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<b>Total</b>		8,805	386	1,277	10	992	37	8,809	399	1,333	10	1,001	29
Share		95.80	4.20	99.22	0.78	96.40	3.60	95.67	4.33	99.26	0.74	97.18	2.82
Agriculture, forestry, fishing and animal husbandry		482	22	0	-	5	-	470	19	0	-	5	-
Mining and quarrying		3	0	0	-	0	-	4	-	0	-	0	-
Manufacturing		2,019	34	931	1	19	-	1,955	39	973	-	26	-
Electricity and gas supply		10	0	1	-	21	0	8	0	1	-	25	-
Water supply and remediation activities		38	1	0	-	45	1	45	1	1	-	39	-
Construction		873	30	7	-	7	-	884	30	11	-	5	0
Wholesale and retail trade		1,721	76	28	2	6	-	1,705	80	27	3	8	1
Transportation and storage		391	10	43	1	48	0	396	15	41	0	49	0
Accommodation and food service activities		767	97	7	1	0	-	795	97	5	1	0	-
Information and communication		232	7	37	-	0	-	248	4	35	1	1	-
Financial and insurance activities		367	3	47	0	20	-	376	3	37	0	22	-
Real estate activities		99	1	2	-	1	-	102	1	2	-	0	-
Professional, scientific and technical activities		338	9	28	-	26	-	339	7	33	0	24	1
Support service activities		288	17	7	-	-	-	296	13	13	-	0	-
Public administration and defense; compulsory social security		1	0	0	-	362	13	1	-	-	-	372	5
Education		243	29	25	4	320	15	250	30	27	3	309	19
Human health and social work activities		299	16	112	1	93	4	307	16	125	2	98	1
Arts, entertainment and recreation		97	5	2	-	15	4	97	8	1	-	16	1
Other service activities		538	30	1	-	2	0	531	36	1	0	1	0

Notes:

1. "0" denotes a figure that is less than one unit (one unit=1,000 persons); "-" denotes no available data.

2. Surveys for the *Report on the Manpower Utilization Survey* are conducted in May each year. Therefore, the data shown in this table consist of data from May of each year as the timing for comparison.Source: DGBAS, EY, *Manpower Utilization Survey* data, 2023-2024.

A comparison of the full-time and part-time workers in 2024 shows that the SMEs' use of part-time workers accounted for 4.33% of overall hiring, a 0.13 percentage point increase compared to the previous year. The numbers of part-time workers employed by large enterprises only accounted for 0.74% of their overall hiring, and this figure saw a slight decrease of 0.04 percentage points compared to the previous year. The percentage of part-time workers in government agencies was 2.82%, a decrease of 0.78 percentage points compared to the previous year. Due to cost considerations, SMEs used more part-time workers than large enterprises (Table 3-2-1).

In terms of the industry type, the highest number of part-time workers hired by SMEs were in accommodation and food service activities, and they were followed by wholesale and retail trade. They totaled 97 thousand and 80 thousand, respectively (Table 3-2-1). In terms of the employment

ratio of part-time workers to the total workers in the industry, accommodation and food service activities had the highest percentage, followed by education and arts, entertainment and recreation in third place, accounting for 10.87%, 10.71%, and 7.62%, respectively. As accommodation and food service activities and wholesale and retail trade tend to be labor-intensive, they tend to use more part-time manpower.

As for the changes in the temporary or dispatched manpower of SMEs, the number of temporary or dispatched workers of SMEs in 2024 totaled 535 thousand, which was an increase of 1 thousand compared to 2023 and an increase of 0.19%. Large enterprises employed 12 thousand temporary or dispatched workers in 2024, an increase of 3 thousand compared to the previous year and an increase of 33.33%. The number of temporary or dispatched workers of government agencies in 2024 totaled 31 thousand, which was a decrease of 17 thousand compared to the previous year and a reduction of 35.42% (Table 3-2-2).

Table 3-2-2

Utilization of Temporary or Dispatched Labor by Industry and Enterprise Size, 2023-2024

Unit: Thousand persons; %

Industry	Year Enterprise Size	2023			2024		
		SMEs	Large enterprises	Government agencies	SMEs	Large enterprises	Government agencies
<b>Total</b>		534	9	48	535	12	31
Share		90.36	1.52	8.12	92.56	2.08	5.36
Agriculture, forestry, fishing and animal husbandry		21	-	-	24	-	-
Mining and quarrying		0	-	-	0	-	-
Manufacturing		28	2	-	29	4	-
Electricity and gas supply		0	-	-	0	-	-
Water supply and remediation activities		0	-	1	2	-	-
Construction		284	-	-	289	-	-
Wholesale and retail trade		62	2	-	56	2	1
Transportation and storage		7	0	1	9	0	-
Accommodation and food service activities		57	1	-	64	0	-
Information and communication		6	-	-	3	1	-
Financial and insurance activities		2	-	-	2	-	-
Real estate activities		0	-	-	2	-	-
Professional, scientific and technical activities		4	1	-	3	0	1
Support service activities		24	-	-	16	-	-
Public administration and defense; compulsory social security		-	-	17	0	-	6
Education		12	3	22	10	3	21
Human health and social work activities		5	1	4	6	2	1
Arts, entertainment and recreation		2	0	2	5	-	-
Other service activities		19	-	-	14	-	-

Notes: 1. "0" denotes a figure that is less than one unit (one unit=1,000 persons); "-" denotes no available data.

2. Surveys for the *Report on the Manpower Utilization Survey* are conducted in May each year. Therefore, the data shown in this table consist of data from May of each year as the timing for comparison.

Source: DGBAS, EY, *Manpower Utilization Survey* data, 2023-2024.

## 2. The Number of Hired Migrant Workers in SMEs Increased and Accounted for 54.82% of the Total

According to statistics compiled by the Ministry of Labor (MOL), the number of hired migrant workers in manufacturing and construction totaled 489,516, which was an increase of 41,466 people (or 9.25%) compared to 2023. Breaking this down, SMEs and large enterprises saw increases of 19,720 and 21,746 workers, respectively. The number of hired migrant workers in SMEs totaled 268,339 in 2024, accounting for 54.82% of the total (Table 3-2-3).

**Table 3-2-3 Number of Hired Migrant Workers by Enterprise Size, 2019-2024**

Unit: Persons; %

Year	Enterprise Size	Total	SMEs		Large enterprises	
				Share		Share
2019		420,376	235,537	56.03	184,839	43.97
2020		413,434	232,923	56.34	180,511	43.66
2021		397,626	221,679	55.75	175,947	44.25
2022		444,675	243,468	54.75	201,207	45.25
2023		448,050	248,619	55.49	199,431	44.51
2024		489,516	268,339	54.82	221,177	45.18

Notes:

1. Figures only include hired migrant workers in both the manufacturing and construction industries.

2. Hence, an SME here is defined as an enterprise with fewer than 200 regular employees in the manufacturing and construction industries.

Source: Figures were provided by the Workforce Development Agency (WDA), MOL.

## 3. The Average Weekly Work Hours of SME Employed Workers Rose Slightly

The average work hours of employed workers in SMEs rose to 40.72 hours in 2024, which was a slight increase of approximately 0.02 hours compared to 2023. Compared with 2023, the largest increase in weekly working hours was in information and communication, which had an increase of 0.61 hours compared with 2023. It was followed by accommodation and food service activities with an increase of 0.53 hours compared with the previous year. The largest reduction in working hours was in the electricity and gas supply with weekly working hours reduced by 8.37 hours. It was followed by mining and quarrying with weekly working hours reduced by 1.83 hours.

In terms of the industries, the top 3 industries with the longest weekly work hours in 2024 included real estate activities in first place (42.11 hours), followed by support service activities with 41.99 hours, and other service activities in third place (41.88 hours) (Table 3-2-4).

As regards the number and percentage of employed workers in SMEs in each industry, manufacturing accounted for the highest share with 1.988 million (21.68%) and 40.40 weekly work hours. It was followed by wholesale and retail trade with 1.779 million (19.40%) and 41.34 weekly work hours (Table 3-2-4).



Table 3-2-4

**Working Hours Per Week and Number of Employed Workers by Enterprise Size and Industry, 2024**

Unit: Thousand persons; %; hours / per week

Item Enterprise Size Industry	No. of employed workers				Weekly working hours		
	SMEs	Share	Large enterprises	Government agencies	SMEs	Large enterprises	Government agencies
<b>Total</b>	9,168	100.00	1,340	1,023	40.72	41.86	40.46
Agriculture, forestry, fishing and animal husbandry	486	5.30	0	5	38.78	40.00	40.00
Mining and quarrying	4	0.04	0	0	40.77	40.00	40.00
Manufacturing	1,988	21.68	970	26	40.40	42.13	41.13
Electricity and gas supply	8	0.09	1	25	31.85	40.54	40.35
Water supply and remediation activities	46	0.50	1	39	39.69	42.95	40.61
Construction	904	9.86	11	5	40.26	40.69	40.57
Wholesale and retail trade	1,779	19.40	30	8	41.34	38.48	39.15
Transportation and storage	410	4.47	41	50	41.76	42.13	40.79
Accommodation and food service activities	889	9.70	6	-	41.31	38.42	-
Information and communication	252	2.75	36	1	40.84	41.31	40.00
Financial and insurance activities	378	4.12	37	22	40.94	41.25	40.67
Real estate activities	102	1.11	2	0	42.11	57.50	40.00
Professional, scientific and technical activities	344	3.75	33	25	40.53	40.75	39.05
Support service activities	309	3.37	13	-	41.99	44.05	-
Public administration and defense; compulsory social security	1	0.01	-	373	40.00	-	41.66
Education	280	3.05	30	325	37.58	37.26	38.77
Human health and social work activities	321	3.50	126	98	39.98	42.07	41.91
Arts, entertainment and recreation	105	1.15	1	18	40.07	42.98	38.53
Other service activities	564	6.15	2	1	41.88	36.79	39.63

Notes:

1. Employed persons with non-zero main working hours are classified as employed workers.

2. "0" denotes a figure that is less than one unit (one unit=1,000 persons); "-" denotes no available data.

Source: DGBAS, EY, *Manpower Survey* data, 2024.



## Part 2

# Policies and Measures

**Chapter 4** Implementation by SMEs

**Chapter 5** Improving Financial Development and Facilitating Investment

**Chapter 6** Enhancing R&D and Promoting Upgrading and Transformation

**Chapter 7** Strengthening Start-ups and Incubation & Acceleration  
Mechanisms

**Chapter 8** Revitalizing Local Industries via In-depth Development, Marketing  
and Expansion

**Chapter 9** Related Support for International Outreach and Talent  
Development

To provide small and medium enterprises with support for their businesses, the Ministry of Economic Affairs established the “Small and Medium Enterprise Counseling System” in accordance with Article 12 of the “Act for Development of Small and Medium Enterprises” and Article 2 of the “Small and Medium Enterprise Guidance System Establishment and Guidance Rules” to provide counseling for all aspects of the development of small and medium enterprises. This part summarizes the policies and measures implemented for small and medium enterprises by related authorities each year. The specific measures and results are collected and presented for all sectors and owners of small and medium enterprises to learn more about the channels of the government’s diverse counseling resources.

To respond to international trends and address the challenges and needs of SMEs, the government continues to refine and introduce guidance measures to enhance the overall competitiveness of enterprises. In 2025, policies focus on digital transformation, net zero transformation and channel development. They strengthen the application capabilities and productivity of SMEs by accelerating digital transformation. In response to global net-zero initiatives, the government provides full support to enterprises in introducing low-carbon sustainable business models to build green competitiveness. In terms of channel development, a two-pronged approach is adopted. Internally, local creative resources are combined to develop characteristic urban and rural industries and revitalize business districts. Externally, active assistance is provided to enterprises to expand overseas, build overseas marketing channels, and expand global markets.

# Chapter 4

## Implementation by SMEs

### Key Highlights

Small and medium enterprises not only play a role in economic stability, but are also an important pillar of the industry value chain. The government has launched a comprehensive support strategy to assist SMEs in their steady development. The government promotes the “Micro-, Small and Medium-sized Enterprise Diversified Revitalization and Development Plan” to implement the policy goals of innovation and inclusive growth of SMEs. To help businesses cope with external challenges, a “Task Force to Assist Industries in Responding to Exchange Rate Fluctuations” was launched to provide hedging tools and financial support to enhance operational resilience. To address natural disasters, a response mechanism has been activated and “post-disaster recovery measures” have been introduced to provide one-stop services and subsidies and help companies restore operations. From forward-looking transformation to prompt relief, the government is committed to becoming the strongest supporter of SMEs and jointly creating a stable and resilient business environment. Table 4-0-1 shows the current structure of implementation by SMEs.

**Table 4-0-1 SME Implementation Structure**

Support category	Important measures
Micro-, Small and Medium-sized Enterprise Diversified Revitalization and Development Plan	<ul style="list-style-type: none"> <li>➤ Digital transformation <ul style="list-style-type: none"> <li>• Digital capability enhancement, promotion of smart services, and AI application in the manufacturing sector</li> </ul> </li> <li>➤ Net-zero transition <ul style="list-style-type: none"> <li>• Expansion of carbon reduction consulting/guidance, promotion of deep energy saving, and assistance with green electricity procurement</li> </ul> </li> <li>➤ Channel development <ul style="list-style-type: none"> <li>• Promotion of local economies and expansion of overseas markets</li> </ul> </li> <li>➤ Targeted support <ul style="list-style-type: none"> <li>• Digital transformation assistance and inclusive finance loans (for SMEs with fewer than 30 employees)</li> </ul> </li> <li>➤ Tax incentives <ul style="list-style-type: none"> <li>• Investment tax credits to SMEs for research and development expenditures</li> <li>• Tax deduction of salary expenses for additional employees by SMEs</li> <li>• Tax deduction of salary expenses for SMEs that increase employee wages</li> </ul> </li> <li>➤ Additional guarantee measures to encourage SMEs to increase employee salaries</li> </ul>
Exchange rate fluctuation support measures for SMEs	<ul style="list-style-type: none"> <li>➤ Strengthening the promotion and support for the use of hedging tools <ul style="list-style-type: none"> <li>• Recommendations for exchange rate hedging instruments</li> <li>• Suggested exchange rate hedging strategies</li> </ul> </li> <li>• Establishment of an “Exchange Rate Hedging Zone” and organization of promotional activities</li> </ul>

Support category	Important measures
Exchange rate fluctuation support measures for SMEs	<ul style="list-style-type: none"> <li>➤ Promoting financial support and credit guarantee measures</li> <li>➤ Enhancing corporate competitiveness and expanding international markets</li> </ul>
Post-disaster recovery measures for SMEs	<ul style="list-style-type: none"> <li>➤ Assistance measures for affected service sector businesses <ul style="list-style-type: none"> <li>• Disaster relief scheme for damaged stores</li> <li>• Subsidy program for equipment replacement</li> </ul> </li> <li>➤ Special subsidy project for restoration of manufacturing production equipment and site facilities</li> <li>➤ Subsidies for energy-saving and power equipment</li> <li>➤ Disaster restoration loans and interest subsidies</li> </ul>

Source: Compiled by the study.

# I Micro-, Small and Medium-sized Enterprise Diversified Revitalization and Development Plan

## 1. Vision and Purpose

With the acceleration of global digitalization, the strengthening of environmental, social, and governance (ESG) regulations and the rapid changes in the international environment, SMEs are facing major challenges in terms of funding, talent, and technology, which affects their survival and development, and in turn impacts the national economy and overall national strength. To this end, the government launched the “Micro-, Small and Medium-sized Enterprise Diversified Revitalization and Development Plan” in January 2025 to implement the policy goals of innovation and inclusive growth of SMEs.

## 2. Key Content

With “3 strategies, 3 supporting measures, and 1 window”, the Ministry of Economic Affairs (MOEA) assists SMEs in implementing digital and net-zero dual-axis transformation and channel development, and provides supporting measures such as “preferential loans”, “rent and tax concessions”, and “additional credit insurance incentives.” The MOEA provides comprehensive and immediate assistance to SMEs in the simplest and most direct way through the “Instant Solution Center” (service hotline 0800-280-280) and the establishment of a single service window (<https://0800280280.sme.gov.tw/>). “Micro-, Small and Medium-sized Enterprise Diversified Revitalization and Development Plan Platform”: <https://www.sme.gov.tw/drsme/drsme/>

As of the end of October 2025, the program has provided guidance to a total of 206,428 companies, generating an output value of NT\$139.3 billion. It has included training in digital transformation under the 3 strategies for 206,038 attendees. The net-zero transition has reduced carbon emissions by 222 thousand tons of CO<sub>2</sub>e, saved 347 million kWh of electricity, and reduced electricity bills by NT\$1.37 billion. Channel development has secured business opportunities worth US\$75.74 million. The 3 measures include digital transformation packages with courses for under 30 people totaling 2,406 courses and 820 software tools. 54,663 preferential loans have been

approved, with an approved amount of NT\$137.3 billion. The Program has encouraged employers to increase employees' salaries and provided additional credit insurance coverage, with 2,295 insured companies and a total amount of NT\$6.072 billion, benefiting 14,993 employees and an average wage increase of 9.32%.

## **II Exchange Rate Fluctuation Support Measures for SMEs**

### **1. Purpose**

In response to the challenges posed by fluctuations in the New Taiwan Dollar exchange rate to the operations of SMEs, the MOEA launched the “Task Force to Assist Industries in Responding to Exchange Rate Fluctuations” in July 2025. It proactively integrates cross-departmental and financial institution resources to provide solid support for SMEs, through key measures including “strengthening the promotion and support for the use of hedging tools”, “promoting financial support and credit guarantee measures”, and “enhancing corporate competitiveness and expanding international markets.” These are combined with three-pronged coordination mechanisms such as online special areas, in-person seminars, and dedicated consultations to help SMEs improve their operational resilience and reduce the risk of external shocks.

### **2. Key Content**

The MOEA has implemented a number of policy financing assistance programs, including the “Diverse Development Project Loan for Micro-, Small and Medium-sized Enterprises”, the “Special Post-Pandemic Revitalization Loan for SMEs”, the “Export Loan Preferential Credit Guarantee Project”, the “Enhanced Trade Finance Loan Program”, and the “Strengthened Export Credit Insurance Preparation Plan” to alleviate the operational difficulties and capital turnover pressures caused by exchange rate fluctuations that enterprises face and help them overcome difficulties.

Furthermore, the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (Taiwan SMEG) and private banks have collaborated to launch the “Credit Guarantee Measures to Assist Enterprises in Obtaining Hedging Credit Lines.” This initiative, with full credit guarantees and preferential bank packages, assists SMEs in hedging exchange rate risks with a low threshold, low cost, and a low-risk approach. An additional NT\$60 million in nominal principal hedging credit lines will be provided until the end of December 2025, with no guarantee fees charged to enterprises. This will reduce the financial burden on SMEs and protect their export profits from exchange rate fluctuations.

To provide businesses with the most timely and effective services, the Ministry of Economic Affairs has established an “Exchange Rate Hedging Zone” (<https://0800280280.sme.gov.tw/rate/>) on the “Instant Solution Center” website, which includes frequently asked questions, tool cards, application procedures, and other information. At the same time, digital teaching materials and short

videos related to exchange rate issues are produced to help companies understand and use the concept of exchange rate hedging. We also provide a toll-free hotline of 0800-280280, where 130 honorary accountants provide one-on-one consulting services to assist companies in financial diagnosis and risk avoidance strategy planning. We will continue to use in-person seminars, online resources, and dedicated consulting services to help SMEs master available hedging tools and strengthen their financial response capabilities. We will also work closely with the financial sector to conduct continuous reviews and strengthen relevant measures.

The MOEA has held seminars on currency hedging in the six municipalities, both in-person and online. These included sessions in Tainan on September 5, 2025; Taichung on September 17; a Taipei on September 19; Taoyuan on September 24; Kaohsiung on October 1; and New Taipei City on October 2. It also invited the Small & Medium Enterprise Counseling Foundation (Taiwan SMECF), the Taiwan SMEG, and banks to set up booths and provide on-site consultation services. As of the end of October 2025, 8 state-owned banks and 12 private banks had collaborated to establish a “Small and Medium Enterprise Exchange Rate Hedging Service Area” on their official websites to provide information on hedging tools, case studies, and contact information.

### III Post-disaster Recovery Measures for SMEs

#### 1. Purpose

To help businesses affected by Typhoon Danas and the July 28 rainstorm accelerate their post-disaster restoration of operation and production, the MOEA launched the “Action Service Team” in August 2025 to provide one-stop post-disaster services, including tax and rent reductions for disaster-related losses, post-disaster restoration loan applications, and other related coordination and contact services to help businesses resume normal operations as quickly as possible.

#### 2. Key Content

The MOEA has integrated the Instant Solution Center, the Bureau of Industrial Parks, the Industrial Competitiveness Center, and the Taiwan SMECF to form the “Industrial Post-Disaster Recovery Service Team.” It provides companies with one-stop services such as factory repairs, water removal, waste removal, issuance of disaster certificates, and financing and tax assistance, with quick and simplified procedures. At the same time, a single contact window was set up for the “Instant Solution Center” to process inquiries from affected businesses and provide immediate assistance for needs such as loan extensions, financing assistance, debt negotiation, interest subsidies and tax exemptions. Where necessary, disaster certificates are issued and cases are referred to relevant financial institutions. We uphold the spirit of “proactive services, immediate response, and convenience” to support SMEs in disaster-stricken areas through the critical moment of restoring operation and production.

# Chapter 5

## Improving Financial Development and Facilitating Investment

### Key Highlights

The government actively implements financing counseling and related support measures to help small and medium enterprises effectively respond to changes in the internal and external environment. It aims to build a comprehensive financial financing support system from consulting/counseling, financing/credit guarantees, and diversified financing channels to provide SMEs with a more diverse and more supportive funding environment. Table 5-0-1 shows the current structure of financial financing measures for SMEs.

#### ● Financial and Support Services

- The government established a one-stop “financing service platform and window” to provide professional financial and accounting value-added services, and added the “Special Policy Loans for SMEs and Startups” and “Green and Transformative Finance Action Plan” to direct funding to key support industries and sustainable development. It also encourages the banking system to expand lending to SMEs and provide solid financial support for SMEs.

#### ● Financing and Credit Guarantees

- With the “SME Credit Guarantee Fund” as the hub, we expand the credit guarantee capacity in response to needs in different periods and in coordination with relevant government policies. In addition to providing credit guarantees to lower financing thresholds and assist SMEs in obtaining operating funds, we also offer credit guarantees for project loans targeting specific goals such as “low-carbonization and smart transformation”, “diversified development”, and “export expansion.” This effectively reduces bank credit risk, increases the success rate of SME financing, and plays an important first-response role in responding to major challenges such as natural disasters and epidemics.

#### ● Investment and Diverse Fundraising Channels

- We have expanded traditional lending and started from equity investment and capital markets. By using the “Action Plan of Accelerated Investment by SMEs”, we have directed funds to strategic manufacturing, service, and cultural and creative industries. We also employ a diverse range of channels such as the “Angel Investors Tax Deduction”, support mechanisms of the “Go-incubation Board for Startup and Acceleration Firms (GISA)”, and the “Equity Crowdfunding Program for Securities Dealers” to direct private capital to new and growth-stage enterprises and expand direct financial opportunities.



**Table 5-0-1 SME Funding Assistance Structure**

Support category	Important measures
Financial and support services	<ul style="list-style-type: none"> <li>➤ SME financing counseling and value-added service</li> <li>➤ SME Financing Services Platform</li> <li>➤ Special Policy Loans for SMEs and Startups</li> <li>➤ Plan for Increasing Loans to SMEs by Domestic Banks</li> <li>➤ Green and Transformative Finance Action Plan</li> </ul>
Financing and credit guarantees	<ul style="list-style-type: none"> <li>➤ SME Credit Guarantee Fund               <ul style="list-style-type: none"> <li>• Helping SMEs secure funding and having a great impact on the growth of SMEs</li> </ul> </li> <li>➤ Government policy measures being implemented and supported by the Credit Guarantee Fund               <ul style="list-style-type: none"> <li>• Counterpart Guarantee</li> <li>• SME Low-carbon and Digital Transformation Development and Factory and Specific Factory Infrastructure Optimization Project Loan Credit Guarantee</li> <li>• Micro-, Small and Medium-sized Enterprise Innovation Development Project Loans</li> <li>• Export Loan Additional Preferential Credit Guarantee</li> <li>• Credit Guarantee Measures to Assist Enterprises in Obtaining Hedging Credit Lines</li> </ul> </li> </ul>
Investment and diverse fundraising channels	<ul style="list-style-type: none"> <li>➤ Implementation Project for Strengthening Investment in SMEs</li> <li>➤ Implementation Project for Strengthening Investment in Strategic Manufacturing Industries</li> <li>➤ Implementation Project for Strengthening Investment in Strategic Service Industries</li> <li>➤ Implementation Project for Strengthening Investment in Cultural and Creative Industries</li> <li>➤ Angel Investors Tax Deduction</li> <li>➤ Fundraising Guidance Mechanism — GISA</li> <li>➤ Equity Crowdfunding Program for Securities Dealers</li> </ul>

Source: Compiled by the study.

## I Financial and Support Services

When applying for operating working capital, SMEs generally face a lack of collateral, difficulty finding guarantors, and inadequate accounting systems. This makes it difficult for financial institutions to understand the full scope of their operations and assess risks during credit assessments, which in turn affects their willingness to approve loans. To help SMEs overcome this financing barrier, the government has promoted a number of financial services and assistance measures, the key points of which are outlined below:

### 1. SME Financing Counseling and Value-added Service

#### (1) One Contact for Financing Assistance — Instant Solution Center

In 1996, the Small and Medium Enterprise and Startup Administration (SMESA) of the MOEA created the “Instant Solution Center.” In 2025, it provides consulting services via the toll-free hotline, 0800-280-280, to better help SMEs overcome challenges in running a business. Relevant

assistance programs, coordination and service mechanisms are connected to assist SMEs in effectively overcoming challenges in operating a business, especially by offering financing-related consulting and assistance. (<https://0800056476.sme.gov.tw>)

## **(2) Program of SMEs Operation and Finance Assistance**

To help SMEs succeed in obtaining funding for business development by having a strengthened financial structure and sound business practices, the SMESA of the MOEA continued to implement the “Program of SMEs Operation and Finance Assistance” in 2018. Strategies for 2025: 1. using the “Instant Solution Center” to connect the assistance teams of the MOEA, the SME service centers in different counties and cities, and the Central and Southern Services Offices of the SMESA of the MOEA help SMEs deal with issues in business operations; and 2. professional consulting services and in-depth diagnostic services. (<https://0800056476.sme.gov.tw/>)

## **(3) Startup Information Integration and Funding Linkage Project**

To eliminate the funding and knowledge gaps in the early stages and encourage innovative startups to seek funding, the SMESA of the MOEA continued to implement the “Startup Information Integration and Funding Linkage Project” in 2025. This Project helps startups improve their fundraising by operating the “FINDIT Taiwan Startup Information Platform”, organizing fundraising matchmaking meetings, and providing practical and accurately oriented information on early-stage funding, new startup fundraising knowledge and resources to increase funding readiness and opportunities for obtaining investment. (<https://findit.org.tw/>)

## **(4) Project for Enhancing the Financial Capabilities of SMEs**

To help SMEs enhance financial capabilities for business operations and gradually create digital financial management, the SMESA of the MOEA launched the “Project for Enhancing the Financial Capabilities of SMEs” in 2021. It continues to provide assistance measures for 3 major areas including “financial and accounting knowledge cultivation”, “financial and accounting digitalization improvement”, and “optimization of financial capabilities” in 2025 with the aim of helping SMEs improve their financial and accounting systems and optimize business health. (<https://accounting.sme.gov.tw/>)

## **(5) Project on Intellectualized Fundraising for SMEs**

To support new fundraising channels in response to the FinTech and online financing development trends, the SMESA of the MOEA continues to promote value-added applications of financing tool platforms in 2025. It promotes the sharing of credit data among partners within the financial ecosystem and expands the benefits of financial data sharing. We will also make good use of innovative financial applications to promote supply chain financing, and discuss the opportunities for blockchain technologies to promote supply chain financial businesses, thereby accelerating the matching of supply chain funds for SMEs. (<https://0800056476.sme.gov.tw/smes/>)

## (6) Carbon Health Check and AI Financial Empowerment Plan for MSMEs

The SMESA has promoted the “Carbon Health Check and AI Financial Empowerment Plan for MSMEs” since 2025 to help SMEs accelerate digital and green transformation. This program helps companies understand their current carbon emissions through the establishment of a carbon information database, provides carbon reduction recommendations, and connects green financing and policy resources. We have taken stock of AI accounting tools suitable for SMEs, compiled and produced public education plans, and organized AI accounting talent training courses to enhance enterprises’ AI application capabilities in financial management and operational decision-making, thereby strengthening their transformation capabilities and sustainable competitiveness.

