



APEC 2022
THAILAND

Guidebook

APEC Best Practices on SMEs
High Impact Policy



Content

1	Introduction	3
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2	APEC Best Practices on SMEs High Impact Policy	5
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Australia	5
Brunei Darussalam	7
Canada	9
Chile	11
People's Republic of China	13
Hong Kong, China	15
Indonesia	17
Japan	19
Republic of Korea	21
Malaysia	23
Mexico	25
New Zealand	27
Peru	29
The Philippines	31
The Russian Federation	33
Singapore	35
Chinese Taipei	37
Thailand	39
United States	41
Viet Nam	43

3	Conclusion	45
---	------------	----

Introduction

During the past two years, our regional MSMEs faced COVID-19 economic disruption. At the start of the pandemic, governments had put in place financial support and wide-ranging subsidies to ensure the survival of MSMEs and entrepreneurs. Yet, MSMEs are facing even more complex challenges, including liquidity shortages, the need for speedy digital transformation, green transition and market relandscaping.

As Thailand's theme and priorities aim to accomplish the APEC's continuity of work from previous hosts, Thailand's key objective is to make APEC "open" to all opportunities, "connect" all dimensions, and "balance" all aspects. Now, it is crucial to explore on the issues of MSMEs, as it is known as the engine of growth and innovation in the APEC region.

Furthermore, the APEC SME Strategic Plan 2021-2024 which the APEC SME Ministers endorsed in 2020, has provided a roadmap for APEC economies to address these critical issues to drive the SMEs and micro enterprises' growth with better sustainability, resilience innovation in the future. The roadmap comprises focal aspects of entrepreneurship, innovation and startups; SME access to cross-border markets and global value chains; inclusive capability development towards digitalization; access to finance and alternative financial solutions and government-to-business interaction.





To pursue on these directions, we would readdress our focus on the theme of the APEC SME Ministerial Meeting 2022 on “Inclusive Recovery of APEC MSMEs through Bio – Circular – Green Economy (BCG) and High Impact Ecosystem.” The theme covers four priorities: **Accelerating the BCG concept adoption, Promoting inclusive digital transformation, Facilitating financial and debt restructuring for MSMEs, and Coping with the evolving market landscape.**

Therefore, as a host agency of APEC 2022, Thailand has compiled on best practices of the aforementioned four priorities into a guidebook with policy measures from the support of member economies. Thailand would like to provide this guidebook as collective measures supporting SMEs to broaden their activities and fostering their participation into global value chains.

Lastly, this guidebook would not happen without our collaboration from APEC member economies. Hence, we would like to express our appreciation to all economies for your kind support throughout the process of making this guidebook.

Best Practices among APEC Economies

Australia

Australia has implemented several initiatives to support the growth of SMEs including improving access to finance, enabling digital transformation for SMEs, and promoting sustainable and green growth businesses.

The Australian Government joined the global Taskforce on Nature-related Financial Disclosures (TNFD) in November 2021 as a forum member and the second largest strategic funding partner. TNFD aims to develop a global risk management and disclosure framework for organizations to report and act on evolving nature-related risks and opportunities to support a shift in global financial flows toward nature-positive outcomes. As a strategic funding partner of the TNFD, Australia is committed to supporting the transition to a nature-positive, net-zero economy.

The Department of Agriculture, Water and the Environment (DAWE) is trialing the TNFD beta framework in collaboration with the private sector to ensure that Australia's unique economic and environmental factors are appropriately represented and incorporated into the design of the final framework. DAWE is also engaging with the private sector on key industry supply-chain piloting. These collaborations will help on industry to prepare for nature-related disclosure requirements and inform related government policies and programs. DAWE is working with regional partners to determine their position on and interest in Australia's TNFD work program.

On promoting digital transformation in the economy, program “Growing Indigenous Business Through Trade Phase I” has been implemented. Australia’s pilot program has been launched to build capability of indigenous entrepreneurs to undertake cross-border trade. On participants, there are 18 indigenous entrepreneurs from Australia, Canada, Chile, Colombia, Mexico, New Zealand and the Philippines.

The purposes of the program are as follows: 1) trade can be more inclusive 2) SMEs are a source of jobs and income and 3) enhance indigenous competitiveness, longer-term viability and growth.

Another important program is Australian Small Business Advisory Services (ASBAS) Program. The program allows small businesses to access low cost, high quality, independent advice on digitalization. Services are delivered by selected ASBAS providers in each state and territory through 1:1 advice, workshops and webinars, on topics such as websites and selling online; social media and digital marketing; using small business software; and online security and data privacy.

A 2022 evaluation surveyed participants about the impact of the program on their business. 46 percent reported increased efficiency, 33 percent reported increased productivity, 26 percent reported increased resilience and 23 percent reported increased sales/revenue as a result of participating in the program.

Moreover, another example of Australia’s effort, to help SMEs to access to finance, include SME Loan Guarantee Scheme, a government guarantee to enhance lenders’ abilities to provide cheaper credit to otherwise viable SMEs for additional funding to get through the Coronavirus crisis, recover and invest for the future.



Brunei Darussalam

To achieve sustainable growth for SMEs, Brunei Darussalam implements various plan promoting inclusive ecosystem for SMEs



Brunei Darussalam Climate Change Policy (BNCCP) & Brunei Darussalam's Economic Blueprint

On pursuing environmental issues, the Brunei Darussalam Climate Change Policy (BNCCP), published in 2020, is guided by the principles of achieving Wawasan Brunei 2035, Brunei's vision, which includes achieving a Dynamic and Sustainable Economy. Brunei's Climate Change Policy is therefore guided by the promotion of economic diversification and growth while also preserving environmental sustainability. Through effective policies, careful planning and management, Brunei Darussalam is committed to paving low carbon and climate resilient pathways for a sustainable economy as well as to achieve its Nationally Determined Contribution (NDC) target to reduce 20% of the national greenhouse gas (GHG) emissions, relative to the business-as-usual levels, by 2030.

On the digital economy side, the Digital Economy Master Plan is currently deployed, for the purpose of developing Brunei Darussalam as a smart economy. One of the strategic thrusts of the master plan is Industry Digitalization whereby one of the focus is to undertake a comprehensive industry awareness program across all stakeholders with particular focus on MSMEs.

Industry digitalization workshops are being held to discuss Ministries' digital transformation plan preparations for identified industries such as agri-food industry, construction industry and tourism industry digitalization workshops.

