

## 2017 APEC SME MINISTERIAL STATEMENT

### *“Enhancing MSMEs’ Competitiveness and Innovation in the Digital Age”*

Ho Chi Minh City, 15 September 2017

1. We, the APEC SME Ministers and our representatives met in Ho Chi Minh City on 15 September 2017 for the 24<sup>th</sup> APEC SME Ministerial Meeting under the Chairmanship of Minister Nguyen Chi Dung, Ministry of Planning and Investment, Viet Nam. The meeting was also attended by the Chair of the APEC Business Advisory Council (ABAC), the Executive Director of the APEC Secretariat and the Chair of APEC SME Working Group (SMEWG).
2. We appreciate the active participation of small and medium enterprises (SMEs) from across the APEC region at the meetings held on 10-14 September 2017. We value the views and contributions of SMEs, entrepreneurs, and government leaders, experts, and academia in shaping APEC’s SMEs agenda.
3. APEC has grown to become a dynamic driving force of regional economic growth and integration. As SMEs are a significant source of prosperity and employment, and a major contributor to innovation and the engine of economic growth in the Asia Pacific region, we recognized the importance of addressing their special concerns to realize their full potential as a way to generate dynamism for regional economies.
4. Under this year’s theme “Enhancing MSMEs’ Competitiveness and Innovation in the Digital Age” our discussion focused on three sub-themes: (i) Facilitating SME’s access to market and deeper integration into global value chain; (ii) Enabling business environment for SME through better access to technology, management and capacity building in training, consultancy and business matching; (iii) Strengthening APEC entrepreneurship in the digital age: promoting startup and business ethics.

#### ***Green, Sustainable and Innovative MSMEs***

5. We endorse the APEC Strategy for Green, Sustainable and Innovative MSMEs under the first sub-theme, to encourage the public-private partnership approach as a means to create an enabling environment where MSMEs can participate in green activities in a cost-effective manner and to enhance green awareness and necessary skills of MSMEs.
6. We underscore that greening MSMEs in the APEC region can help enhance their competitiveness while promoting benefits for local communities. It is essential to provide opportunities for MSMEs to participate in e-commerce and in green procurement practices of large companies and facilitate MSMEs’ access to market and their deeper integration into global value chain.
7. We recognize that there are certain challenges that MSMEs in the region should address in order to adopt green and sustainable business practices including

the lack of awareness on the benefits of the green economy, lack of skills in developing green technologies and limited access to financial resources.

8. In this light, setting a strategy for green, sustainable and innovative MSMEs is a valuable step towards creating an environment for MSMEs to thrive and play their full role in driving innovation and sustainable growth, which we believe will support the United Nations' Sustainable Development Goals (SDGs).
9. We encourage member economies to volunteer as the champions to take the lead in promoting green, sustainable and innovative MSMEs in the suggested pilot sectors as listed in the Strategy at the initial stage by initiating projects or organizing relevant activities.

### ***Enhancing MSMEs' access to market, modernization and competitiveness***

10. We expressed our satisfaction on the continuing prominence given by APEC's agenda to MSME issues in recent years, which is all the more important in the context of globalization, innovation in the digital age. We called for accelerated implementation of the Iloilo Initiative.
11. We welcome the launch of the APEC MSME Marketplace, as a result of the 1st phase of implementation under the Iloilo Initiative.
12. We discussed the 2017 Work Plan 2<sup>nd</sup> phase implementation of the APEC MSME Marketplace (2016-2020) and agreed to focus on building the content and functionality of the APEC MSME Marketplace to improve the value proposition for MSMEs.
13. We welcome the progress of the implementation of the Boracay Action Agenda to globalize MSMEs. We encourage member economies to explore opportunities for cooperation among APEC fora and the private sector for the continued development of initiatives that will benefit MSMEs in the region and contribute to their capacity to internationalize, as well as reduce barriers to trade and investment that impact MSMEs.
14. We note the advancements on the development of the Compendium on Methodologies for MSMEs Internationalization, and look forward to its completion in 2018 contributing to the Boracay Action Agenda and Iloilo Initiative.
15. We welcome the projects and initiatives implemented by member economies oriented to promote innovation and digital capabilities, competitiveness and resilience.
16. We welcome the progress of the APEC Supporting Industry Initiative including the outcome of policy seminars, the completion of case studies, and the endorsement of APEC Best Practices for Promoting Supporting Industry in the Asia Pacific Region at SOM3, and encourage further cooperation.
17. We acknowledge that it is necessary to provide continuous and detailed support to MSMEs in each economy in order to expand MSME participation in global value chains. We also acknowledge that it is important for each economy to enhance its cooperation with SME support organizations, local governments,

etc., and to develop a platform that successfully provides extensive support to SMEs.

18. We recognize the contribution of APEC SME Technology Conference and Fair (SMETC) to promoting technological exchange and cooperation of APEC SMEs, and welcome the 10th SMETC that will be convened in Shenyang City, China, on June 27-29, 2018. We welcome more APEC economies to participate in APEC Best Practices in SME Innovation, so as to enhance experience sharing and matchmaking cooperation in innovation fields, and to promote SME innovative development within the APEC region.
19. We welcome the establishment of APEC SME Center for IT Promotion. This center will become the link between SMEs and other related agencies from APEC member economies. APEC SME Center for IT Promotion is expected to serve as a platform to share policies, experiences and IT best practices and to provide consultations on IT solutions, which will be good for improving APEC SMEs IT application level .
20. Access to the internet and digital economy is one of the most important issues facing SMEs competitiveness and internationalization. We welcome efforts in the SMEWG to enhance the understanding of the opportunities and challenges for SMEs in the internet and digital economy and share best practices on how we can overcome the barriers. We acknowledge the efforts of the workshop on enabling MSMEs access to the digital economy to increase the knowledge of APEC economies and to foster closer collaboration.
21. We welcome the projects and initiatives implemented by member economies oriented to promote innovation and digital capabilities, competitiveness, and resilience of SMEs, namely the APEC Public-Private Dialogue on Enhancing Capacities of MSMEs in Exporting Services and the APEC Workshop on Facilitating Market access for women-led MSMEs through E-commerce hosted by Viet Nam.