([https://www.sme.gov.tw/drsme/drsme/Plan/plan\\_more?id=acbd11f7cf0b431091c80c8060daaf96](https://www.sme.gov.tw/drsme/drsme/Plan/plan_more?id=acbd11f7cf0b431091c80c8060daaf96) )

## 2. SME Financing Services Platform

The SMESA of the MOEA established the “Small and Medium Enterprise Financing Service Platform” in 2009. In addition to the original financial institutions, member institutions have also expanded the scope of platform services in recent years to include leasing companies to expand financing opportunities for SMEs. By connecting with relevant government agencies to obtain information on an SME, banks and leasing companies can use this platform to obtain the company’s operating information, clearly understand the operating status and funding needs of the SME, and help the SME successfully obtain financing. In addition, an “SME financing service window” has been established at banks.

([https://member.jcic.org.tw/main\\_member/docDetail.aspx?uid=308&pid=227&docid=148](https://member.jcic.org.tw/main_member/docDetail.aspx?uid=308&pid=227&docid=148))

## 3. Special Policy Loans for SMEs and Startups

The government provides SMEs with various types of policy loans, either directly or through collaboration with banks. What distinguishes these loans from ordinary ones is that the loans are granted for specific purposes, and have preferential interest rates. The policy loans currently available to SMEs and startups (2025) include startup, innovation, overseas expansion, industry category, sustainable development, disaster relief, and other loans.

## 4. Plan for Increasing Loans to SMEs by Domestic Banks

To encourage the development of a long-term partnership relationship between SMEs and banks, and thus help SMEs obtain working capital, the Financial Supervisory Commission (FSC) decided that the implementation of the “Plan for Increasing Loans to SMEs by Domestic Banks” should continue into the nineteenth stage in 2025 with a plan target of NT\$460 billion. In 2024, domestic banks extended loans to SMEs amounting to a net increase of NT\$571.6 billion over 2023.

## 5. Green and Transformative Finance Action Plan

To actively promote green finance and respond to international trends in transformative finance, the FSC released the “Green and Transformative Finance Action Plan” on October 29, 2024. The Plan continues to promote green finance through 2025 in six key areas including funding, information, disclosure, empowerment, ecosystem development, and enhancing international influence. This includes directing funds to support sustainable infrastructure and low-carbon technology research and development. We have enhanced response mechanisms for ESG and emerging risks and have increased sustainability awareness and capacity building. We have also leveraged financial influence and enhanced international visibility. We hope to promote carbon reduction throughout industry and society, and by promoting green and transformative finance, we will contribute to Taiwan’s net-zero carbon emissions and sustainable development.

(<https://www.fsc.gov.tw/ch/home.jsp?id=1213&parentpath=0,2>)

## II Financing and Credit Guarantees

To help SMEs overcome financing difficulties, the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (the Taiwan SMEG) acts as a financing bridge between enterprises and banks. By providing “credit guarantees”, it shares the risk of banks in lending to SMEs, thereby increasing banks’ willingness to provide financing to SMEs, helping enterprises to smoothly obtain the funds they need for operations, and thus strengthening industrial strength and stabilizing the overall economy. This section explains how the Taiwan SMEG helps SMEs obtain the necessary financing through the following measures and demonstrates the effectiveness of its credit guarantee.

### 1. SME Credit Guarantee Fund

To help strengthen the provision of credit guarantees to SMEs, the government established the Taiwan SMEG in 1974. The main purpose in establishing this fund was to provide credit guarantees to SMEs, and to work closely with financial institutions in the development of financing guidance services for SMEs, helping SMEs obtain the funding needed from financial institutions and thereby contributing to the healthy development of Taiwan’s SME sector and promoting Taiwan’s economic growth and social stability.

The SME Credit Guarantee Fund’s main functions are as follows:

- (1) Helping SMEs overcome the difficulties that they experience when trying to provide the collateral needed to secure loans.
- (2) Making financial institutions more willing to provide loans to SMEs.
- (3) Maximizing the efficacy of guidance projects undertaken by other SME guidance organizations.

The mechanisms for the establishment and operation of the Taiwan SMEG involve the allocation of a supporting budget by the government and the signing of contracts with financial institutions, whereby they agree to provide additional funding to boost the Fund’s ability to provide credit

guarantees, and to share some of the potential loss, thereby enabling the Fund to continue providing guarantees and helping SMEs that have significant development potential but lack sufficient collateral to secure the financing they need from financial institutions.

Application for a credit guarantee can be made either via a financial institution, or directly to the SME Credit Guarantee Fund, or a dedicated window, depending on the requirements of the individual enterprise making the application. (<https://www.smeg.org.tw/>)

## 2. Benefits Achieved through the Credit Guarantee Fund

### (1) Helping SMEs Secure Funding

As of the end of December 2024, the Taiwan SMEG had provided credit guarantees in over 8.92 million cases through funding provided by the government and contracted financial institutions to SMEs. It had helped SMEs obtain loans totaling NT\$25.8473 trillion from financial institutions and provided NT\$19.6034 trillion in guarantees. The guarantees provided in recent years are shown in Table 5-2-1.

If the credit guarantees provided in individual funding projects by the Taiwan SMEG are included, as of the end of December 2024, the Taiwan SMEG had provided credit guarantees in 11.06 million cases, helped SMEs obtain loans totaling NT\$27.321 trillion from financial institutions, and provided NT\$20.8522 trillion in guarantees. The guarantees provided in recent years are shown in Table 5-2-2.

### (2) Having a Great Impact on the Growth of SMEs

The vast majority of SMEs that received credit guarantees from the SME Credit Guarantee Fund have found that, within a few years, they have been able to raise money on the capital markets or obtain loans directly from banks. Furthermore, as of 2024, 2,534 of the SMEs that had been granted credit guarantees in the past have since grown sufficiently large to be classified as “large enterprises”, and 1,123 have been listed on the TWSE, OTC, or the Emerging Stock Board (Table 5-2-3). A large proportion of the award-winning enterprises in the past several years, including the “National Award for Outstanding Small and Medium Enterprises”, “Rising Star Award”, “Taiwan SMEs Innovation Award”, and “Business Startup Award”, were enterprises that have obtained financing from financial institutions through the Taiwan SMEG.

**Table 5-2-1 SMEG Guarantees - SME Fund, 2019-2024**

Unit: Recipients; items; million NT\$

Item Year	No. of credit guarantee recipients	No. of credit guarantee applications accepted	Combined value of credit guarantees	Total amount of financing secured	Outstanding credit guarantees at year-end	Outstanding financing at year- end
2019	118,767	347,904	1,023,956	1,305,446	628,137	809,446
2020	131,536	306,499	910,570	1,149,962	591,007	751,027
2021	170,887	315,180	926,536	1,161,326	602,287	753,712
2022	186,953	288,273	1,003,846	1,261,769	650,521	809,425
2023	212,288	328,935	1,289,811	1,611,244	933,297	1,152,635
2024	227,305	318,613	1,292,442	1,594,412	1,126,940	1,373,896

Note: The number of guarantee service accounts refers to the number of accounts with any transaction record, balance of guarantees, or advance payment of repayment reserve in the current year.

Source: Taiwan SMEG, 2025.

**Table 5-2-2 SMEG Guarantees - All Cases, 2019-2024**

Unit: Recipients; items; million NT\$

Item Year	No. of credit guarantee recipients	No. of credit guarantee applications accepted	Combined value of credit guarantees	Total amount of financing secured	Outstanding credit guarantees at year-end	Outstanding financing at year- end
2019	130,742	352,814	1,029,377	1,311,731	639,903	822,740
2020	1,188,784	1,457,182	1,405,787	1,711,438	1,086,682	1,312,862
2021	1,926,766	1,140,632	1,296,420	1,584,632	1,370,509	1,627,279
2022	1,869,510	324,206	1,123,198	1,407,508	1,354,176	1,615,296
2023	1,788,610	355,246	1,375,334	1,715,969	1,356,563	1,648,131
2024	919,427	322,445	1,300,328	1,603,489	1,416,178	1,713,404

Notes:

1. The number of guarantee service accounts refers to the number of accounts with any transaction record, balance of guarantees, or advance payment of repayment reserve in the current year.

2. The number of cases from 2020 to 2022 included worker relief loans.

Source: Taiwan SMEG, 2025.

**Table 5-2-3 Number of Enterprises Listed on the TWSE, OTC, or the Emerging Stock Board as of 2024 That Had Used the Taiwan SMEG Resources as SMEs**

Unit: Enterprises; %

Item	Total number of enterprises on the TWSE, OTC, or the Emerging Stock Board (A)	Total number of enterprises that had used SMEG resources as SMEs (B)	Ratio of enterprises that used SMEG (B/A) (%)
Listed on the TWSE	1,041	390	37.46
Listed on OTC	837	512	61.17
Listed on the Emerging Stock Board	347	221	63.69
<b>Total</b>	<b>2,225</b>	<b>1,123</b>	<b>50.47</b>

Source: Taiwan SMEG, 2025.

### 3. Government Policy Measures Being Implemented and Supported by the Credit Guarantee Fund

#### (1) Counterpart Guarantee

The Taiwan SMEG launched the “Counterpart Guarantee Project” in 2006. 1. The SMEG worked with central and local government agencies. Earmarked funds were allocated by relevant government agencies, and these funds were then matched by the SMEG. By working together to provide credit guarantees and consolidate the government’s guidance policies and credit guarantee schemes, the program provided a means to jointly help SMEs and micro enterprises as well as individual entrepreneurs to secure funds from financial institutions needed to found new startups and maintain current operations, expanding and intensifying the use of financing and support resources. 2. The SMEG worked with key leading enterprises and established an earmarked fund. The SMEG then provided corresponding financial support for fund matching services in the form of credit guarantees to upstream, midstream, and downstream enterprises, third-party vendors, distributors, and other SMEs determined by donors as having the potential for development.

As of the end of 2024, the Taiwan SMEG had 1. collaborated with the central government on a total of 21,212 loans, amounting to a total of NT\$25.805 billion; 2. collaborated with local governments on a total of 11,287 loans, amounting to a total of NT\$8.468 billion; and 3. collaborated with companies on a total of 49,072 loans, amounting to a total of NT\$39.95 billion. (<https://www.smeg.org.tw/basic/?node=10249>)

#### (2) Guarantee Projects or Measures Related to the Taiwan SMEG

In response to the continuous changes in the economic environment and the rapid development of technology, as well as the opportunities and challenges faced by SMEs, the Taiwan SMEG continues to provide a diverse range of guarantees or measures, as described below.

##### A. SME Sports Services Industry Loans

To promote the development of the sports industry and reduce the operating costs of sports talent running sports service businesses, Taiwan SMEG has offered loans of up to NT\$10 million to SMEs in the “Small and Medium-sized Sports Services Industry Loan” program since 2010. The Fund provides a credit guarantee of up to 95% and a fixed annual handling fee rate of 0.375%. (<https://www.smeg.org.tw/basic/?mode=detail&node=406>)

##### B. Credit Guarantee for Small Enterprise Loans

To make it easier and more convenient for small businesses to access financing in the form of small advances of working capital from financial institutions, the SMESA of the MOEA has continued to implement the “Small Enterprise Loans” program, wherein participating financial institutions independently formulate the loan rates but handle collections of loans guaranteed by the Taiwan SMEG based on the individual guarantee percentages of each case. In addition, the



Taiwan SMEG provides a minimum credit guarantee of 90% for loans to startups established for less than 5 years and those with legacy innovation proposals approved by financial institutions. For disaster recovery loans, a credit guarantee of 95% is provided. For applicants with cumulative financing amounts for each disaster within NT\$1 million, 100% is provided.  
(<https://www.smeg.org.tw/basic/?mode=detail&node=397>)

### C. Credit Guarantee for Young Entrepreneur Loans

The MOEA integrated the “Young Entrepreneur Dream Building Financing Loans” and the “Young Entrepreneur Loans” into the “Loans for Young Entrepreneurs and Start-ups” in 2014. To create a friendly environment for young entrepreneurs and provide assistance for young startups, funding is provided for startups in the preparation and launch stages to meet the needs of growth after the launch. In May 2025, it was renamed as the “Young Entrepreneur Loans” and certain regulations have been changed in response to changes in the economy. It became effective on July 1 of the same year. The Taiwan SMEG provides a maximum credit guarantee of 100% and a minimum credit guarantee of 80%. The maximum loan limit is NT\$6 million for working capital expenditures and the maximum capital expenditure loan is \$12 million.  
(<https://www.smeg.org.tw/basic/?mode=detail&node=392>)

### D. Credit Guarantee for SME Innovation Development Project Loans

In order to shore up the innovative capabilities of SMEs, provide SMEs with the funds they need to achieve innovative management and spur development, and help SMEs employ innovation and advanced technology service models to expand into international markets, the MOEA launched the “SME Innovation Development Project Loan” in 2014. The program facilitates the provision of loan facilities to eligible applicants of up to NT\$20 million for working capital and up to NT\$80 million for capital expenditures. In addition, the Taiwan SMEG provides a minimum credit guarantee of 80% for each loan, thereby increasing the willingness of banks to make such loans. Furthermore, the Taiwan SMEG provides a minimum credit guarantee of 90% for loans to startups established for less than 5 years, which helps the startups gain working capital. If an aforementioned startup receives a specific award or program, an additional 5% is provided, up to NT\$5 million.  
(<https://www.smeg.org.tw/basic/?mode=detail&node=377>)

### E. Export Loan Preferential Credit Guarantee Project

Starting in 2016, the Taiwan SMEG and the International Trade Administration (ITA) of the MOEA began jointly implementing the “Export Loan Preferential Credit Guarantee Project.” This provides additional guarantees for loans and credit guarantees of up to 90%, helping SMEs gain the capital required for exports. Depending on the region exported to, the Taiwan SMEG provides a guaranteed commission exemption or reduction for loan periods of less than one year. The additional guarantee was also increased from NT\$60 million to NT\$100 million for SMEs exporting to countries targeted by Taiwan’s New Southbound Policy (hereafter, ‘New Southbound countries’).  
(<https://www.smeg.org.tw/basic/?mode=detail&node=360>)



## F. Helping SMEs Acquire Financing Guarantees for Investments in New Southbound Countries

In order to accommodate the government's New Southbound Policy and help SMEs secure the funds they need to make investments in New Southbound countries, beginning in 2017, the Taiwan SMEG appropriated a sum of NT\$2 billion, the Agricultural Credit Guarantee Fund (ACGF) appropriated a sum of NT\$1 billion, and the Overseas Credit Guarantee Fund (OCGF) appropriated a sum of NT\$2 billion, resulting in a total of NT\$5 billion in earmarked funds. The cooperation provides a total guaranteed financing quota of NT\$50 billion. The maximum guarantee amount of NT\$100 million and up to 90% of loans is provided for SME investment plans in New Southbound countries or those approved by or registered with the Department of Investment Review of the MOEA. The guarantee service fee is calculated at a fixed ratio of 0.1%. (<https://www.smeg.org.tw/basic/?mode=detail&node=399>)

## G. Preferential Guarantee Measures for National Development

In coordination with the government's Forward-looking Infrastructure Development Program and national policies for the development of key industries, the Taiwan SMEG launched the "Preferential Guarantee Measures for National Development" in 2017 to provide preferential guarantee measures for SMEs that participate in procurement projects of the Forward-looking Infrastructure Development Program, are engaged in key startup industries, or are certified as high-quality companies. The Taiwan SMEG provides an additional \$100 million in guaranteed financing for the same enterprise with a maximum guarantee ratio of 95%. The guarantees are provided to support industrial development, increase job opportunities for citizens, and help companies attain sustainable development. It aims to support the development of related industries, attract domestic and foreign investment, and increase employment. (<https://www.smeg.org.tw/basic/?mode=detail&node=361>)

## H. Direct Guarantee Project to Promote Business Innovation

The Taiwan SMEG began providing the "Direct Guarantee Project to Promote Business Innovation" in 2017. Eligible targets include projects that received subsidies or assistance related to MOEA innovation and research projects and SMEs recommended by the MOEA. The financing limit is within 80% of the approved innovation and R&D project minus the project subsidies or the amount after subsidies or assistance funding. The guarantee amount is 95% and the annual guarantee service fee rate is fixed at 0.375%. (<https://www.smeg.org.tw/basic/?mode=detail&node=353>)

## I. Small and Medium Enterprise Billion Credit Guarantee Project

To help startups and micro enterprises obtain financing from financial institutions to facilitate smooth upgrading, transformation and succession and ease their financial burdens, the Taiwan SMEG launched the "Small and Medium Enterprise Billion Credit Guarantee Project" in 2019. The Project provides "expanded small loan guarantee measures" and "expanded batch guarantee

measures” for SMEs with a paid-up capital of NT\$30 million or under, with each offering an additional credit guarantee up to NT\$6 million. The maximum guarantee amount for those that meet the first criterion is 95% and the annual guarantee service fee rate is 0.375%. The maximum guarantee amount for those that meet the first criterion is 100% and the annual guarantee service fee rate ranges from 0.1% to 0.15%. (<https://www.smeg.org.tw/basic/?mode=detail&node=362>)

## **J. Preferential Guarantee Measures for Small and Medium Enterprise Investment in Taiwan**

To encourage SMEs to invest in Taiwan, the Taiwan SMEG launched the “Preferential Guarantee Measures for Small and Medium Enterprise Investment in Taiwan” in 2019 to provide credit guarantees for capital expenditures for new plants (expansion) or additional machinery or equipment of NT\$100 million and up to 95% of the loans. The maximum annual guarantee service fee rate is 0.5%. For example, the minimum guarantee will be 80% of the amount and guarantee fees will be capped at 0.3% for funds spent on factory construction/expansion in industrial parks overseen or developed by the government, industry clusters created according to the “Statute for Industrial Innovation”, or science parks created according to the “Act for Establishment and Administration of Science Parks.”

(<https://www.smeg.org.tw/basic/?mode=detail&node=359>)

## **K. Welcome Taiwanese Businesses’ Investment to Taiwan Project Loan Guidelines**

In collaboration with the government assistance for Taiwanese businesses to return to Taiwan and invest, the Taiwan SMEG began providing credit guarantees for loans organized in accordance with the “Welcome Taiwanese Businesses’ Investment to Taiwan Project Loan Guidelines” in 2019. The maximum guarantee amount is 90% and the minimum annual guarantee service fee rate is 0.375%. (<https://www.smeg.org.tw/basic/?mode=detail&node=374>)

## **L. Small and Medium Enterprise Accelerated Investment Loan Credit Guarantee**

To encourage SMEs to accelerate investments, the Taiwan SMEG began implementing the “Small and Medium Enterprise Accelerated Investment Loan Credit Guarantee” in 2019 to provide an additional credit guarantee of up to NT\$100 million for capital and medium-term financing loans. The maximum guarantee amount is 95% and the minimum annual guarantee service fee rate is capped at 0.3%. (<https://www.smeg.org.tw/basic/?mode=detail&node=403>)

## **M. SME Secure Revitalization Program**

The Taiwan SMEG launched the “SME Secure Revitalization Program” in 2022 to support domestic economic development and help SMEs obtain the necessary funding for operations in the post-pandemic era. It provides SMEs that need short-term working capital for operations, procurement of materials, and exports with additional credit guarantees of up to NT\$20 million. The minimum guarantee amount is 80% and the annual guarantee service fee is fixed at 0.25%. (<https://www.smeg.org.tw/basic/?mode=detail&node=3433>)

## N. Credit Guarantee for Special Post-Pandemic Revitalization Loan for SMEs

The MOEA launched the “MOEA Special Post-Pandemic Revitalization Loan for SMEs” in 2023 to support post-pandemic revitalization, increase competitiveness, and restore the prosperity of SMEs. It provides up to NT\$35 million in loans for working capital or capital expenditures and the Taiwan SMEG provides a minimum credit guarantee of 90% for each loan. The annual fee for the credit guarantee is fixed at 0.1%. For SMEs with fewer than 5 employees or businesses with only taxation registration, the maximum loan is NT\$4 million with a maximum guarantee of 100% and minimum guarantee of 95%. ([https://0800056476.sme.gov.tw/plus/news\\_new\\_1.php](https://0800056476.sme.gov.tw/plus/news_new_1.php))

## O. SME Low-carbon and Digital Transformation Development and Factory and Specific Factory Infrastructure Optimization Project Loan Credit Guarantee

The MOEA launched the “MOEA SME Low-carbon and Digital Transformation Development and Factory and Specific Factory Infrastructure Optimization Project Loan Credit Guarantee” in 2023 to help SMEs achieve low-carbon and high-intelligence development, and help factories under management and specific factories meet environmental protection and public safety requirements for compliance in operations. It additionally provides up to NT\$35 million in loans for working capital and no more than 80% of the capital expenditures, with the maximum guaranteed financing limit for a single enterprise being NT\$100 million for project funding. The Taiwan SMEG provides a minimum credit guarantee of 80% for each loan. The annual fee for the credit guarantee is fixed at 0.1%. The credit guarantee is 90% for factories under management and specific factory operators. ([https://0800056476.sme.gov.tw/plus/news\\_new2\\_1.php](https://0800056476.sme.gov.tw/plus/news_new2_1.php))

## P. Credit Guarantee Measures for Startups and Intangible Asset Financing

To support the government’s industrial policies and assist key industries with development potential that face difficulties in financing, the Taiwan SMEG launched the “Credit Guarantee Measures for Startups and Intangible Asset Financing” in 2024, targeting working capital loans, performance bonds, and capital expenditures (including those for the purchase of intangible assets) with an additional credit guarantee of up to NT\$30 million and up to 100%. The annual guarantee fee is calculated at a fixed 0.1%. (<https://www.smeg.org.tw/basic/?mode=detail&node=3989>)

## Q. 0403 Hualien Earthquake Financing Guarantee Project Loan Credit Guarantee

To assist the recovery and reconstruction of industries affected by the earthquake in Hualien on April 3, 2024, the Taiwan SMEG has supported the “0403 Hualien Earthquake Financing Guarantee Project” of the MOEA since May 2024, providing SMEs with working capital loans of up to NT\$20 million and up to NT\$60 million for capital expenditures. Vendors and bed and breakfasts (B&Bs) that only apply for tax registration, health care services, architect firms, child care centers, kindergartens, children’s after-school care service centers, and private long-term care institutions for the elderly are eligible for working capital loans of up to NT\$2 million. The loan limit for capital expenditure financing is NT\$5 million, with a guarantee of up to 100%.

(<https://www.smeg.org.tw/basic/?node=10346>)

### **R. Financing Credit Guarantee for Projects to Revitalize the Highway Passenger Transport Industry After the Epidemic**

To assist road vehicle passenger transport operators in obtaining the funds required for post-epidemic operations, the Taiwan SMEG has supported the “Post-Pandemic Revitalization Financing Credit Loan for the Highway Passenger Transport Industry of the Highway Bureau of the Ministry of Transportation and Communications” since May 2024 to provide SMEs with loans of up to NT\$35 million. The Taiwan SMEG provides a credit guarantee of up to 80%, and the annual guarantee service fee is fixed at 0.2%.

(<https://www.smeg.org.tw/basic/?mode=detail&node=3997>)

### **S. Diverse Development Project Loan for Micro-, Small and Medium-sized Enterprises**

In line with the government’s implementation of the “Micro-, Small and Medium-sized Enterprise Diversified Revitalization and Development Plan”, the MOEA launched the “Diverse Development Project Loan for Micro-, Small and Medium-sized Enterprises” in January 2025 to assist SMEs with fewer than 30 employees in using three major strategies including digital transformation, net-zero transformation, and channel development. It optimizes the funding necessary for business efficiency. On April 29 of the same year, it expanded the recipients of loans to help SMEs affected by US tariffs stabilize their operations and accelerate transformation. The Taiwan SMEG has provided an additional NT\$35 million for each loan application, with a maximum guaranteed financing limit of NT\$100 million for the same enterprise, a maximum guarantee ratio of 100%, and a fixed annual guarantee fee rate of 0.1%.

([https://0800056476.sme.gov.tw/0800/plus\\_ai/index.php](https://0800056476.sme.gov.tw/0800/plus_ai/index.php))

### **T. Additional Guarantee Measures to Encourage SMEs to Increase Employee Salaries**

To support the government’s “Micro-, Small and Medium-sized Enterprise Diversified Revitalization and Development Plan”, the Taiwan SMEG provides an additional guaranteed financing amount of up to NT\$35 million, with a maximum guarantee ratio of 95%, and a fixed annual guarantee fee rate of 0.1%, to SMEs that increase employee salaries by 3% or more starting in January 2025. ([https://0800056476.sme.gov.tw/0800/plus\\_ai/index.php](https://0800056476.sme.gov.tw/0800/plus_ai/index.php))

### **U. Export Loan Additional Preferential Credit Guarantee**

To support business development, mitigate the impact of increased U.S. tariffs on their exports, strengthen their trade competitiveness, and secure the funds needed for exports, the Taiwan SMEG has implemented the “Export Loan Additional Preferential Credit Guarantee” since August 2025 to provide SMEs with up to NT\$60 million in loans and a guarantee ratio of up to 95%, while waiving the guarantee fee for the first two years.

(<https://assist.nat.gov.tw/wSite/ct?xItem=284985&ctNode=254&mp=2>)

## V. Credit Guarantee Measures to Assist Enterprises in Obtaining Hedging Credit Lines

To help businesses stabilize export profits and mitigate the risks associated with exchange rate fluctuations, the Taiwan SMEG launched the “Credit Guarantee Measures to Assist Enterprises in Obtaining Hedging Credit Lines” in August 2025. For businesses that have already received guarantees for export-related loans, if they require hedging, an additional credit guarantee of up to NT\$60 million is provided. The Taiwan SMEG provides a 100% guarantee, waiving any guarantee fees for SMEs. Financial institutions will not charge any additional fees or deposits during the guarantee period. (<https://www.smeg.org.tw/basic/?mode=detail&node=4617>)

## III Investment and Diverse Fundraising Channels

The government has introduced a number of guidance measures to encourage investment in SMEs, strategic industries and emerging sectors. They have included a series of “strengthened investment implementation plans”, which guide funds to SMEs and key industries, and an “Angel Investors Tax Deduction”, which encourages private capital to invest in new businesses, forming an important source of funding for the development of new businesses. The government has also established the “GISA” to provide SMEs and startups with a convenient fundraising channel to help them successfully obtain the funds they need for development.

### 1. Implementation Project for Strengthening Investment in SMEs

To stimulate investment in the SME sector by venture capital firms and other private-sector companies, in 2007 the National Development Fund (NDF) approved the “Implementation Project for Strengthening Investment in SMEs.” The SMESA of the MOEA selected venture capital firms to make collective investments in domestic SMEs, helping SMEs gain capital in the early stages. Phase 2 of this project continued in 2023 to incorporate accelerators, venture capital, and strategic investors as investment partners to provide the resources needed by investee companies at different stages of development. (<https://0800056476.sme.gov.tw/smeinvest2/>)

### 2. Implementation Project for Strengthening Investment in Strategic Manufacturing Industries

In order to copy the successful model of venture capital firms investing in high-tech industries, enhance the competitiveness of manufacturers, and accelerate industrial transformation and enhancement, in 2015 the NDF assigned the Industrial Development Administration (IDA) of the MOEA to realize the “Implementation Project for Strengthening Investment in Strategic Manufacturing Industries.” The Phase 1 investment period expired on May 19, 2022. Phase 2 was activated on January 1, 2024 with NT\$3.5 billion in investments with private venture capital to encourage venture capital to invest in key manufacturing industries currently supported by the policies of the Executive Yuan (EY).