Moreover, Brunei Darussalam has launched several digital tools and program to support SMEs' digital transformation, such as Digital ID, Digital Payment Hub, PENJANA (Digital Solution for SMEs), OneBiz, One Common Portal and One Common Billing System.

Canada

Strengthened climate plan to build a stronger, more resilient, and more sustainable economy.



the Canadian Net-Zero Emissions Accountability Act

Toward achieving net zero emissions, in June 2021 Canada established a legally binding process to set five-year emissions reduction targets beginning in 2030, and develop credible, science-based plans to achieve each target. The government is also working with Canadians and the Net-Zero Advisory Body to identify ways to accelerate climate action to achieve net zero emissions as soon as possible and no later than 2050.

Moreover, Canada aims to be a supplier of choice for cleaner energy and innovative new technologies around the world.

Canada is advancing work that will support the transition to a circular economy. Examples include the Strategy on Zero Plastic Waste, which moves Canada toward a circular economy for plastics; the Canadian Minerals and Metals Plan, which envisions a circular economy where mine wastes are transformed into useful products; and Natural Resources Canada's Green Construction through Wood (GCWood) Program, which supports a transition to a more wood-inclusive construction industry, among others.

The government of Canada is supporting the private sector and Canadian communities to advance environmental goals aligned with the bio-circular green economy through challenge programs that aim to solve big problems through open innovation. Impact Canada and Innovation Solutions Canada are key mechanisms for this approach. Successful challenges that support the bio-circular green economy include:

- 1) Food Waste Reduction Challenge: earlier in 2022 there are 18 semi-finalists selected under the Novel Technologies Streams to find new solutions to food waste,
- 2) Smart Cities Challenge: in 2019, through Infrastructure Canada's Smart Cities Challenge, Guelph-Wellington was awarded \$10 million for its commitment to reduce food waste and to launch Our Food Future, which created Canada's first technology-enabled circular food economy. This initiative is supporting the development of an inclusive food-secure ecosystem by 2025,
- 3) Canadian Plastics Innovation Challenges: small and medium-sized Canadian companies will each receive up to C\$150,000 toward developing their solutions to address plastic waste.

In addition, the Greening Government Strategy aims to make federal operations low carbon, resilient and green, including transitioning to a more circular economy through procuring goods and services with a reduced environmental impact, life-cycle assessment and clean technologies.



Chile



Provided digitalization tools for SME to cope with evolving market landscape

Chile has launched many programs to support SMEs to deal with changing landscape and the way of business operation in the digital era.

Digitize Your SME (Digitaliza Tu Pyme)

Digitize Your SME is a program developed by the Chilean Ministry of Economy, Development and Tourism, with the support of the Development Corporation (Corfo) and the Technical Cooperation Service (Sercotec), both agencies dependent on the Ministry of Economy.

Since 2019, Digitize Your SME has played a coordinating role in the implementation and monitoring of public programs and instruments aimed at the adoption of digital tools in SMEs. At the same time, it provides the design of public goods to facilitate the creation of new initiatives leading to their digital transformation. In these almost four years, the program has impacted more than 50 thousand SMEs and delivered more than 400 thousand benefits. In addition, the pandemic accelerated digitization and installed its importance at the level of public opinion and SMEs. According to the OECD, Chile is the economy whose SMEs most adopted digital technologies during the pandemic. Sixty-two percent of Chilean SMEs state that they have adopted new technologies and more than 90 percent of these state that they will be permanent changes.

Digitize Your SME (Digitaliza Tu Pyme) is structured as a journey in three stages:



- 1** Understand the benefits of digitization,
- 2** Learn about the different tools, contents, and processes,
- 3** Adopt technologies, effectively integrating them into their businesses.

Main initiatives:

Digital Checkup (Chequeo digital):

the gateway to digitization, www.chequeodigital.cl

Agenda Digitizes Your SME (Agenda Digitaliza Tu Pyme):

To promote the development of skills, both in the use of digital tools and business skills, the Ministry created Corfo's Online SMEs (Pymes en línea) virtual training programs and Sercotec's Digital Route (Ruta digital), which, together with Sercotec's Small Business Development Centers and Corfo's Digital Assistance Network are in charge of training through personalized advice on the growth of businesses in general and the digital transformation of their processes.

“The Next Step” for Driving Adoption:

To actively drive technology adoption, the program has developed various online support tools, grants and service availability. The challenge is not only to provide a state offer, but also to coordinate, avoid duplication and check that the value propositions of the multiple initiatives of the state, the private sector and civil society are complementary. It is important to highlight the alliance with various public and private institutions since the vision of the private sector is essential for the successful implementation of public policies. The next step (El proximo paso), an initiative to be launched soon by Corfo, brings together a wide range of digital tools for SMEs and at preferential prices.



People's Republic of China

**Empowered green and innovation
development for SMEs**



In terms of promoting the specialized and innovative development of SMEs, China has made great efforts to build a gradient cultivation system of high-quality SMEs consisting of layers of innovative SMEs, “specialized, excelled, differentiated and innovative” SMEs and “Little Giant” SMEs, so as to further enhance the comprehensive strength and core competitiveness of SMEs and improve their ability to resist risks. This year, the Ministry of Industry and Information Technology (MIIT) of China issued the “Interim Measures on the Management of the Gradient Cultivation of High-quality SMEs”, emphasizing the institutional establishment of a gradient cultivation system for high-quality SMEs with stratified clear cultivation measures and standards, and improved the systematization, standardization and precision of the cultivation work.

China presented the outcomes of the 2022 APEC SME Seminar on Promoting ‘Specialized and Innovative’ Development, which has been held both physically and virtually on 2 September 2022 in China. With the theme ‘Specialized and Innovative Development Builds the Future’, the seminar invited representatives from 17 APEC economies including policymakers, experts, scholars, and enterprises. During the seminar, three topics were presented, namely Specialized and Innovative Development, Digital Empowerment and Green Development and Cooperation. Representatives of APEC economies actively exchanged their experience in promoting and fostering sustainable SME development and discussed issues facing SMEs in the process of their innovative and specialized development, to navigate future development and cooperation.

the 11th APEC SME Technology Conference and Fair (SMETC)

China reviewed the outcomes of the 11th APEC SME Technology Conference and Fair, which had held on March 31st to April 1st 2022 in Xi'an, Shaanxi Province of China. With the theme of 'Technology and Innovation Drive Sustainable Development, Staying Open and Inclusive towards a Shared Future', the 11th SMETC brought together nearly 1,400 enterprises for online and offline participation from 15 APEC member economies and about 2.526 million audiences watched this event virtually and 243 thousand people entered the online exhibition hall as well.

