



**Asia-Pacific
Economic Cooperation**

Advancing Free Trade
for Asia-Pacific **Prosperity**

APEC Policy Dialogue on SMEs and Entrepreneurship Framework: Let's be Coherent and Cohesive

APEC Small and Medium Enterprises Working Group

December 2021



**Asia-Pacific
Economic Cooperation**

APEC Policy Dialogue on SMEs and Entrepreneurship Framework: Let's be Coherent and Cohesive

Virtual | 7 – 9 September 2021

Summary Report

APEC Small and Medium Enterprises Working Group

December 2021

APEC Project: SME 06 2019A

Produced by

International Relations Unit, International Cooperation Division

SME Corp. Malaysia

Level 7, Block B, Platinum Sentral

50470 Kuala Lumpur

Tel: +603 2775 6000

Fax: +603 2775 6001

Email: info@smecorp.gov.my

Website: www.smecorp.gov.my

For

Asia-Pacific Economic Cooperation Secretariat

35 Heng Mui Keng Terrace

Singapore 119616

Tel: (65) 68919 600

Fax: (65) 68919 690

Email: info@apec.org

Website: www.apec.org

© 2021 APEC Secretariat

APEC#221-SM-04.5

TABLE OF CONTENTS

I) INTRODUCTION	4
II) BACKGROUND	4
III) HIGHLIGHTS OF THE WORKSHOP	5
IV) ONLINE SURVEY	15
V) CONCLUSIONS AND RECOMMENDATIONS	16
VI) TAKE AWAY POINTS FROM THE WORKSHOP	16
ANNEXES	
ANNEX I PROGRAMME	18
ANNEX 2 SUMMARY ANALYSIS OF THE ONLINE SURVEY	23

I. INTRODUCTION

The APEC Policy Dialogue on SMEs and Entrepreneurship Framework: Let's be Coherent and Cohesive was held virtually from 7 – 9 September 2021. The Programme was supported by the active participation of moderators, speakers, focal points, and participants from Brunei Darussalam; Canada; People's Republic of China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; Peru; the Philippines; Singapore; Chinese Taipei; Thailand; United States of America; and Viet Nam.

The Programme was organised by Malaysia with the following objectives:

- i. To develop an inclusive and comprehensive SMEs and entrepreneurship policy to be adopted by the APEC economies;
- ii. To harmonize the roles of entrepreneur development policies and programmes to support the APEC economic agenda; and
- iii. To create a conducive and integrated SMEs and entrepreneurship ecosystem among the APEC economies.

A total of **197** local and international participants, including moderators and speakers, key stakeholders from the Governments and private sectors, and academia, representing fifteen (15) APEC economies, participated throughout three (3) days of the APEC Policy Dialogue event. This lively event was successfully organised through detailed planning, coordination and execution with the support from various stakeholders. This led to a culmination of interactive and informative sessions guided by prominent speakers and moderators from seven (7) APEC economies and the Organisation for Economic Co-operation and Development (OECD), respectively.

II. BACKGROUND

It is important to acknowledge the significant roles played by public and private sectors in the entrepreneurship development in the APEC economies, particularly in providing advisory and financial supports, human capital, developing entrepreneurship policies and programmes as well as business networking. However, the approaches of the public and private sectors in the APEC region to address similar issues and challenges in developing entrepreneurs are very diverse. Therefore, it was suggested that all uncoordinated efforts to be pulled together into a coherent and strategy-driven approach to enhance the quality and effectiveness of the entrepreneurship ecosystem of the economies. Furthermore, it is important to highlight the overarching needs of entrepreneurs and the specific capacity-building policies and programmes that support SMEs on financial management, marketing capability, brand promotion and formalization of business.

This workshop will also foster closer interrelationship between public and private sectors, facilitating the effort to create a conducive and integrated entrepreneurship ecosystem among the APEC economies as proposed in the Terms of Reference of the SME Working Group Strategic Plan 2017-2020.

III. HIGHLIGHTS OF THE WORKSHOP

1. A total of 197 participants, moderators, and speakers from APEC member economies (Brunei Darussalam; Canada; Chinese Taipei; Indonesia; Japan; Malaysia; Mexico; Peru; People's Republic of China; Republic of Korea; Singapore; Thailand; The Philippines; United States; and Viet Nam) attended the event.
2. The APEC Policy Dialogue on SMEs and Entrepreneurship Framework: Let's be Coherent and Cohesive programme was graced by Her Excellency Dato' Suriani Dato' Ahmad, Secretary General of Ministry of Entrepreneur Development and Cooperatives (MEDAC). Recognizing the critical economic role of SMEs in economic growth, Dato' Suraini in her Keynote Address stressed that it is vital and feasible for economies to share and learn best practices by working closely with policy-makers and industry key stakeholders to stimulate business and develop an inclusive and comprehensive SMEs and Entrepreneurship policy framework by harmonizing the roles of entrepreneur development policies and programmes to support the APEC economic agendas.
3. During the context setting, Mr Rizal Nainy, Chief Executive Officer of SME Corp. Malaysia highlighted three areas SMEs must adopt to navigate under the new normal, namely sustainability, digitalisation, & innovation as well as inclusiveness.
4. Sustainability has been at the forefront of the development agenda in recent years, especially with the establishment of UN Sustainability Development Goals. Steady and long-term growth of SMEs cannot be achieved without the integration of sustainability principles, namely environmental, social, and governance into their business strategies. Therefore, policy makers need to design policies and strategies that should address the issue of SMEs' lacking in resources and know-how which often make it difficult for them to fully implement sustainability principles and actions across their business functions. It is worth to note that SMEs may be more agile to pivot their business model into sustainable practices as compared with their larger counterparts. Because of their constant dynamic changes to grow, SMEs are often able to innovate and reorient themselves towards new market opportunities more quickly than larger firms.
5. COVID-19 has also put the spotlight on those who are economically disadvantaged. Making economies more inclusive starts with decent jobs and social protection for all. SMEs, which contribute significantly to jobs creation and income generation, is vital in providing employment to disadvantaged groups. Thus, inclusive businesses can help bring innovative and systemic solutions to the population, economically and socially.
6. It is imperative for SMEs to adopt digitalisation as a necessity for survival. The pandemic has demonstrated that SMEs who can navigate a digital service-driven business environment by re-shaping their business models to meet the demands of the new normal, will gain an advantage over competitors as regional and global

supply chain players. For many businesses, digitalisation is the way forward as it brings agility and elasticity to the operations and helps increase their presence by expanding market size.