### **3. Implementation Project for Strengthening Investment in Strategic Service Industries**

To stimulate investment in the strategic service industries to promote service industries and employment, service exports, and the financing of SMEs in service industries, in 2012 the NDF assigned the IDA of the MOEA to realize the “Implementation Project for Strengthening Investment in Strategic Service Industries.” The Phase 1 investment period expired on January 31, 2023. Phase 2 was activated on November 23, 2023 with NT\$4 billion invested in the key service industries designated by the government. Government and private venture capital are both involved in joint investment to activate venture capital investment.

### **4. Implementation Project for Strengthening Investment in Cultural and Creative Industries**

The Ministry of Culture (MOC) began implementing the “Implementation Project for Strengthening Investment in Cultural and Creative Industries” (Phase 1) in 2010, and allocated NT\$10 billion to invest in the domestic cultural and creative industries. Starting in December 2024, the MOC has implemented the “Implementation Project for Strengthening Investment in Cultural and Creative Industries” (Phase 2), allocating a second NT\$10 billion. The plan will continue to invest private funds in the cultural and creative industries and move towards establishing venture capital funds with private enterprises. The plan will make strategic investments in all aspects of the ecosystem and take into account both startups and innovative business models. The Ministry hopes to promote industry innovation and market growth through diversified investment.

([https://www.df.gov.tw/Content\\_List.aspx?n=D613789622E34576](https://www.df.gov.tw/Content_List.aspx?n=D613789622E34576))

### **5. Angel Investors Tax Deduction**

To help startups obtain working capital and increase investments in small and medium enterprises, Article 23-2 of the Statute for Industrial Innovation, promulgated with the authorization of the President on May 7, 2025, states that where an individual invests at least NT\$500 thousand in cash in one year in domestic innovative startups that have been incorporated for less than five years and identified by the central government authority in charge of the industry concerned as high-risk innovative startups, and acquires and holds the new shares issued by the company for three years, the maximum amount of up to 50% of the investment to be excluded from an individual’s consolidated income is increased from NT\$3 million to NT\$5 million.

(<https://www.ida.gov.tw/ctrl?PRO=application.rwdApplicationView&id=1614>).

### **6. Fundraising Guidance Mechanism — GISA**

The Taipei Exchange (TPEX) launched the “Go Incubation Board for Startup and Acceleration Firms (GISA)” in 2014. The GISA offers fundraising guidance mechanisms and equity fundraising that is untradable to innovative micro enterprises and SMEs that have creative ideas and development potential but which have not yet gone public. It thereby provides micro enterprises

and SMEs with a low-cost method for raising the funds they need to sustain and grow their operations and increase their brand awareness. This will help them recruit outstanding talent, expand their marketing channels, and further enhance their competitiveness to maintain corporate sustainability.

([https://www.tpex.org.tw/web/regular\\_emerging/Creative\\_emerging/Creative\\_emerging.php?l=zh-tw](https://www.tpex.org.tw/web/regular_emerging/Creative_emerging/Creative_emerging.php?l=zh-tw))

## 7. Equity Crowdfunding Program for Securities Dealers

In order to help more young people engage in entrepreneurial activities, the FSC began allowing securities dealers to implement equity crowdfunding services in 2015 for joint-stock companies which (1) have paid-up capital of less than NT\$50 million and (2) have not yet gone public. Such companies are permitted to utilize an approved crowdfunding platform to raise funds, wherein total funding may not exceed NT\$30 million within a one-year period. General investors' total investments on a single platform may not exceed NT\$150 thousand within a 1-year period. In addition to giving startup teams another outlet to obtain the funding they need, these rules also serve to protect the rights and interests of investors.

(<https://www.tpex.org.tw/web/option/index.php?l=zh-tw>)

# Chapter 6

## Enhancing R&D and Promoting Upgrading and Transformation

### Key Highlights

To assist SMEs in comprehensive upgrades and transformation, and in enhancing their R&D capabilities, the government is strengthening the operational capacity and market competitiveness of SMEs by improving their digital capabilities, promoting digital transformation and the net-zero transformation of SMEs, and boosting technology and innovative R&D capabilities. Table 6-0-1 provides the strategic framework for the upgrading and transformation of SMEs.

#### ● Improving Digital Application Capabilities

- It helps SMEs, businesses in commercial districts, and other businesses learn and use digital tools, including cloud software, mobile payments, and online marketing, to build basic digital skills. It provides appropriate and easy-to-use digital tools that allow businesses to cross the entry barriers of digital applications, experience the improvement in operational management efficiency, and gradually increase their willingness to use such tools.

#### ● Promoting the Digital Transformation of SMEs

- It helps enterprises apply digital tools such as AI and 5G to core aspects such as production processes, supply chain management, and customer service, driving intensive digital transformation and business model innovation to create higher added value. To make full use of the technologies, the government has also integrated the capabilities of R&D institutions to build an AI pilot production line, providing hands-on guidance based on the pain points and needs of enterprises, and assisting SMEs in promoting digital transformation through demonstration and practice.

#### ● Supporting the Net-zero Transformation

- It provides guidance and assistance to SMEs in conducting carbon inventories, introducing low-carbon and energy-saving technologies, and encouraging the development of a circular economy to comply with international green supply chain standards in response to global net-zero initiatives. It also shifts the green transformation from a cost burden into a necessary advantage for market competition.



## ● Promoting Technology and Innovative Research and Development

- By implementing R&D subsidy programs (such as the SBIR), it encourages companies to invest resources in technological innovation and product development. In addition, it focuses on supporting traditional industries in technological upgrades and establishing industry alliances to jointly develop key technologies to help businesses build independent core technologies to enter niche areas, develop a diverse range of markets, and enhance industry competitiveness.

**Table 6-0-1 Strategic Framework for Upgrading and Transformation of SMEs**

Support category	Important measures
Improving digital application capabilities	<ul style="list-style-type: none"> <li>➤ Project for Assisting Small and Micro Enterprises in Digital Transformation and Innovation Service in the Cloud Era</li> <li>➤ Enhancing Digital Capabilities in Commercial Districts through the Cloud Services Project</li> <li>➤ Industry Digital Transformation in the Cloud Era — Digital Transformation of Indigenous Businesses</li> <li>➤ Micro Enterprises Digital Application Coaching Program</li> <li>➤ Multi-Applications and Value-Added Service of the Mobile Payment Program</li> </ul>
Promoting the digital transformation of SMEs	<ul style="list-style-type: none"> <li>➤ Digital Transformation Program for Micro, Small and Medium Enterprises</li> <li>➤ SMEs 5G Innovative Application Development Program</li> <li>➤ Industrial Upgrade Support Project for Small and Medium Enterprises</li> <li>➤ SME AI Transformation and Upgrade Program</li> <li>➤ Small and Medium Manufacturing Enterprise Digital Transformation Jumpstart Project</li> <li>➤ Smart Technology-driven Upgrade of the Manufacturing Sector Program</li> <li>➤ Program for the Introduction of AI Value-added Applications in the Supply Chain of SMEs in the Manufacturing Sector</li> <li>➤ Smart Circulation Service Value-added Promotion Project</li> <li>➤ Business Services Industry Data-driven Value Creation Plan</li> <li>➤ Establishment of the Retail and Service Sector Data Sharing Innovation Service Project</li> <li>➤ SME Mobile Smart Application Program</li> <li>➤ Strategic Project for Facilitating the Digital Transformation of Micro, Small and Medium Enterprises</li> </ul>
Supporting the net-zero transformation	<ul style="list-style-type: none"> <li>➤ Responding to Net-zero Carbon Trend, SMEs' Green Competitiveness Improvement Program</li> <li>➤ Project of Co-creation: the Circular Economy for SMEs</li> <li>➤ Project for Accelerating Energy Efficiency and Carbon Reduction of SMEs</li> <li>➤ Subsidy for Small and Medium-sized Manufacturing Enterprises (Regularly Employing Less than 9 Employees) to Upgrade to Low-carbon and Smart Transformation</li> <li>➤ Subsidy for Small and Medium-sized Manufacturing Enterprises (Regularly Employing More than 10 Employees) to Upgrade to Low-carbon and Smart Transformation</li> <li>➤ Subsidy for Low-carbon and Smart Upgrading and Transformation for Large Companies Supporting Small and Medium Companies in the Manufacturing Industry</li> <li>➤ Green Technology Advancement Program</li> <li>➤ Low-carbon Guidance Program for SMEs in the Manufacturing Sector</li> <li>➤ Promoting Commercial Energy Conservation and Carbon Emissions Reduction Guidance</li> <li>➤ Assisting Small and Medium-sized Users in Adopting Energy Efficiency Services</li> </ul>

Support category	Important measures
Promoting technology and innovative research and development	<ul style="list-style-type: none"> <li>➤ Small Business Innovation Research Program (SBIR)</li> <li>➤ Factory Intelligent Disaster Prevention Technology Improvement Plan</li> <li>➤ Conventional Industry Technology Development Assistance Plans (CITD)</li> <li>➤ Industrial Upgrading and Innovation Platform Counseling Program</li> <li>➤ Mittelstand Niche Field Promotion Plan — Industrial Collaboration System Guidance</li> <li>➤ Improving Industrial Competitiveness — Subsidy for R&amp;D Transformation Support Project</li> <li>➤ Service Industry Innovation Research Program (SIIR)</li> <li>➤ A+ Industrial Innovation R&amp;D Program</li> <li>➤ Methods for Promoting Technical Innovation in Traditional Industries</li> <li>➤ Business Innovation Startup Assistance Program — Assistance for Innovation and R&amp;D</li> </ul>

Source: Compiled by the study.

## I Improving Digital Application Capabilities

To help SMEs build comprehensive digital skills, improve operational efficiency, and strengthen their competitiveness, the government encourages them to adopt cloud services, digital tools, mobile payment technologies, and other technologies to effectively enhance their digital application capabilities and digital competitiveness. This section describes the following relevant implementation key plans:

### 1. Project for Assisting Small and Micro Enterprises in Digital Transformation and Innovation Service in the Cloud Era

The SMESA of the MOEA began implementing the “Project for Assisting Small and Micro Enterprises in Digital Transformation and Innovation Service in the Cloud Era” in 2021 to support small and micro enterprises that have 9 or fewer employees. In 2024, it targeted two major aspects of “experience” and “product services” to plan courses according to the capabilities and needs of enterprises, match them with cloud services, create new experiences, and plan three major strategies, including artificial intelligence (AI) talent cultivation, tool development, and enterprise transformation, to help SMEs adopt AI applications. This project ended in 2024.

### 2. Enhancing Digital Capabilities in Commercial Districts through the Cloud Services Project

The Administration of Commerce (AOC) of the MOEA implemented the “Enhancing Digital Capabilities in Commercial Districts through the Cloud Services Project” to provide guidance to shopping district organizations and small and micro stores with fewer than 9 employees, helping shopping district stores to enhance their digital service capabilities. By 2025, through graded and classified guidance, it has introduced adaptive digital tools to create a friendly consumer environment. It also promotes digital lucky bags to connect shopping district digital marketing, establish shopping district brand recognition, promote the digital transformation of shopping

district stores, and create business opportunities.

### **3. Industry Digital Transformation in the Cloud Era — Digital Transformation of Indigenous Businesses**

The Council of Indigenous Peoples (CIP) began promoting the “Industry Digital Transformation in the Cloud Era — Digital Transformation of Indigenous Businesses” in 2021 with the aim of using digital tools such as mobile payment in the industries of indigenous peoples. The project aims to use smart consumption to expand the scope of sales, improve business efficiency, and increase the satisfaction rate of the services provided by indigenous businesses. The Council will also match reputable online digital platforms and online marketing resources to invigorate the e-commerce market for products of indigenous peoples and increase the recognition of companies and products of indigenous peoples.

### **4. Micro Enterprises Digital Application Coaching Program**

The SMESA of the MOEA has implemented the “Micro Enterprises Digital Application Coaching Program” since 2021 to assist small and micro enterprises with fewer than 9 employees in adopting suitable cloud or digital tools, cultivate digital literacy capabilities, and use cloud tools to enhance operational efficiency and value evolution in order to establish the foundations for unique urban and rural industries and promote the diversified development of stores with unique features. This Program ended in 2024.

### **5. Multi-Applications and Value-Added Service of the Mobile Payment Program**

The Ministry of Digital Affairs (MODA) has implemented the “Multi-Applications and Value-Added Service of the Mobile Payment Program” to popularize the use of mobile payment tools and develop people’s habits. Main measures have included the joint establishment of diverse application services, the joint creation of local partnerships, the joint promotion of partnerships between different government agencies and institutions, and the transfer of paradigm applications for common prosperity. The Ministry encourages SMEs to incorporate diverse applications of mobile payment to trigger increased business opportunities across different sectors, and help people experience digital payment services that increase convenience. This Program ended in 2024.

## **II Promoting the Digital Transformation of SMEs**

To improve operational efficiency, intelligent management, supply chain effectiveness and service models of SMEs, and ultimately enhance their digital competitiveness, the government assists SMEs in digital transformation from multiple aspects, including cloud services, 5G applications, AI, and data analysis. Its strategies and measures are described in this section.

## **1. Digital Transformation Program for Micro, Small and Medium Enterprises**

The SMESA of the MOEA has promoted the “Project for Assisting Small and Micro Enterprises in Digital Transformation and Innovation Service in the Cloud Era” since 2021, and renamed it as the “Digital Transformation Program for Micro, Small and Medium Enterprises” in 2025. This program aims to help SMEs strengthen their digital capabilities and innovative services, improve operational efficiency, and reduce costs. It focuses on three main themes including “digital empowerment”, “tool application”, and “business opportunity development” to promote and integrate the application of digital tools, promote corporate intelligence upgrades and value creation, accelerate corporate transformation, and explore diverse business opportunities with the aim being to create a model for Taiwan’s digital economic development.

(<https://www.cloudsme.com.tw/cloudsme/index.php>)

## **2. SMEs 5G Innovative Application Development Program**

To encourage SMEs to adopt 5G applications and services, the SMESA of the MOEA launched the “SMEs 5G Innovative Application Development Program” in 2020. In 2025, digital content operators, service and system integration operators, field operators, and telecom operators joined forces to connect and integrate 5G application solutions for SMEs to form diverse 5G services and improve the operating efficiency and digital capabilities of SMEs.

## **3. Industrial Upgrade Support Project for Small and Medium Enterprises**

The SMESA of the MOEA has implemented the “Industrial Upgrade Support Project for Small and Medium Enterprises” since 2025 to encourage SMEs to work with startups that have technological or service capabilities to assist SMEs in implementing both the digital and net-zero transformation. In 2025, it has focused on three major areas including traditional industries, healthcare, and green sustainability. By connecting and collaborating on resources and technologies between enterprises and startups, we have established model cases for industrial cooperation and expanded them to more SMEs, creating a more innovative and competitive industrial environment.

## **4. SME AI Transformation and Upgrade Program**

To accelerate the digital transformation and AI application of SMEs, the SMESA of the MOEA has promoted the “SME AI Transformation and Upgrade Program” since 2025. Industry associations with industry guidance capabilities work with legal entities with professional venues and equipment to promote industry teaching plans and pilot production line practical teaching, strengthen the AI application capabilities of SMEs, and reduce the time required from talent training to technology implementation. This program also brings together basic AI applications and industry solutions, providing hands-on guidance based on the pain points and needs of SMEs, helping companies evaluate and implement appropriate tools to reduce operating costs, improve efficiency

and competitiveness, and promote the intelligent development of SMEs.

## 5. Small and Medium Manufacturing Enterprise Digital Transformation Jumpstart Project

The IDA of the MOEA has established the basic environment and common capabilities required for the digital transformation of SMEs in the manufacturing sector since 2021 to help domestic SMEs in the manufacturing sector overcome the challenges of digital transformation brought about by changes in the supply chain and technological advancements. In 2025, industries in Central and Southern Taiwan are being prioritized for the Project. The Administration helps companies use digital technologies such as cloud services and AI to obtain market information, provide feedback for production, achieve rapid responses to customer needs, and develop new products or new business models. The implementation projects planned are shown in Table 6-2-1.

(<https://keid.nat.gov.tw/cloud/Web/ATotal.aspx>)

Table 6-2-1 Implementation Projects of the “Small and Medium Manufacturing Enterprise Digital Transformation Jumpstart Project”	
Item	Project Content
Small and Medium Manufacturing Enterprise Succession and Digital Transformation - Theme-based Development Program Subsidies	We assist SMEs in the manufacturing sector in integrating new technology applications into their operating models to create new business models, and subsidize second-generation owners of manufacturing companies to carry out digital transformation, establish new corporate thinking, increase the success rate of transformation, and complete succession.
Tcloud Industry Portal - AI Tool Library Point Subsidy Program	To encourage SMEs in the manufacturing sector to use AI technologies, solve bottlenecks in production, manufacturing and operation management, and implement industrial AI policies, we provide listing and subsidy mechanisms, select AI application solutions with proven industrial application benefits for listing, and establish the Cloud Market Industrial Pavilion, so that manufacturers have more convenient and more purchasing options, thereby increasing the proportion of industries that adopt AI applications and the degree of digitalization.
Tcloud Industry Portal - Cloud Solution Point Subsidy Program	It provides listing and subsidy mechanisms to encourage SMEs in the manufacturing sector to purchase and use cloud solutions provided by information service providers, increase the adoption rate of digital services by SMEs in the manufacturing sector, and strengthen digital operational capabilities and digital transformation readiness.

Source: IDA, MOEA, 2025.

## **6. Smart Technology-driven Upgrade of the Manufacturing Sector Program**

The IDA of the MOEA has continued to implement the “Smart Technology-driven Upgrade of the Manufacturing Sector Program” to respond to market demand for customization and rapid product development and to effectively and rapidly expand the development of smart manufacturing in the domestic manufacturing sector. In 2025, the Administration completed the site feasibility verification of the proof of concept (PoC) to help the manufacturing industry adopt the smart technologies and service systems with system integration (SI) capacity. This is bringing about innovation in the industrial production process and boosting productivity.

## **7. Program for the Introduction of AI Value-added Applications in the Supply Chain of SMEs in the Manufacturing Sector**

To help SMEs in the manufacturing sector adapt to international manufacturing trends and competition, the IDA of the MOEA has launched the “Program for the Introduction of AI Value-added Applications in the Supply Chain of SMEs in the Manufacturing Sector.” By taking measures such as promoting the construction of digital supply networks in industries and promoting smart manufacturing system integration services, it helps SMEs in the domestic manufacturing sector work with system integrators, assists in information connection with their supply chain companies, and introduces AI applications. The aim is to improve supply chain management efficiency and smart manufacturing capabilities, accelerate the upgrading of domestic industries, promote the intelligence of industrial supply chains, and enhance the development of smart manufacturing in domestic manufacturing. (<https://keid.nat.gov.tw/cloud/Web/ATotal.aspx>)

## **8. Smart Circulation Service Value-added Promotion Project**

To increase the overall competitive advantages of commercial services in Taiwan, the AOC of the MOEA has supported the “Asia Silicon Valley 3.0 Project” by executing the “Smart Circulation Service Value-added Promotion Project” to use AIoT technologies for the development of smart business and smart logistics services and empower the upgrading and transformation of logistics services. Action plans for 2025: (1) analyzing the current status of digital technology applications in the logistics service industry; (2) developing value-added services in commodity logistics technology; and (3) facilitating the expansion of integrated smart circulation service solutions. (<https://www.sblpo.org.tw/CMS/>)

## **9. Business Services Industry Data-driven Value Creation Plan**

To help commercial service providers adapt to industry trends and develop innovative business models, the AOC of the MOEA has promoted the “Business Services Industry Data-driven Value Creation Plan” since 2025. With “low-carbon sustainability” as its core, it helps businesses use AI technology or tools for data analysis and introduces low-carbon sustainable models, such as circular resource supply, product life cycle extension, the establishment of sharing models, product-as-a-

service, and resource recycling and reuse, thereby promoting green consumption and enabling the industry to achieve transformations to sustainability. (<https://www.smebiz.org.tw/>)

## **10. Establishment of the Retail and Service Sector Data Sharing Innovation Service Project**

To help business service providers adopt digital tools and use data to drive smart transformation, the AOC of the MOEA has implemented the “Establishment of the Retail and Service Sector Data Sharing Innovation Service Project” since 2021. Action plans for 2025: (1) using government subsidies and resources to promote digital transformation case studies in the business service sector; and (2) providing NT\$20 thousand in subsidies for each business to encourage companies to choose cloud solutions and accelerate the digitalization of the business service sector. (<https://www.smebiz.org.tw/>)

## **11. SME Mobile Smart Application Program**

The MODA continues to implement the “SME Mobile Smart Application Program” to promote the development of mobile smart applications and encourage the integration of partner enterprises into the digital economy market. The main focus in 2025 is helping SMEs collaborate and use the integration of innovation and business model design in mobile smart applications as well as application promotion and expansion of partners to promote the formation of a mobile smart application ecosystem, drive corporate digital transformation, and optimize people’s mobile smart life experience.

## **12. Strategic Project for Facilitating the Digital Transformation of Micro, Small and Medium Enterprises**

The MODA has implemented the “Strategic Project for Facilitating the Digital Transformation of Micro, Small and Medium Enterprises.” The project also uses the “TCloud Marketplace”, which consolidates cloud solutions, application case studies, and consultation for all industries to encourage enterprises to adopt appropriate cloud solutions and strengthen their digital operational capacity.

# **III Supporting the Net-zero Transformation**

To support net-zero initiatives, enhance the green competitiveness of SMEs, and comply with international trends in sustainable development, the government assists SMEs in green transformation and upgrading through technical guidance, project subsidies, the circular economy, energy conservation and carbon reduction, and intelligent transformation. This section describes relevant strategies and measures.

## **1. Responding to Net-zero Carbon Trend, SME's Green Competitiveness Improvement Program**

The SMESA of the MOEA began implementing the “Responding to Net-zero Carbon Trend, SME's Green Competitiveness Improvement Program” in 2022 to help SMEs learn about international trends for net-zero emissions. The main work items for 2025 include: (1) organizing net-zero carbon reduction conferences and courses; (2) setting up green knowledge and systematic online education materials; (3) providing SMEs with consultation and diagnostic services for achieving net-zero emissions; and (4) industry eco-system decarbonization assistance, etc.

(<https://www.sme.gov.tw/caas/masterpage-caas>)

## **2. Project of Co-creation: the Circular Economy for SMEs**

The SMESA of the MOEA has continued to implement the “Project of Co-creation: the Circular Economy for SMEs” to help SMEs attain green sustainable value, innovation, and development. Action plans for 2025 include: (1) promoting sustainable materials and the circular economy; (2) promoting innovative applications in a green circular economy; and (3) exploring global supply chain opportunities for the SME circular economy. (<https://www.sme.gov.tw/caas/masterpage-caas>)

## **3. Project for Accelerating Energy Efficiency and Carbon Reduction of SMEs**

To help SMEs with energy conservation and carbon reduction strategy planning and inventory, accelerate low-carbon transformation, and align with international standards, the SMESA of the MOEA launched the “Project for Accelerating Energy Efficiency and Carbon Reduction of SMEs” in 2023. 2024 results: (1) Organized 13 activities with a total of 408 participants and provided 90 diagnostic services. (2) Completed 10 cases of carbon reduction guidance for 39 SMEs in the supply chain, reduced carbon emissions by 1,955 metric tons, obtained orders worth NT\$138 million, and facilitated NT\$46.7 million in investment. This project ended in 2024.

## **4. Subsidy for Small and Medium-sized Manufacturing Enterprises (Regularly Employing Less than 9 Employees) to Upgrade to Low-carbon and Smart Transformation**

To assist SMEs in accelerating the introduction of low-carbon and smart-related technologies, equipment and management mechanisms, move towards upgrading and transformation, and enhance Taiwan's industrial competitiveness and economic resilience, the SMESA of the MOEA has promoted the “Subsidy for Small and Medium-sized Manufacturing Enterprises (regularly employing less than 9 employees) to Upgrade to Low-carbon and Smart Transformation” since 2023. Projects implemented in 2025 include accepting applications and reviews, providing expert consultation and diagnostic services. (<https://www.uat.org.tw/>)



## **5. Subsidy for Small and Medium-sized Manufacturing Enterprises (Regularly Employing More than 10 Employees) to Upgrade to Low-carbon and Smart Transformation**

To accelerate the development of SMEs in the manufacturing sector in smart technologies and low-carbonization and build a resilient ecosystem, the IDA of the MOEA has organized the “Subsidy for Small and Medium-sized Manufacturing Enterprises (regularly employing more than 10 employees) to Upgrade to Low-carbon and Smart Transformation” since 2023. It assists companies in the manufacturing industry to respond to the trend of net-zero carbon emissions and digital transformation, accelerate the introduction of relevant technologies, and enhance overall industry competitiveness. (<https://acic.cpc.tw/acic/UserOn.aspx?LoginType=K1>)

## **6. Subsidy for Low-carbon and Smart Upgrading and Transformation for Large Companies Supporting Small and Medium Companies in the Manufacturing Industry**

To encourage advanced manufacturers to work with supply chain operators to purchase carbon reduction or smart equipment, substantially reduce carbon emissions, and improve production efficiency, the IDA of the MOEA started the “Subsidy for Low-carbon and Smart Upgrading and Transformation for Large Companies Supporting Small and Medium Companies in the Manufacturing Industry” in 2023 to encourage businesses to accelerate the introduction of low-carbon and smart equipment and management mechanisms, improve business carbon management capabilities, reduce carbon emissions, or improve production and manufacturing efficiency. (<https://www.tiipnet.org.tw/>)

## **7. Green Technology Advancement Program**

To achieve both environmental sustainability and long-term economic growth, meet the United Nations’ Sustainable Development Goals, and improve the overall business performance of enterprises, the IDA of the MOEA has provided support to industries to promote pollution prevention and control since 1983. Action plans for 2025 include guidance to help various industries upgrade and reinforce their environmental protection policies, studying and formulating measures to respond to the latest trends in environmental regulations, investigating and examining relevant environmental issues, and advocacy and promotion to guide industries in developing competitive green technologies and facilitate effective communication between industry and policymakers. (<https://proj.ftis.org.tw/eta/>)

## 8. Low-carbon Guidance Program for SMEs in the Manufacturing Sector

To help SMEs in the manufacturing sector cope with international net-zero emissions, the EU Carbon Border Adjustment Mechanism, and carbon reduction requirements from major brands or supply chains, the IDA of the MOEA has promoted the “Low-carbon Guidance Program for SMEs in the Manufacturing Sector” since 2023. It has provided carbon inventory verification guidance, energy-saving guidance, voluntary reduction project guidance, net-zero talent training, and digital tools and results dissemination to gradually enhance the adaptability and carbon reduction capabilities of SMEs in the manufacturing sector in the face of low-carbon transformation.