In the context of pandemic, the APEC SMETC is contributing to the recovery and trade cooperation among SMEs and assists them to boost confidence and closely integrate into the global value chain during post-pandemic era.

Hong Kong, China



Measures to support SMEs especially in financial supports

Toward promoting access to finance for SMEs, the SME Financing Guarantee Scheme (SFGS) aims at helping local non-listed enterprises including SMEs to obtain financing from participating lenders for meeting their business needs so as to enhance their productivity and competitiveness in the rapidly changing business environment.

To assist enterprises that were hard hit by the COVID-19 pandemic in coping with the financial burden of paying employee wages and rents, the government entrusted HKMC Insurance Limited (HKMCI) to launch and administer the time-limited Special 100% Loan Guarantee under the SFGS in April 2020 to provide low-interest concessionary loans fully guaranteed by the government to enterprises to help minimize enterprises shutting down and layoffs.

The SFGS, especially the Special 100% Loan Guarantee has been well-received as an effective measure to help enterprises obtain commercial loans and address their liquidity problem. As at the end of July 2022, around US\$27.1 billion of loans and credit facilities have been approved under the SFGS.

Commercial Data Interchange (CDI) is a next-generation financial data infrastructure that enables secure, efficient and scalable data sharing based on the consent of enterprises to enhance financial inclusion in Hong Kong, China. With CDI, bank customers, particularly SMEs, will be able to take more control of their own digital footprints and use their own data to enhance their access to financial services. For example, when banks can make a credit decision by leveraging different types of alternative data, it might not be necessary for them to ask SMEs for loan collateral. SMEs' access to financing should improve, and their cost of borrowing might fall.

CDI has entered pilot stage since November 2021 and is expected to be officially launched by the end of 2022. As of June 2022, over 880 SME loans amounting to over US\$210 million were approved by the participating banks.



Moreover, there is government support fund for digital capacity building. The Innovation and Technology Commission launched the Reindustrialisation and Technology Training Programme (RTTP) in 2018 to fund local enterprises on a 2:1 matching basis (government:enterprise) for their staff to receive training in advanced technologies, especially those related to “Industry 4.0.” Each eligible company is subject to a funding ceiling of around US\$64,000 in each financial year. As at the end of March 2022, RTTP has approved over 2,600 applications for registering public courses and funding of about US\$13 million for over 9,650 trainees to receive about 13,000 trainings in advanced technologies.

Indonesia

Promoting entrepreneurship through regulatory and policy reform while preventing digital divide by expanding digital transformation assistance program.

Indonesia's entrepreneurship development framework

Entrepreneurship is a critical component of economic development. To foster entrepreneurship, considerable efforts and multi-stakeholder collaboration are required. From the government's perspective, regulatory and policy reforms can be used to encourage entrepreneurship. Indonesia has set a target of a 3.95 percent entrepreneurship ratio and a four percent growth of new entrepreneurs by 2024. With this, the Entrepreneurship Development Framework has been prepared consisting of three items.



- 1 Medium Term Development Goals 2020-2024;
- 2 Presidential Regulation on 4 Entrepreneurship No. 2/2022, and
- 3 Cross-Sectoral Cooperation.

Thematic Technical Assistance Program

Micro enterprises represent about 99.6 percent of the total businesses in Indonesia. However, they are less likely to adopt digitalization compared to medium and large enterprises, which highlights the need for assistance.

Digitalization is important due to its potential to access larger markets and potential revenue growth. With this, Indonesia has implemented the Thematic Technical Assistance Program, which aims to aid MSMEs in digital transformation and narrowing the digital divide in Indonesia. The program consists of: 1) training sessions; 2) coaching and consultation sessions with practical assignments; and 3) additional opportunities such as business matching and free promotion.



Indonesia also has an **Entrepreneurship Development Action Plan 2022–2024**, which targets 1,066,118 entrepreneurs across Indonesia through collaboration with 27 stakeholders and 209 activities. Indonesia highlighted the importance of partnerships to develop entrepreneurial ecosystems. With this, they developed a concept called the ‘Pentahelix Collaboration’ in which entrepreneurship development is carried out in synergy by ministries/institutions, local governments, and stakeholders adjusted to the entrepreneurial profile where each party has its own role in each stage of the entrepreneurship development model (general public, aspiring entrepreneurs, beginner entrepreneurs and advanced entrepreneurs).

Japan

Challenges and Support for the digitalization of SMEs

Japan is facing the problems of a declining and aging workforce and low labor productivity, and SMEs are also facing these issues. The government supports the promotion of digitalization of SMEs to solve these problems.



Challenges and Support for the digitalization of SMEs

Generally, SMEs need to improve their performance such as their low labor productivity arising from their scarce managerial resources and others. COVID-19 pandemic makes their business environment more severe, and many SMEs are struggling to cope with additional burdens.

One of the key measures to assist them is to adopt and proceed digital transformation, Japan provides SMEs with comprehensive support measures for digital transformation in all stages. From finding out their stage of IT implementation and identification of issues related to further IT adoption, to learn about knowledge and know-how, full utilization of IT tools like how to expand sales channel using e-Commerce, guidance for visualization of workflows, those includes:

- 1 Self-diagnose program - IT Strategy Navigation**
Visualization of the challenges and direction of IT utilization of SMEs by answering three step questions through online.
- 2 Consultation by expert diagnosis program**
Proposal for IT utilization through the expert diagnosis (free of charge at first three consultations).
- 3 Selection of problem-solving tools program - COCO App**
Providing software search applications (e.g., financial, accounting, sales, marketing management, etc.), according to the usage, purposes etc. through online.
- 4 Advice to support on IT utilization**
Support the introduction of IT tools for work efficiency and developer experience (DX) with the aim of improving labor productivity of SMEs.

Japan continues to work for the digital transformation of SMEs with providing useful information and various support measures.



Republic of Korea

Republic of Korea has undertaken reforms to stimulate entrepreneurship and improve SME efficiency & competitiveness

As one of the main policy direction of the Ministry of SMEs and Startups (MSS) is “Innovate manufacturing to enhance competitiveness of SMEs and startups,” which the green company is one of the important target of MSS.

