



**Asia-Pacific
Economic Cooperation**

2017/SOM3/CTI/WKSP5/006

The Pacific Alliance Contribution to APEC in MSMEs and Trade Facilitation

Submitted by: Mexico



**Workshop on Free Trade Area of the Asia-Pacific
Building Blocks: The Pacific Alliance Contribution
to APEC Work in Services, MSMEs and Trade
Facilitation**

**Ho Chi Minh City, Viet Nam
26 August 2017**

APEC WORKSHOP ON FTAAP BUILDING BLOCKS: The Pacific Alliance contribution to APEC Work in Services, MSMEs and Trade Facilitation

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**Alianza del
Pacífico**



**Asia-Pacific
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ACHIEVE GREATER INTERNATIONAL COMPETITIVENESS



- Regional integration initiative formed by Chile, Colombia, Mexico and Peru, officially created on April 28, 2011
- To create attractive markets among its member countries to achieve greater international competitiveness.



ACHIEVE GREATER INTEGRATION GRADUALLY



OBJECTIVES:

- To build an area of deep integration to move progressively towards the free movement of goods, services, resources and people.
- To drive further growth, development and competitiveness of its members, focused on achieving greater well-being, overcoming socioeconomic inequality and promote the social inclusion of its inhabitants.
- To become a platform of political articulation, economic and commercial integration, and **projection to the world, with emphasis on the Asia-Pacific region.**

TRASCENDS THE COMMERCIAL AREA AND GOES TO SEMs

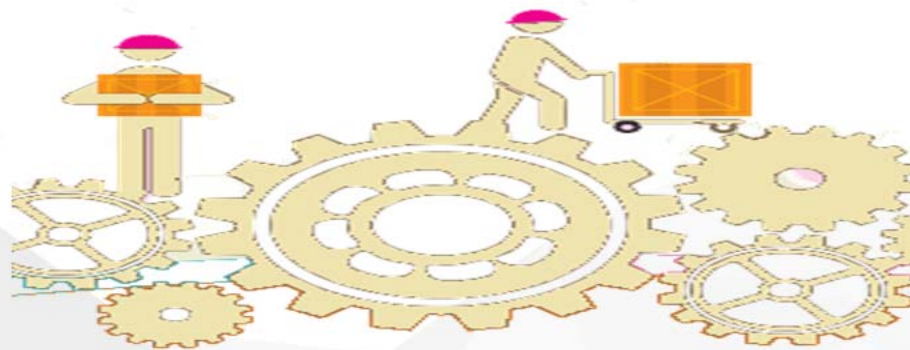
SMEWG



- The Agenda of the Pacific Alliance seeks to transcend the commercial area with the objective of strengthening joint and coordinated actions among its members.
- In May 2013 a SMEWG was created to deepen the collaboration of good practices in public policies to support small and medium sized enterprises in order to strengthen them.
- On October 23, the Group was installed at a meeting held in Mexico City. Since then, a lot of work has been done to find mechanisms to develop SMEs in the region.

SEEKS TO IDENTIFY REGIONAL OPPORTUNITIES FOR SMEs

- The SME Group is one of the 21 technical groups of the Pacific Alliance. The Group seeks to establish support mechanisms to ensure that SMEs benefit from regional opportunities offered by the Pacific Alliance, through the exchange of best practices and strengthening public policies of member countries.



MAIN INITIATIVES OF THE SMEWG

- ✓ Pacific Alliance Venture Capital fund.
- ✓ Integration of the Exporta-Facil Program (Easy Export Program).
- ✓ Launch of the Pacific Alliance SME Observatory.
- ✓ Integration of the Pacific Alliance Business Development Centers



THE FUND

The Group decided to create a seed and venture capital fund to support entrepreneurs and their companies.

The fund will provide smart capital to start-up and scale-up companies, taking advantage of the synergies that are taking place within the framework of the Alliance. .



GOVERNMENTS ARE THE FUND'S MAIN INVESTORS

The intervention model is based on a private-public partnership in which the governments of the four economies of the Alliance and the Multilateral Investment Fund will be the Fund's anchor investors. It is expected that private sector investors will join the Fund before the second closing.



Size of the Fund: The Fund will have a target capitalization of up to 100 million USD.

Investors: The Fund is oriented to long-term investors with investable assets of over 5 million USD, who understand the illiquid nature of the investments in which the Fund will participate, and the potential risk of loss of capital.