## 9. Promoting Commercial Energy Conservation and Carbon Emissions Reduction Guidance

In 2025, the AOC of the MOEA has continued to use strategies such as “improving equipment or operating behaviors”, “using low-carbon energy”, and “adopting low-carbon transformation of business models” to drive the commercial service industry to implement carbon reduction actions. (<https://www.business-netzero.tw/>)

## 10. Assisting Small and Medium-sized Users in Adopting Energy Efficiency Services

To help small and medium-sized users identify opportunities for energy-saving improvements and implement them, the Energy Administration (EA) of the MOEA continues to assist small and medium-sized users in adopting energy efficiency services through the “Energy Efficiency Service and Promotion Program for Small and Medium-sized Energy Users” and the “Energy Efficiency Performance Guarantee Demonstration Subsidy Program.” The implementation projects planned are shown in Table 6-3-1. (<https://keid.nat.gov.tw/cloud/Web/ATotal.aspx>)

<b>Table 6-3-1 Implementation Projects of the “Assisting Small and Medium-sized Users in Adopting Energy Efficiency Services”</b>	
Item	Project Content
Energy Efficiency Service and Promotion Program for Small and Medium-sized Energy Users	The government works with colleges and universities to establish energy efficiency diagnosis centers. Small and medium-sized electricity users with electricity contract capacity of 800 kW or less and annual electricity consumption of 40 thousand kWh or more can apply to colleges and universities in their area through the “Energy Efficiency and Conservation Service Website”: <a href="https://www.ecct.org.tw/users/edv">https://www.ecct.org.tw/users/edv</a>
Energy Efficiency Performance Guarantee Demonstration Subsidy Program	The government has launched energy efficiency performance guarantee projects for users with electricity contract capacity of 100 kW or more. A subsidy of 30-40% of the project funds is provided for SMEs, with a maximum subsidy of NT\$5 million per project. Relevant information can be obtained on the “ESCO Information Network Website”: <a href="https://escoinfo.tgpf.org.tw/Page/PerformanceForm.aspx">https://escoinfo.tgpf.org.tw/Page/PerformanceForm.aspx</a>

Source: EA, MOEA, 2025.

## IV Promoting Technology and Innovative Research and Development

The government actively encourages SMEs to develop new products, improve processes, and adopt intelligent technologies through the supply of financial subsidies and professional guidance, thereby strengthening their innovation capabilities and industrial competitiveness, and helping them cope with the array of challenges posed by international competition and transformation. This section will explain the government's detailed strategies for supporting SMEs in improving their technology and R&D capabilities.

### 1. Small Business Innovation Research Program (SBIR)

To encourage SMEs to engage in innovating industrial technologies, products and services, the Taiwan government has continually promoted the “Small Business Innovation Research Program (SBIR)” which it launched in 1999. In 2008, the “Promotion of Innovative R&D for Local Industries Program (Local SBIR)” was implemented.

The SBIR Program processes applications by SMEs for conducting innovative research on industry technologies and products; businesses can file applications with the MOEA's SBIR Program office in order to participate.

Local SBIR uses supportive funding provided by the MOEA to promote an innovative R&D program aimed at local cultural industries; businesses can file applications with their respective municipal, county, and city governments to participate. (<https://www.sbir.org.tw/>)

### 2. Factory Intelligent Disaster Prevention Technology Improvement Plan

To reduce accidents and disasters in domestic industry and overall operational risks, the IDA of the MOEA has helped industries improve their work environment with industrial safety and health technology support teams since 1990. The project was renamed the “Factory Intelligent Disaster Prevention Technology Improvement Plan” in 2025. Action plans for 2025 include: (1) establishment of an expert platform for intelligent industrial disaster prevention; (2) factory safety management guidance and supervision; (3) industrial safety awareness campaigns and training; and (4) analysis of international trends and industrial security. (<https://sets.org.tw/>)

### 3. Conventional Industry Technology Development Assistance Plans (CITD)

The IDA of the MOEA launched the “Conventional Industry Technology Development Assistance Plans (CITD)” in 1991 to provide subsidies to traditional industries for research and development and encourage enterprises to conduct independent research and development, enhance the capabilities for the innovation and R&D of traditional industries in Taiwan, accelerate

upgrading and transformation, and improve competitiveness. The 2025 priorities are: (1) product development, and (2) R&D alliances. (<https://keid.nat.gov.tw/citdweb/>)

#### 4. Industrial Upgrading and Innovation Platform Counseling Program

In order to help industries upgrade and transform, the IDA of the MOEA has launched the “Industrial Upgrading and Innovation Platform Counseling Program” as an industry promotion measure to help firms to develop competitive products and services, and further increase the added value of industries to help firms connect with international markets. The implementation projects planned for 2025 are shown in Table 6-4-1. (<https://tiip.itnet.org.tw/>)

Table 6-4-1 Implementation Projects of the “Industrial Upgrading and Innovation Platform Counseling Program”	
Item	Project Content
High-end Products Program	Encourage enterprises to master key technologies in the value chain, or develop innovative service value-added models, enter the high-end product application market, create product value that increases product unit price (gross profit) or sales volume multiples, shape the image of Taiwan’s high-value products, and enhance the value-added rate of the overall industry.
Innovation and Optimization Program	Develop key materials, components, and equipment that can surpass the current domestic industrial technology level, replace imports or create overall system solutions, and provide development of package plant exports to expand exports and win international business opportunities.
New Industry Development Program	Encourage enterprises to develop new types of market-leading and demonstrative products or services, thereby building an industrial ecosystem and developing alternative mainstream emerging industries.
Theme-based Development Program	The IDA promotes key projects from time to time based on industrial development needs and policies. By focusing on industry promotion, it encourages companies to jointly develop technologies, products, or services that meet the R&D objectives of policies to pool resources, promote national industrial policies, and connect developments in the industry chain.

Source: IDA, MOEA, 2025.

#### 5. Mittelstand Niche Field Promotion Plan — Industrial Collaboration System Guidance

The IDA of the MOEA has provided industrial collaboration system guidance under the “Mittelstand Niche Field Promotion Plan — Industrial Collaboration System Guidance” since 2024 to help Mittelstand enterprises and their supply chain manufacturers to jointly take over market leadership in specific fields. The 2025 implementation priorities include connecting one Mittelstand enterprise with at least four system suppliers to identify development visions and gaps, formulate joint strategies and goals, and establish a collaborative operation management mechanism and cooperation system to enhance market adaptability and empower the system’s shared growth. (<https://keid.nat.gov.tw/mittelstand/>)

## **6. Improving Industrial Competitiveness — Subsidy for R&D Transformation Support Project**

To support small and medium-sized manufacturing companies affected by the U.S. tariff policy in their R&D transformation, the IDA of the MOEA has promoted the “Improving Industrial Competitiveness - Subsidy for R&D Transformation Support Project” since 2025. This project provides subsidies to SMEs in the manufacturing sector to develop high-value, differentiated new products with dual transformation, technical added value, cross-domain integration, or marketing programs, that are supplemented by product certification, demonstration, testing, and development to penetrate important supply chains or niche areas in the target market, develop diversified markets, and enhance industry competitiveness and resilience.

## **7. Service Industry Innovation Research Program (SIIR)**

The AOC of the MOEA began promoting the “Service Industry Innovation Research Program (SIIR)” in 2012. It provides subsidies to encourage service providers to actively invest in innovation and development to create competitive advantages. The categories of subsidies in 2025 include “individual innovation” (including “preliminary innovation” and “transformational innovation”), “collaborative innovation” and “international innovation.” They encourage commercial service businesses to focus on “smart transformation and low-carbon transformation” and propose innovative R&D programs. (<https://gcis.nat.gov.tw/neo-s/Web/Default.aspx>)

## **8. A+ Industrial Innovation R&D Program**

The Department of Industrial Technology (DOIT) of the MOEA launched the “A+ Industrial Innovation R&D Program” in 2014 to encourage enterprises to invest in the development of valuable forward-looking industrial technologies and facilitate industry chain integration. It also helps companies establish R&D organizations and teams, create R&D management systems, and develop core technical capabilities or unique business models. The Program helps companies build up their R&D capacity and enhance talent development to improve domestic industrial development. The implementation projects planned for 2025 are shown in Table 6-4-2. (<https://aiip.tdp.org.tw/>)

## **9. Methods for Promoting Technical Innovation in Traditional Industries**

The DOIT of the MOEA has implemented the “Methods for Promoting Technical Innovation in Traditional Industries” since 2007 in the form of a project which integrates relevant research institutions, combines resources from industry, academic, and research sectors, and helps traditional industries complete technical developments and upgrades. The implementation projects planned for 2025 are shown in Table 6-4-3.

**Table 6-4-2 Implementation Projects of the “A+ Industrial Innovation R&D Program”**

Item	Project Content
Industrial Technology Foresight Research Program	The Program supports domestic enterprises to carry out forward-looking technology research and development activities to develop technologies, products or services that can meet market demand in three years. Startups and SMEs are also encouraged to apply together to promote the development of the industry chain.
Special Programs	Fast Track for Clinical Trial Program, International Innovative R&D Cooperation Subsidy Program, Independent Development and R&D Subsidy Program for Key Components of Smart Electric Vehicles, A+ Startup Technology Enhancement Program.
Global R&D Innovation Partner Program	Industrial policy orientation, taking stock of the technology gaps and needs of Taiwan’s key development industries, and linking foreign companies that are complementary and mutually beneficial to Taiwan’s industries to come to Taiwan to engage in innovative R&D activities.
A+ Startup Technology Enhancement Program (A+STEP)	The Program uses familiar fund-raising procedures for startups to guide corporate venture capital to conduct professional investment evaluations and determine investment targets through commercial mechanisms. It encourages corporate venture capital and startups that receive investment to invest in forward-looking technology development, and provides support with corporate venture capital to accelerate the implementation of commercial applications.

Source: DOIT, MOEA, 2025.

**Table 6-4-3 Implementation Projects of the “Methods for Promoting Technical Innovation in Traditional Industries”**

Item	Project Content
Promotion of Local Industrial Technology Value-added Innovation by Legal Persons	It leverages the R&D capacity of entities such as the Metal Industries Research & Development Centre (MIRDC), and the Alliance of Innovation in Traditional Industry (AITT) to promote company industrial technology advancement and value-added applications. Five industries have been selected, including hand tools, metal surface treatment, bearing and gear transmission component manufacturing, sheet metal, and textile manufacturing.
Promotion of Local Industrial Technology Value-added Innovation by Academia	It promotes academic projects to provide long-term support to key local industries, incorporate academic research resources and R&D results, and apply them to adding value in the industry to enhance industry-academia connections and support the development of traditional industries.

Source: DOIT, MOEA, 2025.

## 10. Business Innovation Startup Assistance Program — Assistance for Innovation and R&D

The CIP began promoting the Innovation and R&D Assistance Program in 2018 and uses innovative methods to strengthen operational health. In 2025, it has helped companies owned by indigenous peoples achieve technical or service innovation, use products (services) to create innovative strategies with customers, and focus innovation activities on optimizing existing products, new markets, new products, and new businesses. (<https://startup.cip.gov.tw/>)

# Chapter 7

## Strengthening Start-ups and Incubation & Acceleration Mechanisms

### Key Highlights

To continuously foster a high-quality entrepreneurial environment, the government is actively building an innovative entrepreneurial ecosystem with support from creativity and innovation to entrepreneurship. It is also integrating online and offline resources to create a comprehensive basic support network. It also strengthens the guidance capabilities of incubation centers, accelerators, and other incubators to more effectively support the development of new startup teams. The goal is to continuously optimize the domestic entrepreneurial landscape through an open innovation model, connect with global innovation, and thereby enhance the international visibility of Taiwanese startups. Table 7-0-1 shows the structure of entrepreneurship incubation measures for SMEs.

#### ● Creating the Innovation Incubation Ecosystem

- We use the “Taiwan Startup Hub” physical location and the “International Entrepreneur Initiative Taiwan” online platform to integrate relevant resources and provide a one-stop service for helping entrepreneurs quickly obtain the resources they need. We also use the “Social-Innovation Driving ESG Transformation toward Industry Program” to extend its reach to social enterprises with sustainable development goals, encouraging cross-domain collaboration and resource sharing, and injecting diverse and inclusive innovation into the ecosystem.

#### ● Strengthening the Incubation Support System

- We have launched programs from the “U-start Innovation and Startup Program”, organized on campus in its early stages, to programs such as “Flying Geese”, “Phoenix”, and “Next Generation Industries”, which have provided support to a wide range of entrepreneurs, including women, micro and specific industries, allowing entrepreneurs to obtain start-up resources and assistance. During the accelerated growth phase, they have access to incubators to provide professional guidance and international connections, as well as the “Angel Investor Program” and “Public Procurement for Start-ups” program to solve the most critical funding and market issues, providing new businesses with a comprehensive support network.

#### ● Optimizing Innovation and Startups

- We continue to optimize the innovation and entrepreneurship environment to attract more global talents and startups. With the “Entrepreneur Visa”, international entrepreneurs are able to develop their businesses in Taiwan with greater ease and inject diversity and vitality into Taiwan’s



economy. In addition, we have created a world-class “Startup Terrace” to provide comprehensive hardware and software services for startup teams to congregate and communicate. The “Taiwan Tech Arena” provides more professional and in-depth incubation and guidance for technology-oriented startups, accelerating technology research and development and market expansion.

**Table 7-0-1 Structure of Entrepreneurship Incubation Measures for SMEs**

Support category	Important measures
Creating the innovation incubation ecosystem	<ul style="list-style-type: none"> <li>➤ Startup Hubs and Website</li> <li>➤ Social-innovation Driving ESG Transformation toward Industry Program</li> </ul>
Strengthening the incubation support system	<ul style="list-style-type: none"> <li>➤ Project for Public Procurement for Startups</li> <li>➤ Promoting Development for Small and Medium Enterprises and Startup Innovation and Incubation Institutions Program</li> <li>➤ Project for Development of Linking International Incubator Institutions</li> <li>➤ Women Entrepreneurship Promotion Program</li> <li>➤ Next Generation Startup Refinement Project</li> <li>➤ Business Startup Phoenix Plan for Microenterprises</li> <li>➤ Entrepreneurship Studies, Consultation, and Guidance</li> <li>➤ Angel Investor Program</li> <li>➤ U-start Innovation and Startup Program</li> <li>➤ U-start Plan for Indigenous Innovation and Entrepreneurship</li> <li>➤ Lean Startup Guidance Program — Million Dollar Entrepreneurship Program</li> </ul>
Optimizing innovation and startups	<ul style="list-style-type: none"> <li>➤ Entrepreneur Visa</li> <li>➤ Startup Terrace</li> <li>➤ Taiwan Research-institute Entrepreneur Ecosystem Program (TREE)</li> <li>➤ Taiwan Tech Arena (ITA)</li> <li>➤ FinTechSpace</li> </ul>

Source: Compiled by the study.

## I Creating the Innovation Incubation Ecosystem

In order to build a healthy entrepreneurial ecosystem and promote overall social and economic innovation, the SMESA of the MOEA provides resources and guidance platforms for start-ups through the “Startup Hubs and Website” to support their steady growth. It also encourages companies to use innovative thinking to solve social problems through the “Social-Innovation Driving ESG Transformation toward Industry Program” and comprehensively supports innovation and entrepreneurial development across different fields.

### 1.Startup Hubs and Website

The SMESA of the MOEA established a physical location (Taiwan Startup Hub) to provide start-ups with comprehensive resources and support services, based on the concept of a one-stop service. The Start-up Hub website (<https://startup.sme.gov.tw/>) provides information on entrepreneurship and plays the government’s role as a medium for promoting innovation and start-ups via an online platform. Specific approaches in 2025: (1) bringing together resources from different government



agencies and local incubators and operating the national entrepreneurship resource portal “International Entrepreneur Initiative Taiwan” to provide information on innovation and entrepreneurship; (2) observing and analyzing the development trends of the domestic and international entrepreneurial ecosystems, and compiling the *White Paper on Startups*; (3) operations of the Taiwan Start-up Hub and the toll-free entrepreneurship consulting hotline (0800-589-168) to connect communities and professionals and prepare startups for business development and international expansion; and (4) organizing the Business Startup Award and promoting case studies of benchmark companies.

## 2. Social-innovation Driving ESG Transformation toward Industry Program

The SMESA of the MOEA has used the “Social-Innovation Driving ESG Transformation toward Industry Program” to connect all resources to help social innovation enterprises increase their capacity for operations and expand business opportunities in the market. Concrete methods in 2025: (1) providing exhibitions and performance venues and team residence services; (2) encouraging the social innovation registration database to disclose their social missions and increase exposure; (3) implementing the “Buying Power” Social Innovation Product and Service Procurement Incentive and “Accountable Business” brand marketing; (4) impacting investment theme consultation; and (5) connecting with the international social innovation network. (<https://startup.sme.gov.tw/sitaiwan/>)

## II Strengthening the Incubation Support System

To encourage more people to pursue their entrepreneurial dreams and drive industrial innovation, the government provides a comprehensive range of resources to assist start-ups and entrepreneurs in building a business. This section explains the government’s diverse measures to strengthen the entrepreneurship support system, ranging from entrepreneurship counseling, financial support, and international networks to provide support for specific groups (such as women as well as the middle-aged and elderly).

### 1. Project for Public Procurement for Startups

The SMESA of the MOEA implements the “Project for Public Procurement for Startups” to drive the development of start-ups and guide them into the government market with common supply contracts to increase the government authorities’ willingness to experience innovative products and services. Concrete methods in 2025: (1) assisting start-ups in acquiring common government supply contracts; (2) site verification and problem-solving for co-creation: the entity that voices difficulties in the industry to be resolved and solicits solutions and implementation methods proposed by startups to help startups implement and verify innovative ideas.

(<https://startup.sme.gov.tw/spp/>)

## 2.SME Incubator Institutions

To help SMEs get established, innovate and grow at various stages, strengthen start-ups and incubation, and accelerate forward-looking SMEs' global connections, the SMESA of the MOEA has been working with other government agencies, research institutions, universities and private-sector companies to implement the government's incubation center policy and encourage the establishment of new incubation centers.

### (1) Current Status of Incubators

Incubators are entities that nurture new businesses, new products, and new technologies and help SMEs with upgrading and transformation. In response to industry trends and emerging technological developments, incubators continue to improve resources and services. In 2025, incubators have been connecting the industry, venture capital, public associations, and other resources to provide customized guidance for startups. In addition, by linking incubators with verification sites such as hospitals and long-term care institutions, an accelerator for startups in the elderly industry has been established to support startups in the elderly care field. At the same time, large companies are encouraged to set up business accelerators to help new startups connect with the supply chains and market channels of large companies, accelerate capital matchmaking, and enhance business opportunities.

In 2024, the SMESA of the MOEA provided subsidies to 26 incubators, which have provided SMEs with support in 542 cases, and facilitated increased investments totaling NT\$1.64 billion, and has maintained or added approximately 7,452 employment opportunities. It has also helped incubated companies in obtaining 55 patents or technology transfers, and has facilitated 123 co-creation collaboration projects between enterprises and start-ups.

(<https://startup.sme.gov.tw/incubator/>)

### (2) Incubation Centers Operated Directly by the SMESA of the MOEA

The SMESA of the MOEA began the establishment of incubation centers such as the Nangang Software Incubator in 2002 to focus on the incubation of key technology industries and provide SMEs with comprehensive incubation services for different development stages (Table 7-2-1). In 2024, 163 enterprises were to be cultivated, 2,035 jobs maintained or created, and NT\$1.36 billion in investment induced.

## 3.Project for Development of Linking International Incubator Institutions

The SMESA of the MOEA focuses on innovation and start-ups, fully utilizes the capacity of various industries and has implemented the "Project for Development of Linking International Incubator Institutions" to support the development of the startup system in Taiwan. Specific approaches in 2025 have included: (1) building an international innovation platform (Global Innovation Hub, GIH), establishing a cooperation mechanism for incubators at home and abroad,

and expanding the global incubator resource network; and (2) organizing the International Innovation and Entrepreneurship Training Camp (G Camp) to help domestic start-ups connect with the international market. (<https://www.facebook.com/gcamptaiwan>)

**Table 7-2-1**
**Focus Training Areas of the Self-established Incubators of the Small and Medium Enterprise and Startup Administration of the Ministry of Economic Affairs**

Name	Focus training areas	Website
Nangang Software Incubator	E-commerce, embedded systems, information software, and network communications	<a href="https://www.i2i.com.tw/nankang/">https://www.i2i.com.tw/nankang/</a>
Kaohsiung Software Incubator	Digital content, information software, high-tech services	<a href="https://www.i2i.com.tw/kaohsiung/">https://www.i2i.com.tw/kaohsiung/</a>
SME Incubator at Tainan Science Park	Information technology, biotechnology and medical care, green energy and environmental protection, precision machinery	<a href="https://siat.tw/">https://siat.tw/</a>
Hsinchu Biomedical Science Park Incubation Center	High-end medical materials, new drug research and development, ICT medical materials, drug delivery	<a href="https://www.hbspic.org.tw/">https://www.hbspic.org.tw/</a>

Source: SMESA, MOEA, 2025.

## 4. Women Entrepreneurship Promotion Program

The SMESA of the MOEA began implementing the “Women Entrepreneurship Promotion Program”, which provides customized and integrated services to female entrepreneurs based on their needs at different stages to enhance women’s economic strength and competitiveness. Concrete methods in 2025: (1) women entrepreneurship knowledge courses and consultation; (2) Women Entrepreneurship Award and networking events; and (3) working with the American Institute in Taiwan (AIT) in organizing the Academy for Women Entrepreneurs (AWE) and using accelerators to intensively train women entrepreneurs and accelerate corporate innovation. (<https://woman.sme.gov.tw/>)

## 5. Next Generation Startup Refinement Project

The SMESA of the MOEA has been implementing the “Next Generation Startup Refinement Project”, focusing on AI, health care, green technologies, aerospace technologies, electronic manufacturing, and automotive components to develop startups with potential. The methods in 2025 include nurturing domestic startups, promoting co-creation between enterprises and startups, participating in international exhibitions, and recruiting new international space innovations to land in Taiwan.

## 6. Business Startup Phoenix Plan for Microenterprises

The Ministry of Labor (MOL) has promoted the “Business Startup Phoenix Plan for Microenterprises” since 2007 to create a friendly environment for entrepreneurship. Action plans for 2025 include: (1) organizing entrepreneurship courses and providing people with free

comprehensive entrepreneurship consultation and assistance services before, during, and after starting their businesses; and (2) providing up to NT\$2 million in low-interest entrepreneurship loan and interest subsidies for businesses established by women, middle-aged and elderly people, people registered on outlying islands, and unemployed people with employment insurance. A nationwide toll-free service hotline at 0800-092-957 and the Business Startup Phoenix Plan for Microenterprises website (<https://beboss.wda.gov.tw/>) are provided for people to access more information.

## **7. Entrepreneurship Studies, Consultation, and Guidance**

To encourage people to start businesses and stabilize business management, the MOL has promoted entrepreneurship studies and consultation and guidance that encompass the following in 2025: (1) providing beginner courses, advanced courses, and improvement courses for entrepreneurship as well as online marketing courses; (2) establishing digital entrepreneurship courses on labor development digital service platforms to provide people with methods for learning across different points in time, places, and platforms; and (3) providing people with professional consultants in various fields such as entrepreneurship consulting and counseling services. (<https://portal.wda.gov.tw/mooc/index.php>)

## **8. Angel Investor Program**

The NDF approved the “Angel Investor Program” in 2017, under which the NDF and angel investors jointly invest in start-ups registered in Taiwan or foreign start-ups whose business activities are mainly in Taiwan. The Program provides start-ups with working capital during the early stages, and also utilizes the investment experience of angel investors to provide start-ups with subsequent guidance, consultation, and networking. (<https://www.df.gov.tw/>)

## **9. U-start Innovation and Startup Program**

The Ministry of Education (MOE) has implemented the “U-start Innovation and Startup Program” since 2009 to create a culture of innovation and entrepreneurship on campuses, encourage universities to optimize the campus entrepreneurship environment, integrate school incubation and assistance resources, provide young entrepreneurs with space and resources for experiments, cultivate talents with entrepreneurial capabilities, and assist young students in entrepreneurship and implementation. The project provides entrepreneurship teams with two stages of subsidies (rewards). (<https://ustart.yda.gov.tw/>)

## **10. U-start Plan for Indigenous Innovation and Entrepreneurship**

To help young indigenous people start new businesses or propose and implement innovations based on tribal traditions, cultures, local produce and social relationships and empower young indigenous people as entrepreneurs and facilitate economic development for the tribes, the MOE and the CIP teamed up for the first time in 2020 to launch the “U-start Plan for Indigenous Innovation and Entrepreneurship”, which offers start-ups subsidies/prizes in two stages and helps

start-ups connect with relevant entrepreneurial resources.

(<https://ustart.yda.gov.tw/p/412-1000-122.php>)

## 11. Lean Startup Guidance Program — Million Dollar Entrepreneurship Program

The CIP began implementing the “Lean Startup Guidance Program for Indigenous People of Taiwan” in 2015 to encourage young people to develop and innovate indigenous industries, increase the success rate of new businesses, and revitalize indigenous ethnic industries to achieve sustainable development. The plans for 2025 include the supply of startup subsidies, and assistance for indigenous start-ups to use innovative business models, improve their knowledge of business and financial management, and organize onsite visits to business locations. Business diagnosis is conducted to understand gaps in the market. (<https://startup.cip.gov.tw/>)

## III Optimizing Innovation and Startups

This section describes the government’s key measures and implementation methods for the continuous optimization of the incubation landscape. The government is building a complete ecosystem to enhance the international competitiveness and visibility of Taiwan’s startups, from attracting global talent, providing physical space and professional guidance, and connecting resources, to commercializing scientific research results into technology with commercial value.

### 1. Entrepreneur Visa

To recruit international innovative and entrepreneurial talents, Taiwan has implemented the “Entrepreneur Visa” since 2015. Entrepreneurs from foreign countries, Hong Kong, and Macao with skills for innovation can obtain a 2-year residence permit upon successful application, and they will be eligible to extend their residency for an additional 2 years. Those who legally reside in Taiwan for 5 consecutive years, provided that they are physically present in Taiwan for over 183 days each year, will be eligible to apply for permanent residence or for registered permanent residence. In 2025, the SMESA of the MOEA has jointly promoted the Entrepreneur Visa with the Startup Terrace, Asia New Bay Area 5G AIoT Innovation Park, and domestic and foreign incubators and exhibitions. They produce Entrepreneur Visa brochures and promotional videos to promote the Entrepreneur Visa. (<https://www.sme.gov.tw/article-tw-2739-8324>)

### 2. Startup Terrace

To combine startup resources in the domestic and international markets, the SMESA of the MOEA set up the “Startup Terrace” and “Asia New Bay Area 5G AIoT Innovation Park” as world-class startup clusters. In 2025, it has been focusing on connecting medium and large enterprises to provide demonstration sites for start-ups for product and service certification. It is also helping start-ups expand key international markets and improving Taiwan’s innovative startup ecosystem.

(<https://www.startupterrace.tw/>)

### **3.Taiwan Research-institute Entrepreneur Ecosystem Program (TREE)**

The DOIT of the MOEA established the “Taiwan Research-institute Entrepreneur Ecosystem Program (TREE)” in 2021 to transform scientific research results from technological innovation to technological entrepreneurship. It aims to accelerate the commercial application and promotion of forward-looking technologies by implementing practical entrepreneurial exercises, in-depth guidance from venture capital and industry experts, links to new entrepreneurial resources at Berkeley SkyDeck and Stanford in the United States, matching funding and field cooperation, and international exhibition marketing. (<http://tree.meetbao.net/>)

### **4.Taiwan Tech Arena (TTA)**

To help start-ups in Taiwan to grow and adopt international standards, the National Science and Technology Council (NSTC) created the “Taiwan Tech Arena (TTA)” at the Taipei Arena in 2018 and created the Taiwan Tech Arena South in Shalun, Tainan at the end of 2021. Action plans for 2025: (1) introducing top accelerators at home and abroad to connect the academic, research, and innovation growth system; (2) matching industry needs and bringing together enterprises and startups to create business opportunities; (3) connecting with international startup exhibitions to expand overseas markets; and (4) connecting Taiwan’s northern and southern innovation resources to improve the development of the scientific research and innovation ecosystem. (<https://www.taiwanarena.tech/>)

### **5.FinTechSpace**

The Taiwan Financial Services Roundtable (TFSR) established the “FinTechSpace” in 2018 to create a virtual and real co-creation environment suitable for the development of FinTech. It integrates spaces and sites, counseling services, open APIs, and other resources to create an ecosystem for FinTech co-creation. Projects implemented in 2025 include startup recruitment and adaptive counseling, diversified supervisory clinics, cross-domain co-creation and development of the financial ecosystem, and promoting international links to strengthen international exchanges and cooperation. (<https://www.fintechspace.com.tw/zh-hant/>)

# Chapter 8

## Revitalizing Local Industries via In-depth Development, Marketing and Expansion

### Key Highlights

To deepen the development of urban and rural industries and expand business opportunities in Taiwan and abroad, the government has implemented a variety of policies and guidance measures. The aim is to promote the clustering of urban and rural industries while consolidating the foundations of local economies. On the other hand, it improves corporate marketing efficiency, actively matches business opportunities, and promotes export sales, helping SMEs establish niches and comprehensively expand their market presence. Table 8-0-1 shows the structure of relevant key measures.