Since the Green New Deal is an important project that the government is driving the transitioning toward a green economy in the post-Covid-19 era while fighting climate change.

In 2022, Republic of Korea involves in several forums related to green growth and sustainability promotion for SMEs.

2022 APEC SME Forum on Promoting Low-Carbon-driven industrial ecosystem for smart green economy

This forum has set the venue in Seoul, Korea, held on 23rd June 2022 (hybrid type forum). The overall goal of the project is to set foundations for the exchange of in-depth information on carbon neutral and to strengthen capacity of reducing emission through low carbon technology and improve competitiveness of APEC/MSMEs. Specifically, the project aims to provide a venue to discuss best practices and technologies and share strategies for energy efficiency in the APEC region, including mechanism to reduction of greenhouse gas emissions (GHG).



APEC SME Innovation Forum with ESG (Environmental, Social and Governance) Business Strategy – An Opportunity and Sustainability in Post COVID-19 Era

This project venue and date is set to be in Seoul, Korea around November 2022. The project overseer realized that SMEs play a critical role in economic development in all APEC developing economies. They are also the largest source of domestic employment across all economic sectors. In this context, this forum is expected to be a venue for SMEs, especially in developing economies to obtain comprehensive knowledge about ESG system by sharing best practices and providing consulting so that they can prepare for better business management environment within the APEC objectives. During the forum, experts from business management, technology and policy makers will share best practices and knowledge to help SMEs move on to the ESG economy in the future. Lastly, all participants are expected to disseminate the useful knowledge to the SMEs in their economies.

Malaysia

offers a wide and diversified financing landscape for MSMEs

As an important part of Bank Negara Malaysia's (BNM) mandate to promote an inclusive financial system is the creation of a comprehensive ecosystem for SME financing. Over the years, as the needs and requirements of SMEs have evolved and become more sophisticated, the focus has now expanded to facilitate finance for new growth areas and enhancing the capacity and growth potential of SMEs through advisory services and financial education.

The value of creating ecosystems to achieve outcomes can be categorized into 5 key strategy pillars providing a comprehensive building block to enhance access to finance:

- Financial infrastructure comprising the processes, systems and institutional arrangements that support financing applications by SMEs and credit assessments by lenders;
- Financing and guarantee schemes, including emergency funds to provide lending at competitive costs to targeted enterprises;
- Avenues for SMEs to obtain information and seek assistance or redress on financing issues;
- Debt solution and management - arrangements for debt resolution and management to provide assistance to financially distressed companies; and
- Outreach and awareness programs extended economy-wide – to promote financial inclusion and education in tandem with media promotion through local authorities.



Malaysia has a comprehensive financing support for the development of MSMEs at all stages of the business life-cycle. Most MSMEs are supported by government agencies, as well as developmental financial institutions (DFIs). However, there are still gaps which result in companies not able to access financing due to their inability to meet commercial banks' requirements such as competency and financial stability. In this case, Malaysia provides another solution for MSMEs to access finance through credit guarantees instead.



There are some best practices in SME Bank in Malaysia that could be summarized as follows:

- 1** Financing: such as customized financing programs (SME Bank in Malaysia has supported 21,252 companies and approved 8,831 million USD financing since 2015) SME relief program (SRP).
- 2** Beyond financing: such as capacity building/training, engagement/outreach and innovation and digitalization.

Mexico

has launched various actions aimed at improving the situation of SMEs especially alternative sources of SME financing.

Program to foster the venture capital industry

The program to foster the venture capital industry aims to foster the creation and to strengthen investment vehicles that pump equity funding to high-impact Mexican start-ups, using the Venture Capital Trust of Nacional Financiera (NAFIN) as the financial intermediary. As of the end of the first semester of 2021, the program promoted 38 investment funds via public or private investments. These funds supplied equity funding to 268 start-ups in 18 economic sectors.





The public policy intervention in the Mexican VC ecosystem has achieved two main goals to date:

The first one, by being a co-investment program with private investors, investment vehicles have been created with a commitment of approximately USD 330 million.

Second, due to the maturity that the older programs have reached, the VC companies supported by these funds are achieving the expected results beginning divestments with multiple interesting opportunities for the industry.

In response to COVID period, the federal government, through the development bank Nacional Financiera (NAFIN), has supported SMEs up to MXN 25 billion (USD 1 billion). One million credit products of MXN 25,000 each (USD 1,000); and 500,000 credit products have been provided to the formal economy and 500,000 loans have been extended to the informal economy. The credits will be settled over a period of three years, with no payment in the first three months and further monthly payments of MXN 1,000 (USD 42), at an average rate of 6.5 percent per year.

Furthermore, to contribute to economic reactivation, two digital platforms were also created: 1) Mercado Solidario to promote local consumption, allowing the continuity of operation of the various businesses in the context of the pandemic and 2) MIPYMES MX (a platform of the Productive Development Unit of the Government of Mexico), to make business tools and value content available to micro, small and medium-sized companies, and to offer events and programs oriented to its strengthening and better participation in the market.

New Zealand

Working towards the most digitally engaged small business sector in the world with Digital Boost.



The New Zealand Government has a vision to have the most digitally engaged small business sector in the world. Digital Boost supports small businesses to digitally transform their operating models, not only through the adoption of digital hardware and software, but through process changes, new skills and capabilities, and having deeper insight into their business through data.

As of October 2022, there are over 55,000 registered users on Digital Boost. The latest independent evaluation found that 79% of users would recommend the platform to a business acquaintance and 23% of all businesses report improved revenue after using Digital Boost, increasing to 39% of businesses who engage with Digital Boost weekly.

Digital Boost was created to support small business resiliency to change. The evaluation research noted that 55% of Digital Boost users felt feelings of hope in the past two weeks, which is 17% higher than the New Zealand average.



Digital Boost

The key Digital Boost programme initiatives include:

Digital Boost Educate supports small business owners by providing free, self-paced digital skills training through short 3-5 minute 'how to videos' providing insight into new digital skills and the use of digital tools. 'Real world stories' also act as in-depth video case studies for small business owners to see how others have digitally transformed their business. The platform also hosts weekly Q&A sessions with industry experts and has live helpdesk support from 8am-7pm.

An extension of Digital Boost Educate is Digital Boost Checkable. Through Checkable, small business owners can access a detailed and bespoke scorecard of their digital presences and a clear plan of action on what to fix and how. Through harnessing the power of Artificial Intelligence (AI), Natural Language Processing (NLP), business diagnostics and data analytics, Checkable enables users to have a better understanding of their web presence and current digitalisation journey.

