

Promoting APEC Innovative Start-Ups

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The importance of APEC start-ups to regional quality growth and innovative development

1. APEC has grown to become a dynamic driving force of regional economic growth and integration. Meanwhile, micro, small and medium-sized enterprises (MSMEs) 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. Recognizing the intensification of innovation-based economic cooperation, APEC has taken the lead in improving the competitiveness and innovation of MSMEs in the region since its early development.
2. Given the significance of start-ups and young entrepreneurs to economic growth in the Asia-Pacific region, in 2012, APEC Leaders supported the implementation of the Young Entrepreneurs Network and APEC Start-ups Accelerator Initiative. Leaders also encouraged the mutually beneficial collaboration among firms, big or small, to foster their intellectual capital, optimize their core competencies, and minimize potential disputes that would discourage MSME development.
3. Since then, APEC acknowledged the importance of an enabling environment to accelerate start-ups and boost development of SMEs through addressing trade, investment and regulatory barriers for SMEs and offering improved and efficient services to them. APEC is also committed to further advance SME cooperation for innovative growth through promoting start-ups. The development of start-ups in the APEC region facilitates job creation and has the potential to increase international trade that benefits APEC member economies.
4. The 4th Industrial Revolution with unprecedented speed, breadth and depth of change has brought about new opportunities for growth, economic integration, new business models and new jobs. Innovative start-ups ignite creativity and create an explosion of new ideas and trade and investment. Thus, encouraging the bursting “flame” of start-ups is a joint effort requiring collective action across the entire APEC region.
5. According to 2017 APEC Corporate-Startup Innovation Study¹, the road to technological innovation is increasingly being paved by those innovative start-ups working in partnership with multinational corporations to scale-up the newly-developed technology across borders. The role of corporate venture capital (CVC) in the startup ecosystem has never been more visible and impactful than it is now. While 95% of start-ups wish to develop long-term corporate partnerships, only 45% have done so. For start-ups, the immediate challenges are scaling up, finding talents, and accessing funding and markets.
6. However, the current environment and institutional capability for fostering start-ups across the APEC region, including the regulatory and legal framework, public support policies, venture capital funds and information technology etc, remain a challenge and require APEC members’ close coordination and cooperation. Creating favorable conditions for start-ups remain an important area for APEC.

Fostering the robust and sustainable growth of APEC innovative start-ups

7. With a view to supporting APEC innovative start-up ecosystem, we will consider to support efforts in the following areas:
 - a) Regulatory and Legal framework:

¹ Yushan Ventures 2017 Corporate Startup collaboration Study

- Provide enabling business environment by creating favorable policies and regulations that support the sustainable development of innovative start-ups and create an effective start-up ecosystem in the APEC region to further boost sustainable, inclusive and innovative growth.
- Optimize the digital innovation ecosystem through smart regulations to create an entrepreneurial environment by building incubators to help young entrepreneurs realize their business ideas, and enable them to better evaluate potential success and risk before actual implementation.
- Promote a vibrant ecosystem of angel investors and venture capitalists; facilitate the development of emerging industries such as Fintech.
- Encourage economies to reduce barriers to trade, particularly in the digital economy, and implement Good Regulatory Practices to improve the business environment for start-ups.

b) Favorable access to resources for fostering start-ups

- Facilitate start-ups, especially young entrepreneurs' access to technological innovation, finance, information and networking.
- Enhance capacity building for start-ups through training, mentorship programs and support from incubators and business accelerators.
- Facilitate access to the digital economy as a means to support internationalization and competitiveness of start-ups.

c) Strengthen ethical business practices for innovative SME start-ups

- Facilitate the implementation of high-standard APEC principles in innovative sectors to strengthen SME cross-border competitiveness, investment and partnership opportunities for start-ups, including capacity-building support in industry code of ethics development.
- Promote the development of policies and multi-stakeholder collaborations consistent with high-standard APEC principles as well as foster a transparent and high integrity business environment for innovative SME start-ups.

d) Development of start-up networks and partnership

- Strengthen the relationship between the public sector and SME sector through competitive contracts for goods and services that support start-ups.
- Encourage public sector investment in big projects with a long-term vision, such as core technologies or environmental solutions, and facilitate private sector investment for start-ups in a more efficient manner.
- Ease access to regional platforms between start-ups and investors to encourage cross-pollination of start-up growth.
- Encourage talent development especially those related to STEM (science, technology, engineering, and mathematics) and/or women.
- Strengthen cooperation across the sub-fora within APEC and between APEC and relevant international and regional organizations to support and connect innovative start-ups in the Asia-Pacific region.

- Encourage big and successful businesses to support start-ups; promote public – private partnership to assist start-ups and promote connection between start-ups and large enterprises.
8. We instruct officials to harness synergies across APEC work streams to maximize the expertise of relevant APEC committees and sub-fora in promoting the start-ups' growth. We encourage the APEC SME Working Group in coordination with the APEC Secretariat and relevant APEC sub-fora to explore developing indicators to assess the level of innovation development in APEC economies and the effectiveness of innovation supporting policies.
 9. We also instruct APEC SME Working Group to report to APEC SME Ministers on best practices, policy recommendations, proposed projects and initiatives to foster the sustainable development of innovative start-ups for a dynamic, inclusive and prosperous start-ups community in the Asia-Pacific.
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