



**Asia-Pacific
Economic Cooperation**

2014/TEL49/LSG/005

Agenda Item: 3.4

**Promoting the Development of ICT Revolution to
Assist the Economic Growth of Small Medium
Enterprise (SMEs) and the Small Medium Micro
Enterprise (SMMEs) Workshop**

Purpose: Information
Submitted by: Malaysia



**Liberalization Steering Group Meeting
Yangzhou, China
25 April 2014**

APECTEL 48
Promoting the Development of ICT Revolution to Assist the Economic Growth of Small Medium Enterprise (SMEs) and the Small Medium Micro Enterprise (SMMEs)' Workshop
Wednesday, 18th September 2013
Hawaii, USA

Project Overview

1. The Workshop on Promoting the Development of ICT Revolution to Assist the Economic Growth of Small Medium Enterprise (SMEs) and the Small Medium Micro Enterprise (SMMEs)' was proposed at APEC TEL 47 as a self-funded project by Malaysia, with the co-sponsorship of China, Indonesia, Singapore and Thailand.

2. The project sought to achieve three main objectives :
 - (i) Share best practices and successful experience for using ICT to improve and transform SMEs and SMMEs business industries;
 - (ii) Explore the ICT opportunities to facilitate SMEs and SMMEs growth; and
 - (iii) Create potential cooperation and network with other stakeholders (such as: App Providers, NGO, APEC SMEs WG etc.).

Workshop Programme

Agenda
Welcoming Remarks by LSG Convenor Mr Mitsuhiro Hishida LSG Convener
Opening Remarks by the Project Overseer, Malaysia (Introduction, Background and outcome of the survey) Sharifah Khairiyah International Affairs, Malaysian Communications and Multimedia Commission
<u>Session 1:</u> <ul style="list-style-type: none">• Strategies for ICT adoption in SMEs/SMMEs (Infrastructure, policies, technology availability) Presentation and Q & A

Agenda

Moderator

Mr. Charles Chew

Head of International
Infocomm Development Authority, Singapore
Singapore

Speakers

- 1. Introduction of Cloud Testbed Consortium**
Mr. Tomoharu Hayashi
Multilateral Economic Affairs Office,
Ministry of Internal Affairs and Communications, Japan
- 2. Boosting SME Productivity & Growth through Infocomm Technology**
Mr. Jason Teo
International
Infocomm Development Authority, Singapore
- 3. Strategies for ICT adoption in SMEs and SMMEs**
Mr. Hishamruddin Mazlan
Broadband Management Division
Malaysian Communications and Multimedia Commission
- 4. IT Innovation Project for SMEs in Korea**
Mr. Nam Sang-yirl
Research Fellow, PhD in economics
Korea Information Society Development Institute (KISDI)

Session 2:

- Adoption of ICT by SMEs & SMMEs

Challenges & Opportunities
Presentation and Q & A

Moderator

Mr. Scott Smith

U.S. Department of State

- 1. Helping SMEs grow and compete globally- examples and our findings**

Ms. Marie Onga

Public Policy and Government Relations Associate, Google Japan Inc.

Informal roundtable session discussion with speakers from the 1st session

Summary & Closing Remarks

Workshop Outcomes

3. The workshop was attended by more than 30 delegates with active participation from the members. Delegates of the workshop discussed their economy's best practices and experience in adopting ICT to help improve the wellbeing of SMEs and SMMEs. The first session of the workshop discussed the initiatives that each economy had undertaken to promote the development of its SMEs/SMMEs. During the second session, Google shared their experiences and findings on how ICT has greatly impacted and changed SMEs/SMMEs. Following Google's presentation, workshop participants discussed the different challenges faced during the adoption of ICT.
4. The presentations were uploaded onto the TEL48 website and discussion notes of the speakers' presentations are briefly summarized as given below. A summary of the survey conducted prior to TEL48 is also included for members' reference.

a. Presentation Topic: Introduction of Cloud Testbed Consortium

Mr. Tomoharu Hayashi shared information about Japan's Cloud Testbed Consortium. This organisation consists of 71 members including 61 SMEs and 10 organizations providing a cloud testbed service and support for the utilization of the government statistics database. The Smart Cloud strategy by MIC Japan predicts the creation of a new market approximately 2 trillion Yen by expanding the cloud service market to a bigger scale. One of the platform is to provide support for SMEs to venture into business and develop new cloud services. The SME and Venture Business Support Project for Creation of Advanced Cloud Services provides SMEs to create cloud services by taking advantage of Japan's powerful network technologies.