7. Supporting SMEs' digitalisation efforts amid COVID-19, therefore, requires policymakers to adopt a two-pronged set of interventions that allows SMEs to reap the benefits of the digital world while overcoming the challenges of digitalisation.
8. The three-day event (Programme as per Annex 1) comprised the following:
 - i. **The Forum (Session 1)** involved sharing of best practices in formulating inclusive and comprehensive SMEs and entrepreneurship policy focusing on six (6) priority areas, namely Innovation and Technology Adoption, Human Capital Development, Access to Financing, Market Access, Legal and Regulatory Environment, as well as Infrastructure. The Speakers representing both public and private sectors shared their insights on the related topics.
 - ii. **The Breakout Session (Session 2)** served as a platform for participants to further deliberate on the challenges and to brainstorm the policy recommendations within respective priority areas towards establishing a comprehensive entrepreneurship framework for the APEC economies.
 - iii. **The Roundtable Discussion (Session 3)** was attended by the Head of Delegation (HoD) or representatives from several APEC economies. The meeting participants took note on the input gathered from the dialogue sessions and deliberated on the proposed policy recommendations on an entrepreneurship framework for consideration and adoption by the APEC economies.
9. Based on the discussions during the Breakout Sessions on the six (6) topic areas of Innovation and Technology Adoption, Human Capital Development, Access to Financing, Market Access, Legal and Regulatory Environment, as well as Infrastructure as the basis for the APEC Policy Guidelines on SMEs and Entrepreneurship Framework, a set of proposed policy recommendations have been produced. The policy recommendations were then presented and further deliberated at the Roundtable Discussion on Day 3 and presented at the 52nd APEC SMEWG Meeting on 23 – 24 September 2021 for endorsement and updated by the Chair at the 27th APEC SME Ministerial Meeting on 9 October 2021 for notation on the work conducted by the SMEWG.
10. Among other gists of the sessions include:

Day 1: Forum on Sharing of Best Practices

Forum 1: Innovation and Technology Adoption

10.1. *Presentation 1: Mr Idjarmizuan Ibrahim, Malaysian Technology Development Corporation (MTDC), Malaysia*

- MTDC shared on Malaysia's Centre of 9 Pillars (Co9P). The centre is dedicated to nurturing new Industry 4.0 innovations, with the core idea of bringing together local solution providers, academia, and businesses in a single platform. It acts as a collaborative platform that creates fast tract adoption of technology for SMEs based on industry requirements supported by National Agenda / Policies.

10.2. *Presentation 2: Mr Lee Jae Hong, Korea Technology, and Information Promotion Agency for SMEs (TIPA), Republic of Korea*

- Korea introduced the concept of Digital Transformation (DT), namely the Process Optimisation called the Smart Factory where digital technologies are applied to the entire manufacturing process, including product planning, development, mass production, order, and release of complete products.
- In addition, Korea AI Manufacturing Platform (KAMP), a manufacturing data platform to support SMEs in adopting AI-based innovative factory technologies by storing, analysing, and using data generated from smart factories will also be rolled out to transform Korea into a manufacturing innovation powerhouse boosted by the DT of SMEs by 2025.

Forum 2: Human Capital Development

10.3. *Presentation 3: Ms. Besila A. Lantayona, Department of Trade and Industry, The Philippines*

- Philippines emphasized on the importance of mentorship given that human capital development of SMEs include both "entrepreneur" and "employees". As there are no one-size fits all solutions, giving SMEs the right knowledge through specialised training is very important.
- Besides connecting SMEs to a network of established entrepreneurs and business experts through their Kapatid Mentor ME Programme, Philippines shared their framework in creating an ecosystem that effectively develops human resource skills and capabilities to suit the current difficult situation that helps maintain competitiveness and improve business reliance which became a success factor amidst a changing landscape.

10.4. Presentation 4: Ms. Nguyen Bich Thuy, Agency of Enterprise Development Division for Supporting SMEs, Ministry of Planning and Investment, Viet Nam

- With the world adapting to the new normal, Vietnam rolled out new prioritized support comprising of e-learning, on job training, and digital transformation.
- Vietnam also indicated that it is good for Governments to create a wage subsidy programme, support policy & tax redemption initiatives as part of the approaches for Governments to entice the potential and right talent to work in the SME ecosystem. This is crucial to overcome issues of paying the right remuneration to the right talent. On top of this, support on development programmes with updated trends and industries insights can possibly help the talents in adapting to the different industries.

Forum 3: Access to Financing

10.5. Presentation 5: Mr Nik Mohd Zainul Kamarun Nik Kamil, Alliance for Financial Inclusion (AFI), Malaysia

- Fiscal, monetary, and structural policies have direct impact on SMEs at Emergency and Recovery stage. AFI members with advanced technology based have better advantage to assimilate into the new norm premised upon digitalisation in businesses. Many African countries have been at the forefront of the regulatory response to COVID-19, especially when it comes to the effective promotion of digital financial services (DFS) as they are champions to mobile money even before COVID-19 pandemic.

10.6. Presentation 6: Ms. Iota Nassr, Organisation for Economic Co-operation and Development (OECD)

- Some overarching policy recommendations that can be considered by Governments include:
 - Encouraging Fintech-enabled financing as a way to bridge any financing gaps for SMEs, in a countercyclical manner and to promote greater financial inclusion;
 - Role for Governments and policymakers to build infrastructure (institutional or otherwise) and regulatory/supervisory framework for FinTechs servicing SMEs to operate in a safe environment; and
 - Careful calibration and design of Governments participation,

Forum 4: Market Access

10.7. *Presentation 7: Mr Khairul Nizam Moonier, Malaysia External Trade Development Corporation (MATRADE), Malaysia*

- Ways of doing business to foster greater linkages between MNC and SMEs to leverage on knowledge transfer can be capitalized by organising series of workshop on digital market tools to help Malaysian SMEs to find new export opportunities, to strengthen export fundamental, and to broaden export knowledge and enabling them to reach their full export potential. In addition to that, digital capacity, training, and workshop through public/private partnership can also be implemented for the intended objectives.
- The most important way for Governments to support SMEs in adopting digitalisation and reaching wider market access is to create awareness to convince Malaysian SMEs on shift towards digitalisation. It is not an easy transformation especially for microenterprises where they are timid to make changes and do not possess the capability towards digitalisation.

10.8. *Presentation 8: Ms. Jamaica Gayle, Global Innovation Forum, United States of America*

- SMEs with online capabilities quickly recover by continuing doing businesses online (e-commerce) compared to SMEs that are doing it offline, that were forced to close. Public/private partnership consultants are assisting some struggling businesses with access to capital and advisory in embracing e-commerce solutions to help them become resilient to continue growing and supporting their businesses. In order to adapt to the new e-commerce landscape and digital economy, SMEs need access to capital which is essential to digitalise their businesses.
- How Governments can support SMEs:
 - Good Regulatory environment;
 - Trade facilitation and service liberalization;
 - Access and affordability; and
 - Digital Skills Trainings.

Forum 5: Legal & Regulatory Environment

10.9. *Presentation 9: Ms. Feng Ji, China Centre for Promotion of SME Development, People's Republic of China.*

- China's current focus includes a set of policies to help SMEs resume work and solve financial difficulties, as well as help SMEs improve innovation

capacities, boost corporate management, and accelerate digital transformation.

- In a nutshell, there are three (3) subtraction and three (3) addition measures currently being implemented by China to help SMEs survive the COVID-19 crisis, namely:
 - Three (3) subtractions: Further tax and fee cuts; Settle overdue payments; and reduce interest rates; and
 - Three (3) additions: Intensified services (events) for SMEs; Facilitate SME digitization; and enhance loan scale for SMEs.
- Cultivating their innovation capacities through the work of 'Three Two One': Three (Strengthen the foundation in three important areas: Policy System, Service System, and Development Environment), Two (Concentrate on financing, as well as rights and interests' protection) and One (Focus on the improvement of SMEs innovation capacities).

