



APEC SME Innovation Briefing

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Promise for the Future Economy -- Youth Start-ups

By **Jong-ho Song**

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Recently, the number of youth start-ups has decreased sharply. According to the 'Youth Technology and Knowledge Start-up Support Countermeasures' report announced in August this year by the government, the ratio of youth venture CEOs in their 20s~30s fell remarkably to 12% in 2008 from 54% in 2000.

Alternative for Resolution of Structural Problems, Unemployment, etc.

Unless young and creative new blood is injected into the economy, the foundation underpinning continuous economic growth is bound to crumble. Consequently, the business eco-system will collapse. If start-ups are not triggered, the employment problem also becomes more serious. When reviewing annual average figures, we find that the basic employment growth for Korea is estimated at about 300,000 persons. The employment structure is such that among these, existing enterprises employ 10,000 and start-up enterprises create jobs for the remaining 290,000. With respect to employment, start-up enterprises play a more significant role than existing enterprises. The phrase 'Jobless Recovery' is also an expression that was born because new start-ups have stagnated.

Korea's youth unemployment problem is an extension of growth without new employment as well. This is the very reason why the utmost efforts of universities to supply manpower to increase employment rates have fundamental limitations. This is because increasing the supply of manpower to address unemployment when there are no jobs is itself a logical contradiction.

Is there any way to quickly and clearly address such complex and diverse problems as maintenance of the business eco-system, youth unemployment and securing growth engines? In short, youth start-ups can be one of the answers. Youth start-ups have the potential to resolve a structural problem of the Korean economy.

Also, if youth start-ups are activated, jobs can be created by young CEOs who know the difficulties of job seekers very well. Then, the youth employment problem can be resolved to a certain extent. For young



people, a start-up is a heart-fulfilling challenge. On the other hand, they also must bear heart-breaking failures. Therefore, it is necessary for the public sector to make efforts to minimize such failures. We need start-up programs that systematically support with software, including R&D, technology guidance and manpower, as well as establishment of hardware.

Choice & Concentration on Highly Sustainable Fields

Also, the principle of choice and concentration is now important for start-up fields. Instead of establishing a general direction, start-up, there is a need to encourage 'technology and knowledge start-ups' that have high survival rates and sustainability potential.

These fields, in particular, can create new added value, so-called 'creativity,' a critical component required in excellent enterprises in the 21st century. Therefore, these represent good fields for ambitious young entrepreneurs.

Youth start-ups provide the precious seeds that can change the fundamentals of the Korean economy. Youth start-ups are also an urgent, common task for all of us, recognizing them as 'a new long-range hundred-year plan' to prepare the future of the national economy.

10,000 One-Person Collegian Mobile Businesses

In a drive to foster youth business start-ups, Korea's Small & Medium Business Administration (SMBA) plans to grow 10,000 one-person innovative student mobile enterprises by 2012.

To kick-off the program, SMBA has designated 11 web application creation centers on college campuses across the nation including Seoul National University and Sejong University in Seoul.

Web application sites have been established at Seoul National Univ., Sejong Univ., Dankook Univ., Chungkang College of Cultural Industries, Inha Univ., Chonbuk National Univ., Chosun Univ., Mokwon Univ., Kyungsung Univ., Kangwon National Univ. and Daegu Digital Industry Promotion Agency.

Starting in June 2010, these organizations have educated 4,500 beginning developers annually, free of charge, and nurture excellent students into experts in conjunction with the expert developer education courses of domestic mobile



communication companies. SMBA plans to also support development expenses for content, graphics, voice sources, etc.

SMBA intends to establish 'Global Application Support Centers' at five sites nationwide in 2011 to aid the overseas advance of domestic developers.

To enhance the global utilization level of developed applications, SMBA also plans to provide translation and conversion services by OS (operation system).



Shared Growth With APEC SMEs' Green Innovation

By Razali Hashim
SME Corp.

The recent green growth initiatives are targeted at boosting the Korean economy in response to new industrial paradigms at home and abroad. The challenges confronting the Korean economy include an increasing energy vulnerability due to a high dependence on imported energy sources. At the moment, Korea is one of the top ten energy consumers in the world with a US\$140 billion energy bill annually. At the same time, the global movement with regard to the climate challenge has resulted in major and rapid changes in global industry orientation.