SUPPORT TO HIGH IMPACT ENTREPRENEURS

Definition of high impact: Profit companies that incorporate or develop high-impact practices in their products, services, processes, in order to develop, commercialize and scale them.

Investment thesis: The Fund will provide smart capital to companies in different sectors. Some indicative sectors of interest are: information and communication technology (ICT), applied engineering, biotechnology, manufacturing, health sciences, education, mobile finance, renewable energy, crowdfunding platforms.

The Fund will not provide financing for private equity deals or sectors such as infrastructure, real estate, forestry or mining, or microfinance projects.

Measurement of high impact: The impact generated by invested companies should be measured internally (profitability, jobs, productivity) as well as externally (social, environmental, industry, community and sector).



TAKES ADVANTAGE OF NATIONAL POSTAL INFRASTRUCTURE



ExportaFácil

EASY EXPORT PROGRAM

A simplified export process for micro and small enterprises through the services and postal infrastructure of every country for the export of goods without having to contract the services of a Customs Broker.



PROBLEMS THAT MICRO AND SMALL FIRMS FACE TO EXPORT

- ✓ Impossibility to export products according to their sales volumes
- ✓ High cost in the export process
- ✓ Need to use a Customs Agent
- ✓ Lack of knowledge of the postal services currently has the Pacific Alliance members.
- ✓ Lack of training on export process

¿Qué es
**Exporta
Fácil?**



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BENEFITS OF THE EASY EXPORT PROGRAM

- ✓ Simplify Export Process
- ✓ Facilitate the shipment of goods
- ✓ Reduction of logistics costs for Exporter SMEs
- ✓ Does not require an Office and / or Customs Agent



POTENTIATE AND INCREASE EXPORTS OF MICRO AND
SMALL PACIFIC ALLIANCE ENTERPRISES





A space of cooperation that promotes access to relevant information for entrepreneurs and MSMEs in order to strengthen Public Policies and regional development of member economies.

Hosted within the platform of the Mexican National Observatory of the Entrepreneur (ONE) (www.one.inadem.gob.mx), the Observatory provides information for strengthening the entrepreneurial ecosystem of members.

The platform is in operation in coordination with the Communications Strategy Working Group. Assistance has been requested from The Latin America Development Bank (CAF) for its presentation and promotion

In addition, the process of developing the Public Policies Index for the Development of the MSME has already been initiated in May 2017 with the assistance of SELA and the OECD.

Similar effort to the one carried out by ASEAN countries.

PACIFIC ALLIANCE BUSINESS DEVELOPMENT CENTERS



The four countries are creating a Network of Business Development Centers for the Pacific Alliance, which aim is to integrate a regional platform that includes training and advice to SMEs and entrepreneurs in the region.

The Network of Business Development Centers will allow the integration of a regional platform for training and advice to SMEs and entrepreneurs in the region, through the creation of approved centers in the four member economies, following the methodology of the Small Business Development Centers of the United States.



METHODOLOGY OF THE US's SMALL BUSINESS DEVELOPMENT CENTERS

The Centers operating under the SBDC methodology are the main source of technical and administrative advice for small businesses and its mission is to promote growth, innovation, productivity and profits of the SMEs sector, through developments in Business administration.



SYNERGIES WITH APEC PROJECTS

Upgrading MSME Access to Finance in a Digital Age (Vietnam)



- ▶ Promote better understanding and exchange of the cross-economics of the latest digital innovations and financial infrastructure reforms in support of SME financing.
- ▶ Provide a platform for open dialogues between the public and private sectors
- ▶ Further promote secured transactions and credit information reforms in support of SME financing; Provide cross-fertilization and networking among experts from SMEs in the public and private sectors throughout the Region.
- ▶ Promote the development of digital finance platforms.



**Network to
Support the
Entrepreneurs**



POSSIBLE SYNERGIES WITH APEC PROJECTS

Strengthening of internationalization opportunities for innovative SMEs (Rusia)

- ▶ To stimulate the process of integration of APEC economies, to develop favorable conditions and an enabling environment for the internationalization of innovative and high technology SMEs in APEC economies, in order to reduce the barriers that prevent SMEs from successfully accessing markets through generation and supply.
- ▶ Development of a special web space in English for SMEs to find business partners in APEC economies markets

THANK YOU!