10.10. Presentation 10: Ms. Audrey Yap, Yusarn Audrey, Singapore

- Ways to encourage a regulatory environment for SMEs in Singapore:
 - regulatory sandboxes, e.g. FinTech and environmental services; and
 - various programmes and platforms, e.g. Networks like Startup SG and grants administered by various Governments agencies, directly and through trade associations, tax incentives, including for investors.
- Overall, the Singapore Government takes a pro-business approach in its economic policies whereby business regulations and processes are transparent and digitally streamlined.
- Singapore's focus on economic restructuring and raising productivity has given rise to challenges for SMEs, especially in manpower, land, and energy. Therefore, one key policy response is to encourage innovation. The Singapore IP Strategy 2030 is a national strategy that supports enterprises, and the wider innovation community.

Other pertaining points:

- Temporary legal and regulatory measures are being introduced to assist SMEs in the current pandemic situation such as:
 - China has rolled out several measures to support SMEs hit by the pandemic, policies such as reduction in tax, low repayments, as well as special discount programmes have offered low-cost incentives and is a step up to financially support the SMEs, while helping them to develop expertise in specific fields.

- Singapore has introduced the relief measures for the COVID-19 (Temporary Measures) Act 2020 to provide SMEs temporary relief for certain contractual non-performance due to the pandemic, such as construction delays and rental relief for SMEs and non-profit organisations. The act established a relief mechanism in the form of a panel of assessors to help determine relief and resolve conflict.

Forum 6: Infrastructure

10.11. *Presentation 11: Ms. Ayumi Yuasa, Organisation for Economic Co-operation and Development (OECD)*

- SMEs are heavily underrepresented in international trade and the cost of international trade (export & import) is higher for SMEs, especially for those in the least developed economies.
- While digitalisation is the driving force of productivity growth for SMEs, the success hinges on a solid ICT infrastructure and ecosystem, skilled people, as well as compatible regulatory frameworks and policy approaches for data protection harmonisation, financial regulations, etc.
- The G20 Principles for Quality Infrastructure Investment endorsed in 2019 provided various key insights including on maximizing the positive impact of infrastructure for sustainable development, among others.

10.12. *Presentation 12: Mr Satoru Someya, TradeWaltz Inc, Japan*

- Young entrepreneurs in the trade business have difficulty exporting local products due to the limitation of manpower handling the process of work.
- Recognising this issue, Japan has introduced the Tradewaltz platform. It is a cross-industrial Business to Business (B2B) trade platform utilizing blockchain technology and encouraging SMEs to access global trade with the following benefits:
 - Cut time;
 - Cut analogue work costs;
 - Trade operations can be carried out remotely with a computer and the internet; and
 - Compliance check and application will be followed by the system.
- This Tradewaltz comprises of all-in-one features which means it provides:
 - Cross industrial platform with industrial players;

- Wide coverage of documents structure documents (NOT PDF) on the platform; and
- Creation of an ecosystem: Collaborate with other PFs and utilize the accumulated data to create a new business ecosystem.

Day 2: Breakout Session

- 1.1. The Breakout Session served as a platform for participants to exchange ideas towards establishing a comprehensive entrepreneurship framework for the APEC economies.
- 1.2. A total of six (6) Focus Area Leads led the six (6) breakout sessions, respectively, which have been strategically designed in line with the same theme of Day 1: Sharing of the Best Practices in order to optimise the synergy in a coherent and cohesive manner.
- 1.3. The six focus areas namely Innovation and Technology Adoption, Human Capital Development, Access to Financing, Market Access, Legal and Regulatory Environment, as well as Infrastructure have been identified by the World Bank as the levers to accelerate SME growth.
- 1.4. In preparation for the APEC Policy Dialogue, a pre – survey was circulated to request for feedback on general existing issues and proposed recommendations within the topic areas covered. The input from the survey was useful to gather initial feedback which were further discussed and prioritised by breakout group members who actively contributed to constructive discussions leading towards identifying the policy recommendations.

Day 3: The Roundtable Discussion

- 1.1. In line with APEC Putrajaya Vision 2040 to foster quality growth of MSMEs in the APEC region through the priority areas set under the SME Working Group Strategic Plan 2021 – 2024, the policy recommendations were derived according to the thematic focus areas deemed as the levers to accelerate SME growth. The six focus areas were Innovation and Technology Adoption, Human Capital Development, Access to Financing, Market Access, Legal and Regulatory Environment and Infrastructure. The policy recommendations were also premised upon the three areas that MSMEs need to adopt to navigate under the new normal, specifically:
 - Sustainability - recovery of MSMEs to embed integration of sustainability principles, namely environmental, social and governance into their business strategies;

- Digitalisation and innovation - myriad of activities in e-commerce, digital payments, teleworking, remote learning, video conferencing, online health services, and end-to-end logistics services are absolute necessity amid increasing demand and opportunities; and
- Inclusiveness - MSMEs are vital in providing employment to disadvantaged groups.

1.2. A total of 27 policy recommendations across six (6) focus areas were identified during the roundtable meeting. A lot of emphasis were given on recommendations to empower SMEs through digitalisation across the six pillars.

a. Innovation and Technology Adoption

An increasing number of economies have included efforts to support MSME digitalisation in their policy response, however there is a persistent “digitalisation gaps” between smaller firms and larger ones. Proactive measures are needed to spearhead rapid and mass digitalisation among MSMEs, especially microenterprises. A strong focus on innovation and productivity-enhancement programmes is also important as a catalyst of recovery.

Proposed policy recommendations:

- i. Develop domestic roadmap on MSMEs digitalisation strategy.
- ii. Facilitate MSMEs to adopt firm-level digitalisation strategy to improve productivity and efficiency.
- iii. Create initiatives from both the supply (innovators and solutions providers) and demand sides to promote innovation and digitalisation that address digital divide among MSMEs.
- iv. Promote the benefits and importance of digitalisation through training and seminars as well as incentives to reduce the cost of adopting digital solutions.

b. Human Capital Development

Talent mismatch and retention are two long-standing issues affecting MSMEs. Further to that, the intensifying degree of digitalisation, need to work remotely and pace of automation have compounded the challenges of developing a workforce capable of building new reality, which can lead to rising of mental health issues. These situations call for multi-pronged approaches for actionable solutions.

Proposed policy recommendations:

- i. Enhance graduate employability by ensuring education system is current to create skillful graduates and implement deliberate programme to expand their knowledge and skills beyond formal education system.
- ii. Promote innovative work culture by adopting flexible work arrangements, providing support to address mental health, and advocating effective feedback tools and system.
- iii. Retain and attract high skill talents via structured talent management programme such as mentorship, rewards, upskilling & reskilling, capacity building, and tax incentive.

c. Access to Financing

Bankruptcies are expected to rise substantially by the end of 2021. At the same time, the COVID-19 pandemic is having a significant implication for digitalisation and trade. Sustainability, which has been identified as one of the transformation drivers for MSMEs' survival requires holistic suite of sustainable financing solutions. MSMEs therefore need the right financing products and support ecosystem to sustain their recovery and growth.