By promoting innovation within existing mature industries through infusion of green elements, Korea hopes that its SMEs will be able to make the leap to cater to global demands for green technology and products.

The green growth implementation focus is on harnessing technology toward safer and cleaner techniques, ranging from new green processes to the management of the environment. Korea is moving toward building a sustainable ecosystem that is synchronized with the green industry value chain as a means to strengthen and improve the economy.

Major green growth policies of the Korean government are based on the three main initiatives shown below:

- Coping with Climate Change and Energy Independence
 - Reducing Greenhouse Gases
 - Improving Energy Independence
 - Adjusting Needs Due to Climate Change
- Creating New Growth Engines
 - Turning Green R&D Outcomes into New Growth Engines
 - Greening Existing Businesses/Green Businesses
 - Advancement of Industrial Structures
 - Establishing the Foundation for a Green Economy
- Improving the Quality of Life and National Prestige

- Developing Green Land and Transportation Systems
- Green Revolution in Everyday Life
- Becoming a World-leading Green Country

Green technology (GT) assumes a strategic role in achieving green growth by laying the basic foundation for the establishment of low carbon-green industry. As the industrial structure changes in line with the environmental protection trend, GT becomes the critical driver in achieving a beneficial balance between environmental protection and economic growth.

Due to long exposure to high technology, Korean SMEs are relatively well prepared for GT compared with other APEC SMEs. Strong institutional supports in terms of technology advancement and a comprehensive legal framework monitored by the special Presidential Committee on Low Carbon, Green Growth has ensured that green growth initiatives do not stray from the main objectives.

By expanding the green growth initiatives beyond its borders, the Korean government hopes that APEC economies would be able to build more sustainable green industries. However, the initiatives cannot achieve the intended level of success if confined just to Korea without expansion to other countries. In fact, member economies have proposed that Korea share not only its experiences but also technology as well as technical know-how within the region.



Korean green growth initiatives need the support of its economic partners; however, APEC countries should not be just recipients or buyers of developed technologies. Korea needs to ensure that the region is making these green changes together.

It is hoped that APEC countries will bridge the existing technology and knowledge gaps through extensive exchange of expertise and know-how such that all countries can reap the benefits of green growth.

Proposed Strategies for Malaysia GT Development

Active participation by the private sector supported by government agencies needs to be more synergistic as both sides have important roles to play. Targeted consumer-based research should be increased through:

- Focus on selected green technologies for further development but based on indigenous technology and resources for better localisation.
- Draw up a comprehensive technology roadmap for the development of green technologies and commercialization of GTs.

Promoting GT transfer and commercialisation through:

- Strengthening performance management of public GT R&D activities;
 - Establishing GT R&D performance management system and supporting follow-up research for commercial use
- Enhanced institutional base to promote GT transfer & commercialisation
 - Introduce the “Green Business Start-up Fund” as a seed fund for promotion and assistance to entrepreneurs to start green businesses;
 - Nurturing more than 1,000 venture companies by 2013
- Improvement of tax and financial incentive schemes for GT development
 - Increase the proportion of tax allowance for GT R&D investment;
 - Preferential treatment of green technology-based companies that need financial support;
 - Increase of investments by venture capitals in new, green, innovative SMEs;
 - Increase national green R&D programs for SMEs.

The Malaysian green initiative is currently spearheaded by Green Tech Corp. For Malaysia to develop its very own green initiatives, a few areas of focus have been selected based on Malaysia’s comparative advantages as well as benefits to the people and industry. Those areas are:

- Energy Sector:
 - GT in power generation and energy supply side management as well as the energy utilisation sector and demand side management programs.
- Building Construction Sector:
 - GT in construction, management, maintenance and demolition of buildings.
- Water and Waste Management Sector:
 - GT for management and utilisation of water resources, waste water treatment, solid waste and sanitary landfill.
- Transportation Sector:
 - GT in transportation infrastructure and vehicles, in bio-fuels and public road transport.

