



**Asia-Pacific  
Economic Cooperation**

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**2014/SMEMM/020**  
Agenda Item: 6.2.8

## **Business Ethics for APEC SMEs**

Purpose: Information  
Submitted by: United States



**21<sup>st</sup> Small and Medium Enterprises Ministerial  
Meeting  
Nanjing, China  
5 September 2014**

# Business Ethics for APEC SMEs

**Project Overseer:  
The United States**

**The 21<sup>st</sup> SME Ministerial Meeting  
Nanjing, China  
September 5, 2014**

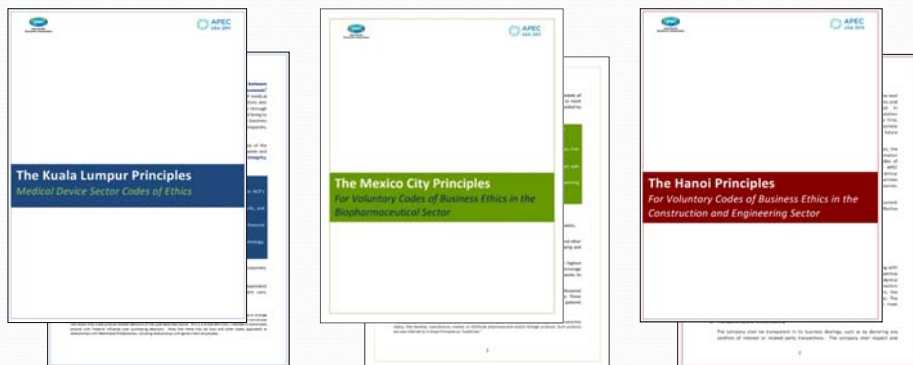


## Overview

- Small & Medium Enterprises (SMEs) are the engine of economic growth and will continue to serve as a key driver in the APEC region's economic expansion **as long as they are able to operate, trade, and innovate in ethical business environments.**
- As a result, the *Business Ethics for APEC SMEs* initiative was launched under the APEC SME Working Group in 2010.
- The initiative is led by the United States with active support and participation from **all 21 APEC economies.** Since 2010, initiative programs have been hosted by **China, Malaysia, Indonesia, Philippines, Chinese Taipei, Brunei Darussalam, Mexico, Vietnam, and Japan.** The initiative is also strongly supported by the APEC Business Advisory Council (ABAC).

## What have we achieved?

APEC Principles for codes of business ethics in three sectors, **setting the highest ethical standards for the region**, each developed by experts from government, industry and academia from all 21 APEC economies.



## Endorsement by APEC Ministers (Foreign and Trade Ministers) in the U.S. APEC Host Year



*"We applaud the decision of the APEC SME Ministers at Big Sky, Montana in May 2011 to endorse the Kuala Lumpur Principles for Medical Device Sector Codes of Business Ethics. This set of principles for the region's medical devices industry is the first of its kind, and will improve the quality of patient care, encourage innovation, and promote the growth of SMEs that produce medical devices."*



## Support by APEC Leaders (Heads of State) in the Russia APEC Host Year



*Corruption is "...a tremendous barrier to economic growth, the safety of citizens, and to the strengthening of economic and investment cooperation among APEC...We will also support the efforts of respective member economies to build capacity to combat corruption...by encouraging the implementation of high standard codes of ethics."*

-- November 2012, Vladivostok

## Capacity building from 2012 – 2013 to implement the principles

Formation of a network of over 100 ethics trainers, spanning all three sectors and 21 economies!

**April 22-24, 2012**  
**Brunei Darussalam**

APEC workshop to assist industry associations to draft codes aligned with The KL Principles



**July 10-11, 2012**  
**Taipei, Chinese Taipei**

APEC workshop to assist industry associations to draft codes aligned with The Mexico City Principles



**August 26 – 30, 2013**  
**KL, Malaysia**

APEC Train-the-Trainer Workshop hosted by Malaysian Anti-Corruption Academy



Jan/Feb 2012	Mar/Apr 2012	May/ June 2012	July/ Aug 2012	Sep/ Oct 2012	Nov/ Dec 2012	Jan/ Feb 2013	March/ April 2013	May/ June 2013	July/ Aug 2013	Sept/ Oct 2013
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**April 2012 – today**

Monitoring programs and mentor teams in all three sectors are progressing implementation of codes of ethics in preparation.

