

## 2020 APEC SME MINISTERIAL STATEMENT

### Navigating the New Normal: Restarting and Reviving MSMEs through Digitalisation, Innovation and Technology

23 October 2020

1. We, the APEC SME Ministers and our representatives, convened virtually on 23 October 2020 for the 26th APEC SME Ministerial Meeting (SMEEMM), under the Chairmanship of H.E. Dato Sri Dr. Haji Wan Junaidi Bin Tuanku Jaafar, Minister of Entrepreneur Development and Cooperatives, Malaysia.
2. Micro, Small and Medium Enterprises (MSMEs) are crucial to the socio-economic development of our economies, contributing 40 to 60 percent to gross domestic product (GDP) and employing a significant part of the workforce in APEC economies. The unprecedented effects of the COVID-19 crisis on businesses calls for APEC economies to remain steadfast in strengthening an enabling environment for MSMEs through policies and measures that will help them recover and build resiliency. We are committed to helping MSMEs navigate the new normal and welcome the virtual APEC 2020 with the theme of *Optimising Human Potential towards a Resilient Future of Shared Prosperity: Pivot. Prioritise. Progress.*
3. We recognise the economic and social impact the pandemic has had on women and women-owned MSMEs. We support the implementation of the La Serena Roadmap for Women and Inclusive Growth, and other initiatives for businesses in APEC economies, especially those that support women-owned MSMEs in driving the economic and social recovery.
4. At this time of heightened uncertainty, we recognise the importance of economies intensifying cooperation to turn challenges into opportunities by promoting entrepreneurship and small business development in an inclusive manner. Continued efforts to facilitate trade brings us towards closer economic partnership in the global market, thereby creating greater socio-economic impact and inclusive economic development.

5. In order to facilitate MSMEs' international trade, we support the commitment expressed by APEC Ministers Responsible for Trade to share and explore ways to facilitate essential movement of people across borders, while following the regulations protecting public health. We are committed to taking individual and collective measures to promote MSMEs access to international markets in the region, to maintain stable regional and global supply chains, and to advance socio-economic recovery and development. We continue to implement the Boracay Action Agenda to Globalize MSMEs (BAA), which provides a framework for MSMEs' participation in international trade, and we look forward to the outcome of its final review this year.
6. We acknowledge the significant actions undertaken by economies, such as providing immediate relief for MSMEs through unprecedented levels of fiscal stimulus, and temporary measures to cushion the impact of the pandemic and to restart and revive economies. We encourage economies to improve MSMEs access to finance and to diversify funding sources.
7. We affirm the pivotal role of digitalisation, innovation and technology in building the resilience of MSMEs. In harnessing the opportunities of digital economy, we acknowledge the importance of cooperation on facilitating the flow of data and strengthening consumer and business trust in digital transactions.
8. We are committed to supporting MSMEs digital transformation efforts and will work together to address the challenges of digitalisation such as security and privacy concerns, skills deficit and digital infrastructure. We are committed to fostering an open, fair, non-discriminatory and market-driven enabling environment for digital economy and MSMEs development.
9. We will work on developing the digital potential of MSMEs, including women-owned businesses by expanding access to digital tools, removing barriers to digital trade and e-commerce, providing digital skills-building activities, and enhancing access to information and communications technologies for business development and cross-border commerce.

10. Under the current circumstances, we will continue to address uncertainties and challenges, and find new opportunities to ensure APEC economies are on the right path to recovery and resilience, while supporting each other in this time of crisis. We support the commitment expressed by APEC Ministers Responsible for Trade on the importance of a free, open, fair, non-discriminatory, transparent and predictable trade and investment environment to drive economic recovery at such a challenging time.
11. We endorse the SME Working Group Strategic Plan 2021-2024 which sets objectives in five priority areas: entrepreneurship, innovation and start-ups; SME access to international markets and global value chains (GVCs); inclusive capability development towards digitalisation; access to finance and alternative financial solutions; and government to business interaction.
12. Together, let us pivot, prioritise and progress in the new normal by developing resilient MSMEs and building a future of economic prosperity.