Daegu Initiative First Cycle (2005-2010)

2nd Cycle: Green Initiative



As part of APEC’s regional economic agenda, Korea reviewed the status and progress of the Daegu Initiative First Cycle (2005-2010), which emphasized SME innovation to build common benefits and prosperity among member economies.

Highlighting the report, unveiled by the APEC SMEIC at the 31st Meeting of the Small & Medium Enterprises Working Group held in Gifu, Japan, Sept. 29~30, 2010, was its focus on a "Green Initiative" in the second cycle, designed to further strengthen the partnership among APEC member economies to prepare for future growth, environmental protection and transformation into green economies by coordinating policies that facilitate innovative and green growth for SMEs. Three areas of collaboration were proposed: human resources, information and technology.

2nd Cycle: Green Initiative

Human Resources	Networking by way of various forums and seminars will make it easier for SMEs to procure green technology and pursue green management.
Information	Sharing green activities, technologies and success stories of member economies and of advanced economies will tackle SMEs information shortage.
Technology	Cooperation in technology can gain momentum through vitalized green technology cooperation and inter-section, inter-category technology exchange events.

In addition to the Daegu Initiative, Korea, along with Peru and the United States, as Champion Economies of Innovation, gave an update on the SMEWG Strategic Plan 2009-2012. The report featured a recap of KPIs under innovation and APEC SMEWG projects related to innovation. As a future project the report pinpointed the need for Green Innovation.

"The Green Innovation forum aims to foster interaction, stimulate discussion and promote

Recap of KPIs under Innovation

	Project KPIs	Medium-Term KPIs
Best Practice KPIs	<ol style="list-style-type: none"> 1. To improve SME R&D performance 2. To introduce measures which foster Innovative SMEs 3. To promote Industry-Academic Collaborations 4. To encourage IPR commercialization 5. To promote IP export 6. To encourage SME expenditure on R&D education 7. To encourage collaborative research among APEC economies 	<ol style="list-style-type: none"> 1. To track government R&D expenditure as percentage of GDP 2. To track number of SME patents awarded per year 3. To measure growth rate of Innovative SMEs 4. To track SME R&D investment as percentage of revenue

APEC SMEWG Projects Related to Innovation

Initiatives / Projects	Description	Relevant KPI(s) and Impact
1. Daegu Initiative First Cycle Assessment Workshop (Korea)	<ul style="list-style-type: none"> • Share policy experiences among member economies in order to create economic and policy environments conducive to SME innovation 	<ul style="list-style-type: none"> • Relevant KPI: To introduce measures which foster Innovative SMEs
2. APEC SME Innovation Center (Korea)	<ul style="list-style-type: none"> • Since its establishment in 2005, a number of programs have been implemented including SME Innovation Consulting, SME Policy Consulting, Training and Innovation Seminar. 	<ul style="list-style-type: none"> • Serves as the foundation for sharing policy experiences to effectively enhance the innovation capacity of APEC SMEs. • Matches SMEs with supporting organizations of member economies.

cooperation among APEC member economies. Our common goal is to bring together economy and science in order to generate ideas for collaborative projects addressing the needs of the respective industry," it says.

"A report by UNEP and International Labor Organization found that projected investments in the renewable energy sector alone could translate into at least 20 million additional jobs in the sector, making it a much larger source of employment than today's fossil fuel industry."



SMBA Head Urges at 17th APEC SME Ministerial Meeting

Green Innovation as New Growth Engine



Emphasizing green innovation as a new development paradigm, SMBA Administrator Kim, Dong-sun proposed a three-tiered green innovation campaign - human resources, information and technology - as a vehicle to stimulate APEC member economies.

Kim's remarks came at the 17th SPECT Small & Medium Enterprises Ministerial Meeting Oct. 2~3, 2010, in Gifu, Japan, held under the theme "Strategy for Reinventing Economic Growth with Dual Engines: SMEs and Asia."

Kim said that networking by way of various forums and seminars will make it easier for SMEs to procure green technology and pursue green management, facilitating human resource development.

Regarding information flows, the Administrator noted that sharing green activities, technologies and success stories of member economies and of advanced economies will tackle SMEs information shortage.

The top Korean SME policymaker said that cooperation in technology can gain momentum through vitalized green technology cooperation and inter-section, inter-category technology exchange events.

