



**Asia-Pacific
Economic Cooperation**

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

Multi-Stakeholder Dialogue on Addressing Impediments for MSMEs' Integration into Global Value Chains in Agriculture and Food Sector

APEC Small and Medium Enterprises Working Group

June 2022



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Economic Cooperation**

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Global Value Chains in Agriculture and
Food Sector**

29-30 March 2022

APEC Small and Medium Enterprises Working Group

June 2022

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Multi-Stakeholder Dialogue on Addressing Impediments for MSMEs' Integration into Global Value Chains in Agriculture and Food Sector

29-30 March 2022

(a hybrid event)

Summary Report

I. INTRODUCTION

On 29 and 30 March 2022, the APEC Multi-Stakeholder Dialogue on Addressing Impediments for MSMEs' Integration into Global Value Chains in Agriculture and Food Sector, initiated by Viet Nam and co-sponsored by Chile; China; Mexico; the Philippines; Singapore; Chinese Taipei was held in a hybrid mode. Speakers and participants came from international organizations, research institutes, APEC member economies' agriculture and food sector, SME-related ministries, government agencies, companies, and business associations.

The Dialogue aimed at the following objective:

- to exchange information on impediments that MSMEs encounter in accessing and participating in the Global Value Chain (specifically in the agriculture and food sector) through a Dialogue and thereafter develop a set of recommendations as a reference tool for APEC economies to tackle the impediments that MSMEs encounter in accessing integrating into the Global Value Chain in the agriculture and food sector.

II. BACKGROUND

SMEs play an important role in economic activities in all APEC developing economies. They account for approximately 99% of all APEC developing economies' businesses and over half of the workforce in many economies¹. With global value chains (GVCs) playing a prominent role in the international trading system, it is hugely beneficial for MSMEs to integrate into the GVCs. GVCs require the participation of businesses that can make the production process the most efficient. By participating in GVCs, MSMEs can access global markets directly or indirectly. Many believe that a convenient and popular way is for MSMEs to participate in supply chains established by multi-economy corporations and contribute their efforts accordingly². Multinational corporations are "supported by a small number of preferred

¹ Source: [Small and Medium Enterprises | APEC](#)

² <https://www.adb.org/sites/default/files/publication/175295/smes-global-value-chains.pdf>

first-tier suppliers, which are supplied by other suppliers and so on, forming a tiered structure consisting of large and small enterprises"³.

APEC Economic Leaders have agreed on promoting development of, and cooperation in, Global Value Chains (GVCs), building on the existing work on connectivity within the fora⁴, including the approval of *APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation* in 2014. Furthermore, the *APEC Strategic Blueprint for Promoting Global Value Chains 2020-2025 (the Blueprint 2.0)* was recently endorsed by APEC Trade Ministers in May 2019.

Meanwhile, agriculture makes a substantial economic contribution to most APEC member economies, and the issues of food security and safety are of critical importance to the region⁵. Promoting agriculture and food GVCs is a sustainable way to enhance effectiveness and incomes for farmers and enterprises, especially for MSMEs. All factors in the GVCs will share the benefits, responsibilities, harmonizing supply and demand and traceability of products. In the world of economic integration with impacts of digitalization, GVCs connect agriculture and food producers to consumers worldwide and help deliver stable supplies of agriculture and food products along with a greater choice to consumers while generating incomes for producers.

To jumpstart many activities that complement the guidelines stated in the Blueprint 2.0, Viet Nam proposed to organize a 2-day Multi-stakeholder Dialogue on Addressing Impediments for MSMEs' Integration that would open up an opportunity to discuss more in detail how to implement the goals set out in the Blueprint 2.0.

The project focused on (i) impediments that agricultural and food SMEs has to face in GVCs from perspectives of government sector and SME/SME associations and (ii) suggesting recommendations to overcome these impediments (especially recommendations on actional policies at economy level and initiatives/activities at APEC-wide level) etc.

III. OPENING REMARKS

In the opening remarks, **Mrs Mai Thi Thuy (Chairwoman, Hanoi's Women-owned SME Association, Viet Nam)** recalled that APEC Economic Leaders have always recognized the importance of micro, small and medium-sized enterprises and considered them as an important driving force in development and innovation in the Asia-Pacific region. In order to support the growth potential of micro, small and medium enterprises, the speaker highlighted that the APEC Economic Leaders have committed to continue creating a competitive, open and transparent business environment, supporting and enhancing accessibility to the export markets, capital and finance resources; in the meantime promoting innovation and creativity of this business sector. The APEC Economic Leaders also agreed on promoting development and

³ Integrating SMEs into Global Value Chains: Challenges and Policy Actions in Asia ([Integrating SME's into Global Value Chains: Challenges and Policy Actions in Asia \(adb.org\)](https://www.adb.org/publications/integrating-sme-into-global-value-chains-challenges-and-policy-actions-in-asia))

⁴ [2013 Leaders' Declaration | APEC](https://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Agricultural-Technical-Cooperation)

⁵ <https://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Agricultural-Technical-Cooperation>

cooperation in GVCs, approving the APEC Strategic Blueprint for Promoting Global Value Chains Development and Cooperation in 2014 and the APEC Strategic Blueprint for Promoting Global Value Chains 2020-2025.