#### ● Promoting the Development of Local Industrial Clusters

- To promote urban-rural industrial transformation and balance regional development, the government is committed to building an industrial ecosystem with local characteristics. By implementing a variety of plans and incorporating local characteristics, it has promoted the transformation of traditional factories, supported shopping districts in their digital and low-carbon transformation, and developed creative lifestyle industries. Through comprehensive integration of key points, lines, and aspects, we will build stable local industrial clusters and enhance the overall regional resilience and competitiveness.

#### ● Helping Enterprises Build Marketing Capabilities

- The government focuses on marketing promotion and brand value-added to enhance the market visibility and competitiveness of enterprises. On the one hand, it helps unique local industries expand domestic and foreign markets. On the other hand, it provides guidance to small and medium-sized businesses with fewer resources. With digital value-added and innovative experience design solutions, it helps businesses use digital tools and innovative designs to develop new services such as immersive experience tours, thereby optimizing customer experience and effectively reaching target customer groups.

#### ● Business Matchmaking and Export Expansion

- The government is actively building bridges between domestic and overseas markets for SMEs. Examples include the “Project for Promoting Digital Innovation and International Linkages for SMEs”, which helps companies use digital tools to expand into overseas markets and enhance their international visibility. The “Project for Assisting SMEs in Business Opportunity

Cooperation and Award Selection” focuses on enhancing the value of products and services and helping businesses find potential partners. We also emphasize the concept of sustainability and provide guidance to SMEs to build a sustainable ecosystem that meets the requirements of the international supply chain. In conjunction with trade promotion work, we organize professional exhibitions and create matchmaking opportunities to guide SMEs as they expand into the international market.

**Table 8-0-1**

**Promoting the Development of Urban and Rural Industries of SMEs and Expanding the Framework of Measures for Domestic and Overseas Markets**

Support category	Important measures
Promoting the development of local industrial clusters	<ul style="list-style-type: none"> <li>➤ Small Business for Township Revitalization Project (SBTR)</li> <li>➤ Implementation Plan for Promoting Small Business for Township Revitalization</li> <li>➤ Project for Development of Village Industry with Local Revitalization</li> <li>➤ Specialized Factory Cluster Industry Technology Advancement Promotion Plan</li> <li>➤ Creative Life Industry Development Program</li> <li>➤ Project for Promoting Smart and Low-carbon Development in the Commercial Services Industry and Shopping Districts</li> </ul>
Helping enterprises build marketing capabilities	<ul style="list-style-type: none"> <li>➤ Marketing and Promotion of Unique Local Industries</li> <li>➤ Counseling Project for the Internationalization of Local Cultural Industries</li> <li>➤ Project of Regional Digital Value-added and Innovation Experience for Micro and Small Enterprises</li> </ul>
Business matchmaking and export expansion	<ul style="list-style-type: none"> <li>➤ Project for Promoting Digital Innovation and International Linkages for SMEs</li> <li>➤ Project for Assisting SMEs in Business Opportunity Cooperation and Award Selection</li> <li>➤ Project for SME Sustainable Ecosystem</li> <li>➤ Project for Promoting Innovative Growth for Brand Value in the Commercial Services Industry</li> <li>➤ Project for Promoting High-quality Growth and International Development of the Catering Service Industry</li> <li>➤ Trade Promotion Working Plans</li> </ul>

Source: Compiled by the study.

## I Promoting the Development of Local Industrial Clusters

The government provides guidance and resources in a diverse range of areas, from industrial technology and business models to urban and rural characteristics. The aim is to revitalize the local economy and build industrial clusters with local characteristics and international competitiveness. This section explains the government’s plans and measures to assist SMEs and local industries in upgrading and transforming their businesses, and to promote the sustainable development of local economies.



## **1.Small Business for Township Revitalization Project (SBTR)**

The SMESA of the MOEA began implementing the “Small Business for Township Revitalization Project” in 2018 to help SMEs apply the concepts of the circular economy, the digital economy, and the experiential economy. The Program uses local revitalization, the creation of local culture, the development of unique industries, and business model innovation to improve the health of companies, create local paradigms, maximize the impact, accelerate local industrial transformation, create local job opportunities, and encourage people to return to their home towns.

## **2.Implementation Plan for Promoting Small Business for Township Revitalization**

The SMESA of the MOEA upgraded the “Small Business for Township Revitalization” to the “Implementation Plan for Promoting Small Business for Township Revitalization” in 2025 to further develop local revitalization projects, establish urban and rural revitalization brands, and create urban and rural brand demonstration site management models. By integrating upstream and downstream supply chain companies across industries, it will promote cross-industry innovation collaboration, encourage companies to promote coordinated urban and rural development, create overall regional economic benefits, establish industrial alliances with complementary functions, mutual benefit and co-creation, support local industrial clusters, and create diverse employment opportunities.

## **3.Project for Development of Village Industry with Local Revitalization**

The SMESA of the MOEA reviews unique local characteristics to help domestic SMEs find the connection between local revitalization themes and local characteristic industries. It has implemented the “Project for Development of Village Industry with Local Revitalization” since 2021. Through public-private cooperation, it helps local enterprises improve production technology, develop unique products, build regional brands, develop new economies and new business models, revitalize local venues, implement local management concepts, and attract young people to stay and return to their hometowns, and empower the sustainable development of local industries.  
(<https://www.sme.gov.tw/article-tw-2723-10345>)

## **4.Specialized Factory Cluster Industry Technology Advancement Promotion Plan**

The IDA of the MOEA has continued to implement the “Specialized Factory Cluster Industry Technology Advancement Promotion Plan” to help transform traditional factories into “tourism factories” and help unique factories improve their educational and entertainment tourism value and new business model. Content of the plans for 2025: (1) tourism factory evaluation and promotion; (2) the selection of high-quality tourism factories and tourism factories with an international appeal;

and (3) inter-regional integration, value-added assistance, etc. (<https://www.taiwanplace21.org.tw/>)

## **5.Creative Life Industry Development Program**

In order to help businesses combine creative and cultural elements into the development of creative products and services encompassing merchandise, locations, services and events, as well as go on to create innovative new business models which lead to greater value-added economic activity and more business opportunities, the IDA of the MOEA launched the “Creative Life Industry Development Program” in 2003. Action plans for the program in 2025 include evaluating and selecting companies in the creative lifestyle sector, organizing and providing guidance on improving customer experiences, and jointly implementing promotional efforts for industry-specific marketing. (<https://keid.nat.gov.tw/creativelife/home/homepage>)

## **6.Project for Promoting Smart and Low-carbon Development in the Commercial Services Industry and Shopping Districts**

To help shopping districts develop their own characteristics and optimize the service experience, the AOC of the MOEA has promoted the development of low-carbon and intelligent services in the commercial service industry. By activating policies for shopping districts, it helps strengthen independent management capabilities, creates attractive environments, attracts domestic and foreign tourists for tourism and consumption, and boosts the benefits of stores in the shopping districts. Implementation items for 2025: (1) implement guidance for shopping districts with tourism resources; (2) develop product packaging reduction and low-carbon services; (3) organize promotional activities in conjunction with local cultural festivals, and (4) connect with international exhibitions and multi-channel marketing, etc., to enhance the overall image and attractiveness of shopping districts.

# **II Helping Enterprises Build Marketing Capabilities**

The government comprehensively strengthens the marketing capabilities of SMEs from physical marketing and international market expansion to digital applications. It assists unique local industries and small and micro enterprises to expand their market influence and enable them to stand out in the highly competitive market. This section introduces key strategies and measures to enhance the marketing effectiveness of SMEs.

## **1.Marketing and Promotion of Unique Local Industries**

The SMESA of the MOEA launched the “One Town One Product (OTOP)” in 1989 to respond to changes in domestic and foreign markets, meet market development trends in the new era, and enhance the ideas behind products and services. In 2025, the Administration has been providing expert guidance to assist companies in optimizing products and packaging capabilities, improving marketing capabilities, and establishing exemplary highlight industries. The Administration continues to operate the Sun Moon Lake OTOP Specialty Center and has authorized OTOP

channels and worked with cross-sector channels and community e-commerce platforms to plan OTOP product design awards, provide channels and promotional resources, improve local industrial development, and increase the value-added of industries.

## **2. Counseling Project for the Internationalization of Local Cultural Industries**

The SMESA of the MOEA has promoted the “Counseling Project for the Internationalization of Local Cultural Industries” since 2007. To help companies gain overseas market access, the Administration has provided assistance for product localization and innovation and expanded international channels to enhance companies’ capacity for internationalization and provide them with channel expansion mechanisms. The Administration has organized matchmaking events with foreign channels and theme-based exhibition activities in the United States, Canada, Singapore, Malaysia, the Philippines and Hong Kong in 2025 to help companies monitor demand in the international consumer markets. It also continues to expand markets in Japan.

## **3. Project of Regional Digital Value-added and Innovation Experience for Micro and Small Enterprises**

In order to build local brands in urban and rural areas, the SMESA of the MOEA selects urban and rural areas with market development potential, connects regional leading stores and local youth, and forms cooperative alliances to create a new model for urban and rural areas. This support measure is aimed at cultivating local business talents in urban and rural areas, using government resources to match exhibition and sales channels, introducing industry experts to accompany local brands in developing brands, optimizing service experiences, and shaping digital operations. It also combines marketing resources for promotion. (<https://www.lohas-go.com.tw/>)

# **III Business Matchmaking and Export Expansion**

To help SMEs expand domestic and international markets and enhance their brand value and international competitiveness, the government has built a growth path from internal optimization to external expansion with support for digital innovation, international networks, value creation, and trade promotion. The following are the key strategies and measures implemented by relevant units to promote business opportunity matchmaking and market expansion for SMEs.

## **1. Project for Promoting Digital Innovation and International Linkages for SMEs**

The SMESA of the MOEA has promoted the “Project for Promoting Digital Innovation and International Linkages for SMEs” since 2017 to target the domestic market demand of New Southbound Countries and the Asia Pacific, help SMEs form industrial alliances, incorporate digital innovation tools, and build new business models to accelerate expansion in international markets

and obtain digital business opportunities. This Project ended in 2024.

## **2.Project for Assisting SMEs in Business Opportunity Cooperation and Award Selection**

The SMESA of the MOEA began implementing the “Project for Assisting SMEs in Business Opportunity Cooperation and Award Selection” in 2021 to help SMEs continue to make the best use of their abilities to create value and expand domestic and international business opportunities amid the intense competition. The Administration has organized international marketing events, large-scale exhibitions, and precision matchmaking based on the advantages and matchmaking requirements of SMEs. It has increased the exposure, matchmaking, and value enhancement opportunities of SMEs in Taiwan and accelerated the expansion of domestic and foreign business opportunities. This Project ended in 2024.

## **3.Project for SME Sustainable Ecosystem**

The SMESA of the MOEA implemented the “Project for SME Sustainable Ecosystem” to help SMEs in Taiwan connect supply to demand, create feasible solutions, quickly verify the feasibility of ideas in the market, and develop benchmark pilot programs in ecosystems to facilitate subsequent innovation and sustainable development. Action plans for 2025: (1) promoting sustainable ecosystems and organizing promotional activities; (2) promoting net-zero AI applications; and (3) promoting the research and development of green products, etc.

## **4.Project for Promoting Innovative Growth for Brand Value in the Commercial Services Industry**

The AOC of the MOEA assists the commercial service providers in developing brand strategies, deepening their presence in the domestic market and expanding overseas market access, strengthening brand management and diffusion, and enhancing the brand’s international visibility to continuously empower overall industry development. In 2025, it has promoted brand value innovation and growth coaching, international resource linkages, and theme-based brand study camps to help businesses identify their brand value and strategy, shape brand differentiation, and strengthen their market competitiveness.

## **5.Project for Promoting High-quality Growth and International Development of the Catering Service Industry**

To strengthen the resilience and competitiveness of the catering industry, the AOC of the MOEA continues to provide guidance to catering businesses in 2025 on the adoption of smart technology applications, brand optimization, new product development, and channel expansion to enhance service efficiency and international export capabilities. In addition to providing guidance to high-quality catering businesses with potential to improve service quality and value-added services, it also organizes catering marketing and participates in exhibitions to enhance the overall brand

awareness of Taiwan's catering industry, attract international tourists to Taiwan to taste the food, and increase the export of food products and services. (<https://gourmetaiwan.tw/#/>)

## 6.Trade Promotion Working Plans

The International Trade Administration (ITA) of the MOEA has integrated private sector resources for market development and launched various projects and programs to promote export market diversification, with a particular focus on increasing Taiwan's export share in emerging markets. It actively assists exports and its work items in 2025 include: (1) promoting Taiwan Select co-branding and organizing promotional activities and exhibitions in multiple countries around the world; (2) inviting buyers to come to Taiwan for procurement to promote Taiwan's high-quality products to international buyers; (3) subsidizing manufacturers and trade associations to participate in exhibitions to expand sales and establishing overseas channels for enterprises to expand business opportunities. (<https://www.trade.gov.tw/Pages/List.aspx?nodeID=4377>)

# Chapter 9

## Related Support for International Outreach and Talent Development

### Key Highlights

The government continues to promote support measures to optimize the operating environment for SMEs. In addition to injecting relevant resources and improving the legal environment, it also actively promotes the integration of SMEs with international standards and enhances corporate competitiveness through talent development. In addition, it encourages and establishes successful models through selection and commendation activities. Table 9-0-1 shows the structure of supporting measures for SMEs.

#### ● Contribution of Relevant Resources

- In 2024, relevant government agencies provided approximately NT\$35.072 billion in funding for SMEs, extended NT\$1.181 billion in special loans to SMEs, and purchased approximately NT\$566.415 billion from SMEs to fully support their development and help them cope with challenges.

#### ● Improving the Legal Environment

- On August 7, 2024, the MOEA announced amendments to the “Act for Development of Small and Medium Enterprises” and incorporated several tax incentives. On December 4 of the same year, the Ministry of Finance (MOF) jointly issued amendments to related sub-laws to encourage SMEs to hire more diverse talents, increase salary levels, and strengthen R&D capabilities to meet the challenges faced in upgrading and transformation.

#### ● Fostering International Connections

- The government has actively participated in international affairs and activities, such as participating in Asia-Pacific Economic Cooperation (APEC) conferences and organizing the New Southbound Industrial Collaboration Summit. The aim is to expand the international vision of industry players and strengthen bilateral or multilateral exchanges and cooperation opportunities.

#### ● Cultivating Professional Talents

- It has established specialized classes for cultivating diverse talents, including courses on business management, succession, digital transformation, and international trade. Based on industry needs, it has selected key industries and projects for talent development to help SMEs cultivate core talents and enhance industry competitiveness.

### ● Rewarding Outstanding Performance

- By organizing a series of selection activities such as the National Award for Outstanding Small and Medium Enterprises, Rising Star Award, Taiwan SMEs Innovation Award, Business Startup Award, and Model of Entrepreneurs Award, the government commends outstanding SMEs, enhances the corporate image of the winning enterprises, and powers industry innovation and development with success stories.

**Table 9-0-1 Structure of Other Government Supporting Measures**

Investing resources and support	Funding and important measures (contents)
Contribution of relevant resources	<ul style="list-style-type: none"> <li>➤ Assistance to SMEs totaled NT\$35.072 billion</li> <li>➤ Providing SMEs with special loans totaling NT\$1.181 billion</li> <li>➤ Government procurement from SMEs reached NT\$566.415 billion</li> </ul>
Improving the legal environment	<ul style="list-style-type: none"> <li>➤ Regulatory affairs               <ul style="list-style-type: none"> <li>• Amendment of the multiple tax incentive articles of the “Small and Medium Enterprises Development Act”, and the relevant sub-laws have been jointly issued and amended by the MOEA and the MOF</li> </ul> </li> <li>➤ Adapting to critical regulatory frameworks               <ul style="list-style-type: none"> <li>• Internship experience added to the work experience column of the overseas students work evaluation system</li> <li>• Extension of the deadline for accepting disaster loss reports from profit-seeking enterprises and simplification of reporting requirements</li> </ul> </li> <li>➤ Regional innovation               <ul style="list-style-type: none"> <li>• Recommendations for including the draft “Basic Law for AI” as a protection system for SMEs and establishing a national data sharing platform mechanism</li> </ul> </li> </ul>
Fostering international connections	<ul style="list-style-type: none"> <li>➤ Participating in APEC and related events</li> <li>➤ New southbound industrial collaboration summit</li> <li>➤ Promoting SME international exchange and collaboration</li> </ul>
Cultivating professional talents	<ul style="list-style-type: none"> <li>➤ SME management and entrepreneur talent cultivation, and SME succession talent cultivation</li> <li>➤ Talent training programs in the manufacturing and service industry</li> <li>➤ International business management talent cultivation</li> <li>➤ Digital transformation and cooperating with industries and academia for talent cultivation</li> <li>➤ Enterprise talent improvement and independent studies for workers</li> </ul>
Rewarding outstanding performance	<ul style="list-style-type: none"> <li>➤ National Award for Outstanding Small and Medium Enterprises</li> <li>➤ Rising Star Award</li> <li>➤ Taiwan SMEs Innovation Award</li> <li>➤ Business Startup Award</li> <li>➤ Model of Entrepreneurs Award</li> </ul>

Source: Compiled by the study.

# I Contribution of Relevant Resources

The government provides solid support for the growth of SMEs through direct guidance, financial support with project loans, and direct procurement. This section includes a compilation of the resources expended by the government on SMEs, special loans made available to SMEs, and the government's procurement of property, public works or labor from SMEs.

## 1.Assistance to SMEs Totaled NT\$35.072 Billion

The statistics on resources allocated by the government for SME guidance purposes include funding to government agencies that have a significant relationship with SMEs, e.g., the SMESA, IDA, ITA, AOC, DOIT, and EA of the MOEA that are associated with government budgets for 11 support systems, and financial institutions and credit cooperatives that make donations to the Taiwan SMEG, as well as expenditures utilized by various government ministries and agencies for SME-related operations.

Based on the final budget for MOEA units, a budget totaling NT\$44.083 billion was approved for 2024 and NT\$31.225 billion was allocated to SMEs. It accounted for 70.83% of the final budget. The funding used for assistance to SMEs in 2024 increased by NT\$4.485 billion (or 16.77%) compared to 2023. The top 3 providers of funding for supporting SMEs were: the DOIT (NT\$13.372 billion), the IDA (NT\$6.627 billion), and the SMESA (NT\$6.131 billion) (Table 9-1-1).

**Table 9-1-1**

**Ministry of Economic Affairs Resources and Funding Allocated to SMEs, 2024**

Unit: 100 million NT\$; %

Organizer	Annual funding	Fiscal year final accounts	Total amount allocated to SMEs	
				Share
SMESA SME guidance and SME Development Fund included		61.31	61.31	100.00
IDA Industrial technology guidance included		106.95	66.27	61.96
ITA Trade Promotion Fund included		46.72	39.93	85.47
AOC Promotion of trade modernization and commercial technology development included		12.04	9.92	82.39
DOIT Science and technology projects included		209.97	133.72	63.69
EA Energy Efficiency Service and Promotion Program for Small and Medium-sized Energy Users and the Advanced Guidance Program for Energy Service Companies (Energy Efficiency Performance Guarantee Demonstration Subsidy Program) included		3.84	1.12	29.17
<b>Total</b>		<b>440.83</b>	<b>312.25</b>	<b>70.83</b>

Notes: Figures in the Share column represent the percentages in the final accounts.

Source: Various agencies of the MOEA, 2025.



In addition, 33 financial institutions and 9 credit cooperatives also contributed a total of NT\$2.693 billion to the Taiwan SMEG to enhance the Fund's strength in 2024. Government agencies spent approximately NT\$1.154 billion to promote small and medium-sized enterprise-related businesses, including the talent training by the MOL, sports entrepreneurship subsidies provided by the Ministry of Sports (MOS), digital transformation plans implemented by the MODA, guidance on entrepreneurship and corporate transformation provided by the CIP, and youth entrepreneurship bases established by the NSTC. Therefore, government guidance resources allocated to SMEs totaled NT\$35.072 billion in 2024.

## 2. Providing SMEs with Special Loans Totaling NT\$1.181 Billion

Eligible SMEs in Taiwan have access to the following various types of special loans: Small and Medium Enterprises Development Fund Supported Export Loans, Overseas Investment Loans, Overseas Construction Project Loans, Micro-Business Start-up Phoenix Loans, Employment Insurance Startup Loans for the Jobless, Startup Loans for Unemployed Middle-Aged Persons and Elderly Persons. A total of NT\$1.181 billion in government-funded SMEs loans were excluded in 2024 (Table 9-1-2).

**Table 9-1-2 Special Loans to SMEs Funded by the Government, 2024**

Unit: 100 million NT\$

Name of loan	Eligible applicant	Structure	Status	
			Total loan amount	Government funding
<ul style="list-style-type: none"> <li>Small and Medium Enterprises Development Fund Supported Export Loans</li> <li>Overseas Investment Loans</li> <li>Overseas Construction Project Loans</li> </ul>	SMEs	Fully funded by the SME Development Fund	5.00	5.00
<ul style="list-style-type: none"> <li>Micro-Business Start-up Phoenix Loan</li> <li>Employment Insurance Startup Loans for the Jobless</li> <li>Startup Loans for Unemployed Middle-aged and Elderly Persons</li> </ul>	<ul style="list-style-type: none"> <li>Women aged 18-65, residents aged 18-65 with household registration in outlying islands, and citizens aged 45-65</li> <li>The jobless covered by employment insurance</li> <li>Unemployed middle-aged and elderly persons</li> </ul>	Loans provided by banks' own funds and interests subsidized by the Ministry of Labor	3.59	0.15
Indigenous Integrated Development Fund Loans (Indigenous Economic Industry Loans, Indigenous Micro-Business Activities Loans included for production use)	Indigenous people aged 18-65	Fully funded by the Council of Indigenous Peoples	6.66	6.66
<b>Total</b>			<b>15.60</b>	<b>11.81</b>

Source: Various government agencies, 2025.

### 3. Government Procurement from SMEs Reached NT\$566.415 Billion

According to the *Execution Status of Government Procurement in 2024* published by the Public Construction Commission (PCC) of the Executive Yuan (EY), in 2024 the total amount of government procurement totaled NT\$656.004 billion, while the total amount contracted or subcontracted by SMEs in government procurement totaled NT\$566.415 billion. The share of government procurement from SMEs in 2024 was 86.34%.

## II Improving the Legal Environment

To establish a more friendly and robust regulatory environment for SMEs, the government promotes the development and innovation of SMEs by ensuring that the operating scale and characteristics of SMEs are fully taken into account when revising regulations. It reviews parts of existing regulations that create operational obstacles for SMEs and lifts restrictions or adjusts regulations. The work to improve the legal environment for SMEs is primarily divided into three areas including regulatory work, regulatory adaptation, and regional innovation. These are explained below:

### 1. Regulatory Affairs Concerning SMEs

#### (1) Amendment of the “Act for Development of Small and Medium Enterprises”

Articles 1, 2, 35, 36-2, 36-3, 39, and 40 of the “Act for Development of Small and Medium Enterprises” were amended on August 7, 2024 to assist SMEs in improving their business environment, support their healthy development, encourage upgrading and transformation, increase the employment of senior professionals, and promote wage increases for junior employees, as well as including limited partnerships as eligible entities for investment tax deductions for research and development expenses. The periods of implementation of Articles 35 and 36-2 were also amended.

#### (2) Amendment of the “Regulations Governing Application of Investment Tax Credits to Small and Medium Enterprises for Research and Development Expenditures”, “Regulations Governing the Tax Deduction of Salary Expenses for Additional Employees by Small and Medium-sized Enterprises”, and “Regulations Governing the Tax Deduction of Salary Expenses for Small and Medium Enterprises that Increase Employee Wages”

To encourage SMEs to diversify their hiring, increase salaries for entry-level employees, and foster R&D capabilities, the MOEA amended and promulgated the “Act for Development of Small and Medium Enterprises” on August 7, 2024, and jointly with the MOF issued amended sub-acts on December 4 of the same year. These amendments maintained the current tax incentives for additional employees under 24 years old and expanded the scope to include entry-level employees aged 65 and above. The requirement for economic recovery was removed, and the deduction rate

for salary and wage expenses was increased to 200%, which can be deducted from the annual profit-seeking enterprise income. The requirements for economic stimulus for employee salary increase tax incentives were also removed, and the salary expense deduction rate was increased to 175%.

In terms of R&D investment deductions, in addition to incorporating the “limited partnership” organizational type and expanding the scope of eligibility, the expenses of professional knowledge education and training for full-time personnel engaged in research and development was also included in the deduction items. The implementation period is from January 1, 2024 to December 31, 2033. It is applied retroactively from January 1, 2024, and can be applied when filing the 2024 corporate income tax return.

According to the 2024 corporate income tax return data provided by the MOEA and the MOF, a total of 123 companies applied for the deduction of additional employee salary expenses, resulting in a total of 827 additional hires. A total of 854 companies applied for tax deductions arising from salary increases, benefiting 31,769 entry-level employees, with an average annual salary increase of NT\$19,160 per person. A total of 378 companies applied for R&D investment credits, which boosted R&D investment by NT\$10.644 billion. They filed 11 applications for deferral of taxes by using intellectual property rights as equity investment, with the total value of the equity investment exceeding NT\$392 million.

### **(3) Announcement of the Increase of the Applicable Scope of Salary for Junior Employees to NT\$63 Thousand**

Regarding the salary range of junior employees stipulated in Article 36-2 of the “Act for Development of Small and Medium Enterprises” mentioned above, the MOEA announced on December 31, 2024, that the salary range of junior employees in 2024 and 2025 shall be increased to NT\$63 thousand. In the future, the MOEA will refer to the results of the “Salary Survey by Occupation” of the MOL of the previous year and incorporate a continuous adjustment mechanism to announce adjustments annually. The aim is to encourage SMEs to hire more employees and increase salaries for junior employees so that they can enjoy the tax exemption and reduction in profit-seeking enterprise income in that year.

## **2.Helping SMEs Adapt to Critical Regulatory Frameworks**

### **(1) Internship Experience Added to the Work Experience Column of the Overseas Students Work Evaluation System**

Enterprises have reported that the number of internship hours that overseas students spend in companies is not included in their evaluation, which is not conducive to talent retention in Taiwan. On April 30, 2024, the SMESA of the MOEA requested that the National Development Council (NDC) consider classifying overseas students’ internship experience in Taiwan as work experience. On June 14, 2024, the MOL amended the “Review Standards and Employment Qualifications for Foreign Workers Engaging in Work Specified in Subparagraphs 1 to 6, Paragraph 1, Article 46 of

the Employment Service Act”, and added that “internship experience of more than one year during studies in Taiwan” can also be counted towards the accumulated points. It allows the internship and work experience of overseas students to be fairly and reasonably evaluated, helping industries retain the foreign talent they need.