Proposed policy recommendations:

- i. Provide a conducive business environment at COVID-19 recovery stage such as low interest rate financing and integrated support centre for temporary special financial loans for MSMEs (non-collateral financing, second charge financing is allowed).
- ii. Establish specific institutional body to champion green financing for MSMEs.
- iii. Realign and enhance trade finance instruments to encourage MSMEs adopt digitalisation in line with the current business model influenced by massive market and trade digitalisation.
- iv. Intensify awareness among MSMEs on the current financing ecosystem including fintech.

d. Market Access

Global Value Chain (GVC) is a major channel for MSMEs to access foreign technology and knowledge as well as increase productivity and wages. The weak participation of MSMEs in GVC therefore needs to be reinforced via intensified MNC-SME linkages. Meanwhile, digitalisation can create effective mechanisms to reduce size disadvantages in international trade, for example by reducing the absolute costs associated with transport and border operations thus open new opportunities for internationalisation of MSMEs.

Proposed policy recommendations:

- i. Increase participation of MSMEs in GVC through initiatives such as establishment of MSMEs consortia and educating MSMEs on MNCs/large firms' requirements via coexistence cooperation programme.
- ii. Encourage SMEs to adopt sustainable practices particularly environment, social and governance (ESG) principles as a competitive edge to participate in GVC.
- iii. Implement capacity building initiatives in e-commerce and digital technologies in promoting the internationalisation of MSMEs.
- iv. Create new market opportunities for MSMEs through networking and business linkages via digital platforms.
- v. Create a conducive support ecosystem to encourage internationalisation of MSMEs through mentoring, incubation, capacity building, legal advisory, IPR assistance, access to capital and trade finance, tax benefits, strategic alliance as well as technology exchange and transfer.
- vi. The Governments to identify, consolidate, and integrate technologies to provide support for MSMEs as well as introduce internationalisation strategies at the beginning of the commercialisation process for new technologies that receive Government funding.
- vii. Intensify discussion among economies in identifying new market opportunities and promote trade facilitation for MSMEs.

e. Legal and Regulatory Environment

Complexity of regulatory procedures remains a major obstacle for MSMEs. Reforms in taxation and reforms aiming to lower administrative requirements and delays have contributed to reduce the burden on MSMEs and start-ups. Going forward, Governments need to continuously ensure regulations and legislations become the tools and incentives to encourage formalisation, improve business environment and ensure fair competition for MSMEs.

Proposed policy recommendations:

- i. Mandate Regulatory Impact Analysis (RIA) on MSMEs for any new and existing regulations that impact the business communities.
- ii. Promote formalisation of the informal sector through lower barriers to enter the formal economy as well as effective programmes and campaigns.
- iii. Facilitate greater collaboration between the Governments and private sector to ensure common regulation issues take in the requirements from MSMEs and information as well as support on new regulatory system is disseminated on a timely manner to MSMEs.
- iv. Introduce specific regulation for the purposes of improving the business environment of MSMEs whilst ensuring fair competition.
- v. Establish quasi-judicial bodies to help protect MSMEs (example special courts, tribunals).

f. Infrastructure

Integrating physical and digital infrastructure with improved connectivity can deliver a sustainable future for MSMEs. The public and private sectors need to work together to lower the cost of doing business while providing world class innovation to MSMEs.

Proposed policy recommendations

- i. Spearhead development of a modern and efficient infrastructure with improved connectivity to transform and increase MSMEs' competitiveness and lower the cost of doing business.
- ii. Develop an advanced digital infrastructure and application to drive opportunities for MSMEs to grow.
- iii. Establish an open communication platform between public and private sector to raise awareness and uptake of new technologies.
- iv. Establish a network for collaboration and utilisation of common data for creation of new business ecosystem.

IV. ONLINE SURVEY

1. During the event, a pop-up survey was conducted to gauge the effectiveness of the event as well as recommendations. The event received a constructive response where the participants expressed their appreciations on the contents of the Policy Dialogue and quality of the speakers. 100% of the respondents to the survey provided feedback that the breakout session was useful in extracting the issues and coming up with the policy recommendations. These are some of the comments that received from the participants:

- 1.1. *“Well – designed forum. Also, the wrap -up with the slides is quite useful. Thank you to organizers and moderators”*

- 1.2. *“Very informative presentation with knowledgeable speakers & moderators. Good job!”*
 - 1.3. *“Great way to engage into new ideas and perspective”*
 - 1.4. *“Congratulations to SME Corp. Malaysia on the very well organised forum!”*
 - 1.5. *“Very interesting and add much of value”*
2. The event also received positive response on the relevance of the programme, quality of presentations and elaborations by speakers and overall organisation of the event. Summary analysis of the on-site survey is as per Annex 2.

V. CONCLUSIONS AND RECOMMENDATIONS

1. The exclusive 3-day interactive sharing has been effective in meeting its purpose in developing a set of inclusive and comprehensive SMEs and Entrepreneurship policy guidelines which can be emulated throughout the APEC economies.
2. APEC economies need to have more engagement with key stakeholders to gather inputs and feedback in formulating inclusive and comprehensive policy on entrepreneurship and SME development in response to rapid changes in global entrepreneurship ecosystem particularly due to technological advancement.
3. Noting that the SME and entrepreneurship landscape continuously evolve, APEC economies must remain optimistic and spare no expense, time, nor effort in joining hands to push for concrete, actionable, and measurable policy recommendations that are current and relevant within our respective jurisdictions.

VI. TAKE AWAY POINTS FROM THE WORKSHOP

1. A lot of emphasis has been given on recommendations to empower SMEs through digitalisation across the six pillars. To name a few, there is a need for APEC economies to develop national roadmap respectively on SMES digitalisation strategy while facilitating them to adopt digitalisation to improve productivity and efficiency.
2. Amid the various policy recommendations, there is a recommendation to establish specific institutional body to champion green financing and this is also in line with promoting Environmental, Social, and Governance (ESG) among SMEs. On top of that, the proposed recommendation on integrated support centre for temporary special financial loans for SMEs would be instrumental in availing a conducive business environment to promote SMEs’ recovery post-COVID-19 pandemic which should be complemented with efforts to intensify awareness among SMEs on the current financing ecosystem including fintech.

3. Acknowledging the issue on mental health among SMEs employee as one of the critical issues brought forward by COVID-19, the proposal for a policy to provide support to address mental health and advocating effective feedback tools and system is a timely endeavour.
4. Encouraging SMEs' participation in the global value chain (GVC) has been a long-term agenda. The proposed establishment of SMEs consortia could help them address the issue of economies of scale.
5. Governments officials in APEC economies need to work together, including by collaborating with the private sector to ensure common regulation issues take in the requirements of SMEs as this will ensure less regulatory burden on them.
6. A modern and efficient infrastructure with improved connectivity is needed to drive opportunities for SMEs to grow.