### ***Promoting start-ups***

22. We are aware that in the context of deepening international integration, economies with high levels of innovation will have more opportunities to participate in a bigger arena. Innovative start-ups ignite creativity and create an explosion of new ideas and trade and investment.
23. However, the current environment and institutional capability for fostering start-ups across the APEC region, including the legal framework, public policies, and venture capital funds etc., remain a challenge and require APEC member support.
24. To remove the barriers impeding start-up success and facilitate innovative start-up activities, economies should take concrete actions to support start-ups through establishing conducive regulatory frameworks that promote a business-friendly environment; ensuring access to resources; and building start-up networks and partners.
25. We congratulate Viet Nam on the successful hosting of the APEC 2017 Start-ups Forum. The Forum was an ideal opportunity for member economies to

share experiences, ideas and tools to support business start-ups, thereby to form a dynamic and networked start-up community in APEC. Based on the results of the Forum, we have prioritized the recommendations as concrete measures to create a dynamic, innovative and connected start-up community in APEC.

26. We encourage APEC economies to focus on factors driving start-up success, such as funding, market reach, global connectivity, technical talent, experience, resource attraction, corporate involvement, founder ambition and strategies to develop a start-up community in APEC.
27. We recognize the importance of establishing an entrepreneurship network in APEC in order to increase the experience and initiative exchange among economies. We also acknowledge the joint efforts by the economies in implementing concrete and practical programs to advance the Digital Economy Action Plan and Work Agenda (DEAP) developed by the APEC SMEWG in 2015.
28. We acknowledge the importance of APEC SME Online-to-Offline (O2O) Initiative co-organized by Chinese Taipei, the Philippines and Malaysia to enhance SME digital competitiveness and resilience towards quality growth this year. We appreciate the realization of APEC SME O2O Summit held in Chinese Taipei as well as the serial O2O events held in Malaysia, Viet Nam and the forthcoming one in the Philippines this October.
29. We call for more efforts to promote the awareness of digital resilience against cyber attacks for SMEs in order to prepare them for cyber threats in the digital era. The APEC Guidebook on SME Digital Resilience is expected to be published on APEC Publications in the near future and will be utilized as the main training material in tailoring APEC SME Digital Resilience Training Workshops. We welcome the collaboration by more economies for multi-language translations.
30. Recognizing that providing training for SMEs on the importance of digital resilience and competitiveness is vital for the survival of SMEs, we call for more joint efforts to promote the participation of 5 serial APEC SME Digital Resilience Training Workshops that will be held in Malaysia, the Philippines, Chinese Taipei, Thailand and Viet Nam in 2018.
31. We instruct the APEC SMEWG, in coordination with the APEC Secretariat, relevant working groups and organizations to explore developing indicators to assess the level of innovation development and the effectiveness of policies that support the start-up community across APEC economies. To avoid duplication, we instruct officials to take into account existing work undertaken by other APEC fora.
32. We encourage the APEC SMEWG to continue with its efforts to fully implement its Strategic Plan 2017-2020 and to develop projects to strengthen innovation and start-up activities and enable the sharing of best practices in innovation amongst APEC economies. This will not only serve to maximize the positive role of MSMEs but also build a strong and vibrant start-up ecosystem in the APEC region.

33. We endorse the APEC Initiative on Promoting Innovative Start-ups.

### ***Strengthening MSMEs entrepreneurship and business ethics***

34. We reaffirm our commitment to strengthen ethical business practices to free SMEs from the high costs of corruption and support their ability to access global markets. To that end we reaffirm our commitment to the 2014 Nanjing Declaration and its goals.
35. We congratulated Viet Nam for joining Peru and Canada to reach one of the Nanjing Declaration's goals - launch of a Consensus Framework for Multi-Stakeholder Ethical Collaboration in the biopharmaceutical and medical device sectors.
36. We urge APEC economies to implement similar frameworks and continue towards full adoption of APEC Principles for codes of ethics as instructed by APEC Ministers and Leaders.
37. We welcome the APEC Guidance for Ethical Third Party Intermediary Relationships in the Medical Device Sector and encouraged its implementation. This Guidance serves as a concrete tool to support thousands of SMEs who play a critical role in the medical device sector, such as distributors, wholesalers and sales agents.

### **Looking Forward**

38. We agree to report the outcomes of the 24<sup>th</sup> SME Ministerial Meeting, including the APEC Strategy for Green, Sustainable and Innovative MSMEs and the APEC Initiative on Promoting Innovative Start-ups to the APEC Ministerial Meeting and the APEC Economic Leaders' Meeting this November in Da Nang, Viet Nam.
39. We look forward to the 25<sup>th</sup> APEC SME Ministerial Meeting and Related Activities in 2018 in Papua New Guinea.