The Digital Facilitation Scheme provides additional support and encouragement to small businesses to adopt and practically use Digital Boost. Designed for those who are at the initial stages of their learning journey, business intermediaries are funded to provide facilitated learning support to groups of small businesses in their community.

The Digital Boost Alliance is a collaborative effort between public and private sector organisations focussed on inspiring small businesses, individuals, and communities across New Zealand to lift their use of digital technologies. Each member organisation has committed to providing a specific offer or service to support those in their digital journey.

Peru

offers diversified supporting policies for promoting MSMEs toward post covid era

Peru has launched roadmap towards a circular economy in the industry sector that is a policy instrument, which aims to establish the actions that Peru will carry out in order to promote a progressive transition from a linear economic model to a circular one, of the activities of manufacturing and fishing industrial processing.

This roadmap has 4 approaches, 6 lines of action and 42 actions, which will be implemented by 2025.

As part of the actions that are currently being carried out, the aim is to promote the circular economy concept in the development of industrial manufacturing activities and industrial fishing processing, as well as in consumers, disseminate success stories in its application, share experiences successful and/or lessons learned from industries that are already applying this approach.



On public credit guarantee scheme for MSMEs, the Business Support Program for Micro and Small Businesses (PAE MYPE) is a program worth 513 million USD to guarantee working capital credits for MSEs on every economic sector, in response to COVID-19. MSME must have an optimal credit qualification and includes 12 months of grace period. This was concluded in March 2022 and the program continues to benefit 11,529 SMEs ever since. (7.4 percent of the original forecast).

Moreover, there are decentralized trust funds. This aims to take advantages of royalty resources that the regions do not use in order to reallocate them for benefit of MSMEs. A guarantee of 50-70 percent will be provided, for loans to MSMEs, with a minimum fund of 2.25 million USD per region financed with mining royalties. The credit will be placed in alliance with microfinance entities and by 2026, 10 regional trusts will be constituted.

The digital transformation project aims to create new business opportunities, opening to new markets in MSEs and cooperatives with a gender focus, in response to the economic crisis caused by COVID-19.


This project is about design, development and implementation of a web platform that facilitate access to digital tools to contribute to the reduction of digitalization gaps in APEC economies. Objectives are to manage the digital tools of the web platform to access new business opportunities and markets that facilitate the reactivation of APEC economies. Benefits are that MSMEs and cooperatives, with special emphasis on women and young entrepreneurs who need to generate new business opportunities and develop higher levels of productivity for the economic reactivation.

In order to improve the impact of the project, APEC economies are invited to be part of the research process for the elaboration of the needs report. Furthermore, a platform with digital tools will be available to APEC economies for its effective implementation according to their respective realities. Next, Peru plans to do a trial period and launching of the web platform around December 2022 – January 2023 and March 2023 which aims to be a global symposium.



The Philippines

The Philippines has launched numerous programs to support MSMEs for greater access to markets and finance.



The Micro, Small and Medium Enterprise (MSME) Development Plan 2017-2022 is the Philippines' sectoral plan for the growth and advancement of the MSME sector. It was developed in accordance with the long-term domestic development vision by 2040 called "AmBisyon Natin 2040" formulated by the Economic and Development Authority (NEDA) in March 2016. The MSME Development Plan has three focal areas, namely: (1) business environment, (2) business capacity, and (2) business opportunities, with the following five strategic goals: (1) improved business climate; (2) improved access to finance; (3) enhanced management and labor capacities; (4) improved access to technology and innovation; and (5) improved access to markets.

As the disruptions caused by COVID-19 in the day-to-day operations of MSMEs affect their income and cash flow the most, the Philippines prioritizes, among others, lending additional working capital to MSMEs to sustain their operations amidst the pandemic. The following are some of the financing programs put in place to assist in the recovery of MSMEs:

COVID-19 Assistance to Restart Enterprises (CARES) Program - An Enterprise Rehabilitation Financing (ERF) facility has been implemented to support funding requirements of micro, small, and medium -sized businesses affected by the economic impact of COVID-19 in the economy. It provides loans with no collateral requirement and at a zero-percent interest rate.

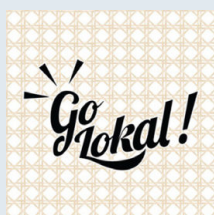
The Expanded Survival and Recovery (SURE) Aid Program of the Department Agriculture-Agricultural Credit Policy Council (DA-ACPC) provides working capital loans to agricultural/fishery/livestock micro and small enterprises, cooperatives, and associations to continue operations and ensure the availability of food supply amid the COVID-19 pandemic. Eligible enterprises may avail of zero-interest loans of up to PhP 10 million, payable in five years.

The MSME Credit Guarantee Program (MCGP) of the Philippine Guarantee Corporation aims to increase the credit available to MSMEs by encouraging banks to continue lending to affected MSMEs through a pro-rata risk guarantee.

To provide MSMEs greater access to markets, virtual trade fairs are being organized as alternative way to conduct trade fairs. The following are some of the interventions carried out by the Philippines to cope with the evolving market landscape:



The One Town One Product (OTOP) Program provides the physical and online channels and market access platform to MSMEs where OTOP products – especially those which has been assisted via product development – are showcased on a day-to-day basis.



Go Lokal! is a market access platform introduced by the Department of Trade and Industry to help Philippine MSMEs enter the mainstream market. Aside from brick-and-mortar concept stores in high-traffic retail outlets like malls, ports of entry, and tourist destinations, it partners with e-commerce sites, such as Shopee, Lazada, and Shopinas to further promote Go Lokal brands and products.



oneStore.ph The Department of Science and Technology is also assisting MSMEs to widen the scope of their market and increase their business opportunities through its oneStore.ph, an e-commerce web application operating economy-wide.

The Philippines' Cooperative Development Authority (CDA) Global is an online marketing platform that aims to provide market opportunity for cooperatives both in domestic and foreign through the online platform; showcase the cooperative products which are unique and with quality; and establish market linkages/network for cooperatives.

The 2022 e-Commerce Philippines Roadmap builds on the initiatives of the previous roadmap to create foundational policies for e-Commerce. The current roadmap aims to implement programs and projects for the use of e-Commerce in government, business, and private transactions. By 2030, it envisions an e-commerce ecosystem in the Philippines that is “plug and play” – safe, reliable, easy, and efficient everywhere.