## **(2) Extension of the Deadline for Accepting Disaster Loss Reports from Profit-Seeking Enterprises and Simplification of Reporting Requirements**

The MOF has taken the initiative to assist in the natural disaster losses caused by the 2024 Hualien earthquake. However, enterprises reported that the disaster area is still facing the crisis of aftershocks and it was impossible to perform an inventory of the damage and prepare complete information within a short period of time. On April 23, 2024, the SMESA of the MOEA requested that the MOF extend the deadline for accepting disaster loss applications and streamline procedures. The MOF replied on May 8, 2024, stating that it had activated the “Disaster Relief and Investigation Service Team” mechanism to extend the acceptance period to three months, providing affected SMEs with more time to submit applications and reduce the impact of natural disasters.

## **3.SME Regional Innovation**

The SMESA of the MOEA activated innovative regulation consultation mechanisms in 2021 to help clarify questions regarding SMEs’ development of innovative applications. The mechanisms also strengthen local connections and provide diverse support models such as recommendations for amendments of regulations to bridge the divide between regulations related to SME regional innovative developments to create a friendly innovative legal environment.

In terms of AI applications in response to the green and digital dual transformation trends and policies, the SMESA suggested that the draft “Basic Law for AI” should include a protection system for SMEs and establish a national data sharing platform mechanism. The MODA and the NSTC responded that the suggestions had been incorporated into their evaluation. In terms of waste recycling, the SMESA recommended lifting the regulations on the reuse of black soldier flies and evaluating and establishing a grading system for nutrient sources. It provided information on the industry development status to the Ministry of Agriculture (MOA), Ministry of Environment (MOENV) and other agencies for discussion, assisted in communication and information exchange between the industry and government agencies, and helped the competent authorities gain a better understanding of the current status of the black soldier fly industry and improve relevant policies.

## **III Fostering International Connections**

Taiwan has actively participated in international organizations, various bilateral cooperation projects, incubation, and industrial-academic cooperation for many years to help startups and SMEs participate in international trade affairs, improve the international perspectives of SMEs, and achieve bilateral exchanges. The following are the important international affairs and activities with participation or organization by the Administration in 2024 and 2025.

## 1.Participating in APEC and Related Events

### (1) Attending the 30th APEC Small and Medium Enterprises Ministerial Meeting

The MOEA attended the 30th APEC Small and Medium Enterprises Ministerial Meeting in Pucallpa, Peru from September 11 to 14, 2024. It shared information on Taiwan's policies and practices on the two topics of "inclusion - promoting cooperation among micro, small and medium enterprises" and "growth - developing paths of growth for micro, small and medium enterprises." On the topic of inclusion, the MOEA provided information on Taiwan's active support for SMEs in complying with carbon reduction regulations and supply chain requirements. Through public-private partnerships, the MOEA helps SMEs understand carbon emissions data and provides carbon reduction consulting services. On the topic of growth, the government explained that Taiwan provides support in three key areas including talent development, guidance from trade associations and information service providers on the adoption of AI technology to SMEs, and the creation of a favorable development environment. Custom-made guidance programs are also provided for different industries to help SMEs adopt AI technology and expand applications.

### (2) Hosting the "APEC Digital Innovation to Implement SMEs' Low-carbon Transformation Workshop"

The SMESA of the MOEA held the "APEC Digital Innovation to Implement SMEs' Low-carbon Transformation Workshop" on June 12 and 13, 2024, inviting industry, government, and academic experts from APEC member states, enterprises, and international firms to participate in a series of activities during the workshop. It helped SMEs enhance their awareness of green transformation, and invited experts to conduct themed courses and practical exercises on how to conduct a digital carbon inventory and use digital innovation to reduce carbon emissions. Enterprises from APEC member economies, including Taiwan, Indonesia, the Philippines, Thailand, Vietnam, and Malaysia, attended the event and learned to apply digital innovation solutions to build corporate carbon reduction capabilities.

### (3) Hosting the "APEC Symposium on Enhancing SMEs' Green Competitiveness through Digital Innovation"

To strengthen cooperation with APEC member countries and strengthen the connection between SMEs in Taiwan and overseas markets, the SMESA of the MOEA held the "APEC Symposium on Enhancing SMEs' Green Competitiveness through Digital Innovation" in Kaohsiung on June 17, 2025. Experts and business leaders from nine countries including Japan, the United States, Korea, Indonesia, and Malaysia, the Philippines, Singapore, Thailand, and Vietnam, in Southeast Asia were invited to discuss how digital technology can help SMEs implement green transformation and enhance sustainable management capabilities. Representatives from each country shared policies, regulations and best practices. Participants engaged in in-depth discussions to help SMEs in the APEC region understand net-zero development initiatives, align with

international standards, and jointly meet the challenges of sustainable development.

#### **(4) Hosting the 37th conference of the Asian Credit Supplementation Institution Confederation (ACSIC)**

The MOEA, together with the Taiwan SMEG, hosted the 37th conference of the ACSIC in Taipei from November 10 to 14, 2025. The theme of the conference was “how to utilize financial innovation to enhance the efficiency of credit supplementation.” More than 200 representatives from 18 credit guarantee institutions in 13 countries, including Japan, Korea, India, Indonesia, Malaysia, Mongolia, Nepal, the Philippines, Cambodia, Thailand, Kyrgyzstan, and Papua New Guinea, as well as representatives from domestic financial institutions, participated in the conference to discuss important issues such as financial innovation, digital transformation, green finance and inclusive finance. In the face of global political and economic challenges and the pressure of green transformation, credit guarantee institutions continue to provide crucial support for enterprises and they work together to promote economic prosperity in Asia and achieve the founding purpose of the ACSIC Alliance.

## **2.New Southbound Industrial Collaboration Summit**

The Chinese National Federation of Industries (CNFI) and the IDA of the MOEA began co-organizing the “New Southbound Industrial Collaboration” Summit in 2017. SMEs can use this platform to obtain information on the Association of Southeast Asian Nations (ASEAN) markets, and create new business opportunities. In 2025, the Summit continues to use the six-country network platform to align with bilateral industrial policies and needs, focusing on areas including textiles, ICT, smart city, smart machinery, food products, biomedical technologies, vessels, smart vehicles, smart healthcare, and cold chain logistics to help both countries promote real business opportunities. In 2024, the Summit organized 6 forums for Taiwan and Thailand, Taiwan and Indonesia, Taiwan and India, Taiwan and Malaysia, Taiwan and Vietnam, and Taiwan and the Philippines, and facilitated the signing of 26 industrial cooperation agreements.

## **3.Promoting SME International Exchange and Collaboration**

### **(1) Promoting Bilateral and Multilateral Cooperation and Cross-border Exchange and Collaboration**

- A. Taiwan promoted bilateral SME consultations or cooperation with key partner countries including India, Malaysia, Japan, Turkey, Poland, Belgium, the United States, the United Kingdom, and Canada, etc.
- B. Taiwan held annual bilateral meetings with Malaysia, Japan, and India, etc.
- C. Taiwan participated in cooperation matters on multilateral issues such as the APEC SME Working Group Meeting and Ministerial Meetings.

## (2) Important Results in SME International Exchanges

- A. India:** We organized the “3rd Taiwan-India SME Working Group Meeting”, “the 3rd Taiwan-India SME Cooperation Forum”, and a business matchmaking meeting, focusing on vehicle components and automotive electronics. The meeting assisted over 30 Taiwanese and 17 Indian companies in conducting 64 online and physical matchmaking sessions, leading to the signing of three non-disclosure agreements (NDAs) between the two parties.
- B. Malaysia:** We organized the “9th meeting of the Taiwan-Malaysia SME Development Working Group (SMEDWG).” Both sides agreed to focus on cooperation in the areas of chain franchising and smart healthcare and medical devices, plan and organize corporate delegation visits, organize exchange and matchmaking activities, and strengthen cooperation mechanisms between trade associations. In addition, the SMESA facilitated the signing of two MOUs, one NDA, and one small-amount product purchase for market research.
- C. Japan:** We organized the “7th Taiwan-Japan Small and Medium Enterprises Cooperation Conference.” Both sides shared official information on topics such as Taiwan’s assistance to SMEs in dual-axis transformation, and the challenges and responses faced by Japanese SMEs. Discussions will continue in the future to achieve more exchange results.
- D. Turkey:** We organized the signing of the “Memorandum of Understanding for SMEs between the Republic of China and Turkey” and organized the “Automotive Electronics Cooperation Forum and Business Matching Event” jointly with the Small and Medium Enterprises Development Organization of Turkey (KOSGEB). 260 representatives from 23 Taiwanese enterprises attended the forum. The matchmaking event hosted 8 Turkish companies and 23 Taiwanese companies, and facilitated a total of 38 one-on-one matchmaking sessions.
- E. Poland:** We organized the “2024 Taiwan-Poland Cooperation Forum on Electronics/5G – IT” in collaboration with the Polish Agency for Enterprise Development (PARP). It focused on the 5G and IT industries to strengthen technological cooperation and cross-border innovation between Taiwanese and Polish SMEs. The event hosted 30 companies from Poland and Taiwan, included 38 one-on-one matchmaking sessions, and facilitated the signing of two MOUs/NDAs to expand opportunities for cooperation in digital applications.
- F. Belgium:** The SMESA, in collaboration with the Wallonia Export-Investment Agency (AWEX) of Belgium, jointly organized the “Taiwan-Belgium Business Matchmaking Event”, which focused on the digital technology sector and established a Taiwan-Belgium industry cooperation network. The event attracted 30 Taiwanese and Belgian companies and incubators (9 from Belgium and 21 from Taiwan), included 37 one-on-one matchmaking sessions, and facilitated the signing of two MOUs/NDAs for cooperation to promote business opportunities in digital technologies.



**G. United States:** Six networking events between Taiwan and American SMEs were held, including one held in New York with the theme of technological innovation and biotechnology and medicine, and five others held in Taiwan, in conjunction with visiting delegations from various US states (such as the Arizona government delegation) and important exhibitions in Taiwan (such as Bio Asia) to promote the exchange of ideas and matchmaking in biotechnology, medicine, and national defense.

## **IV Cultivating Professional Talents**

The SMESA of the MOEA creates customized operations management, entrepreneurship training, and inheritance and succession talent training for SMEs. Other relevant government entities also select key industry projects for talent development based on the talents needed by various industries. These measures also apply to SMEs.

### **1.SME Management and Entrepreneur Talent Cultivation**

The SMESA of the MOEA established the “Great Entrepreneurship Academy” to strengthen the knowledge necessary for each development stage of SMEs and increase the capacity for talent development for professionals. The Academy is an integrated portal for e-learning and physical courses, and operates a One-Stop charging station for SMEs in Taiwan to attain the target of lifelong learning for all citizens. In 2025, nearly 600 free online courses are being provided, covering the five elements of management (e.g., production, sales, human resources, development, and finance), corporate organizational learning sections, digital multi-learning services, and lifelong learning e-passport services, as well as AI, net-zero carbon emissions, and bilingual areas.

(<https://www.smelearning.org.tw/>)

### **2.SME Succession Talent Cultivation**

To accelerate the establishment of corporate succession and digital transformation concepts in SMEs, strengthen transformation capacity, and increase competitive advantages, the SMESA of the MOEA has continued to use the “NexTech Academy” to provide digital applications in enterprises and promote digital learning, community learning, and counseling in 2025.

(<https://ntacademy.sme.gov.tw/>)

### **3.Talent Training Programs in the Manufacturing Industry**

To train talents necessary for industrial upgrading and transformation and construct a professional talent training environment, the IDA of the MOEA continues to promote the talent training programs in the manufacturing industry. In 2025, the programs have provided training courses for key industries such as offshore wind power, AI, semiconductors, and net-zero carbon emissions, and have established industry-university-research connections to encourage companies to visit campuses and find talents they need in the future. The programs also use the post-epidemic regulations budget to organize on-the-job training courses on low-carbonization and smart



technology, and strengthen the cultivation of net-zero and digital transformation talents. (<https://www.italent.org.tw/italent/>)

## 4. Talent Training Programs in the Service Industry

Since 2017, the AOC of the MOEA has promoted the training of talents required for smart business services and established a basis for the expansion of domestic smart business services. Since 2021, it has launched the “Business Service Digital Transformation Leadership Talent Cultivation Program” to provide smart business analysis, digital marketing, and e-commerce courses necessary for digital transformation. It continues to organize leadership training courses in 2025 (10 courses). (<https://college.itri.org.tw/edm/D2/006/04/edm1.html>)

The administration launched the “AI Talent Cultivation Program for the Service Industry” in 2025. This initiative aims to train AI application professionals needed by the services sector and strengthen the sector’s capability to utilize AI technology. (<https://www.aocai.org.tw/>)

## 5. International Business Management Talent Cultivation

### (1) International Business Management Talent Training Program

In response to the industry’s demand for foreign trade talents, the ITA of the MOEA has begun training talents for foreign trade. In addition to providing pre-job and on-the-job training courses, it is also committed to helping businesses create customized course solutions to provide the most suitable training solutions for specific business needs and improve their workplace competitiveness. A diverse range of training courses are planned for 2025, including on-the-job training for AI talent, business talent training, customized enterprise training, and policy-focused training (including the special talent development courses in Eastern Taiwan and the New Southbound Policy talent pool courses). We also offer a one-year international business management program and provide corporate talent matchmaking services to help companies recruit talents. (<https://talent.meettaiwan.com/iti/>)

### (2) Cultivation and certification of MICE talents

The ITA of the MOEA has promoted the training and certification of meeting, incentive travel, convention and exhibition (MICE) talents since 2009 to provide training for the professional skills of MICE talents in Taiwan. Courses that have been provided continuously in 2025: 1. MICE talent cultivation: Providing on-campus, on-the-job, and high-level international exhibition talent training courses. 2. Certification of MICE talents: Providing domestic and international exhibition certification. (<https://mice.meettaiwan.com/meettaiwan/training/MICE/>)

## **6.Digital Talent Cultivation**

### **(1) Digital Transformation Empowerment Subsidy for Manufacturing Enterprises with Fewer than 30 Employees**

To encourage SMEs to train their employees in digital skills, accelerate business digital transformation, and enhance industrial competitiveness, the SMESA of the MOEA is subsidizing SMEs in the manufacturing sector that employ fewer than 30 Taiwanese workers from January 14 to December 31, 2025, to provide employees with training in digital skills and software tools to improve corporate productivity. The maximum subsidy for each enterprise is NT\$100 thousand, and the maximum subsidy for each trained employee is NT\$10 thousand. It supports SMEs in the manufacturing sector in their digital transformation and enhances their overall competitiveness.

(<https://www.sme.gov.tw/30ai/>)

### **(2) Digital Transformation Empowerment Subsidy for Service Enterprises with Fewer than 30 Employees**

To accelerate the digital transformation of the service industry, the AOC of the MOEA assists SMEs with fewer than 30 employees in enhancing their competitiveness. Applications are being accepted from January 14 to December 31, 2025. This program is available to profit-seeking service enterprises with fewer than 30 employees whose tax registration meets the requirements of the Empowerment Subsidy Program. The subsidy includes the completion of talent training courses for local employees of at least 12 hours, with in-person courses accounting for more than 50%, and the purchase of software necessary to enhance digital capabilities. The maximum subsidy for each enterprise is NT\$100 thousand, and the maximum amount for each employee is NT\$10 thousand.

(<https://www.dttts.org.tw/>)

### **(3) Training Talent Transformation T Ambassador Project**

The MODA has implemented the “Training Talent Transformation T Ambassador Project” in response to industrial digital transformation and digital economy development trends. In 2025, government agencies and private companies have worked together to use competency cultivation, business venues, mentorship, and digital transformation solutions to help young people connect to the future employment market. (<https://www.3t.org.tw/Default.aspx?Create=1>)

## **7.Cooperating with Industries and Academia for Talent Cultivation**

### **(1) Industrial Technology Graduate Program**

The MOE has offered the “Industrial Technology Graduate Program” since the spring of 2011. Enterprises and schools jointly submitted program applications based on industry needs, and the programs were offered after gaining approval from the MOE, thereby increasing the supply of the master’s-level talent needed by enterprises. In 2025, the Ministry approved spring and fall programs for 21 schools totaling 45 programs with 621 students. (<https://imaster.moe.gov.tw/home>)

## (2) Industries and Academia Collaboration Project 2.0

The MOE, the MOEA and the MOL expanded the “Industries and Academia Collaboration Project 2.0” in 2021 to cultivate technical talents with the technical universities and colleges and industry so that students can work as official employees of companies when they start school and engage in on-the-job studies in the technical universities and colleges. (<https://www.iac.edu.tw/>)

## (3) Industry College Program

To encourage technical and vocational colleges to focus on the key industries of the country, and to provide job matching, the guidelines for the “Industry College Program” were revised in 2020 to adjust the categories of programs eligible for subsidies. The Industry College Cooperation and Talent Development Platform is used to provide talent development programs through customized models to help students find employment immediately after graduation and enhance the capacity for industry-academic cooperation. (<https://iac.twaea.org.tw/>)

## (4) DIGI+ Talent Accelerator & Jumpstart Program

To strengthen the supply of cross-domain digital talents under the digital transformation of the industry, the program recruited students without backgrounds in information and communication technology from domestic universities and research institutes. It provided online courses and offline courses for enterprises or legal persons in the five major digital economic fields with actual implementation to help students learn about the actual needs of the industry, thereby cultivating cross-domain digital talents catered to industry needs. This project ended in 2024.

# 8. Enterprise Talent Improvement and Independent Studies for Workers

## (1) Enterprises Human Resource Upgrade Program and Small Enterprises Talent Skill Progressive Program

The Workforce Development Agency (WDA) of the MOL has promoted the “Enterprises Human Resource Upgrade Program” since 2004 to help business units plan and provide training for their employees in accordance with their organizational and operational strategies, or in conjunction with business units with operational connections, and provide subsidies for part of the cost of training. The Agency also activated the “Small Enterprises Talent Skill Progressive Program” in 2014 to provide small enterprises with fewer than 50 employees with professional and customized assistance and consultation services, and assist in the execution of training programs. (<https://onjobtraining.wda.gov.tw/>)

## **(2) Industrial Human Resource Investment Program**

The program has been implemented by the WDA of the MOL since 2005 to improve the knowledge, skills, and attitude of on-the-job workers. It works with private training organizations to provide a diverse range of practical training courses and provides up to NT\$100 thousand in training fees per person over 3 years. It encourages workers to learn independently and accumulate human capital to increase the overall human capital of the country. (<https://ojt.wda.gov.tw/>)

## **V Rewarding Outstanding Performance**

The MOEA conducts various selection and commendation activities for SMEs every year. The selected award-winning enterprises can use this to enhance their product marketing and corporate image, and create development opportunities for the enterprises. The following are the important awards and cumulative results.

### **1.National Award for Outstanding Small and Medium Enterprises**

In 1992, the National Association of Small & Medium Enterprises, R.O.C. (NASME) created and hosted the 1st National Award for Outstanding Small and Medium Enterprises. Starting from the 16th session, it has been co-hosted by the NASME and the MOEA for the purpose of selecting SMEs with outstanding performance in management, innovation, branding, quality, and image as well as specific contributions to society as models of industry. Such SMEs receive public commendation to promote the establishment of SME benchmark models to create a model for all SMEs in Taiwan to learn from each other's successes, help inspire each other, and accelerate business upgrades. 12 SMEs are expected to win the Award in 2025. As of the end of 2024, 348 SMEs had won the award. (<https://www.sme.gov.tw/smeaward/>)

### **2.Rising Star Award**

The SMESA of the MOEA established the “Rising Star Award” in 1998 to use selection and commendation activities to select outstanding SMEs with high levels of competitiveness, outstanding export performance, and comprehensive management systems that make them role models for other domestic enterprises. The Administration also hopes to use related events to disperse the role model effect and continue to promote cooperation within and between industries and encourage more SMEs that mainly operate in Taiwan to expand into international markets. The awards have been organized 27 times as of 2024, and 381 SMEs have been recognized as “Rising Stars.” (<https://www.sme.gov.tw/award/masterpage-rsa>)

### **3.Taiwan SMEs Innovation Award**

The SMESA of the MOEA has organized the “Taiwan SMEs Innovation Award” since 1993 to continue to reward outstanding SMEs with specific performance in innovation and research through organized and systematic methods. The Award encourages enterprises to continue to accumulate

R&D capacity to achieve local technological development and attain the goals for industrial upgrading and healthy development. As of 2024, a total of 1,029 innovative SME products had been selected and 71 enterprises that had won awards had been listed on the TWSE or OTC, 22 enterprises had been listed on the Emerging Stock Board, and 8 SMEs had been listed on the GISA. (<https://www.sme.gov.tw/tsia/masterpage-tsia>)

#### **4.Business Startup Award**

The SMESA of the MOEA began the “Business Startup Award” in 2002. The Award seeks start-ups with innovative technologies, products, services, or business models to develop start-ups with high-quality operating models, establish successful cases for success, and invigorate domestic innovation and entrepreneurship. This award has been held 23 times as of 2024, with a total of 353 winning companies. More than half of these companies have achieved double-digit growth in revenue, and nearly 40% of these companies have successfully entered the Japanese, Singaporean, American, and European markets. Their success demonstrates the strong growth potential and excellent market expansion capabilities of Taiwan’s startups. (<https://startup.sme.gov.tw/startupaward/index.php>)

#### **5.Model of Entrepreneurs Award**

In 1978, the National Innovation and Entrepreneurship Association (NiEA) organized the first “Model of Entrepreneurs Award” event. Since 2005, the MOEA has served as the guiding unit to jointly commend a successful model of entrepreneurs and encourage entrepreneurs to innovate and take risks. As of 2024, 733 companies around the world had won the Model of Entrepreneurs Award, including 499 from Taiwan and 234 from other countries. The model entrepreneurs not only cooperate with policies to support new innovations, but also respond to ESG sustainable development policies to expand social influence. (<https://www.careernet.org.tw/modules.php?name=kaimo>)



# Appendix

**Appendix A Act for Development of Small and Medium Enterprises**

**Appendix B Standards for Identifying Small and Medium-sized Enterprises**

**Appendix C Directions of Recognition for Startups with Innovation Capability**

**Appendix D SME and Newly-established SME Statistics by Industry**

# Appendix A

## Act for Development of Small and Medium Enterprises

Publically announced in accordance with the Presidential Decree dated February 4, 1991.

Revised in accordance with the Presidential Decree dated May 21, 1997.

Revised in accordance with the Presidential Decree dated January 21, 1998.

Revised in accordance with the Presidential Decree dated December 27, 1990.

Revised in accordance with the Presidential Decree dated December 21, 2001.

Revised in accordance with the Presidential Decree dated December 17, 2003.

Revised in accordance with the Presidential Decree dated November 25, 2009.

Revised in accordance with the Presidential Decree dated June 4, 2014.

Revised in accordance with the Presidential Decree dated January 6, 2016.

Revised in accordance with the Presidential Decree dated August 7, 2024.

### Chapter I General Principles

#### Article 1

This Act is enacted for the furtherance of sound development of small and medium enterprises by helping them improve their operation environments, promoting mutual cooperation, and assisting them in their efforts for self-reliant growth and upgrade transformation. With regard to matters not provided for in this Act, the provisions of other relevant acts and regulations shall apply.

#### Article 2

The term “small and medium enterprises” used in this Act shall refer to the enterprises which have completed the company, limited partnership or business registrations by law and have conformed to the standards for identifying small and medium enterprises.

The standards referred to in the preceding paragraph shall be prescribed by the central competent authority according to the amounts of capitals and the numbers of regular employees, etc.

Other government authorities, which administer small and medium enterprise assistance and guidance may, in accordance with their respective operational requirements, prescribe separate standards with loose requirements for objects of assistance and guidance.

#### Article 3

The term “competent authority” used in this Act shall be the Ministry of Economic Affairs at the central government level, the provincial (municipal) government at the province (municipality) level, and the county



(city) government at the county (city) level.

Where any of the matters set forth in this Act involves the functional duties of an authority in charge of a particular enterprise, the competent authority referred to in this Act shall handle such matters in coordination with the said authority in charge of such enterprise.

For enforcement of this Act, government at various levels shall set up or designate a government agency to provide assistance and guidance.

#### Article 4

For achieving the objectives of this Act, the competent authority concerned shall take appropriate assisting or encouraging measures in respect of the following:

1. Market research and development,
2. Furtherance of rationalization of business operations,
3. Promotion of mutual cooperation,
4. Acquisition and securing of production factors and technology,
5. Education and training of competent personnel, and
6. Other matters relating to the establishment or sound development of small and medium enterprises.

In formulating the policy, acts and regulations, and measures in the preceding paragraph, the competent authority concerned shall aim the contents at the furtherance of improvement and development of the business operations of small-scaled enterprises without unfair treatment in respect of financial and taxation systems and other related matters.

The central competent authority shall publish a white paper, at the end of each fiscal year, on small and medium enterprises given the enforcement status, the review results and the prospective development of the provisions of the preceding two paragraphs.

#### Article 5

For furthering small and medium enterprises to conduct market research and development activities, the assistance and guidance provided by the competent authority to small and medium enterprises shall be emphasized on the provision of information services, the creation of exclusive brands for their own products, arrangement of marketing channels and/or development of potential market.

#### Article 6

For furthering small and medium enterprises to rationalize their business operations, the assistance and guidance provided by the competent authority shall be emphasized on the following:

1. Research and development and development of new products,
2. Modernization and renovation of production facilities and improvement of production technology,
3. Improvement of the methods of operational management,
4. Expansion of market and acquisition of necessary information,
5. Conversion and adjustment of the field of business, and
6. Acquisition of resources and technical know-how for business operation.

## Article 7

For encouraging mutual cooperation between small and medium enterprises, the assistance and guidance to be provided by the competent authority shall be emphasized on the following:

1. Vertical amalgamation of businesses of the trade and establishment and promotion of the satellite-factory system,
2. Horizontal amalgamation of businesses of the trade and establishment and promotion of joint production and marketing system,
3. Mutual fund or cooperative enterprise,
4. Technical cooperation and development of common technology,
5. Procurement of common equipment, and
6. Establishment of strategic marketing points.

## Article 8

For assisting small and medium enterprises to acquire and secure production resources and technology, the assistance and guidance to be provided by the competent authority shall be emphasized on the following:

1. Formation and accumulation of capital,
2. Capital accommodation,
3. Acquisition of land, plant building, equipment, business site and business information,
4. Personnel training and upgrading of labor productivity,
5. Securing the sources of agricultural and industrial raw materials and technical know-how,
6. Assisting small and medium enterprises to obtain fund from capital market, and
7. Upgrading of the level of services and technical skill.

## Article 9

The central competent authority shall set up small and medium enterprise development fund, with the use thereof to be confined to the following:

1. To finance the operating expenses required for carrying out assistance plans,
2. To take part in investment and development projects or provide financing assistance and guaranty jointly with financial institutions under the condition that such financial institutions or credit guarantee institutions can not provide financing or guaranty under normal terms and conditions,
3. To make investment in small and medium enterprise development companies, or to take part in investment in small and medium enterprise with small and medium enterprises development companies, financial institutions and identified investment institutions.
4. To provide financial support to the juridical persons institutions that are incorporated to conduct the activities specified in Article 4, and
5. Other purposes relating to the furtherance of sound development of small and medium enterprises and as specified in this Act.

For the income-expenditures, safeguarding and utilization of the small and medium enterprise development fund, a small and medium enterprise development fund management committee shall be formed, with its organization structure and the regulations for income and expenditure, safeguarding and utilization

of the fund to be stipulated by the Executive Yuan.

### Article 10

The small and medium enterprise development fund shall be derived from the following sources:

1. Appropriation from the annual budget programmed by the central government,
2. Appropriation from other special-case funds,
3. Donation from individuals or public and private business organizations or groups,
4. Interests accrued on the fund, and
5. Other associated income.

The donation referred to in item 3 the preceding paragraph may, when certified by the competent authority, be deductible from the total income of the current year, free from any restriction on the amount, in accordance with the Income Tax Act.

### Article 11

The provincial (municipal) and the county (city) competent authority (henceforth referred to as “local competent authority”) may, taking into account of the specific development requirements of small and medium enterprises, under its jurisdiction, draw up assistance plan and formulate budget, and shall be responsible for the execution.