In addition, according to Mrs Mai, GVCs in the agricultural sector play an important role in ensuring food security. Integration into GVCs will bring enormous benefits to micro, small and medium enterprises (accounting for more than 90% of the total enterprises in the APEC developing economies and more than 50% of total employment in these economies). By participating in GVCs, MSMEs could access the global market directly or indirectly, especially in the agricultural sector. The speaker believed that the most convenient and popular way is for MSMEs to participate in the agricultural supply chain established by multinational corporations and contribute to the appropriate stages. However, to do so, MSMEs face challenges such as lack of awareness about the role of MSMEs in GVCs or a lack of ability to participate in GVCs.

In that context, Viet Nam organized the Dialogue to contribute to the implementation of the APEC Strategic Blueprint for Promoting Global Value Chains 2020-2025 approved by APEC Trade Ministers in 2019. During the two-day Dialogue, participants discussed and shared experiences on overcoming obstacles when participating in the global agricultural GVCs of enterprises in general and MSMEs in particular.

IV. KEY ISSUES

1. Impediments/ Challenges that MSMEs Have Faced in GVCs in Agriculture and Food Sector – Perspective from the Government Sector

There were three speakers in Session 1, including Associate Professor Dr Witsanu Attavanich, Faculty of Economics, Kasetsart University, Thailand; Mr Joe Nelson, New Zealand's Consul-General and Trade Commissioner to Viet Nam; Mr Luciano Cuervo, Senior Economic Advisor, Global Value Chains Division, Under-secretariat for International Economic Relations, Chile.

- To begin the presentation, Dr Witsanu Attavanich shared some figures that showed 49.7% of firms in the agriculture and food sector, mainly MSMEs have faced problems related to economic slowdown, increase of industrial competitors, labor shortages, increase in production cost... The production of in-season rice in the non-irrigated area and total annual rice production of all types is expected to decrease, but heterogeneous impacts are revealed across provinces. The speaker mentioned some main challenges in the upstream segment (Production of Farm Products), including climate issues, technical, and policies. He emphasized the low adoption of modern farm machines and digital technology due to the lack of economy of scale from the small size of farmland (2.3 hectares/household) plus the shortage of farm advisors. In the second part, Dr Witsanu presented challenges in the middle stream segment with some information on production of farm products, processing retailing activities and consumption. He

concluded that online trading provides market opportunities, but it creates a critical challenge to products produced by MSMEs.

- Mr Joe Nelson's presentation focused on "Integration into Global Value Chains in Agriculture and Food Sector". At the beginning, the speaker briefly introduced New Zealand Trade and Enterprise (NZTE) and its main functions. The speaker shared that logistics is the main concern for New Zealand agriculture and food sector exporters. In a recent survey, supply chain disruptions and logistic costs were the main concerns for New Zealand agriculture exporters. International freight price increases in some cases eroded margins for suppliers. Regarding finance, Mr Joe Nelson mentioned credit terms with some large multi-economy corporations set at 90 days on delivery. Most large multi-economy food producers now require 90-day credit terms from their suppliers. Many MSME's do not have the ability to take on the working capital and credit requirements to supply the large food producers. He noted that the costs for testing and meeting international specifications are rising. There is a knowledge gap among producers as not all producers have access to the latest agronomy know-how.
- Mr Luciano Cuervo started his presentation by giving out some information about Chile's Participation in GVCs and the meaning of joining the GVCs. After that he talked about the current situation and Chile's Strategy to enhance regional value chains. About the productive linkages, he said that Global Value Chains are not simple, on the contrary, they are complex and count on different levels that are at the same time entrenched within others. The latter is a reality that imposes barriers for developing countries to take full advantage of them, and even more so for SMEs. Chile has developed a methodology by which it seeks to identify potential productive linkages with its trade partners. The latter is based on the wide network of free trade agreements and its privileged geographical location and infrastructure within the region. He shared experiences of some productive linkages between Chile and some economies such as Guatemala, Costa Rica, Argentina. At the end of the presentation, Mr Luciano Cuervo introduced a Web form for companies interested in productive linkages projects.