The Russian Federation

A digital platform for small and medium-sized enterprises has been launched in Russia

Digital SME Platform

Businesses can access government and commercial services through an unified platform. At the moment, there are 11 online assistant services available that are necessary for opening and running a business. By the end of the year, there will be at least 15 of them. Now the business can order more than 112 domestic software products on the platform with a 50 percent discount. Twenty-nine Russian developers have already posted their software on the platform.

The platform includes necessary knowledge and instruments to solve specific problems that arise when starting and running a business.



Available services on the digital platform are:

- 1) Obtaining an electronic signature
- 2) Assistance in choosing the organizational and legal form
- 3) Assistance in choosing the tax regime
- 4) Business statistics: up-to-date information and analytics, for business forecasting assessment
- 5) Legislative Digest
- 6) Document designer: assistance in filling out any documents, a large selection of templates and the ability to create SMEs' own document
- 7) Regional support measures: helps to send an application to the authorities of each region to receive benefits and compensation under the business support program
- 8) Purchase of software with a 50 percent discount
- 9) 360 service: helps to report violations of their rights during inspections, obtaining state support and other problems related to doing business
- 10) Production cooperation and sales: provides a register of manufacturers to find new customers and suppliers, and participation in procurement
- 11) Obtaining a loan: assistance in filling out a questionnaire and sending an application to several banks at once
- 12) Business rating calculation: business evaluation and formation of personal recommendations on support measures
- 13) Preferential equipment leasing
- 14) Counterparty verification

The Bank of Russia Marketplace project

In addition, the Bank of Russia initiated the Marketplace Project in December 2017. The Marketplace is an online service enabling individuals to purchase financial products offered by various companies on a single platform on a 24/7 basis. It aimed to establish a regulatory framework for the remote sales of financial products across the Russian Federation.

The Marketplace 2.0 Project will expand the range of products and services on financial platforms, including for legal entities, and will contribute to increase competition in the market and further development of remote financial services.

Singapore

Making going digital simple for SMEs while offering a government-assisted SME loan

With digital technology transforming every sector of Singapore's economy, the Government of Singapore has announced a number of initiatives to help Singapore companies in their digitalization efforts.

SME Go Digital Program

The SMEs Go Digital program aims to help SMEs use digital technologies and build strong digital capabilities to seize growth opportunities in the digital economy. The programme was expanded to

- 1** Help SMEs gain access to new overseas markets digitally, through digital platforms under the Grow Digital initiative and
- 2** Enable MSMEs to assess their digital readiness, explore digital solutions and request for digital advisory and project management services under the Chief Technology Officer-as-a-Service initiative.

Temporary Bridging Loan Programme

To provide MSMEs access to working capital for business needs during the COVID-19 crisis, the Temporary Bridging Loan Programme (TBLP) is a government assisted financing scheme introduced in the Solidarity Budget 2020.

Unlike other business loans, the government co-shares the risk of lending, this co-sharing arrangement makes the programme a lot more palatable to lenders, while making it easier for floundering businesses to gain a crucial lifeline.

Domestic Innovation Challenges (NIC)

NIC is an economy-wide open innovation initiative for startups, SMEs, corporates, trade associations & chambers, research institutions, and government agencies to fast-track solutions. Challenges include industry-wide issues that businesses grapple with, as well as medium to long-term solutions for businesses to emerge stronger post-COVID. Challenge owners can access a diverse pool of solvers with cross-industry expertise while solutions providers will receive support and potential funding to develop and deploy solutions swiftly.



Chinese Taipei



to narrow the digital gap and promote business continuity, digital capacity building, deployment of digital technology and identifying solutions for SMEs are important measures.

TCloud Marketplace

The Ministry of Economic Affairs (MOEA) has conducted a fully-online government-grant application platform “TCloud Marketplace.” The TCloud Marketplace is a one-stop match making and resource distribution platform which coordinates with the government, SMEs and IT service providers. The platform provides SMEs with grants, industrial guilds for digitalization, successful cases information, and online consulting service for helping SMEs digitalize and solve relative difficulties.

Since launched on July 1st, 2021, 23,818 SMEs have registered (up to January 3rd, 2022), which has achieved the two-year policy goal (23,000 SMEs registration) simply in the first half year. The platform will keep distributing the government resource to more SMEs.

As SMEs need to bolster digital resilience to better respond to external factors in the digital economy era, digital transformation plays a key role in fast-tracking inclusive growth and economic recovery.

In line with the domestic plan “5+2 Industrial Innovation Plan,” the Small and Medium Enterprise Administration’s (SMEA) policy objectives are to stimulate the upgrading, transformation and innovation of SMEs through creating an entrepreneurial ecosystem, revitalizing the local economy, developing technology applications and strengthening innovative capacity.

To promote sustainable operations of enterprises, SMEA provides diverse learning resources and tailor-made counseling to encourage enterprises innovation and sandbox experiments. It also strengthens knowledge and skills which enterprises may need in different operational phases, promotes successions of enterprises and assists relative upgrading and transformation.

To enhance the entrepreneurial ecosystem, SMEA provides an integrated platform for basic services, construct a cross-border entrepreneurial cluster, guide the enterprises' resources for business-matching and counseling, assist start-ups to show new values, and promote the characteristic development and transformation of incubator centers as well as social innovation.



Thailand

Thailand has implemented impactful initiatives to support the growth of SMEs including promoting sustainable and green growth businesses, access to finance, and digital transformation for SMEs

Accelerating BCG Adoption

Thailand has opted for the Bio-Circular-Green Economy Model (BCG) that aims to use natural assets more efficiently with as least impact on the environment as possible. BCG applies a whole of society approach—where the government, private sector, academia, and society, collectively implement this principle, eventually putting Thailand on track to building back a healthier, greener and more inclusive economy as the pandemic subsides.

Thailand's four strategic areas for the BCG model are based on her economic foundation and strengths namely, (1) food and agriculture; (2) medical and wellness; (3) energy, material, and biochemicals; and (4) tourism and creative economy. Focusing on the said areas, Thailand hopes to achieve comprehensive security in key areas of food, health, energy, employment and sustainable natural resources and environment.

On promoting the access to finance for SMEs, Thailand has launched a number of initiatives to help SMEs access to capital.