**APEC Policy Dialogue on SMEs and Entrepreneurship Framework:
Let's be Coherent and Cohesive**

**Date: 7 – 9 September 2021
Virtual Event**

DAY-1: FORUM ON SHARING OF BEST PRACTICES (7 September 2021)	
8:30 - 9:00 a.m.	Online Registration
9:00 - 9:15 a.m.	Welcoming Address: YBhg. Dato' Suriani Dato' Ahmad, Secretary General, Ministry of Entrepreneurship Development and Cooperatives (MEDAC)
9:15 - 9:30 a.m.	Overall View of Malaysia's National Entrepreneurship Policy (DKN2030) YBhg. Dato' Mohammad Radhi Abdul Razak Deputy Secretary General (Policy & Monitoring) Ministry of Entrepreneurship Development and Cooperatives (MEDAC)
9:30 - 9:45 a.m.	Context Setting on SME Development: The Future of SMEs Mr Rizal Nainy Chief Executive Officer of SME Corp. Malaysia
Session 1	Sharing of best practices in formulating inclusive and comprehensive SMEs and entrepreneurship policy adopted by respective APEC economies, focusing on six (6) priority areas , namely Innovation and Technology Adoption, Human Capital Development, Access to Financing, Market Access, Legal and Regulatory Environment , as well as Infrastructure . The sessions will explore safety net measures in various economies to facilitate SMEs during and post COVID-19 and also digitalisation practices.
9:45 – 10:15 a.m.	Forum 1: Innovation and Technology Adoption The COVID-19 crisis has brought into sharp focus the need to build resilient, sustainable and inclusive ecosystems for SMESs with technology and digitalisation taking the centre stage. It has long been proven that technology enables innovation being created and deployed in a rapid growth whereby technology can improve ways of running business making it faster, safer and scalable. <u>Moderator:</u> Mr Mohd Rithaudden Makip, Deputy CEO, Policy and Coordination SME Corp. Malaysia <u>Speaker 1:</u> Mr Idjarmizuan Ibrahim Senior Vice President, Industry 4.0/Technology Development Malaysian Technology Development Corporation (MTDC) <u>Speaker 2:</u> Mr Lee Jae Hong President of Korea Technology and Information Promotion Agency for SMEs (TIPA)
10:15 – 10:45 a.m.	Forum 2: Human Capital Development Talent or skills mismatch is one of the main challenges faced by SMESs. Empirical evidence showed that employees are not well-matched with their current jobs and this situation is exacerbated by the COVID-19, whereby jobs are at the greatest risk in SMESs. The process of developing human capital and entrepreneurship therefore requires creating the necessary environments in which employees can learn better and apply innovative ideas, acquire new competencies, develop skills, behaviours and attitudes. <u>Moderator:</u> Ts. Dr Izham Naquiuddin Shah Arif Shah Programme Director, National Institute of Entrepreneurship (INSKEN)

	<p>Speaker 1: Ms. Blesila A. Lantayona Undersecretary, Regional Operations Group, Department of Trade and Industry, Philippines</p> <p>Speaker 2: Ms. Nguyen Bich Thuy Deputy Division Director, Agency of Enterprise Development Division for Supporting SMEs Ministry of Planning and Investment, Viet Nam</p>
10:45 – 11:15 a.m.	<p>Forum 3: Access to Financing Border closure, travel bans, and quarantines have significantly affected spending in vulnerable sectors where the presence of SMEs are prevalent. Cash flow emerged as the key challenge during the pandemic, followed by reduced in demand and supply chain disruption. Timely, sufficient and innovative access to financing is crucial for the survival of SMEs during this challenging period.</p> <p>Moderator: Mr Mohammad Hardee S.N. Ibrahim Group Chief Corporate Strategy Officer, Corporate Strategy Division, SME Bank Malaysia</p> <p>Speaker 1: Mr Nik Mohd Zainul Kamarun Nik Kamil Senior Policy Manager, SME & Islamic Finance, Alliance for Financial Inclusion (AFI) Malaysia</p> <p>Speaker 2: Ms Iota Nassr, Economist, Financial Markets Division Organisation for Economic Co-operation and Development (OECD)</p>
11:15 – 11:30 a.m.	Break
11:30 am – 12:00 p.m.	<p>Forum 4: Market Access With the “new normal” comes a new way to market to customers and sourcing from suppliers. Diversifying one’s suppliers and buyers, including through participation in international trade, enable businesses to fall back on alternative channels while networking with industry players in the business ecosystem bolster ability to cope in crisis situations. Pivoting market access strategy by improving online presence, networking virtually and leveraging on social media may help keep business thriving during trying times.</p> <p>Moderator: Mr Amrul Nazri Abdullah, Director of International Cooperation Division SME Corp. Malaysia</p> <p>Speaker 1: Mr Khairul Nizam Moonier Director of America and Europe Section, Export Promotion & Market Access Division Malaysia External Trade Development Corporation (MATRADE), Malaysia</p> <p>Speaker 2: Ms. Jamaica Gayle Deputy Director of Global Innovation Forum, United States of America</p>

12:00 – 12:30 p.m.	<p>Forum 5: Legal and Regulatory Environment The COVID-19 crisis has clearly demonstrated today’s enormous and almost totally new regulatory challenges. It has made clear that a comprehensive regulatory overhaul must be undertaken to prepare for an uncertain future. Adapting tested, decades-old regulatory tools to these new challenges by making them more flexible, modern, and innovative, with an effective communication strategy to business community may facilitate the adherence to rules and regulations while helping SMEs navigate the unprecedented complexity of reopening an economy that is dependent on public health in a cost-efficient manner.</p> <p>Moderator: Ms. Nor Azimah Abdul Aziz Chief Executive Officer Companies Commission of Malaysia (SSM)</p> <p>Speaker 1: Ms. Feng Ji Director of Membership Department China Centre for Promotion of SME Development, People’s Republic of China</p> <p>Speaker 2: Ms. Audrey Yap Regional Managing Partner, Yusarn Audrey, Singapore</p>
12:30 – 1:00 p.m.	<p>Forum 6: Infrastructure An efficient infrastructure support including technical infrastructure, trade clearance and facilitation system are also important to SMEs and entrepreneurs as it affects the cost of doing business. More importantly, it can be the catalyst to help SMEs adapt to the changed business environment and build resilience with a view to transform economies effectively, improving connectivity and boosting business competitiveness especially for young entrepreneurs.</p> <p>Moderator: Mr Azrudyn Rashid Group Chief Operating Officer Asset Management UDA Holdings Berhad, Malaysia</p> <p>Speaker 1: Ms. Ayumi Yuasa Deputy Director, Organisation for Economic Co-operation and Development (OECD) Development Centre</p> <p>Speaker 2: Mr Satoru Someya Head of CEO’s Office and Head of Global & Alliance, TradeWaltz Inc, Japan</p>
1:00 p.m.	<p>Wrap-up of Sharing of Best Practices Sessions by Mr Mohd Rithaidden Makip, Deputy CEO, Policy and Coordination, SME Corp. Malaysia</p>
1:10 p.m.	<p>End of Sessions for Day 1 – Forum</p>
<p>DAY-2: BREAKOUT SESSIONS (8 September 2021)</p>	
8:30 - 9:00 a.m.	<p>Online Registration</p>
9:00 - 9:20 a.m.	<p>Welcoming Remarks & Recapitulation of Day-1 by Moderator: Mdm. Sharifah Najwa Syed Abu Bakar, Chief Operating Officer</p>
9:30 – 10:30 a.m.	<p style="text-align: center;"><u>Breakout Sessions Concurrently</u></p> <p>Notes:</p> <ul style="list-style-type: none"> i. Six (6) breakout sessions will be held with each session focusing respective focus areas; ii. One (1) hour allocation for the session; iii. Maximum five (5) pages of slide for each presentation.