b. Presentation Topic: Boosting SME Productivity & Growth through Infocomm Technology

Mr. Jason Teo shared the SME Productivity growth in Singapore. He started with informing the workshop members on the challenges faced by SMEs in Singapore. (i) Rising Business Costs caused by higher utility, material and shipping costs. (ii) The Manpower Crunch. Mr Teo also mentioned that ICT has helped SMEs meet their challenges and 83% of SMEs which have adopted technology innovations have gained benefits, according to the SME Development Survey 2012, DP information group. Some of the benefits SMEs gained from adopting technology is increased productivity, reduced cost as well as shortened turnaround time, the development of new innovative products/services, facilitation customization, broader and wider market

coverage and enhancements of their image/reputation. He continued sharing some success stories in Singapore and the barriers these SMEs face.

c. Presentation Topic: Strategies for ICT adoption in SMEs and SMMEs

Mr. Hishamrudin Mazlan presented on Malaysia's strategies for ICT adoption in SMEs and SMMEs mainly highlighting the benefits of ICT adoption and the programmes being conducted in Malaysia. The benefits of ICT adoption among SMEs and SMMEs will translate into positive results in the form of jobs creation, revenue creation and overall country competitiveness. These benefits include the enhancement of SMEs' efficiency, reduction cost of operation, and broaden market reach (locally and globally). The nation has invested in numerous development of ICT infrastructure to support the SMEs and SMMEs by enhancing the population coverage of public cellular services, and the establishment of broadband centres for the rural communities. Various promotion and awareness programmes are also conducted to increase ICT adoption among SMEs/SMMEs and improve their economic growth. These programmes are conducted through road tours, media advertising, public briefing to MPs, NGOs as well as online advertisements. In addition to this, Malaysia has developed the Digital Malaysia programme which enables E-Payment services for SMEs and SMMEs' online transactions. The speaker also mentioned the importance of support and cooperation from various government agencies and relevant stakeholders in the promotion of ICT adoption.

d. Presentation Topic: IT Innovation Project for SMEs in Korea

Mr. Nam Sang-yul from the Korea Information Society Development Institute (KISDI) presented the overview of the ICT related projects among SMEs in Korea. He began his presentation with an overview of the SMEs in Korea. According to the survey conducted by KISDI, more than 90% recognizes that SMEs in Korea contributes to a sustained economic growth and development. From their role in the production value chains to their innovation through technology and openness in the trade and business globalization, SMEs role contributes to the overall economy. Aside from that, SMEs have structural vulnerability meeting external environmental changes such as technology as well as financial challenges. With issues like the ones mentioned, Korea has created an IT innovation project for SMEs to further strengthen the capacity building of SMEs for further improve online based business relationship between SMEs and large enterprises.

e. Presentation Topic: Helping SMEs grow and compete globally - examples and findings

Ms. Marie Onga of Google presented on the growing percentage of SMEs in the APEC region. ICT and Internet Technologies as we know, has tremendously helped SMEs to grow and compete globally with the ability to reach new customers as well as exporting their goods and services across the world. It has also improved the effectiveness and productivity of their work. Ms. Onga also shared success stories from Ghana and Australia on how ICT adoption has enabled these SMEs to work in innovative ways. She said that some of the readily available Google Tools may be used for marketing, advertising, and promotion purposes. The Google Cloud Service is a resilient infrastructure used to store data or host websites and applications. The opportunities ICT creates in businesses have proven to be a positive growth. Apart from that, she also indicated that identifying the needs and issues of each country's SMEs is important so each solution may be tailored accordingly. In India, for example, the issues include the cost of equipment and internet subscription fees, the weak e-commerce environment and lack of digital literacy. Governments and NGOs may encourage SMEs to adopt ICT by reducing the complexities and barriers to doing businesses, helping them decide the best internet package subscription and education on capacity development.

Closing Session

An Informal roundtable session discussion was held with speakers from the 1st session.

Conclusion

As a conclusion, participants agreed to consider developing a framework and guideline to assist SMEs/SMMEs in ICT adoption.