To carry out the assistance plan referred to in the preceding paragraph, the local competent authority may apply to the small and medium enterprise development fund for subsidy or assist the small and medium enterprises to obtain capital accommodation under special projects.

### Article 12

The competent authority may, taking into account of actual requirements, cooperate with or consign to public and/or private research and service institutions, financial institutions, credit guarantee institutions, trade promotion institutions, industrial and/or commercial organizations or other agencies for execution of the assistance activities under this Act ; and shall set up separate assistance systems in connection with respectively the operations including financial accommodation, operational management, production technology, research and development information management, industrial safety, pollution control, marketing, mutual cooperation, and quality reinforcement, etc.

The regulations governing establishment up and supervision of the assistance systems shall be drawn up by the central competent authority and submitted to the Executive Yuan for approval.

### Article 12-1

In enacting or adjusting acts related to small and medium enterprises, governments at various levels shall review the operation scales or characteristics of small and medium enterprises to facilitate observance by small and medium enterprises.

The central competent authority shall periodically review the acts related to small and medium enterprises on term, and judge the adapt ability of small and medium enterprises, and the influence to small and medium enterprises, and take a review report to the Legislative Yuan yearly.

## Chapter II Financing Facilities and Guaranty

### Article 13

In order to meet the capital requirements for small and medium enterprises, the central competent authority shall coordinate with financial institutions and credit guarantee institutions to enhance their respective functions of providing financing and guaranty to small and medium enterprises.

In order to meet the capital requirements for small and medium credit guarantee institutions, the central competent authority shall allocate budget for donation to such credit guarantee institutions for the maintenance of their guarantee capacity. Financial institutions which contract with such credit guarantee institutions shall also cooperate with the donation whereas and the central competent authority may also solicit donation from private businesses.

The total amount of donation from various financial institutions mentioned in the preceding paragraph, taking into account the actual requirements, may be adjusted upward annually until reaching 35% of the total donation amount and be determined by the central competent authority according to the safekeeping amount, overdue ratio, substitute pay off amount, credit remainder, net value, profit and loss status, and the donated amount.

The central competent authority shall actively help small and medium enterprises get the loan from banks, and report the review results of each fiscal year to the Legislative Yuan.

### Article 14

All banks throughout the Republic of China shall, within the scope of their respective business, elevate the ratio of financing facilities provided to small and medium enterprises and shall set up small and medium enterprises assistance center in order to enhance the provision of relevant services.

### Article 15

The competent authority shall coordinate various agencies to make ample budget available for providing special loans to small and medium enterprises, and instruct sponsoring banks to provide special or emergency financing facilities or to extend loans to meet with the requirements of enterprises implementing business converting projects or adapting to the change of economic situation; and to elevate, when necessary, the ceiling of such financing, loans and guaranty.

### Article 16

The term “special financing” used in the preceding Article shall refer to the financing provided to small and medium enterprises carrying out any of the following projects:

1. Operational project for reinforcement of competitiveness;
2. Research and development, pollution control or market expansion project;
3. Project for creation of new product(s) or upgrading the quality of product(s);
4. Factory relocation project which must be carried out so as to meet with the requirements of environment protection, urban planning, or road construction or other infrastructural projects sponsored by the government;
5. Any other special projects as approved by the competent authority.

## Article 17

The term “emergency financing facilities” as used in Article 15 shall refer to the following financing provided to small and medium enterprises:

1. Loan provided as revolving fund in support of production and sales during the period of significant economic crisis;
2. Loan required for recovery of significant natural disaster; or
3. Other loan as required to cope with emergency events.

## Article 18

The term “loans to meet with the requirements of enterprises implementing business converting projects or adapting to the change economic situation” used in Article 15 shall refer to any of the following loans extended to small and medium enterprises:

1. Loan provided as revolving fund in support of production and sales during the period of economic recession;
2. Loan required for procurement of replacement or additional machinery and equipment in the course of business conversion; or
3. Loan required for procurement of automation equipment for improvement of productivity.

## Article 19

Funds appropriated from the small and medium enterprise development fund for participate in the loans or guaranties sponsored by financial institutions or credit guarantee institutions in accordance with the preceding three Articles; the ratio of such appropriations may be determined by the competent authority in accordance with the actual requirements.

With regard to the bad debts resulted from causes which are not attributable to the intentional act, gross negligence or malpractice of the personnel handling the relevant matters set forth in the preceding paragraph, they shall be fully indemnified from damage liabilities and exempt from disciplinary measures, according to the provisions of item 1, Article 77 of the Audit Act.

## Article 20

The competent authority concerned may coordinate the financial institutions and/or credit guarantee enterprises to give priority to small and medium enterprises, which have sound management, financial and accounting systems and have paid up all taxes due, in providing financing facilities and guaranties.

## Article 21

Where the operation of a small or medium enterprise is affected or it has to move to another place in order to meet with the requirements of environmental protection, urban planning, or road construction or other projects sponsored by the government, the competent authority shall assist it to apply for operating revolving loan or relocation loan from financial institution, and assist it to acquire the land required for factory relocation, when it is deemed necessary.

## Article 22

Where a small or medium enterprise suffers great damages caused by natural disaster, the competent authority shall coordinate the financial authority for tax exemption or reduction or other remedies.

## Article 23

In order to prevent small and medium enterprises from involvement in domino effect resulted from the close-down of their respective related enterprises, the competent authority may coordinate and assist industrial associations to establish, either separately or jointly, mutual guaranty fund(s) for prevention of chain close-down of small and medium enterprises so as to provide credit guarantee in respect of special financing facilities for the small and medium enterprises having financial or operational difficulties in such cases.

The small and medium enterprise development fund may, when necessary, contribute to such mutual guaranty fund(s) at the initial stage upon its (their) establishment.

## Chapter III Operation Management, Market and Product Development

### Article 24

The competent authority may establish or assist the private sector to establish a small and medium enterprise guidance and service center, and may cooperate with relevant public and private institutions to provide small and medium enterprises with the following guidance and services:

1. Business operation diagnosis;
2. Improvement of the marketing and production technology, operation management and financial structure of small and medium enterprises;
3. Training of management or technical personnel of small and medium enterprises;
4. Production and market information and consultation services; and
5. Other relevant businesses activities.

### Article 24-1

The competent authority may set up funds to assist in the development of local culture industries for local economic prosperity.

### Article 25

For improvement of the operating efficiency and reinforcement of the competitiveness of small and medium enterprises, the competent authority may assist small and medium enterprises to jointly engage in activities such as production, marketing, procurement, transportation, cooperation in technology development, and research and development.

### Article 26

The central competent authority may work jointly with relevant institutions, universities and colleges in the training of professionals in the fields of operation diagnosis and business administration so as to provide small and medium enterprises with guidance and services.

## Article 27

The competent authorities may provide necessary assistance to various industrial associations or industrial and commercial organizations which have a dedicated service unit responsible for providing services to small and medium enterprises.

## Article 28

For encouraging small and medium enterprises to manufacture quality and/or high value-added products or service, and to expand export market, the competent authority shall provide, in conjunction with institutions concerned, technical and marketing guidance and assist medium and small enterprises to participate in overseas exhibition, acquire market information, make joint advertising activities, trademark registration, patent application, or establish joint distribution warehouses abroad.

Where the plan of a small or medium enterprise for manufacturing quality and/or high value-added products or service planning has been evaluated and approved by the competent authority in conjunction with authorities concerned, the said small or medium enterprise may apply to the small and medium enterprise development fund to subsidize the expenses incurred in product and market developments.

## Article 29

For upgrading the level of production skill of small and medium enterprises, the competent authority may entrust technical service institutions or retain technical experts to make research and development for new products or to acquire advanced technology for providing relevant guidance and services to various industries.

For transfer of new products or advanced technology, the competent authority may collect reasonable charges for amortization of costs incurred; If necessary, these charges may also be partly subsidized by the small and medium enterprise development fund.

## Article 30

In order to assist small and medium enterprises for research and development, the competent authority may cooperate with appropriate technology research institutes in the establishment of institutes or places for exclusive use by small and medium enterprise conducting research, testing and development of technical skill and/or new products.

Small and medium enterprises may apply for use, by paying necessary charges, the equipment and facilities of the institutes or places set forth in the preceding to conduct experiment and research activities.

## Article 31

The competent authority may, when it deems necessary, negotiate with public or private enterprises for appointment of their respective technical personnel, and support and assistance system to provide guidance in the fields of production skill or service know-how as required by small and medium enterprises.

## Article 32

The central competent authority may establish or assist in the establishment of small and medium enterprise development companies to invest directly or indirectly in the small and medium enterprises having development potential and to provide consulting services and other relevant services in connection with domestic and/or overseas technical cooperation, market and product development or investment.

The central competent authority shall provide assistance to the institutes and juridical persons established for carrying out the activities specified in Article 4 of this Act.

The central competent authority may coordinate with the competent authority in charge of banking business under the Banking Act for approval of the participation of banks in the said small and medium enterprise development company so as to enable them to directly provide services referred to in the preceding paragraph.

The small and medium enterprise development fund may take part in the investment for capital formation of small and medium enterprise development companies.

The regulations governing the establishment and operation of the small and medium enterprise development companies and the standard and proportion of investment made by the small and medium enterprise development fund shall be stipulated by the Executive Yuan.

## **Chapter IV Tax Remittance**

### **Article 33**

Where an investor provides a parcel of land in an industrial zone as his capital investment in a small or medium enterprise, and the said medium or small enterprise agrees to allow the investor to furnish the stock(s) of the said small or medium enterprise acquired by the said investor as the security for his payment of taxes, then the land value increment tax payable by the said investor may be paid in five equal installments in five consecutive years from the year in which the said parcel of land is committed to the investment.

The land to be invested under the preceding paragraph shall be used only by the said small or medium enterprise for its own. If the land is not used by the said small or medium enterprise for its own or is transferred to any other person, the outstanding land value increment tax shall be paid, in a lump sum, by the investor.

### **Article 34**

Where a small or medium enterprise has moved, on account of any of the following causes, its factory or plant into an industrial zone, an industrial zone under an urban plan, or an industrial land designated in accordance with the act for Encouragement of Investment prior to the enforcement of this Act, the land value increment Tax payable on the sale or transfer of its original factory or plant site (land) shall be levied at the lowest tax rate:

1. Where the original factory land does not meet with the zoning requirements upon implementation of the urban planning or zoning plan;
2. Where the relocation of factory or plant is applied by the said small or medium enterprise and is approved by the competent authority due to the difficulties in making necessary improvement to meet with the requirements for pollution control, public safety or maintenance of natural landscape; and
3. Where the relocation of factory or plant implemented under the initiative assistance of the government.

Where the new factory land of a small or medium enterprise is transferred to another party (or other parties) within three years after the factory relocation made under the preceding paragraph, the reduced portion of land value increment tax reduced while assessing such tax on the original factory land sold or transferred prior to the factory relocation shall be assessed supplementarily in accordance with the act.



## Article 35

To promote innovation and research and development of small and medium enterprises, a small and medium enterprise, by investing in research and development, may select to get the amount of tax credit up to 30% of the current year profit-seeking enterprise income tax payable by such company or limited partnership between the following two methods. No change of the method is allowed once the choice is made.

1. Tax credit up to 15% of the research and development expenses, applied to the current year profit-seeking enterprise income tax payable.
2. Tax credit up to 10% of the research and development expenses, applied to the annual profit-seeking enterprise income tax payable for three years, starting from the current year.

For any instrument and equipment used for research and development, experiment or quality inspection purposes, if its service life is more than two years, the depreciation thereof may be accelerated by one half (1/2) of the number of years applicable as listed in the table of service life of fixed assets annexed to the Income Tax Act. Balance of service life in a length of less than one year after the depreciation acceleration shall not be taken into account.

The standards referred to the tax credit from investment in paragraph 1 of this Article, regarding scope, application deadline, application procedure, approving authority, applicable period, tax credit rate and other related matters shall be prescribed by the central competent authority in consultation with the Ministry of Finance.

### Article 35-1

To promote circulation and application of innovation and R&D results, new shares of stock issued to a small and medium enterprise in exchange of its intellectual property rights, by an enterprise that is not listed in the Taiwan Stock Exchange, OTC, or the Emerging Stock Board, shall be excluded from the current year profit-seeking enterprise taxable income of the said small and medium enterprise.

New shares of stock issued to an individual in exchange of her (his) intellectual property rights, by an enterprise that is not listed in the Taiwan Stock Exchange, OTC, or the Emerging Stock Board, shall be excluded from the current year taxable consolidated income of the said individual.

When shares of stock mentioned in preceding Paragraph 1 and 2 are transferred through an actual transaction, stock gift, or inheritance, the total stock value shall be included in the current year taxable income of the recipient(s), calculated based on the actual transaction price or the fair market value of the stock at the time of the transfer, minus the related expenses or cost, incurred but not recognized yet, in obtaining the stock.

The above mentioned enterprise that issues new shares of stock to obtain intellectual property rights should report to the local tax authority within 30 days from the day after the date of the stock transfer. The said enterprise is subject to a 20% fine based on the actual transfer amount and required to resubmit the report with voucher(s) in required format if it fails to meet the reporting deadline, to report the fact, or to report with voucher(s) in required format.

In case the said small and medium enterprise or the individual who receive the shares of stock through intellectual property transfer is unable to provide the cost basis of the transfer for income calculation, a default 30% of the transaction price shall be applied to the cost basis of obtaining the stock.

## Article 36

A small and medium-sized enterprise may retain and withhold from distributing a surplus earning in an amount not exceeding double the amount of its paid-in capital. In case the retained and undistributed earnings exceed the aforesaid limit, any additional surplus earning retained in each year thereafter shall be free from the restriction stipulated in the Income Tax Act after as profit seeking enterprise income tax at the rate of 10% has been surcharged.

The retain and withhold from distributing a surplus earning after 1998 until then, shall obey the Income Tax Acts, and not apply to the preceding paragraph.

### Article 36-1

Small and medium enterprises development companies may raise the preparation to investment loss, under 20% of the investment amount, so as to compensate for actual loss. If there is no actual loss situation within 5 years, they shall turn the raising preparation to be the benefit of the 5th year.

When corporations calculate the clearing accounts income due to cancellation, rescission, revocation, mergence, or transference with Article 75, of the Income Tax Act, the accumulate remaining amount from the investment loss preparation within the preceding paragraph, shall turn to be the benefit of the same year.

### Article 36-2

If a small and medium enterprise additionally hires certain number of domestic junior employees under the age of 24 or over the age of 65 and increases its aggregate gross salary payments, the small and medium enterprise can deduct up to 200% of the annual gross salary payments to such additional employees from its current year profit-seeking enterprise income.

If a small and medium enterprise raises the average salary paid to the domestic junior employees, the small and medium enterprise can deduct up to 175% of the incremental annual gross salary payments, excluding statutory minimum wage adjustment, to the junior employees from its current year profit-seeking enterprise income. However, the additional salary paid to the new hires shall not be deducted here as it has been used for tax benefit applied to the provisions in the preceding paragraph.

As referred to in the preceding two paragraphs, matters regarding type and number of additional employees hired, aggregate gross salary payments, the range of junior employees, calculation of the average salary paid, approving authority, the prerequisites for application, application deadline, application procedure, and measures of other related matters, shall be prescribed by the central competent authority in consultation with the Ministry of Finance.

### Article 36-3

A small and medium enterprise that has enjoyed tax benefit under other laws may not enjoy tax benefit under this Act for the same matter again; if same matter conforms to both requirements for different tax benefits under this Act, the small and medium enterprise shall select the application of one of tax benefits and may not enjoy both tax benefit repeatedly.

If a small and medium enterprise that has seriously violated the laws relating to environmental protection, labor, or food safety and health in the most recent three years and has been determined by the respective central competent authorities for specific business may not apply for tax benefit under this Act.

## Chapter V Public Procurement Projects or Public Works

### Article 37

Governments at various levels and government-owned enterprises shall assist small and medium enterprises to acquire business opportunities in making public announcements for procurement projects or construction of public works.

### Article 38

For making public announcement for procurement projects, construction of public works or for entrustment of research and development tasks, government at various levels and government-owned enterprises shall, based on actual requirements, establish qualification requirement and registration system in respect of small and medium enterprises eligible for acting as a supplier or bidder.

## Chapter VI Supplementary Provisions

### Article 39

To review the small and medium enterprise development policy, the central competent authority may invite relevant agencies and expert scholars to form a Small and Medium Enterprise Policy Review Committee.

### Article 40

This Act shall come into force from the date of promulgation.

Article 35 and Article 36-2 of this Act amended and promulgated on June 4, 2014 shall be enforced from May 20, 2014 to May 19, 2024; and Article 35-1 shall be enforced from May 20, 2014 to December 31, 2033.

Paragraphs 2 to 5 of Article 36-2 of this Act amended and promulgated on January 6, 2016 shall be enforced from January 1, 2016 to May 19, 2024.

Article 35 and Article 36-2 of this Act amended and promulgated on July 12, 2024 shall be enforced from January 1, 2024 to December 31, 2033.

# Appendix B

## Standards for Identifying Small and Medium-sized Enterprises

Promulgated by Ministry of Economic Affairs Order Jing (80) Chi Tzu #059364 on November 25, 1991.

Approved by Executive Yuan Order Tai (80) Jing #33054 on October 19, 1991.

Revision promulgated by Ministry of Economic Affairs Order Jing (84) Chi Tzu #84029087 on September 27, 1995.

Revision approved by Executive Yuan Order Tai (84) Jing #32284 on September 4, 1995.

Revision promulgated by Ministry of Economic Affairs Order Jing (89) Chi Tzu #89340202 on May 3, 2000.

Revision approved by Executive Yuan Order Tai (89) Jing #10056 on April 8, 2000.

Revision promulgated by Ministry of Economic Affairs Order Jing Chi Tzu #09400561550 on July 5, 2005.

Revision approved by Executive Yuan Order Yuan Tai Jing #0940022741 on June 14, 2005.

Revision promulgated by Ministry of Economic Affairs Order Jing Chi Tzu #09800639470 on September 2, 2009.

Revision approved by Executive Yuan Order Yuan Tai Jing #0980048943 on August 17, 2009.

Revision promulgated by Ministry of Economic Affairs Order Jing Chi Tzu #10404601530 on March 30, 2015.

Revision approved by Executive Yuan Order Yuan Tai Jing #1040008378 on March 4, 2015.

Revision promulgated by Ministry of Economic Affairs Order #10904602890 on June 24, 2020.

Revision promulgated by Ministry of Economic Affairs Order #11354001110 on November 27, 2024.

### Article 1

The Standards have been drawn up in accordance with the provisions of Paragraph 2, Article 2 of the Small and Medium-sized Enterprise Development Statute (hereinafter referred to as the “Statute”).

### Article 2

The term “Small and Medium-sized Enterprise (SME)” as referred to under the Standards shall mean an enterprise which has completed company registration, limited partnership registration, or business registration in accordance with relevant laws, and whose paid-in capital is no more than NT\$100 million, or which hires fewer than 200 regular employees.

### Article 3

The term “small-scale enterprise” as used in Paragraph 2, Article 4 of the Statute shall mean a SME with less than 5 regular employees.

## Article 4

(Deleted)

## Article 5

The number of regular employees under the Standards refers to the average monthly number of insured employees that an enterprise has registered with the Bureau of Labor Insurance, Ministry of Labor in the most recent 12 months.

## Article 6

An enterprise shall be deemed to be a SME if any of the following is applicable:

- (1) In the case of a SME which has received guidance for expansion, where after expansion the size of the enterprise exceeds the standards listed in Article 2, such enterprise shall continue to be deemed to be a SME for two years immediately after the date of expansion.
- (2) In the case of a SME which has received guidance for merger, where after the merger the size of the enterprise exceeds the standards listed in Article 2, such enterprise shall continue to be deemed to be a SME for three years immediately after the date of the merger.
- (3) Where a guidance agency, guidance system or relevant agency undertakes the provision of collective guidance for SMEs in a given industry, if some of the enterprises exceed the standards listed in Article 2, and if the guidance agency, guidance system or relevant agency determines that there is good reason for providing joint guidance, such enterprises shall be deemed to be SMEs during the period of collective guidance.

## Article 7

The Standards shall come into effect on the date of promulgation.

# Appendix C

## Directions of Recognition for Startups with Innovation Capability

Promulgated and taken into force from March 17, 2021

Amended on July 12, 2022

Amended on January 30, 2024

1. The Ministry of Economic Affairs (hereinafter referred to as MOEA) has established the directions specifically to promote the innovation entrepreneurship policy of the Executive Yuan.
2. The term“startup”, as mentioned in the Direction, refers to a business that has a paid-in capital of less than NT\$100 million, or hires less than 200 employees on a regular basis, and meets one of the following requirements:
  - (1) Domestic Startup: A business that has been registered as a company or a business in accordance with the Company Act or the Business Registration Act of Taiwan, and has been established for less than eight years (OR, WITHIN EIGHT YEARS).
  - (2) Foreign Startup: A business that has been registered in accordance with foreign laws, and has been established for less than eight years (OR, WITHIN EIGHT YEARS).

The limitation of less than eight years (OR, WITHIN EIGHT YEARS) of establishment, as stipulated in the preceding paragraph, does not apply to businesses that have been approved by the central competent authority of the relevant industry.

3. A domestic startup with innovation capability should meet one of the following directions:
  - (1) Obtain the following investment (fundraising) amounting to at least NT\$2 million.
    - a. Investments from domestic and foreign venture capital businesses.
    - b. Individual cash investments, as described in Article 23-2 of the Statute for Industrial Innovation.
    - c. Investment reviewed and approved by the Angel Investment Project run by the National Development Fund, Executive Yuan.
    - d. Investment (fundraising) from domestic, foreign or international startup funding platforms recognized by the Government of Taiwan.
  - (2) Has registered with the Go Incubation Board for Startup and Acceleration Firms (GISA) operated by the Taipei Exchange.

- (3) Has obtained invention patents or design patents in Taiwan, or has been assigned or licensed with the invention patents or design patents by the patent owners who have completed the registration of such assignment/licensing at the Intellectual Property Office, MOEA.
  - (4) Have applied and obtained plant variety right, or animal and plant name registration in Taiwan, but does not include those implemented by rights assignment or authorization.
  - (5) Those startups that have been physically stationed within one year, or are physically stationing in, the following parks or startup incubators, and have been recommended by such parks or startup incubators:
    - a. International startup parks and projects approved by the central or local governments in Taiwan.
    - b. The central or local government-operated startup incubators in Taiwan, or those registered in the MOEA international startup incubators and approved and announced by the Small and Medium Enterprise and Startup Administration of the MOEA.
    - c. Foreign startup incubators recognized by the central or local governments in Taiwan.
  - (6) The startup or the head of the company has participated in representative entrepreneurial competitions or design competition in Taiwan or overseas and has received an award.
  - (7) The startup or the head of the company has participated in indicative domestic/international fashion week shows, or has been a finalist or winner in indicative domestic/international film festivals, or international style awards and competitions.
  - (8) Others, as approved by the central competent authority of the relevant industry.
4. A foreign startup with innovation capabilities should meet at least one of the directions, as stipulated in the preceding Directions, except Subparagraph 1 Item 2 and Subparagraph 2.
5. The name list under Subparagraph 5 through Subparagraph 7 of Paragraph 3 shall be publicized by the MOEA.

# Appendix D

## SME and Newly-established SME Statistics by Industry

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Table D-1 Number of SMEs by Industry, 2024

Unit: Enterprises; %

Enterprise size Industry	Total (1)	SMEs (2)	Unit: Enterprises; %	
			(2) / (1)	Share
<b>Total</b>	1,735,220	1,715,528	98.87	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying	12,702	12,581	99.05	0.73
Manufacturing	147,647	141,996	96.17	8.28
Electricity and Gas Supply; Water Supply and Remediation Activities	12,235	11,833	96.71	0.69
Construction	174,680	173,493	99.32	10.11
Wholesale and Retail Trade	772,644	768,408	99.45	44.79
Transportation and Storage	40,068	39,711	99.11	2.31
Accommodation and Food Service Activities	200,941	200,462	99.76	11.69
Information and Communication	29,752	29,067	97.70	1.69
Financial and Insurance Activities	26,182	23,926	91.38	1.39
Real Estate Activities	51,619	48,663	94.27	2.84
Professional, Scientific and Technical Activities	70,002	69,164	98.80	4.03
Support Service Activities	37,982	37,775	99.46	2.20
Education	7,850	7,820	99.62	0.46
Human Health and Social Work Activities	2,579	2,548	98.80	0.15
Arts, Entertainment and Recreation	47,159	47,011	99.69	2.74
Other Service Activities	101,178	101,070	99.89	5.89

Note:

1. SMEs refer to enterprises with capital of less than NT\$100 million (inclusive) as defined in the “Standards for Identifying Small and Medium-sized Enterprises” revised and promulgated by the MOEA on November 27, 2024.
2. The industries are defined in accordance with the “Statistics Industrial Classification (Rev. 11)” of the DGBAS of the EY.
3. Due to data restrictions, starting from 2022, the “agriculture, forestry, fishing and animal husbandry” and “mining and quarrying” industries are listed as “agriculture, forestry, fishing and animal husbandry; mining and quarrying;” “electricity and gas supply” and “water supply and remediation activities” are listed as “electricity and gas supply; water supply and remediation activities.”
4. “(2)/(1)” refers to the ratio of SMEs among all enterprises; “Share” refers to the ratio of individual industries of SMEs among all SMEs.

Source: FIA, MOF, Value-Added Business Tax (VAT) data, 2024.

**Table D-2 Total Sales Value of SMEs by Industry, 2024**

Unit: Million NT\$, %

Industry	Enterprise size	Total (1)	SMEs (2)		
				(2) / (1)	Share
<b>Total</b>		59,772,590	31,075,170	51.99	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying		316,605	268,165	84.70	0.86
Manufacturing		19,683,790	5,270,609	26.78	16.96
Electricity and Gas Supply; Water Supply and Remediation Activities		2,049,028	1,620,978	79.11	5.22
Construction		4,356,505	2,849,291	65.40	9.17
Wholesale and Retail Trade		19,581,888	13,170,379	67.26	42.38
Transportation and Storage		1,771,057	1,079,046	60.93	3.47
Accommodation and Food Service Activities		1,013,857	874,216	86.23	2.81
Information and Communication		1,886,847	997,187	52.85	3.21
Financial and Insurance Activities		4,193,644	1,993,658	47.54	6.42
Real Estate Activities		2,453,890	1,251,398	51.00	4.03
Professional, Scientific and Technical Activities		1,169,202	776,719	66.43	2.50
Support Service Activities		722,426	422,030	58.42	1.36
Education		38,099	34,752	91.21	0.11
Human Health and Social Work Activities		49,873	44,664	89.56	0.14
Arts, Entertainment and Recreation		170,338	144,424	84.79	0.46
Other Service Activities		315,540	277,654	87.99	0.89

Note:

1. SMEs refer to enterprises with capital of less than NT\$100 million (inclusive) as defined in the “Standards for Identifying Small and Medium-sized Enterprises” revised and promulgated by the MOEA on November 27, 2024.
2. The industries are defined in accordance with the “Statistics Industrial Classification (Rev. 11)” of the DGBAS of the EY.
3. Due to data restrictions, starting from 2022, the “agriculture, forestry, fishing and animal husbandry” and “mining and quarrying” industries are listed as “agriculture, forestry, fishing and animal husbandry; mining and quarrying”; “electricity and gas supply” and “water supply and remediation activities” are listed as “electricity and gas supply; water supply and remediation activities.”
4. “(2)/(1)” refers to the ratio of SMEs among all enterprises; “Share” refers to the ratio of individual industries of SMEs among all SMEs.

Source: FIA, MOF, VAT data, 2024.