The Korean proposal has drawn positive responses from regional member economies. The Joint Ministerial Statement reads: "We recognize that the Daegu Initiative has successfully completed its first cycle (2006-2010), which gave member economies an opportunity to evaluate their own SME innovation policies, share best practices and ultimately facilitated innovation in the APEC region. We welcome the "Green Initiative" as the second cycle and look forward to the participation and support of APEC member economies."

The statement discussed development of SMEs over the next few years and noted that looking forward to 2020, efforts to enhance development should focus on improving their access to global markets and increasing their participation in high-growth sectors, such as in the green, medical and healthcare industries.

Ministers said that efforts could include the following and agreed to call the first three efforts the "Gifu Initiative":

- Supporting SMEs to take advantage of each locality's domestic and regional resources to develop high value-added products, and to sell to the global marketplace
- Promoting exhibitions and trade shows in the region that are open to the Asia-Pacific region's SMEs
- Supporting SMEs to expand and strengthen networking by launching international internship and exchange programmes
- Strengthening assistance for human resources development, innovation, business change, productivity improvement, and entrepreneurship
- Developing a coordinated approach between SME- and related agencies to implement measures aimed at improving access to finance, capability building and the legal system

"We, the Small and Medium Enterprises Ministers, aim to generate dynamic and diverse SMEs in the Asia-Pacific region, from micro to mid-sized enterprises, in industries that support the basics of everyday life through to those developing and employing the most advanced technologies," the statement said.

The statement is a result of the 17th APEC Small and Medium Enterprises Ministerial Meeting in Gifu, Japan which was held under the theme "Strategy for Reinvigorating Economic Growth with Dual Engines: SME and Asia-Pacific Economy."

Ministers recognized that continuing to support the development of SMEs was an important component of APEC's new growth strategy.

The strategy supports "high quality growth" including the attribute of inclusiveness, which aims to spread the benefits to wider sections of the community, and innovation. Enhancing SMEs is therefore crucial for APEC, given that they account for around 90% of all businesses in the Asia-Pacific region and employ as much as 60% of its work force.



Addressing Unemployment Issues

Grooming Youth Start-Ups in Creative Industries



Combating the soaring unemployment of youth, the Korean government has unveiled a comprehensive policy package to stimulate youth start-up activities, highlighting cultivation of 30,000 youth start-ups in the so-called representative creative industries, technology, knowledge and IT applications.

The policy package, reported to President Lee Myung-bak by Small & Medium Business Administration (SMBA) in August 2010, also features the simplification of corporate rehabilitation procedures; easing punishment against distribution of dishonored checks; and increasing R&D funds significantly for youth start-ups.

To invigorate youth start-ups in the three creative fields, technology, knowledge and IT applications, which have unlimited growth potential, SMBA's support policies encompass technology development, financial support, system improvement, etc. extensively. Technology, knowledge and IT application-related start-ups will be led by universities and research institutes, local autonomous bodies and related enterprises, respectively.

To activate youth preliminary technology start-ups, universities and research institutes will also provide all-out support covering all processes ranging from identification of ideas to commercialization of products after receipt of government support. The government plans to promote projects such as utilization of dormant patents and support for green technologies in parallel. Regarding application start-ups, it intends to nurture 10,000 youth application developers through 11 app creation and global app support centers.



Promotion Strategies and Policy Tasks

Strategies by Stage	Policy Tasks
(Start-up Preparatory Stage) Nurture Youth Start-ups	<ul style="list-style-type: none"> o Prepare youth start-up cultivation plans for three creative fields o Implement plans by field - Technology, knowledge and IT applications
(Commercialization Stage) Overcome crises and support growth	<ul style="list-style-type: none"> o Accelerate technology development and technology transfer o Produce test products and develop technology insurance o Expand commercialization funds and public purchasing o Senior enterprises' management consulting and support for growth
(Re-challenging Stage) Eliminate barriers to re-challenges	<ul style="list-style-type: none"> o Ease the burden of venture company CEOs associated with joint liability for guarantees o Operate financial support programs for re-challenging venture companies o Simplify corporate rehabilitation procedures and ease penalties against dishonored checks
(Creation of Foundation) Disseminate Entrepreneurship	<ul style="list-style-type: none"> o Stage youth entrepreneurship campaigns targeting college students o Establish 'Youth Entrepreneurship Foundation' o Expand utilization of senior retirees' experience and know-how

For new fields, like product design, broadcasting & educational content, etc., where one-man start-ups are comparatively easier to launch, the government intends to prepare additional support policies. In addition, regarding knowledge start-ups, it decided to expand the "Youth Startup 1,000 Project Model," presently under implementation in 16 cities and provinces nationwide.