	<p>Breakout Session 1: Innovation and Technology Adoption</p> <p><u>Focus Area Lead:</u> Mr Aminuddin Mohamed Deputy Director, Business Development & Entrepreneurship Division (BD)</p> <p><u>Rapporteur:</u> Ms. Haniza Zainul Abidin Senior Manager, Business Development & Entrepreneurship Division (BD)</p>	<p>Breakout Session 4: Market Access</p> <p><u>Focus Area Lead:</u> Mr Amrul Nazri Abdullah Director, International Cooperation Division</p> <p><u>Rapporteur:</u> Mr Valentine Thomas Assistant Manager, International Cooperation Division</p>
	<p>Breakout Session 2: Human Capital Development</p> <p><u>Focus Area Lead:</u> Ts. Dr Izham Naquiuddin Shah bin Arif Shah Programme Director, National Institute of Entrepreneurship (INSKEN)</p> <p><u>Rapporteur:</u> Mr Khyruz Tasyriq Abu Samah Senior Executive, Marketing and Public Relation, National Institute of Entrepreneurship (INSKEN)</p>	<p>Breakout Session 5: Legal and Regulatory Environment</p> <p><u>Focus Area Lead:</u> Mr Esmawady Mohd Esa Deputy Director, Programme Coordination Division</p> <p><u>Rapporteur:</u> Ms Usharani Subramaniam Assistant Manager, Programme Coordination Division</p>
	<p>Breakout Session 3: Access to Financing</p> <p><u>Focus Area Lead:</u> Mr Czarif Chai Abdullah Senior Director, Business Advisory & Support Division</p> <p><u>Rapporteur:</u> Ms. Ismas Isurizerly Ismail Manager, Policy Monitoring & Inclusive Development Division</p>	<p>Breakout Session 6: Infrastructure</p> <p><u>Focus Area Lead:</u> Mr Azrudyn Rashid Group Chief Operating Officer, Asset Management Division, UDA Holdings Berhad</p> <p><u>Rapporteurs:</u></p> <ol style="list-style-type: none"> i. Mr Zainal Bahaudin Assistant Secretary, Policy and International Relations Division, Ministry of Entrepreneur Development and Cooperatives (MEDAC) ii. Ms. Sharifah Nurul Aina Sayed Burhanudin Assistant Secretary, Policy and International Relations Division, Ministry of Entrepreneur Development and Cooperatives (MEDAC)
10:30 – 10:40 a.m	Break	
10:40 a.m – 12: 00 p.m	Group presentations (10 minutes presentation & additional 5 minutes for Q&A is allocated for each presenter)	
12:10 – 12:40 p.m	Finetuning / Finalisation of Policy Recommendation for Roundtable Meeting & Wrap Up	
1:00 p.m.	End of Sessions for Day-2 - Breakout Session	

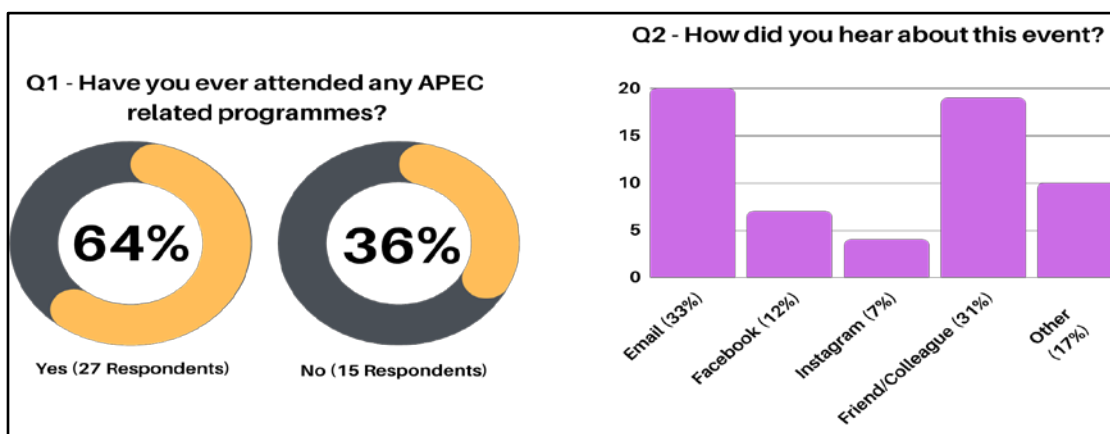
DAY 3: ROUNDTABLE MEETING (9 th September 2021)	
8:30 - 9:00 a.m.	Online Registration
9:00 - 9:10 a.m.	Welcoming Remarks from APEC SME Working Group (SMEWG) Chair Mdm. Norlela Suhailee APEC SME Working Group (SMEWG) Chair Darussalam Enterprise (DARe), Brunei Darussalam
9:10 - 9:30 a.m.	Roundtable Meeting 1: Policy Recommendation on Innovation & Technology Adoption
9:30 - 9:50 a.m.	Roundtable Meeting 2: Policy Recommendation on Human Capital Development
9:50 - 10:10 a.m.	Roundtable Meeting 3: Policy Recommendation on Access to Financing
10:10 - 10:30 a.m.	Roundtable Meeting 4: Policy Recommendation on Market Access
10:30 - 10:50a.m.	Roundtable Meeting 5: Policy Recommendation on Legal & Regulatory Environment
10:50 - 11:10 a.m.	Roundtable Meeting 6: Policy Recommendation on Infrastructure
11:10 a.m.	Break
11:20 - 11.50 a.m.	Conclusion of Policy Recommendations by the Meeting Chair
11:50 a.m.	Closing of Programme by Mr Rizal Nainy, Chief Executive Officer, SME Corp. Malaysia
12:00 p.m.	End of Workshop

Summary Analysis of the Online Survey

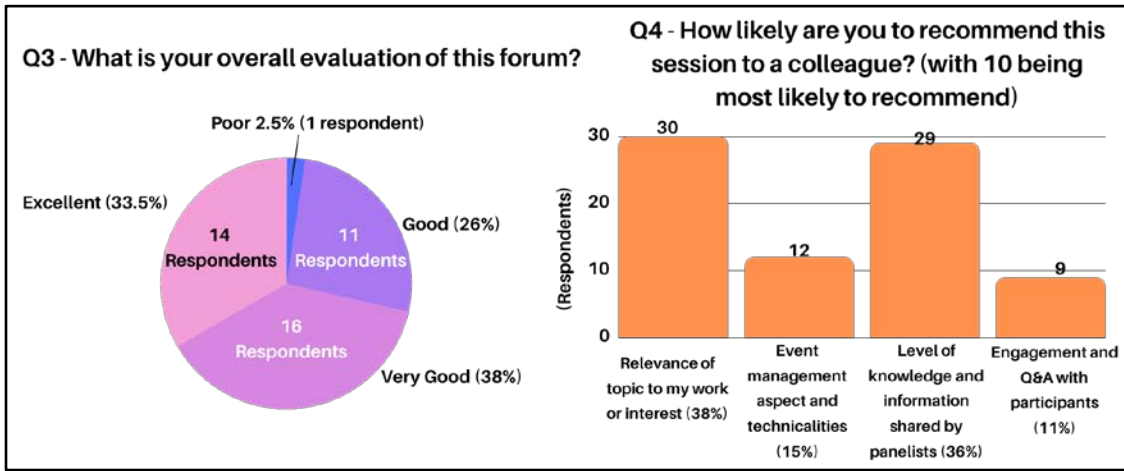
1. An online survey was issued to each of the participants right after each of the sessions in which a total of 42 respondents completed the online survey at the end of the event.