Public Offering for SMEs (PO-SME) & LiVE Exchange: The Securities and Exchange Commission (SEC) together with the Stock Exchange of Thailand (SET) have collaborated to set up a scheme that will enable eligible SMEs/startups (such as medium-sized enterprise or Startup which has been able to raise funds from VCs) to raise funds through public offerings to the qualified investors. The regulations have been eased in some areas to suit these eligible entrepreneurs. In addition, they are able to list their shares on a platform called LiVE Exchange, a secondary market for trading the stocks of SMEs.

The regulations and the computer system are ready for SMEs/Startups to submit the Initial Public Offering (IPO) filing and the listing application. Currently, There are more than 10 Public Companies Limited in the pipeline for IPO and listing in the LiVE Exchange.



For the financial market, the Bank of Thailand has introduced a new policy to support **SMEs' debt restructuring and settlements** to alleviate impacts from the global economy with two key measures:

- 1 Debt restructuring and suspension** with projects such as, DR BIZ (Debt Restructuring for Business), Asset Warehousing and Debt Consolidation.
- 2 Measures to improve liquidity** through the enactment of an executive decree to support rehabilitation of businesses affected by the COVID-19, or the Emergency Decree on the Provision of Financial Assistance for Entrepreneurs Affected by COVID-19 Pandemic, B.E. 2563 (2020).

On promoting digital transformation in the economy, several policies have initiated to help SMEs to adapt their culture and processes to the digital world.

Thai government agencies have continuously improved the digital ecosystem that facilitates digital transformation by integrating government operations on the digital platform, linking the database, and streamlining services with the Online One Stop Service concept. This concept promotes speedy and convenient access to government services. For example, BizPortal is an online portal that provides one stop service to anyone who want to register business or request for licenses or permits to operate business in Thailand, such as initiatives and building construction permit.

Moreover, the Thai government has implemented incentive programs for entrepreneurs' digital transformation as follows:

Digital Transformation Fund is a measure that provides financial assistance to businesses up to 60 percent of the project value or 1 million baht for digital technology adoption support.

Mini Transformation Voucher offers a grant with a value of up to 10,000 baht to each digital transformation project in small businesses.

Tax measures to promote SMEs' transformation to a digital economy is a measure for SMEs with registered capital not exceeding 5 million baht and revenue not exceeding 30 million baht. The eligible companies can use expenditures from software purchases as deductible items for 200 percent of the sum under 100,000 baht.

Thailand SME-GP is a measure to support SMEs to access to government procurement that prescribes that government agencies to purchase goods or services from SME entrepreneurs who have listed in the supplies list with the Office of Small and Medium Enterprise Promotion (OSMEP), not less than 30 percent in qualifying cases and those entrepreneurs get a 10 percent benefit of e-bidding.

The government will also continuously promote SMEs among consumers or B2C. OSMEP is collaborating with large local retailers to push forward the promotion of local SME products and services under the "SME Sure" label to improve consumer trust and expand their reach to consumers.



United States

Place women entrepreneurship and business ethics as an important priority for supporting APEC SMEs.

When businesses recognize and embrace different perspectives, they are better able to create value, serve customers, support employees and solve problems. United States has introduced many initiatives to embrace inclusivity for create healthy business environment especially for small business in APEC economies.

Hence, United States has started diverse program to support APEC SMEs for coping with evolving market landscape.



Promoting Women's Entrepreneurship through Cross-Border E-Commerce

MSMEs who use digital tools grow and innovate faster. This leads to more workers and reach more market and customers. However, women still face with enabling environment barrier. Therefore, US started a project to support better women entrepreneurs' participation in the global market.

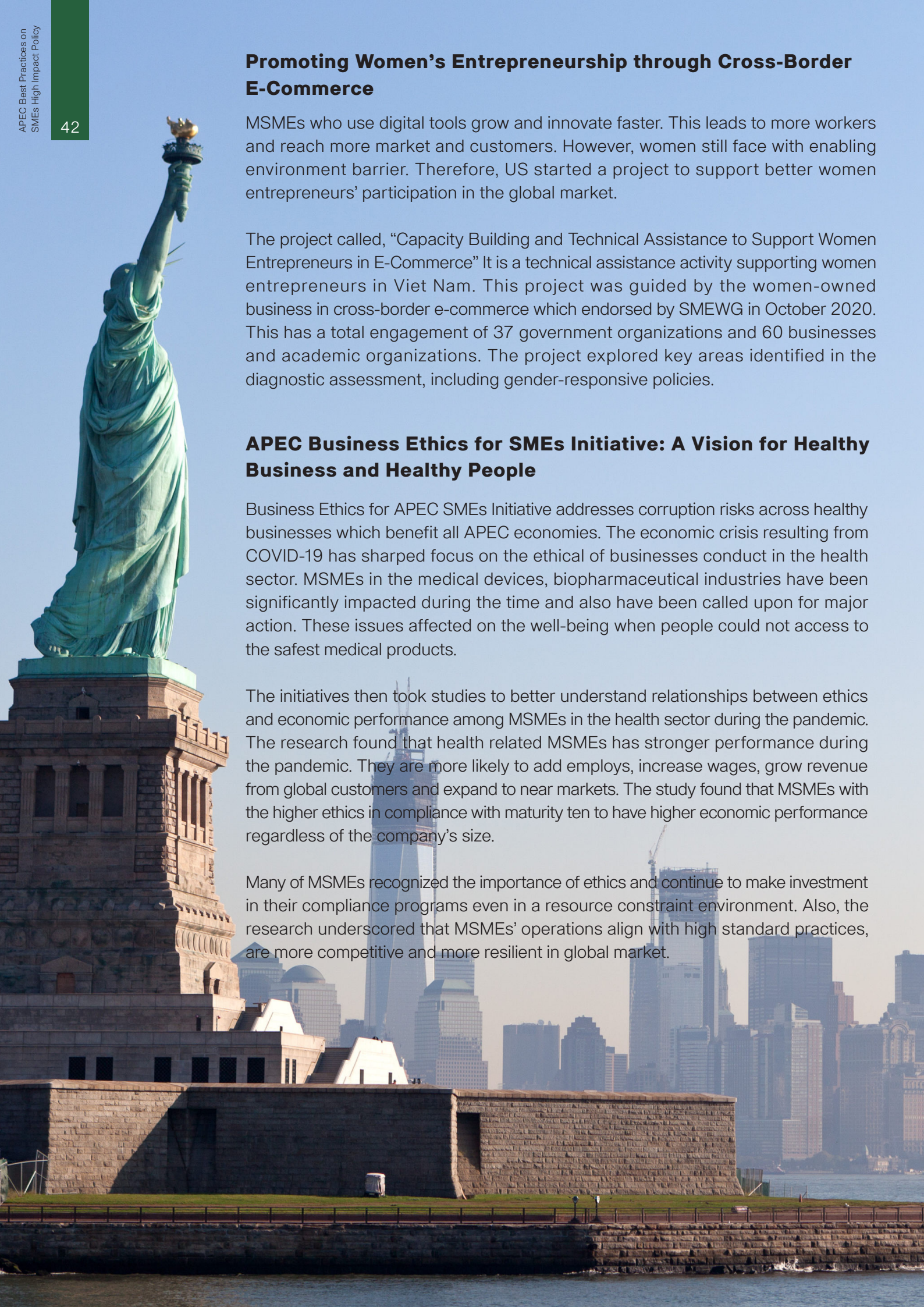
The project called, "Capacity Building and Technical Assistance to Support Women Entrepreneurs in E-Commerce" It is a technical assistance activity supporting women entrepreneurs in Viet Nam. This project was guided by the women-owned business in cross-border e-commerce which endorsed by SMEWG in October 2020. This has a total engagement of 37 government organizations and 60 businesses and academic organizations. The project explored key areas identified in the diagnostic assessment, including gender-responsive policies.