The government also decided to increase its start-up support R&D fund from 33 billion won in 2010 to 100 billion won in 2011. To stimulate angel investments, it intends to create a 15-billion-won matching fund through equity investment (9 billion won) from the fund of funds. To spread entrepreneurship, it also plans to establish a national control tower, "Youth Entrepreneurship Foundation," jointly with the private sector and raise 20 billion won in financial resources.

“Cradle to Cradle” Vs. “Cradle to Grave”

C2C - Dual Strategy for Greening & Growth

Eco-friendly activities to date have mainly adopted a downcycling process designed to reduce the volume of generated wastes. In other words, it was a method in which, for example, high-strength and high-gloss plastics, raw material in recycled TVs, ended up as low value-added park benches, losing their original characteristics in the course of recycling.



However, C2C (Cradle to Cradle), as opposed to “Cradle to Grave,” converts wastes into resources through an upcycling method, enabling beneficiaries to obtain new material sources. ‘Cradle to Cradle’ is a concept intended to return used products for re-birth after disposal, not to the grave. This means that used products are continuously recycled: for example, PET bottles are recycled into the material used to produce the same kinds of products or as material for higher value-added products like functional apparel. Having a structure that does not produce waste from recycling of resources, therefore, C2C is advantageous in that it does not effectively shrink production and consumption.

To introduce C2C, enterprises should manufacture eco-friendly products that have the potential for reduction to biological nutrients or technical nutrients, bearing in mind eco-system sustainability from the product planning and design stages.

Biological nutrients are manufacturing raw materials that are biodegradable in nature and become resources for the survival of other living things. To achieve this result, companies must make efforts to secure stable supply sources of eco-friendly raw materials. Meanwhile, technical nutrients are those materials that can become raw or auxiliary materials in the repeated production of other products with equivalent or higher value. Here, there is a need to manage recycled items systematically as recycled-use materials. Also, 'Eco-leasing' is a model that supplies services with products, not the sale of products.

Recently, international certification systems and certification agencies featuring C2C are emerging, and the number of global enterprises introducing C2C is also on the rise. C2C certification systems, which provide a specific framework and restrictive conditions to implement the C2C program, are already available. Global C2C certification agencies, like MBDC and its partner company EPEA, provide corporate approvals and product certification.

Researcher Park Seong-Min of Samsung Economic Research Institute (SERI) said, “Economic effects from introduction of C2C will appear as profits created through a reduction in expenses for disposal of wastes and lower operating expenses with utilization of eco-friendly energy as well as from production of eco-friendly goods.”

Researcher Park added, “By taking the next step with C2C amid an environment in which most enterprises are pursuing eco-friendly management, it will also be possible to establish a differentiated image.” He advised that for successful introduction of C2C, enterprises require medium and long-term plans, initial investment and proactive and systematic preparation through organization of dedicated teams, in particular.



In fact, Dagawa Sangyo of Japan has developed ‘Limix,’ a building material utilizing lime plaster. As a natural material manufactured by mixing sea grass, etc. with lime, this product is excellent with respect to humidity control, elimination of odors and antimicrobial properties.

On the other hand, a manufacturer of natural vegetable cosmetics, Aveda of the United States, is procuring natural raw materials stably through alliances that support farms that produce organic raw materials. Owing to this system, Aveda became the first cosmetics company to acquire a ‘C2C Gold’ rating.

In addition, Hindustan Unilever, an Indian subsidiary of Unilever, developed the water purifier ‘Pureit,’ which features low maintenance costs, utilizing various membranes and filters without consuming electricity, and is suggesting it as a C2C model.

