

The 21stAPEC Small and Medium Enterprises Ministerial Meeting
Joint Ministerial Statement

Nanjing, China
September 5, 2014

Innovation and Sustainability

Introduction

1. We, the APEC Ministers and their representatives responsible for Small and Medium Enterprises (SMEs), met in Nanjing, the People's Republic of China, on September 5, 2014, under the chairmanship of H.E. Mr. Miao Wei, Minister of Industry and Information Technology of China. The APEC Secretariat and the APEC Business Advisory Council (ABAC) also attended.

2. We appreciated the active participation by the business sector, including SMEs, from across the APEC region at the seminar and fora held from September 1 to 3, 2014 in advance of our Ministerial Plenary Session. We agreed that incorporating the views of the business sector enriched and enhanced our discussion.

3. Guided by this year's theme of "Shaping the Future through Asia-Pacific Partnership", we centered on the 21st APEC SMEMM theme "Innovation and Sustainability", emphasized the great significance of innovative development to SMEs and made a commitment to encourage increasing the innovation capacities of SMEs, improving the policy environment for innovation and promoting SMEs growth through innovation.

Promoting SME Sustainability through Innovation

4. Innovation is an important element of enhancing the competitiveness of SMEs and also a major driving force supporting the sustainability of enterprises. We stressed the need for APEC economies to share their experience on how to increase the innovation capabilities of SMEs, improve the policy environment for SME innovation and promote SMEs growth through innovation. We encouraged officials to continue with relevant initiatives and activities, where appropriate, including technical exchanges, intellectual property rights, development of industrial clusters, disaster resilience and financing support, for advancing sustainability through innovation.

5. We were updated on the recent developments in the APEC region and the preparation for the 22nd APEC Economic Leaders' Meeting by the Executive Director of the APEC Secretariat. We welcomed the outcomes of the 38th and the 39th Meeting of the APEC Small and Medium Enterprises Working Group (SMEWG), and recognized the latter's efforts in implementing the recommendations from last APEC Small and Medium Enterprises Ministerial Meeting in Bali,

Indonesia. We acknowledged the proposals and action plans given by SMEWG in regard to enhancing SME innovation capabilities, improving policy environment for SME innovation and promoting SME development through innovation. We endorsed the work in 2014, and urged member economies to take further measures to facilitate innovative financing for SMEs and lower barriers to market access and reduce regulatory barriers facing SMEs.

6. We acknowledged the APEC High Level Policy Dialogue Joint Statement on Resilient SMEs for Better Global Supply Chains endorsed by SMEWG and EPWG to call for the establishment of SME Business Continuity Plans (BCPs) in order to secure their global supply chains and facilitate trade and investment. Besides, we recognized the value of APEC Accelerator Network (AAN) for early-stage investment to serve as the cross-border incubation platform providing the mentorship-driven investment and business matching for innovative start-ups and High Growth SMEs (HGSMES) so as to create a conducive start-up ecosystem in the APEC region.

Nanjing Declaration on Promoting SME Innovative Development

7. We recognized that innovative development is important to stimulate the endogenous impetus and enhance the sustainability of SMEs. Therefore we discussed and approved the Nanjing Declaration on Promoting SME Innovative Development separate to this Statement, encouraging economies to take a range of measures to promote SME innovation on a voluntary basis. We encouraged member economies to support innovative activities of SMEs, establish innovation promotion mechanisms, encourage SMEs and other stakeholders to participate in APEC fora and initiatives and strengthen the exchanges and sharing of best practices on innovation in SMEs.

Promoting Technology Cooperation among SMEs in a Practical Manner

8. We noted the profound changes in SME sales and business models arising from the scientific and technological progress and reiterated the importance of IT in improving SMEs' innovative development. We supported the development of e-commerce platforms and SMEs' interconnection to encourage and help facilitate SMEs' market access and internationalization.

9. We encouraged all members to engage the capacity building program regarding the application of big data and open data information and alerts to facilitate sustainable trade activities and business operation as well as bring benefits to disaster risk reduction, emergency preparedness, business continuity plans, resilient global supply chain, critical infrastructure protection, tourism and travel safety to support SME activity as the movement of goods and people increase across the APEC region.

10. We encouraged economies to use a variety of methods to support technological exchange and cooperation among SMEs in the APEC region. We appreciated the positive effect of the APEC SME Technology Conference and Fair, the APEC Seminar on Financing Innovation of SMEs, the APEC Business Launching Conference and the continuous cooperation of APEC

Accelerator Network for early-stage investment to encourage the member economies to actively set up platforms for cooperation in innovation.

11. We appreciated the publication of APEC Best Practices in SME Innovation during the APEC SME Technology Conference and Fair and supported the set-up of a database for such best practices, with a view to share experiences on SME innovation among member economies.

12. We encouraged research institutions and universities within the APEC region to collaborate and cooperate in joint research programs, and release and commercialize the findings to the SME sector. The institutional connectivity between universities and research institutions is vital to encourage SME innovation and sustainability in the region.

13. We welcomed Australia's forthcoming workshop on Promoting the Development of Women-led SMEs in the Global Market as an important initiative to assist member economies to enhance or develop export programs to assist women-led SMEs.

14. We welcome Peru's forthcoming APEC Start-ups Conference III 2014: Global Thinking To Make Global Businesses to consolidate and expand the start-up culture and interaction between APEC economies, improving the eco-system for start-ups.

15. We appreciate the publication of APEC Enhancing Competitiveness of SME through the Cooperative Business Model (CBM) which has enabled to identify the economic and social contribution of cooperative business model among APEC economies.

