

Outline of the 2022 White Paper on Small and Medium Enterprises in Japan

Part I of this report analyzes trends among SMEs and small businesses—including business conditions, bankruptcies, financing, and the employment environment—in the context of external factors such as the spread of COVID-19 and crude oil and raw material price hikes.

Part II analyzes COVID-19's impact on SMEs and society as a whole, as well as efforts to restructure businesses during the pandemic. It also analyzes measures taken to promote corporate growth, including building brands, investing in human capital, and working to increase managers' management capabilities. Furthermore, it analyzes digitalization, fair trade, and accompanying support as a shared foundation for SMEs and small businesses.

Trends among SMEs in FY2021

- Trends among SMEs and small businesses

This chapter notes that the business environment surrounding SMEs and small businesses shows a gradual trend of recovery but remains harsh, and that business sentiment and sales have not yet recovered to pre-COVID-19 levels in most industries.

Part 2: Internally-implemented transformation for the new era

- SMEs' responses to COVID-19

This chapter highlights the impact COVID-19 has on people's behavior, regional economies, and the performance of businesses, along with the status of support measures implemented for financing and other purposes. It also confirms the current status of business restructuring during the pandemic and demonstrates that SMEs need to restructure to ensure continuity and move toward subsequent growth.

- Management capabilities and organizations that drive company growth

This chapter focuses on investments in intangible assets that can drive growth for SMEs. It demonstrates the importance of companies clarifying their brand concepts when building their brands and focusing on developing human resources as a way to invest in human capital. It also explains the current statuses of overseas expansion, decarbonization, and startups.

- A shared foundation of fair trade and digitalization, and accompanying support to restructure management capabilities

Fair trade, digitalization, and accompanying support are the focal points in creating an infrastructure (shared foundation) that can support business continuity and growth in SMEs and small businesses. This chapter explains the importance of fair trade in pass-through situations related to cost fluctuations and creating opportunities to negotiate with purchasers. It also notes that the effects of digitalization are more noticeable with further progress in digitalization during infection waves of the pandemic. Additionally, it uses examples to show that in order for SMEs to accurately establish goals, supporting them through discussions with support organizations can be effective in improving their ability to transform on their own.