With organization of a sustainable design team and product lines, so-called ‘Nike Considered,’ starting in 2005 Nike also began developing diverse types of technical nutrients and showed C2C potential. It developed a method of manufacturing sports apparel and shoes utilizing zippers and strings of discarded shoes, while providing rubber materials free of charge to companies producing sport facility flooring.

Promising SME - RECO Co., Ltd.

Packaging Goods Safely With Air

With transactions based on the safe delivery of products, such as Internet shopping and home shopping, being brisk, the importance of packaging materials is spreading even to various consumer goods. Moves to more eco-friendly packaging materials are becoming more and more active. 'Air cushion' is a representative product that packs goods securely by injecting air into individual cells through multiple valves instead of using paper or styrofoam.



'Aircell Cushion,' a technology developed by RECO Co., Ltd. for the first time in the world, is drawing keen attention. RECO's Aircell Cushion differentiates itself from existing air cushions through a unique technology. In short, RECO changed the air injection method.

Other air cushions have air injection valves on the top of products, but this is a location easily exposed to impacts when packing goods. With installation of air injection valves on the side of products, RECO has reinforced their effectiveness. Furthermore, the company made it possible to distribute air evenly throughout the cushion using 'Bypass Technology' that injects air from two directions. In other words, RECO upgraded the core technology so that the air cushion plays its intended role more effectively. Of course, the company has acquired a patent for this technology.

Aircell Cushion is not just environment-friendly but also brings significant effects for the protection of goods, lower production costs and reduction of returned merchandise.

In packing processes, corrugated paper requires manual work and styrofoam entails a high mold cost and time to manufacture customized molds. On the other hand, with Aircell Cushion it is easier to pack goods, entails reduced costs and improves environmental impact.

Furthermore, the ancillary benefits of Aircell Cushion are excellent, including maintaining cleanliness inside of packages and convenience in inserting corporate logos. RECO says that orders from manufacturers of electronics products, such as high-end LED TVs, speakers and notebooks, makers of high-priced liquors, semiconductor-related producers, etc. are increasing.

The technological advances of Aircell Cushion are receiving wide recognition at home

and abroad. At the '4th Korea Packaging Awards' for 2010, sponsored by the Ministry of Knowledge Economy (MKE) and managed by the Korea Institute of Industrial Technology (KITECH), RECO won the 'New-Tech Korea Star Prize' as a packaging enterprise together with Samsung Electronics.



In October this year, after receiving an official invitation, RECO also participated in TOKYO PACK 2010. About 500 packaging companies from around the world exhibited their products at about 2,600 booths at the show held in a total exhibition area of 23,000m² with attendance of about 200,000 visitors. RECO organized a special exhibition of Aircell Cushion at the event and operated its own booth. Since the event, RECO is proceeding with export contracts with Chinese and Japanese enterprises, while planning to participate in 'Interpack 2011' to be held in Dusseldorf, Germany, in May.

The opportunity for export to the United States is also showing bright prospects, as RECO was selected as a target company this year for 'Gyeonggi - UT Support Program,' which is designed to support the advance of enterprises in Korea's Gyeonggi Province into the U.S. market utilizing a support program and network of the University of Texas (UT).

Established as Inpack Global in 2004, RECO developed corrugated cardboard packaging boxes and paper pallets and launched business in 2005. The company developed bulk packaging boxes in 2006 and corrugated cardboard boxes that can pack high-weight goods in 2007. Receiving recognition of its diverse technological prowess, it was registered with the Packing Industry Innovation Cluster Committee and became a committee member.

CEO Kim Young-Soo said, "Since environmental restrictions in Europe and the U.S. are intensifying, preference for eco-friendly packaging is heightening. We plan to actively publicize the excellence of Aircell Cushion abroad." He explained his ambition, "As 'Forkcrane' has taken a position as a representative brand of excavators, we will make efforts so that Korea's Air Cushion can become the global synonym for air cushioning materials."

Green Initiative -- APEC SMEIC's New Business Focus

Green Initiative has been set as a pillar of APEC SME innovation activities. APEC SMEIC made the proposal first at the 2010 APEC SME Innovation Seminar, focusing on Daegu Initiative First-Cycle Assessment in Hong Kong, China, on June 7, 2010.