APEC Business Ethics for SMEs Initiative: A Vision for Healthy Business and Healthy People

Business Ethics for APEC SMEs Initiative addresses corruption risks across healthy businesses which benefit all APEC economies. The economic crisis resulting from COVID-19 has sharpened focus on the ethical of businesses conduct in the health sector. MSMEs in the medical devices, biopharmaceutical industries have been significantly impacted during the time and also have been called upon for major action. These issues affected on the well-being when people could not access to the safest medical products.

The initiatives then took studies to better understand relationships between ethics and economic performance among MSMEs in the health sector during the pandemic. The research found that health related MSMEs has stronger performance during the pandemic. They are more likely to add employs, increase wages, grow revenue from global customers and expand to near markets. The study found that MSMEs with the higher ethics in compliance with maturity ten to have higher economic performance regardless of the company's size.

Many of MSMEs recognized the importance of ethics and continue to make investment in their compliance programs even in a resource constraint environment. Also, the research underscored that MSMEs' operations align with high standard practices, are more competitive and more resilient in global market.



Viet Nam

Fostering the digital transformation of SMEs and promoting MSMEs' competitiveness in the global supply chain



Supporting MSME digital transformation

The highest number on barrier of enterprises in digital transformation that businesses have experienced is on the high cost of investments in high technology application result in 60.1 percent. Viet Nam has set up program activities to support digital transformation as follows:

- Develop tools/digital platforms/digital transformation database for enterprises
- Establish and coordinate a network of experts to advise enterprises on digital transformation
- Develop and implement training programs for enterprises
- Provide support to 100 enterprises which are successful stories in digital transformation
- Promote development of digital platforms suitable for different scales, sectors and development phases of enterprises
- Implement communication activities, business matching and digital transformation ecosystem

In addition, Viet Nam has implemented digital transformation plan for the economy in the long term. On 7 January 2021, the program on supporting enterprises' digital transformation in the period 2021-2025 was approved. The Ministry of Planning and Investment cooperates with the United States Agency for Cross-border Development (USAID) through the LinkSME Project to implement the program. The objective of the program is to promote digital transformation in enterprises through integration and application of digital technology to improve the efficiency of production and business activities, improve capacity and competitive advantage, and create new values for businesses.

Supporting MSME Participating in Global Value Chain

Vietnamese enterprises have limited linkages in supply chain such as lack of skills, limited management capability, lack of information, supply chain capability, financial capability, access to finance and research, development and innovation. Therefore, the government provides a number of supports for SMEs to improve their competitiveness in the global value chain.

These supports are:

- 1) Support in training,
- 2) Intensive technical capacity building for SMEs to meet leading firm's requirements,
- 3) Provide information on buyer's standards, support to sell products on e-commerce platforms, trademark promotion, business matchmaking and market expansion,
- 4) Supporting in consulting on standards, technical regulations, quality testing,
- 5) Support in pilot production, certification and quality control,
- 6) Interest subsidy -2 percent per year.

As a result, with the goal of supporting SMEs to adapt and recover from the COVID-19, the government prioritizes allocating resources to support in consulting and training at enterprises according to the practical needs of SMEs, supporting SMEs to participate in regional and global sustainable value chains based on Viet Nam's advantages.

Moreover, to help SMEs reach the global markets, the government provides support to standardize traceability barcodes system, foster Vietnamese brands to increase the value, and improve the production capacity for SMEs to meet the global standards.



Conclusion

Inclusive Recovery of APEC MSMEs through Bio – Circular – Green Economy (BCG) and High Impact Ecosystem

This guidebook presents a compilation of best practices of SME and entrepreneurship policy of APEC economies. It aims to identify lessons learned during the pandemic to support effective and efficient SME and entrepreneurship policy in the post-COVID and with-COVID era.

Due to the theme of “Inclusive Recovery of APEC MSMEs through Bio – Circular – Green Economy (BCG) and High Impact Ecosystem”, APEC economies are committed to advancing works to support MSMEs in the following four priority areas: Accelerating the BCG concept adoption, Promoting inclusive digital transformation, Facilitating financial and debt restructuring for MSMEs and Coping with the evolving market landscape.

Governments of each economies have tried to lessen the negative effects on SMEs and entrepreneurs in an unprecedented way through a variety measures, typically consisting of digital infrastructure and services supports, capacity building and incubating supports, and financial supports to ease liquidity concerns.

With economic resilience at heart, APEC collective efforts in ensuring inclusive, speedy and sustainable recovery of MSMEs. The guidebook includes 20 lessons learned for effective, efficient and innovative SME and entrepreneurship policies that address both long and short-term challenges regarding policy focus, MSMEs’ financial tools and solutions, recovery strategies, promoting MSMEs participation in regional and global value chains , and enhancing MSMEs’ value creation through BCG adoption.

Building on these lessons learned, we hope that well-formulated plans, measures and evaluation criteria of APEC economies will be developed further which we can move together in the same direction while achieving the APEC Putrajaya Vision 2040 of an open, dynamic, resilient and peaceful Asia-Pacific community by 2040.