Table D-3 Domestic Sales Value of SMEs by Industry, 2024

Unit: Million NT\$, %

Industry	Enterprise size	Total (1)	SMEs (2)		
				(2) / (1)	Share
<b>Total</b>		45,329,868	27,881,794	61.51	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying		304,185	257,660	84.71	0.92
Manufacturing		9,489,473	4,089,560	43.10	14.67
Electricity and Gas Supply; Water Supply and Remediation Activities		2,016,114	1,612,635	79.99	5.78
Construction		4,321,798	2,836,937	65.64	10.17
Wholesale and Retail Trade		16,331,377	11,642,676	71.29	41.76
Transportation and Storage		1,274,800	810,880	63.61	2.91
Accommodation and Food Service Activities		1,011,835	873,678	86.35	3.13
Information and Communication		1,690,926	922,638	54.56	3.31
Financial and Insurance Activities		4,153,595	1,979,111	47.65	7.10
Real Estate Activities		2,450,124	1,249,483	51.00	4.48
Professional, Scientific and Technical Activities		1,007,644	699,490	69.42	2.51
Support Service Activities		713,087	413,825	58.03	1.48
Education		37,866	34,547	91.23	0.12
Human Health and Social Work Activities		48,581	43,675	89.90	0.16
Arts, Entertainment and Recreation		168,968	143,097	84.69	0.51
Other Service Activities		309,495	271,903	87.85	0.98

Note:

1. SMEs refer to enterprises with capital of less than NT\$100 million (inclusive) as defined in the “Standards for Identifying Small and Medium-sized Enterprises” revised and promulgated by the MOEA on November 27, 2024.
2. The industries are defined in accordance with the “Statistics Industrial Classification (Rev. 11)” of the DGBAS of the EY.
3. Due to data restrictions, starting from 2022, the “agriculture, forestry, fishing and animal husbandry” and “mining and quarrying” industries are listed as “agriculture, forestry, fishing and animal husbandry; mining and quarrying”; “electricity and gas supply” and “water supply and remediation activities” are listed as “electricity and gas supply; water supply and remediation activities.”
4. “(2)/(1)” refers to the ratio of SMEs among all enterprises; “Share” refers to the ratio of individual industries of SMEs among all SMEs.

Source: FIA, MOF, VAT data, 2024.

**Table D-4 Export Sales Value of SMEs by Industry, 2024**

Unit: Million NT\$, %

Industry	Enterprise size	Total (1)	SMEs (2)		
				(2) / (1)	Share
<b>Total</b>		14,442,722	3,193,376	22.11	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying		12,420	10,505	84.58	0.33
Manufacturing		10,194,317	1,181,049	11.59	36.98
Electricity and Gas Supply; Water Supply and Remediation Activities		32,914	8,342	25.34	0.26
Construction		34,707	12,354	35.60	0.39
Wholesale and Retail Trade		3,250,511	1,527,702	47.00	47.84
Transportation and Storage		496,257	268,166	54.04	8.40
Accommodation and Food Service Activities		2,022	538	26.61	0.02
Information and Communication		195,922	74,549	38.05	2.33
Financial and Insurance Activities		40,049	14,547	36.32	0.46
Real Estate Activities		3,765	1,915	50.86	0.06
Professional, Scientific and Technical Activities		161,558	77,230	47.80	2.42
Support Service Activities		9,339	8,205	87.86	0.26
Education		234	205	87.61	0.01
Human Health and Social Work Activities		1,293	990	76.57	0.03
Arts, Entertainment and Recreation		1,370	1,327	96.86	0.04
Other Service Activities		6,045	5,752	95.15	0.18

Note:

1. SMEs refer to enterprises with capital of less than NT\$100 million (inclusive) as defined in the “Standards for Identifying Small and Medium-sized Enterprises” revised and promulgated by the MOEA on November 27, 2024.
2. The industries are defined in accordance with the “Statistics Industrial Classification (Rev. 11)” of the DGBAS of the EY.
3. Due to data restrictions, starting from 2022, the “agriculture, forestry, fishing and animal husbandry” and “mining and quarrying” industries are listed as “agriculture, forestry, fishing and animal husbandry; mining and quarrying”; “electricity and gas supply” and “water supply and remediation activities” are listed as “electricity and gas supply; water supply and remediation activities.”
4. “(2)/(1)” refers to the ratio of SMEs among all enterprises; “Share” refers to the ratio of individual industries of SMEs among all SMEs.

Source: FIA, MOF, VAT data, 2024.

Table D-5 Number of SME Employees by Industry, 2024

Unit: Thousand persons; %

Enterprise size Industry	Total (1)	SMEs (2)	Unit: Thousand persons; %	
			(2) / (1)	Share
<b>Total</b>	11,595	9,194	79.29	100.00
Agriculture, Forestry, Fishing and Animal Husbandry	494	489	98.99	5.32
Mining and Quarrying	4	3	75.00	0.03
Manufacturing	2,994	1,984	66.27	21.58
Electricity and Gas Supply	34	9	26.47	0.10
Water Supply and Remediation Activities	87	40	45.98	0.44
Construction	932	914	98.07	9.94
Wholesale and Retail Trade	1,825	1,785	97.81	19.41
Transportation and Storage	505	403	79.80	4.38
Accommodation and Food Service Activities	901	894	99.22	9.72
Information and Communication	287	244	85.02	2.65
Financial and Insurance Activities	435	373	85.75	4.06
Real Estate Activities	106	104	98.11	1.13
Professional, Scientific and Technical Activities	408	348	85.29	3.79
Support Service Activities	324	314	96.91	3.42
Public Administration and Defence; Compulsory Social Security	377	1	0.27	0.01
Education	637	276	43.33	3.00
Human Health and Social Work Activities	549	337	61.38	3.67
Arts, Entertainment and Recreation	125	108	86.40	1.17
Other Service Activities	572	568	99.30	6.18

Note:

1. SMEs refer to enterprises with fewer than 200 regular employees as defined in the “Standards for Identifying Small and Medium-sized Enterprises” revised and promulgated by the MOEA on November 27, 2024.

2. The industries are defined in accordance with the “Statistics Industrial Classification (Rev. 11)” of the DGBAS of the EY.

3. “(2)/(1)” refers to the ratio of SMEs among all enterprises; “Share” refers to the ratio of individual industries of SMEs among all SMEs.

Source: DGBAS, EY, *Manpower Survey* data, 2024.

**Table D-6 Number of Paid SME Employees by Industry, 2024**

Unit: Thousand persons; %

Industry	Enterprise size	Total (1)	SMEs (2)		
				(2) / (1)	Share
<b>Total</b>		9,394	6,994	74.45	100.00
Agriculture, Forestry, Fishing and Animal Husbandry		91	86	94.51	1.23
Mining and Quarrying		4	3	75.00	0.04
Manufacturing		2,809	1,800	64.08	25.74
Electricity and Gas Supply		34	8	23.53	0.11
Water Supply and Remediation Activities		81	34	41.98	0.49
Construction		778	760	97.69	10.87
Wholesale and Retail Trade		1,229	1,189	96.75	17.00
Transportation and Storage		368	265	72.01	3.79
Accommodation and Food Service Activities		615	609	99.02	8.71
Information and Communication		265	221	83.40	3.16
Financial and Insurance Activities		430	369	85.81	5.28
Real Estate Activities		98	96	97.96	1.37
Professional, Scientific and Technical Activities		338	278	82.25	3.97
Support Service Activities		302	291	96.36	4.16
Public Administration and Defence; Compulsory Social Security		377	1	0.27	0.01
Education		608	246	40.46	3.52
Human Health and Social Work Activities		525	314	59.81	4.49
Arts, Entertainment and Recreation		101	84	83.17	1.20
Other Service Activities		344	341	99.13	4.88

Note:

1. SMEs refer to enterprises with fewer than 200 regular employees as defined in the “Standards for Identifying Small and Medium-sized Enterprises” revised and promulgated by the MOEA on November 27, 2024.

2. The industries are defined in accordance with the “Statistics Industrial Classification (Rev. 11)” of the DGBAS of the EY.

3. “(2)/(1)” refers to the ratio of SMEs among all enterprises; “Share” refers to the ratio of individual industries of SMEs among all SMEs.

Source: DGBAS, EY, *Manpower Survey* data, 2024.

Table D-7 Export Sales Value of SMEs by Manufacturing Industry, 2024

Unit: Million NT\$, %

Enterprise size Industry	Total (1)	SMEs (2)		
			(2) / (1)	Share
<b>Total</b>	10,194,317	1,181,049	11.59	100.00
Manufacture of Food Products and Prepared Animal Feeds	53,811	16,592	30.83	1.40
Manufacture of Beverages	2,959	351	11.86	0.03
Manufacture of Textiles	157,995	15,193	9.62	1.29
Manufacture of Wearing Apparel and Clothing Accessories	11,501	6,761	58.79	0.57
Manufacture of Leather, Fur and Related Products	24,569	6,967	28.36	0.59
Manufacture of Wood and of Products of Wood and Bamboo	3,081	2,108	68.42	0.18
Manufacture of Paper and Paper Products	31,469	5,833	18.54	0.49
Printing and Reproduction of Recorded Media	75,093	3,844	5.12	0.33
Manufacture of Petroleum and Coal Products	379,063	8,083	2.13	0.68
Manufacture of Chemical Material, Fertilizers and Nitrogen Compounds, Plastic and Rubber Materials, Man-made Fibres	435,314	33,788	7.76	2.86
Manufacture of Other Chemical Products	102,278	32,294	31.57	2.73
Manufacture of Pharmaceuticals and Medicinal Chemical Products	23,321	2,650	11.36	0.22
Manufacture of Rubber Products	86,627	16,454	18.99	1.39
Manufacture of Plastics Products	131,460	50,448	38.38	4.27
Manufacture of Non-metallic Mineral Products	52,732	15,807	29.98	1.34
Manufacture of Basic Metals	386,677	28,930	7.48	2.45
Manufacture of Fabricated Metal Products	392,816	138,802	35.34	11.75
Manufacture of Electronic Parts and Components	5,088,122	350,268	6.88	29.66
Manufacture of Computers, Electronic and Optical Products	1,676,995	110,361	6.58	9.34
Manufacture of Electrical Equipment	225,712	31,025	13.75	2.63
Manufacture of Machinery and Equipment	375,804	152,483	40.58	12.91
Manufacture of Motor Vehicles and Parts	130,950	18,483	14.11	1.56
Manufacture of Other Transport Equipment and Parts	158,781	63,382	39.92	5.37
Manufacture of Furniture	27,917	16,908	60.57	1.43
Other Manufacturing	113,854	29,783	26.16	2.52
Repair and Installation of Industrial Machinery and Equipment	45,419	23,451	51.63	1.99

Note:

1. Due to data restrictions, “manufacture of tobacco products” in the manufacturing sector is listed as “other manufacturing” starting from 2022.

2 “(2)/(1)” refers to the ratio of SMEs among all enterprises; “Share” refers to the ratio of individual industries of SMEs among all SMEs.

Source: FIA, MOF, VAT data, 2024.

**Table D-8 Number and Sales Performance of SMEs Newly Established in the Last 8 Years by Industry, 2024**

Unit: Enterprises; million NT\$; %

Enterprise size	Total (1)	SMEs (2)		
Industry			(2) / (1)	Share
Number of enterprises				
Total	719,907	716,802	99.57	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying	5,555	5,525	99.46	0.77
Manufacturing	29,633	29,087	98.16	4.06
Electricity and Gas Supply; Water Supply and Remediation Activities	5,766	5,567	96.55	0.78
Construction	82,822	82,715	99.87	11.54
Wholesale and Retail Trade	282,518	282,011	99.82	39.34
Transportation and Storage	15,223	15,193	99.80	2.12
Accommodation and Food Service Activities	112,468	112,401	99.94	15.68
Information and Communication	16,378	16,242	99.17	2.27
Financial and Insurance Activities	9,241	8,728	94.45	1.22
Real Estate Activities	24,162	23,550	97.47	3.29
Professional, Scientific and Technical Activities	37,096	36,827	99.27	5.14
Support Service Activities	16,643	16,604	99.77	2.32
Education	5,981	5,977	99.93	0.83
Human Health and Social Work Activities	1,971	1,962	99.54	0.27
Arts, Entertainment and Recreation	32,411	32,385	99.92	4.52
Other Service Activities	42,039	42,028	99.97	5.86
Total sales				
Total	7,603,164	6,277,701	82.57	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying	28,313	23,931	84.52	0.38
Manufacturing	852,683	597,207	70.04	9.51
Electricity and Gas Supply; Water Supply and Remediation Activities	130,316	57,871	44.41	0.92
Construction	829,759	792,636	95.53	12.63
Wholesale and Retail Trade	3,274,644	2,654,613	81.07	42.29
Transportation and Storage	196,639	169,033	85.96	2.69
Accommodation and Food Service Activities	419,732	410,891	97.89	6.55
Information and Communication	547,466	482,242	88.09	7.68
Financial and Insurance Activities	144,537	104,501	72.30	1.66
Real Estate Activities	535,022	428,134	80.02	6.82
Professional, Scientific and Technical Activities	315,374	268,192	85.04	4.27
Support Service Activities	144,591	107,446	74.31	1.71
Education	21,671	21,517	99.29	0.34
Human Health and Social Work Activities	13,455	13,268	98.61	0.21
Arts, Entertainment and Recreation	73,760	71,261	96.61	1.14
Other Service Activities	75,202	74,959	99.68	1.19



**Table D-8 Number and Sales Performance of SMEs Newly Established in the Last 8 Years by Industry, 2024 (Continued)**

Unit: Million NT\$, %

Enterprise size		Total (1)	SMEs (2)	Share	
Industry				(2) / (1)	Share
Domestic sales					
Total		6,527,483	5,733,602	87.84	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying		26,555	22,590	85.07	0.39
Manufacturing		529,883	375,778	70.92	6.55
Electricity and Gas Supply; Water Supply and Remediation Activities		128,792	56,376	43.77	0.98
Construction		827,222	791,011	95.62	13.80
Wholesale and Retail Trade		2,708,451	2,457,129	90.72	42.85
Transportation and Storage		138,117	128,274	92.87	2.24
Accommodation and Food Service Activities		419,570	410,729	97.89	7.16
Information and Communication		485,451	459,018	94.55	8.01
Financial and Insurance Activities		140,107	100,764	71.92	1.76
Real Estate Activities		533,957	427,120	79.99	7.45
Professional, Scientific and Technical Activities		269,908	225,075	83.39	3.93
Support Service Activities		140,908	104,242	73.98	1.82
Education		21,516	21,369	99.32	0.37
Human Health and Social Work Activities		13,393	13,206	98.60	0.23
Arts, Entertainment and Recreation		73,268	70,774	96.60	1.23
Other Service Activities		70,385	70,147	99.66	1.22
Export sales					
Total		1,075,681	544,099	50.58	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying		1,759	1,341	76.24	0.25
Manufacturing		322,800	221,429	68.60	40.70
Electricity and Gas Supply; Water Supply and Remediation Activities		1,523	1,495	98.16	0.27
Construction		2,537	1,626	64.09	0.30
Wholesale and Retail Trade		566,193	197,484	34.88	36.30
Transportation and Storage		58,522	40,758	69.65	7.49
Accommodation and Food Service Activities		162	162	100.00	0.03
Information and Communication		62,015	23,224	37.45	4.27
Financial and Insurance Activities		4,431	3,737	84.34	0.69
Real Estate Activities		1,065	1,013	95.12	0.19
Professional, Scientific and Technical Activities		45,467	43,117	94.83	7.92
Support Service Activities		3,683	3,204	86.99	0.59
Education		155	148	95.48	0.03
Human Health and Social Work Activities		62	62	100.00	0.01
Arts, Entertainment and Recreation		492	487	98.98	0.09
Other Service Activities		4,817	4,812	99.90	0.88

Note:

1. Due to data restrictions, starting from 2022, the “agriculture, forestry, fishing and animal husbandry” and “mining and quarrying” industries are listed as “agriculture, forestry, fishing and animal husbandry; mining and quarrying”; “electricity and gas supply” and “water supply and remediation activities” are listed as “electricity and gas supply; water supply and remediation activities.”
2. “(2)/(1)” refers to the ratio of SMEs among all enterprises; “Share” refers to the ratio of individual industries of SMEs among all SMEs.

Source: FIA, MOF, VAT data, 2024.

**Table D-9 Number and Sales Performance of SMEs Newly Established in the Last Year by Industry, 2024**

Unit: Enterprises; million NT\$; %

Enterprise size		Total (1)	SMEs (2)	Unit: Enterprises, million RMB	
Industry				(2) / (1)	Share
Number of enterprises					
Total		110,247	110,081	99.85	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying	704	700	99.43	0.64	
Manufacturing	2,916	2,893	99.21	2.63	
Electricity and Gas Supply; Water Supply and Remediation Activities	727	721	99.17	0.65	
Construction	14,341	14,330	99.92	13.02	
Wholesale and Retail Trade	40,355	40,333	99.95	36.64	
Transportation and Storage	2,888	2,887	99.97	2.62	
Accommodation and Food Service Activities	19,308	19,305	99.98	17.54	
Information and Communication	2,424	2,414	99.59	2.19	
Financial and Insurance Activities	1,419	1,392	98.10	1.26	
Real Estate Activities	3,310	3,263	98.58	2.96	
Professional, Scientific and Technical Activities	6,150	6,142	99.87	5.58	
Support Service Activities	2,616	2,613	99.89	2.37	
Education	1,002	1,002	100.00	0.91	
Human Health and Social Work Activities	390	390	100.00	0.35	
Arts, Entertainment and Recreation	4,700	4,699	99.98	4.27	
Other Service Activities	6,997	6,997	100.00	6.36	
Total sales					
Total	344,771	325,853	94.51	100.00	
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying	948	948	100.00	0.29	
Manufacturing	32,393	31,533	97.35	9.68	
Electricity and Gas Supply; Water Supply and Remediation Activities	11,763	5,106	43.41	1.57	
Construction	49,231	48,568	98.65	14.90	
Wholesale and Retail Trade	160,280	158,643	98.98	48.69	
Transportation and Storage	10,892	10,892	100.00	3.34	
Accommodation and Food Service Activities	28,782	28,761	99.93	8.83	
Information and Communication	11,272	6,369	56.50	1.95	
Financial and Insurance Activities	2,474	2,402	97.09	0.74	
Real Estate Activities	12,202	8,202	67.22	2.52	
Professional, Scientific and Technical Activities	10,347	10,249	99.05	3.15	
Support Service Activities	4,247	4,240	99.84	1.30	
Education	897	897	100.00	0.28	
Human Health and Social Work Activities	625	625	100.00	0.19	
Arts, Entertainment and Recreation	4,302	4,302	100.00	1.32	
Other Service Activities	4,116	4,116	100.00	1.26	

**Table D-9 Number and Sales Performance of SMEs Newly Established in the Last Year by Industry, 2024 (Continued)**

Unit: Million NT\$, %

Enterprise size		Total (1)	SMEs (2)	Share	
Industry				(2) / (1)	Share
Domestic sales					
Total		311,853	294,134	94.32	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying	946	946	100.00	0.32	
Manufacturing	10,201	9,423	92.37	3.20	
Electricity and Gas Supply; Water Supply and Remediation Activities	11,692	5,035	43.06	1.71	
Construction	49,172	48,510	98.65	16.49	
Wholesale and Retail Trade	156,021	154,600	99.09	52.56	
Transportation and Storage	6,790	6,790	100.00	2.31	
Accommodation and Food Service Activities	28,782	28,761	99.93	9.78	
Information and Communication	9,582	5,578	58.21	1.90	
Financial and Insurance Activities	2,413	2,342	97.06	0.80	
Real Estate Activities	12,201	8,201	67.22	2.79	
Professional, Scientific and Technical Activities	9,926	9,828	99.01	3.34	
Support Service Activities	4,216	4,209	99.83	1.43	
Education	897	897	100.00	0.30	
Human Health and Social Work Activities	625	625	100.00	0.21	
Arts, Entertainment and Recreation	4,288	4,288	100.00	1.46	
Other Service Activities	4,102	4,102	100.00	1.39	
Export sales					
Total		32,917	31,719	96.36	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying	1	1	100.00	0.00	
Manufacturing	22,192	22,110	99.63	69.71	
Electricity and Gas Supply; Water Supply and Remediation Activities	71	71	100.00	0.22	
Construction	59	59	100.00	0.19	
Wholesale and Retail Trade	4,259	4,043	94.93	12.75	
Transportation and Storage	4,102	4,102	100.00	12.93	
Accommodation and Food Service Activities	0	0	-	0.00	
Information and Communication	1,690	790	46.75	2.49	
Financial and Insurance Activities	61	61	100.00	0.19	
Real Estate Activities	1	1	100.00	0.00	
Professional, Scientific and Technical Activities	421	421	100.00	1.33	
Support Service Activities	31	31	100.00	0.10	
Education	0	0	-	0.00	
Human Health and Social Work Activities	0	0	-	0.00	
Arts, Entertainment and Recreation	14	14	100.00	0.04	
Other Service Activities	13	13	100.00	0.04	

Note:

1. "0" represents zero or less than one unit (a million NT\$); "-": not applicable.
2. Due to data restrictions, starting from 2022, the "agriculture, forestry, fishing and animal husbandry" and "mining and quarrying" industries are listed as "agriculture, forestry, fishing and animal husbandry; mining and quarrying"; "electricity and gas supply" and "water supply and remediation activities" are listed as "electricity and gas supply; water supply and remediation activities."
3. "(2)/(1)" refers to the ratio of SMEs among all enterprises; "Share" refers to the ratio of individual industries of SMEs among all SMEs.

Source: FIA, MOF, VAT data, 2024.

**Table D-10 Number and Sales Performance of SMEs by Sex of Business Owner and Industry, 2024**

Unit: Enterprises; million NT\$; %

Sex of business owner	Total	Female-owned enterprises	Share	Male-owned enterprises	Share
Industry					
Number of enterprises					
Total	1,696,957	640,843	100.00	1,056,114	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying	12,562	3,197	0.50	9,365	0.89
Manufacturing	140,907	40,521	6.32	100,386	9.51
Electricity and Gas Supply; Water Supply and Remediation Activities	11,716	3,370	0.53	8,346	0.79
Construction	173,204	44,561	6.95	128,643	12.18
Wholesale and Retail Trade	759,500	303,622	47.38	455,878	43.17
Transportation and Storage	38,408	10,140	1.58	28,268	2.68
Accommodation and Food Service Activities	198,676	92,603	14.45	106,073	10.04
Information and Communication	27,715	8,384	1.31	19,331	1.83
Financial and Insurance Activities	23,543	8,563	1.34	14,980	1.42
Real Estate Activities	48,295	15,421	2.41	32,874	3.11
Professional, Scientific and Technical Activities	67,392	26,249	4.10	41,143	3.90
Support Service Activities	37,480	14,480	2.26	23,000	2.18
Education	7,661	3,652	0.57	4,009	0.38
Human Health and Social Work Activities	2,531	1,069	0.17	1,462	0.14
Arts, Entertainment and Recreation	46,648	16,684	2.60	29,964	2.84
Other Service Activities	100,719	48,327	7.54	52,392	4.96
Total sales					
Total	28,530,612	6,972,662	100.00	21,557,950	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying	267,695	21,430	0.31	246,265	1.14
Manufacturing	4,895,255	872,893	12.52	4,022,362	18.66
Electricity and Gas Supply; Water Supply and Remediation Activities	1,610,273	94,695	1.36	1,515,578	7.03
Construction	2,753,714	677,961	9.72	2,075,753	9.63
Wholesale and Retail Trade	11,862,125	3,136,513	44.98	8,725,612	40.48
Transportation and Storage	916,972	172,923	2.48	744,049	3.45
Accommodation and Food Service Activities	830,729	349,598	5.01	481,131	2.23
Information and Communication	716,240	99,735	1.43	616,505	2.86
Financial and Insurance Activities	1,982,313	811,820	11.64	1,170,493	5.43
Real Estate Activities	1,234,427	315,063	4.52	919,364	4.26
Professional, Scientific and Technical Activities	593,399	172,924	2.48	420,475	1.95
Support Service Activities	386,847	112,161	1.61	274,686	1.27
Education	33,190	10,806	0.15	22,384	0.10
Human Health and Social Work Activities	44,280	11,557	0.17	32,723	0.15
Arts, Entertainment and Recreation	132,655	37,699	0.54	94,956	0.44
Other Service Activities	270,497	74,883	1.07	195,614	0.91

**Table D-10 Number and Sales Performance of SMEs by Sex of Business Owner and Industry, 2024 (Continued)**

Unit: million NT\$, %

Sex of business owner		Total	Female-owned enterprises		Male-owned enterprises	
Industry				Share		Share
Domestic sales						
Total		25,949,508	6,422,464	100.00	19,527,044	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying		257,448	19,570	0.30	237,878	1.22
Manufacturing		3,903,061	693,832	10.80	3,209,229	16.43
Electricity and Gas Supply; Water Supply and Remediation Activities		1,602,546	92,536	1.44	1,510,010	7.73
Construction		2,747,408	676,750	10.54	2,070,658	10.60
Wholesale and Retail Trade		10,561,312	2,813,375	43.81	7,747,937	39.68
Transportation and Storage		764,627	158,286	2.46	606,341	3.11
Accommodation and Food Service Activities		830,227	349,282	5.44	480,945	2.46
Information and Communication		659,673	89,761	1.40	569,912	2.92
Financial and Insurance Activities		1,968,848	805,361	12.54	1,163,487	5.96
Real Estate Activities		1,233,345	314,550	4.90	918,795	4.71
Professional, Scientific and Technical Activities		565,961	166,047	2.59	399,914	2.05
Support Service Activities		382,084	110,304	1.72	271,780	1.39
Education		32,991	10,746	0.17	22,245	0.11
Human Health and Social Work Activities		43,445	10,757	0.17	32,688	0.17
Arts, Entertainment and Recreation		131,342	36,914	0.57	94,428	0.48
Other Service Activities		265,188	74,392	1.16	190,796	0.98
Export sales						
Total		2,581,104	550,198	100.00	2,030,906	100.00
Agriculture, Forestry, Fishing and Animal Husbandry; Mining and Quarrying		10,248	1,861	0.34	8,387	0.41
Manufacturing		992,194	179,061	32.54	813,133	40.04
Electricity and Gas Supply; Water Supply and Remediation Activities		7,726	2,159	0.39	5,567	0.27
Construction		6,306	1,211	0.22	5,095	0.25
Wholesale and Retail Trade		1,300,813	323,138	58.73	977,675	48.14
Transportation and Storage		152,344	14,636	2.66	137,708	6.78
Accommodation and Food Service Activities		502	316	0.06	186	0.01
Information and Communication		56,567	9,974	1.81	46,593	2.29
Financial and Insurance Activities		13,465	6,459	1.17	7,006	0.34
Real Estate Activities		1,083	514	0.09	569	0.03
Professional, Scientific and Technical Activities		27,438	6,877	1.25	20,561	1.01
Support Service Activities		4,763	1,857	0.34	2,906	0.14
Education		199	60	0.01	139	0.01
Human Health and Social Work Activities		836	800	0.15	36	0.00
Arts, Entertainment and Recreation		1,313	785	0.14	528	0.03
Other Service Activities		5,310	491	0.09	4,819	0.24

Note: 1. Whether an enterprise should be classified as male-owned or female-owned was determined using the registered identity of the business owner.

2. The totals given in this table do not conform to those given in Table D-1~D-4 because some enterprises are registered as being owned by other enterprises or by foreigners; these enterprises were excluded from the data used in this table; data from male- and female-owned enterprises are included in total.

3. Due to data restrictions, starting from 2022, the “agriculture, forestry, fishing and animal husbandry” and “mining and quarrying” industries are listed as “agriculture, forestry, fishing and animal husbandry; mining and quarrying”; “electricity and gas supply” and “water supply and remediation activities” are listed as “electricity and gas supply; water supply and remediation activities.”

4. “Share” refers to the ratio of individual industries of SMEs among all SMEs.

Source: FIA, MOF, VAT data, 2024.

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