Korea based the suggestion on the importance of the renewable energy sector with green growth strategy emerging as a key solution to twin global tasks -- combating climate change and identifying new growth engine.

Highlights of APEC SMEIC Work Program for 2011

Area	Event	Summary	Frequency	Period/Venue
Human Resources Cooperation	APEC Green Innovation Conference	Facilitate capabilities of member economies to establish green SME support policies through presentation and discussion of green SME support policies, best practices, etc. of respective economies	Once	Apr./Seoul
	APEC 'Biz Smart' Workshop	Introduce SNS utilization practices of member economies and establish action plans by economy (with linkage to the SME Working Group Meeting held in September in Thailand)	Once	Sept. /Thailand
Information Cooperation	Publication of 'Innovation Briefing'	Introduce SME green innovation and green industry-related policy and APEC-SMEIC trends	Twice	Semiannually
	Green Initiative R&D Service	R&D of 'Green Initiative' template and checklist to be promoted in 2011	Once	Feb.
	Operation of Website (www.apec-smeic.org)	Provide SME innovation and policy trends in the green sector, innovation activity status and practices of respective economies and various research data	Continuous	Continuous
Technology Cooperation	Dispatch of SME U.S. Mission (Korea-APEC Business Matching)	Dispatch a business and technology cooperation matching mission for low carbon, new growth businesses to the U.S. with linkage to the SME Ministerial Meeting	10 SMEs	May/USA
	Implementation of Innovation Consulting	Conduct consulting for SMEs of APEC member economies and for Korean SMEs advanced into the region	20 SMEs/ 3 Countries	Continuous (APEC Developing Economies)
APEC Ministerial & WG Meetings		<ul style="list-style-type: none"> - Suggest and present potential agenda that are becoming issues in the APEC region, such as 'Green Initiative' and 'Large Enterprise-SME Win-Win Cooperation.' - Promote linked projects during the meeting period (missions, seminars) 	SMEMM: Once SMEWG: 2 times	May/Sept.

APEC SME Green Innovation Workshop

The Small & medium Business Corp. (SBC) combined with Small & Medium Business Administration (SMBA) to host the '2010 APEC SME Green Innovation Workshop' for one week starting October 18, 2010, at SBC's head office in Seoul and the Small Business Training Institute in Ansan City, Gyeonggi-do, with the participation of 11 SME policy officials from nine countries in the Asia-Pacific region.



The SME Green Innovation Workshop aimed to facilitate green cooperation among SMEs in the region and to accelerate dissemination of innovation policies through establishment of human networks, while enhancing the innovation capabilities of SME policy officials of developing countries to modify excellent policy practices in such a way as to suit the situations in each country.

The nine countries that participated in the workshop held on the theme 'Cultivation of Green SMEs in the Asia-Pacific Region' were Mexico, Peru, Papua New Guinea, Thailand, the Philippines, Vietnam, Malaysia, Indonesia and Brunei. Major events included orientation, presentation of action plans by country, discussion sessions and an industrial inspection visit as well as a cultural tour.

Presentations were given to the participants in two areas - Green & SME Policy and Detailed Support Programs - on such themes as 'SME Success Practices and Policy Implications in the Green Growth Economy,' 'Korea's Economic Development and the Roles of SMEs,' 'Introduction of the Korean Government's Green SME Support Policy' and 'Korea's Green Growth Support Program.'

During the workshop, the participants learned Korea's diverse policies for the development of green SMEs and the support status, and shared green technology development success stories through visits to green Korean SMEs.

To learn more about the green growth vision of Korea, the participants visited the Presidential Committee on Green Growth and Green Growth Experience Hall as well as the world's largest tidal power plant at Sihwa Lake. To experience excellent green-tech SMEs, they also visited IB Comm Co., Ltd. (a metal dome switch manufacturer) to inspect production facilities and DaeDo Solar Tech to learn the basic principles of photovoltaic power generation and inspect the facility lines.

Through action plan presentations by country, they discussed the SME policies and future green-related implementation plans of their own countries and shared information, and pursued new cooperative relationships and networks among the participants at the same time.