2. Day-1: Forum on Sharing of Best Practices

2.1. **The Forum (Session 1)** involves sharing of best practices in formulating inclusive and comprehensive SMEs and entrepreneurship policy adopted by respective APEC economies, focusing on six (6) priority areas, namely Innovation and Technology Adoption, Human Capital Development, Access to Financing, Market Access, Legal and Regulatory Environment, as well as Infrastructure. The Speakers representing both public and private sectors shared their insights on the related topics.

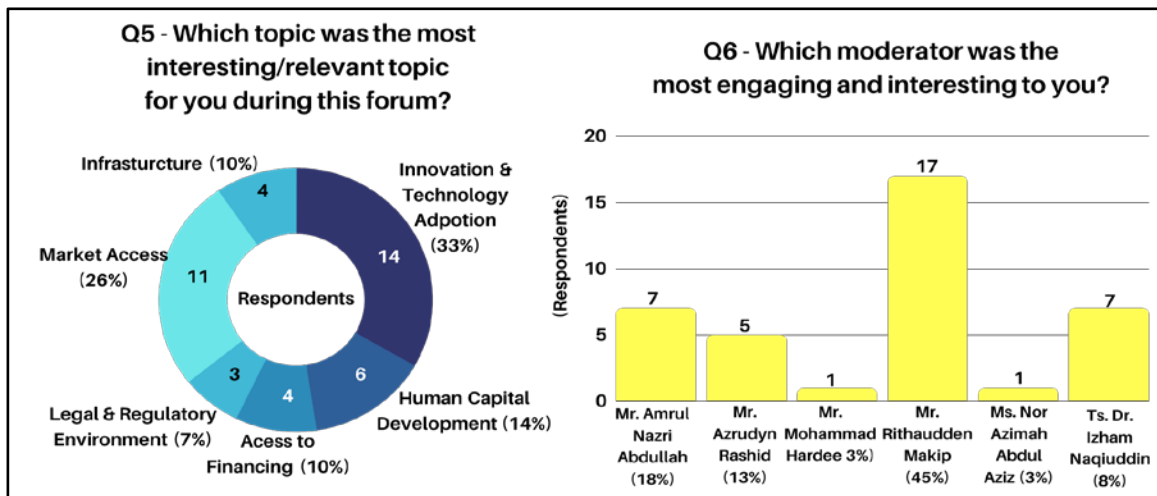


2.2. Based on the feedback received, 64% respondents had experience in attending APEC related programmes while 36% indicated that they have never attended any APEC related programmes. 33% of respondents indicated that they heard about the event via email, followed by 31% from friend/colleagues respectively.



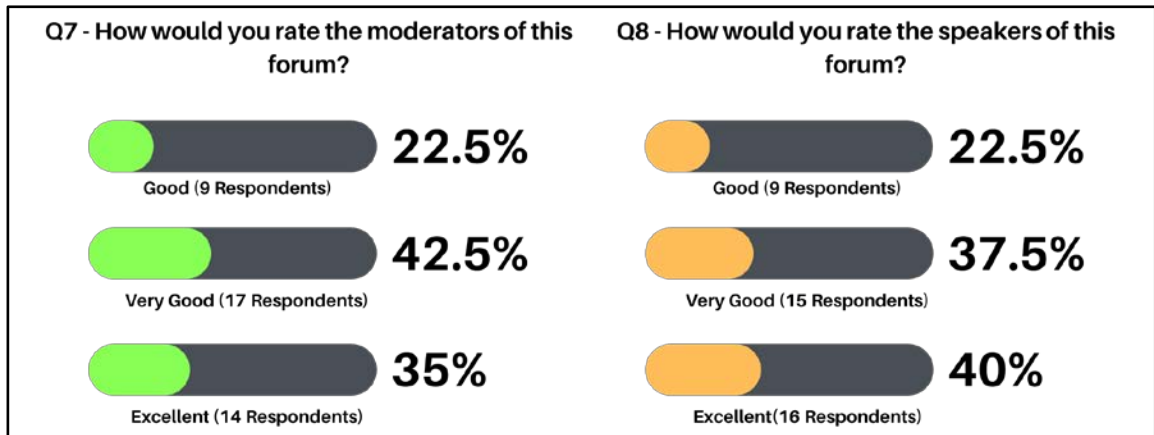
2.3. A total of 38% of the respondents agreed that the overall evaluation of this event was very good and achieved its intended objectives successfully with approximately 33.5% rated for Excellent respectively.

2.4. The above Chart depicts the recommendation of this session to a colleague comprised of four (4) components which is 30% said that the topic of the session is relevant to the job scope of work or interest, followed by 29% for the level of knowledge and information shared by the panellist; 12% for event management aspects and technicalities; as well as 9% for the engagement and Q&A with the participants respectively.



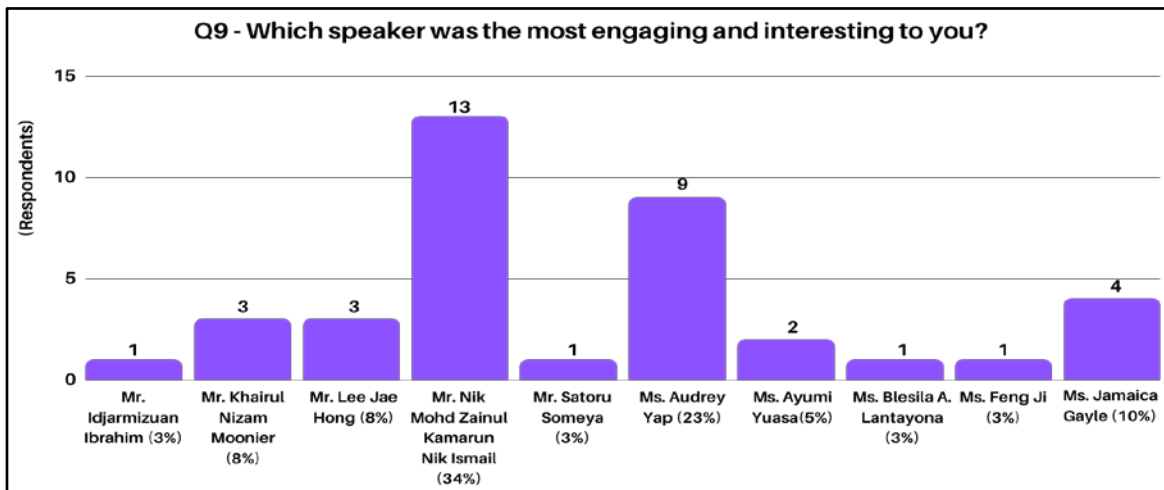
2.5. The chart above indicates the topic that respondents found as the most interesting/relevant throughout the forum. Overall, as seen above, Forum 1 on Innovation & Technology Adoption received the highest response of 33%, followed by 26% for Forum 4 of Market Access, 14% for Forum 2 of Human Capital Development, whereas Forum 3 of Access to Financing and Forum 6 of Infrastructure shared the same results of 10% respectively and lastly, Forum 5 of Legal & Regulatory Environment received 7% of the responds.