16. We appreciated Chinese Taipei's contribution on hosting the APEC Train-the-Trainer Workshop on Promoting SMEs Business Continuity Plan in collaboration with Indonesia, Mexico, Singapore, Thailand and Viet Nam, which trained over 300 BCP trainers as well as published BCP Guidebook in 7 languages, enabling 40% of people in the world to access information on business continuity.

17. We acknowledged the value of APEC Accelerator Network (AAN) with the participation from 14 economies and the APEC Challenge 2014, which further enhances the incubation, mentorship, investment and business opportunities across the APEC region. We support the AAN for early-stage investment proposed by Chinese Taipei to advance the AAN in terms of incorporating more members, innovative start-ups and High Growth SMEs (HGSMEs), business angles and venture capitals focusing on early-stage investment so as to further boost the economic growth and job creation.

18. The member economies are encouraged to use the research resources of APEC SME Crisis Management Center established under the support of the 2009 Annual APEC Ministerial Joint Statement and SME Ministerial Statement, in order to help APEC SMEs enhance their capacity to overcome the impact of crisis.

19. We recognize the importance of gaining easy access to inexpensive specialized technical and managerial expertise in the SME sector, and needs of some economies for technical experiences for SME innovation and sustainability. We therefore request the APEC SMEWG to develop a data base on retired business leaders and entrepreneurs who are willing to help coach SMEs in the respective economies.

Facilitating Ethical Business Environments for SMEs

20. We reiterated the importance of strengthening ethical business practices in key sectors for APEC SMEs and their partners in the supply chain. Ethical business practices facilitate environments that free SMEs from the high costs of corruption, permit sustainable economic growth, and support SMEs access to global markets. We congratulate the Business Ethics for APEC SMEs Initiative for concluding its fifth year, supporting the successful development of 18 new codes of ethics across 9 APEC economies where they previously did not exist and extending the APEC Principles to nearly 14,000 companies, of which over 8,000 are SMEs.

21. We welcomed the APEC Business Ethics for SMEs Forum to build stakeholder capacity to implement the APEC Principles and to facilitate multi-stakeholder collaboration. We endorsed the “Nanjing Declaration to Promote Ethical Business Environments in the Medical Device and Biopharmaceutical Sectors (2014-2020)” and extended our support to the achievement of its goals, including the call on APEC member economies to double the number of codes of ethics between 2012 and 2015, working toward further implementation of the APEC Principles by 2020. We expressed our support for the Manila Declaration to advance implementation of APEC Principles for the Construction and Engineering Sector and we encouraged SMEs to utilize the new APEC Business Ethics Web Portal to enhance their ethics compliance knowledge and capacity building skills.

22. We extended our appreciation to the Philippines for hosting the 2nd APEC Business Ethics for SMEs Forum in 2015 and encouraged the convening of this Forum on an annual basis.

The SMEWG Strategic Plan (2013-2016)

23. We considered that the Strategic Plan (2013-2016) has achieved positive results and encouraged member economies to continue to participate in and support related activities.

24. We appreciated the SMEWG’s focus on emerging topics such as APEC SME International Monitoring Index, financial literacy and how SMEs can integrate into the Global Value Chain (GVC) effectively and safely, encouraging the members to promote innovative growth of SMEs by building and strengthening Public-Private Partnerships (PPP), so that the Working Group can fully achieve the targets defined by the 2013-2016 strategic plan.

25. We requested officials to continue to share the best practices of their respective area of expertise, including management capability development, entrepreneurship and innovation, financing, business environment, market access and internationalization. We recognized the

promotion of standards and conformance as one of the priorities of the SMEWG from 2015.

Strengthening Dialogue with the Business Sector

26. We appreciated the effort by China to organize the APEC SME Business Forum 2014 before the Ministerial Meeting. The Forum provided a useful platform for officials to have a dialogue with the business sector. We encouraged similar fora to be organized on the margin of Ministerial Meetings in the future. We also welcomed the initiatives which were put forward by this Forum.

27. We recognized the wide inclusion of private sectors in SMEWG activities, in particular in the multi-year project on Improving Natural Disaster Resilience of APEC SMEs to Facilitate Trade and Investment, and the multi-year project on Business Ethics Capacity Building for SMEs in Medical Devices, Bio-Pharmaceutical and Construction Sectors.

Cooperation and Coordination among Related Organizations

28. We welcomed the APEC Business Advisory Council's (ABAC) report on their SME work. ABAC shared their key recommendations related to SMEs and entrepreneurship. We appreciated ABAC's work on access to finance, access to international markets, and the associated capacity building program Cross-Border E-Commerce Training (CBET), to empower SMEs to access international networking and collaboration opportunities. Taking into account the recommendations from the Seminar on Cross Border Trade in APEC Region, we look forward to continuous dialogues and interactions, to foster the sustainable development and growth of APEC SMMEs and entrepreneurs.

29. We encouraged the SME Working Group to continue collaboration with other relevant APEC committees and groups, including the Committee on Trade and Investment and its sub-fora, the Emergency Preparedness Working Group (EPWG) and the APEC Business Advisory Council (ABAC), on relevant issues and with other organizations such as the United Nations International Strategy for Disaster Reduction (UNISDR) for more effective and mutually beneficial impact in promoting BCPs for SMEs.

Towards the APEC China 2014 Economic Leaders' Meeting in Beijing

30. We agreed to present this Joint Ministerial Statement as the contribution to the APEC Economic Leaders' Meeting in November 2014 in Beijing, China.

APEC 2015 SME Meetings

31. The 22nd APEC Ministerial Meeting on SMEs and related activities will be held on 21-25 September 2015 in Iloilo City, the Philippines.