At 30th Meeting of APEC SMEWG in Hong Kong

Korea Suggested Green Innovation

At the 30th Meeting of APEC SMEWG (Small and Medium Enterprises Working Group) that took place in Hong Kong, China, June 9-10, 2010, Korea gave an update on APEC SMEWG initiatives relating to innovation. Deficiencies identified in this area were insufficient collaboration between APEC economies to foster SMEs; and the need to focus on timely and relevant issues as innovation encompasses a large scope.



Korea identified “Together for Green Innovation” as a possible future project, and highlighted the importance of the renewable energy sector. The green innovation forum aims to generate collaborative projects by promoting cooperation and discussion between APEC member economies.

Furthermore, it was noted that there is a need to focus on timely and relevant issues, as innovation encompasses such a large scope. Based on the discussion and a survey, the timeframe and areas of focus for the second cycle could be reduced to one or two years and to one or two areas respectively. To draw a success-leading evaluation from the first cycle of the Daegu Initiative, participants shared the consensus that member economies should be active and positive in pursuit of rich information, which can serve as guidelines and examples for other member economies.

The Daegu Initiative, announced by the SME Working Group during the SME Ministerial Meeting in 2005, aims to create an economic and policy environment conducive to SME innovation in the APEC region and to identify cooperative measures based on voluntary reviews and the sharing of policy experiences among member economies. The Working Group may conduct the final review on implementation results of SME innovation policies by member economies in 2020. The Working Group may choose to modify its list of areas and elements at the beginning of each five-year cycle to better reflect the changes in the economic environment.

Seven areas were selected for SME IAPs in the first cycle of the Daegu Initiative. They are:

- Developing human resources and technology through linkage between industry and educational and research institutions
- Access to specialist assistance and advice
- Enhancing availability of capital to innovative SMEs
- Networking and clustering for innovative SMEs
- Establishing appropriate legal and regulatory structures
- Establishing a market-consistent economic environment
- Developing methodologies for effectively measuring progress in the implementation of innovative programs for SMEs

Korea Provides SME Policy Consulting to Malaysia

SMBA and the Small & medium Business Corporation (SBC) dispatched 'Policy Consulting Experts' to the SME Corporation of Malaysia to conduct consulting service on SME policies from November 9 to 12, 2010.

This project is part of an experts' dispatch program under the APEC SME support system.

The consulting was implemented at the request of the Malaysian government, which intends to benchmark Korea's SME policy promotion experience and excellent practices.

Composed of three SME policy experts, the policy consulting corps transferred knowledge regarding SME innovation policy, SME financing policy, SME technology evaluation techniques, women SME cultivation policy, etc. to the SME Corporation officials of Malaysia.

In addition to carrying out its consulting on Malaysia's establishment of SME policies, the expert group also held Korea-Malaysia SME Roundtable Meeting' and 'Best



Practice Sharing Seminar on Korean SME Development Policies and Initiatives.'

At the SME roundtable meeting held on November 9 at the Conference Room of SME Corporation, Malaysia, three members of the consulting group and the Korea desk manager and five executives of SME Corporation shared SME policies and practices of the two countries, centering on specific themes.

SBC Holds Biz Talks with Malaysia and Philippines

The Small & medium Business Corporation (SBC) invited top executives of Malaysia's SME Corp. and the Philippines' Department of Science and Technology (DOST) for individual business discussions and a seminar, which started on October 25, 2010.

The event was prepared for the first time in order to provide domestic SMEs opportunities to advance into the ASEAN market, Korea's third largest trading partner, with concrete assistance related to technical alliances, local investment, etc.

The officials from the two countries proceeded with 1:1 custom-tailored business discussions with about 10 Korean companies at SBC's head office and its regional headquarters.

On October 27, meanwhile, SBC held a seminar on



strategies to advance into the Philippine and Malaysian markets at the Seoul Garden Hotel with related officials, which provided useful information on local market situations, etc. in the two countries to domestic enterprises.

Change and Action

“Change and Action” is the theme for APEC 2010. It stems from the idea that – during this period of significant change in the global political and economic order – APEC should build upon its past successes to propose necessary “changes” and execute concrete “actions” to ensure that it will continue to play an important and relevant role in the 21st Century.

APEC SME Innovation Center is committed to initiatives in promoting the 2010 theme “Change and Action” in the area of innovation.