2.6. From the chart above for Question 6, respondents rated Mr Mohd Rithauden Makip who was the moderator for Forum 1: Innovation & Technology Adoption highly, with 45% as the most engaging and interesting.

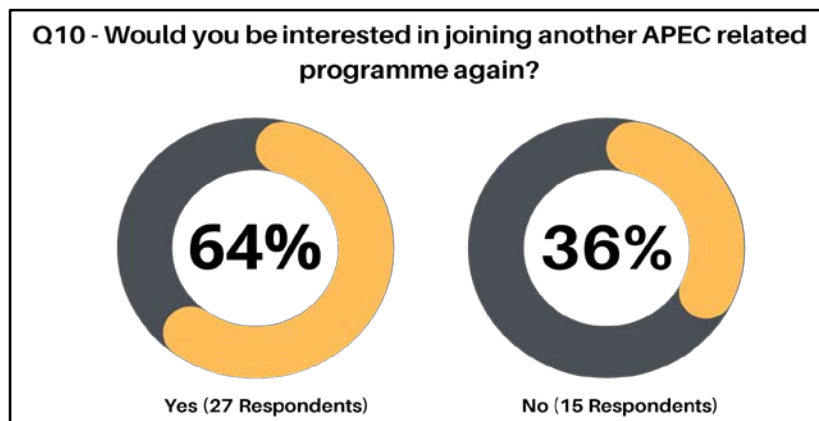


2.7. 42.5% rated the moderators of the forum as “Very good” followed closely in terms of rating with 35% respondents rating it as “Excellent” and the remaining is “Good” as overall.

2.8. 40% selected “Excellent” as the overall rating for the speakers of the forum followed by 37.5% rated them as “Very good” and the remaining as “Good” with 22.5% respectively.



2.9. Mr Nik Mohd Zainul Kamarul, Senior Policy Manager, SME & Islamic Finance, Alliance for Financial Inclusion (AFI) Malaysia from Forum 3: Access to Financing received the highest rating of 34% as the most engaging and interesting speaker in the forum.

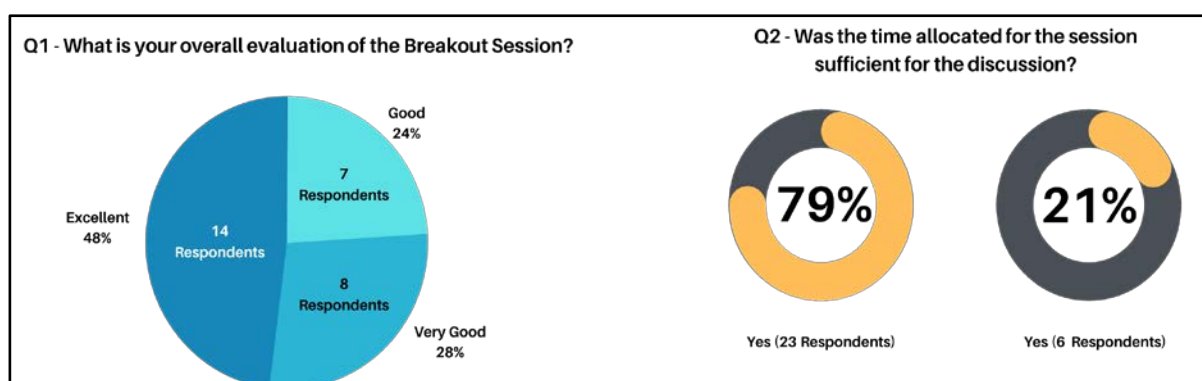


2.10. Lastly, 64% of respondents indicated that they were interested in joining another APEC related programme in future.

3. Day-2: Breakout Session

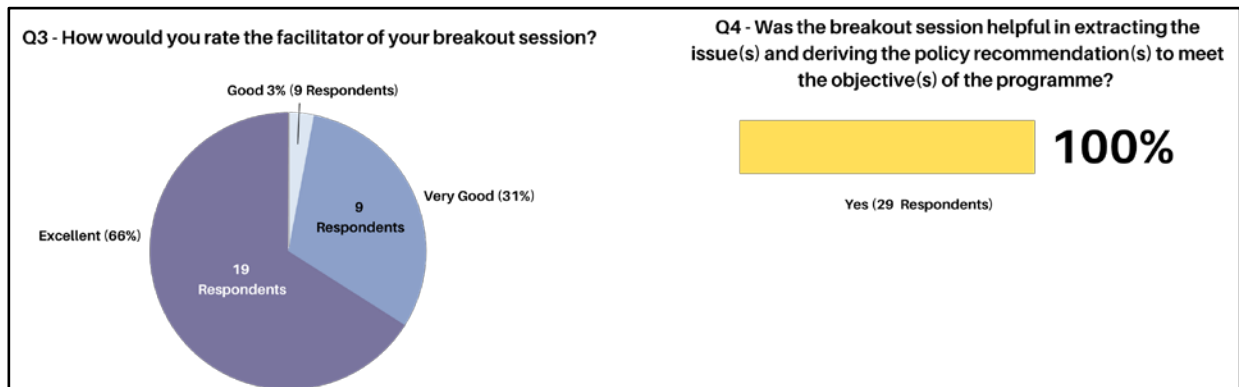
3.1. A total of six (6) Focus Area Leads who led the six (6) breakout sessions which have been strategically designed in line with the same theme as Day 1 - Sharing of the Best Practices programme in order to further deliberate on the issues and brainstorm in a coherent and cohesive manner to derive the policy recommendations.

3.2. The six focus areas namely Innovation and Technology Adoption, Human Capital Development, Access to Financing, Market Access, Legal and Regulatory Environment, as well as Infrastructure have been identified by the World Bank as the levers to accelerate SME growth.



3.3. 48% of the respondents agreed that the overall evaluation of the breakout session was “Excellent” and achieved its intended objectives successfully with approximately 28% rated “Very good” and the remaining 24% stated “Good” respectively.

3.4. 79% of respondents agreed that the time allocated for the session was sufficient for the discussion and to conclude the session as per time given.



- 3.5. 66% of respondents agreed that the facilitators for the breakout session were “Excellent” and 31% stating that it was “Very good”.
- 3.6. 100% respondents provided feedback that the breakout sessions were very helpful in extracting the issues and deriving the policy recommendations to meet the objectives of the programme.