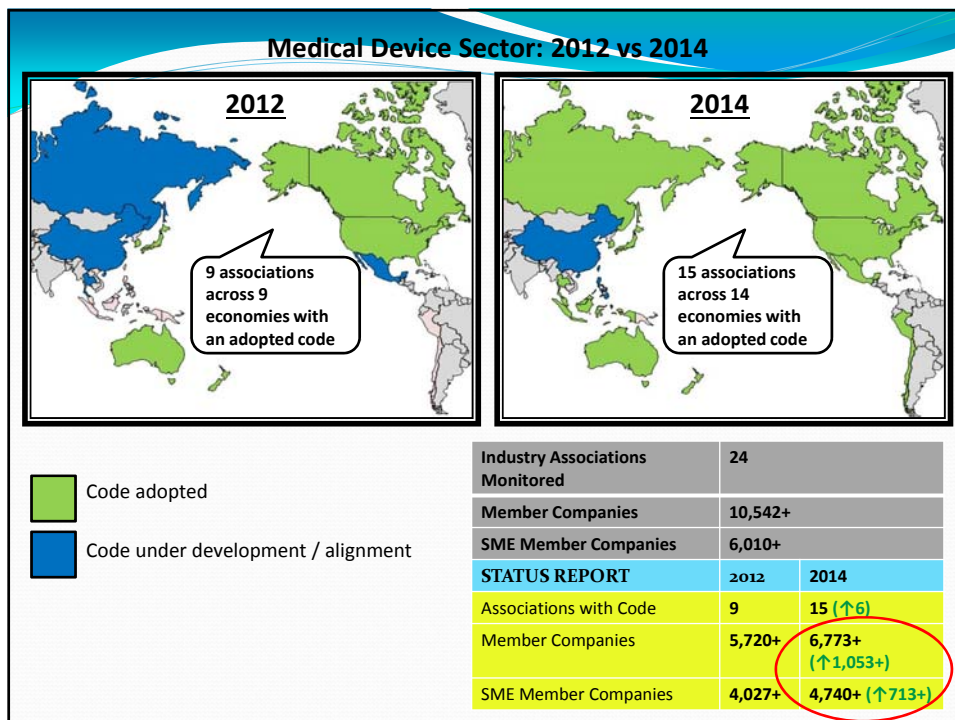
## Making Tools Available to Facilitate Code Adoption & Best Practices

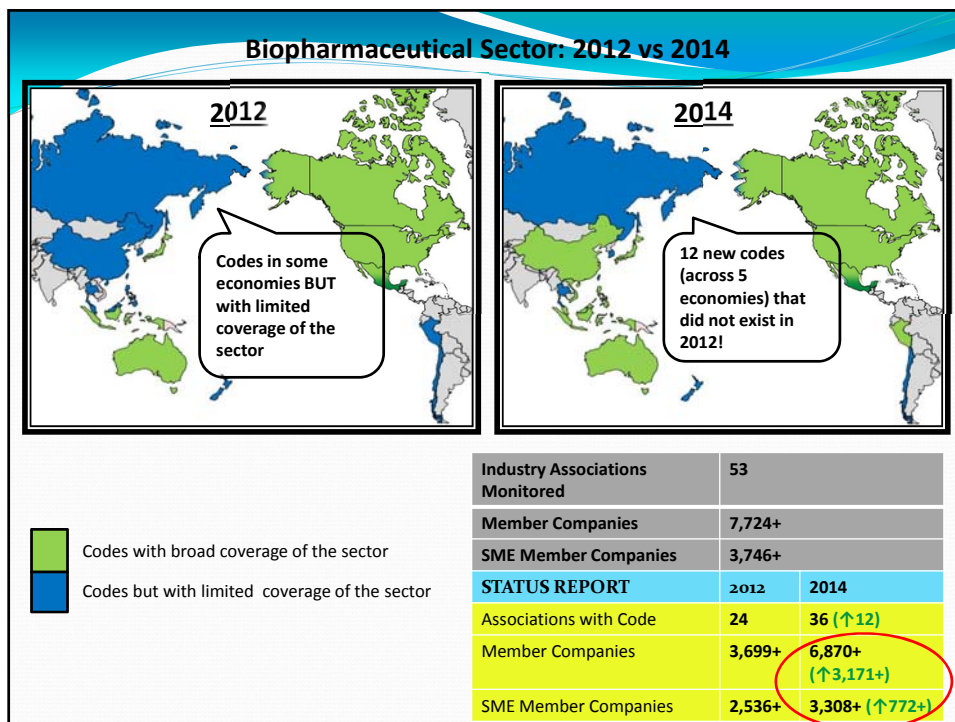


## New APEC Business Ethics Websites



## Results since we first started monitoring progress in 2012...





In summary, in two years we have supported the development of **18 new industry codes** across **9 economies** where they previously did not exist, expanding high standard APEC principles to nearly **14,000 companies** (of which over **8,000** are SMEs)

## Business Ethics for SMEs Forum 1-3 September 2014 -- Nanjing, China

- Over **200 participants** representing more than **80 different organizations** – bringing together stakeholders critical to ethical business practices in the healthcare sector (senior representatives from ministries of health, hospital and physician associations, patient organizations, industry, and APEC SME Working Group delegates).
- Co-hosted by China and the United States to facilitate regional cooperation, build capacity and **provide strategic vision and recommendations for this initiative through 2020 (Nanjing Declaration to be discussed this afternoon)**

## THANK YOU...

- China Ministry of Industry & Information Technology
- RDPAC
- Previous APEC member economy hosts: Malaysia, Indonesia, Philippines, Chinese Taipei, Brunei Darussalam, Mexico, Vietnam, and Japan
- APEC SME Working Group and Delegates
- Mentors and trainers from companies and associations
- The Philippines



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