2. Impediments/ Challenges that MSMEs Have Faced in GVCs in Agriculture and Food Sector – Perspective from MSMEs and SME Associations

There were three speakers in the session: Dr Jared Greenville, Executive Director, Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), Department of Agriculture, Water and the Environment, Australia; Mr Ronald Walla, Chair of Micro Small and Medium Enterprise, The Employers' Association of Indonesia (APINDO), Indonesia; Mr Philip Young, President of Global Food Solutions, Inc, the Philippines.

- At the beginning of the presentation, Dr Jared Greenville said that Australia produces a significantly varied mix of agricultural products. Grains and livestock are the biggest commodities, with beef and wheat production being the two single largest single commodities. Smaller family-run operations dominate Australian farming. Around 15% of Australian farms are considered large businesses, a number that has been increasing. The speaker said that there has been a growing demand by consumers for a range of product characteristics. This has created a demand for 'products' rather than commodities – for example, traceability stamps on eggs and fruits, hormone-free beef, organic product, carbon-neutral wine, etc. GVCs linkages are becoming more global but increasingly centered around 'hubs.' In his presentation, the speaker noted that participation in GVCs is generally indirect for SMEs. At the end of the presentation, Dr Jared Greenville provided some recommendations to address challenges for Australian agriculture's participation in GVCs including competitiveness, access to import, and reduce market barriers.
- Mr Ronald Walla started his presentation by introducing Indonesia's export structure development. Indonesian Export needs to be supported by manufacturing-based products. In the second part, he talked about Indonesia's position in Global Value Chain in general. Indonesia's international trade is more bilateral than global. The speaker also mentioned the challenges of exporting agriculture products to the global market and cited out what part of the GVC is the most suitable for SMEs. Mr Ronald Walla talked about the impact of climate change on agriculture, that include air temperature rise, rising sea level, change in rainfall pattern. About labor issues, he shared that technological development and transfer associated with GVCs contributed to the decline in labor demand across all economic sectors (–29%) in Indonesia from 2005 to 2015 with agriculture suffering the largest impact (–49%) and services the least (–9%). For the same period, task relocation was associated with an 8% and 5% increase in demand for labor in manufacturing and services, respectively. Results also indicate that the change in own-economy income from 2005 to 2015 was associated with a 79% increase in employment in services and 45% in manufacturing. Lastly, he talked about SMEs and Entrepreneurship strategy.
- Mr Philip Young talked briefly about Global Value Chain (GVC) MSMEs in the Philippines. Collectively, MSMEs in the Philippines are those with an employee size of less than 200 and an asset size below P100 million (USD 1,948,578) (CPBRD). The Philippines employs two criteria in operationally defining MSMEs: employment and asset size. He then shared the number of MSMEs establishments and sectoral distribution. It is noted that out of 957,620 establishments, agriculture, forestry, and fishing industry contributed 8,427 establishments of which 8,274 (98.18%) are MSMEs. About other distribution to the economy, the speaker said that according to the Philippine Statistics Authority, MSMEs contributed to 25 percent of the economy's total exports in 2020. It is also estimated that 60% of all exporters in the economy

belong to the MSME category (DTI). This made possible through subcontracting arrangements with large firms, or as suppliers to exporting companies (Manila Times, 2021). At the end of the presentation, the speaker provided some recommendations such as: Provide training to MSMEs to abridge the gap in skills mismatch, provide a number of supportive structures, provisions, and policies to facilitate the development of MSMEs, improve ease of doing business, etc.

3. How Can Women Owned/ Managed SMEs Face and Overcome Impediments/ Challenges that SMEs Have Face in GVCs in Agriculture and Food Sector

There were two speakers in this Session: Ms Mindy Jen, CMO, Empire Eagle Food, Chinese Taipei; Ms Ho Hoa Dong, Deputy CEO, Khang An Foods, Viet Nam.

- The topic of Ms Mindy Jen's presentation was about "Women-led SMBs' Challenges in GVCs During & After the Pandemic!". Her presentation was divided into four main parts: Introduction; Challenges & Advantages; Solutions; Suggestions. To begin, she briefly introduced BOBA Empire with its Total Solution Manufacturer and global market. Empire Eagle Food exported nearly 400 cargoes to more than 60 economies and has been committed to promoting training courses to help more than 300 clients from over 35 economies in the world. About digital transformation, she talked more about Build B2B2C Business Model and Create New Business Model. The speaker also emphasized other factors such as knowledge, communication (press), R&D Capability, and girl power's network. At the end of the presentation, Ms Mindy Jen suggested that it is important to strengthen the supply chain and never stop R&D. Upgrade technologies to leverage industry opportunities as key enable to optimize productivity. Local materials are lower cost and easier to reach QC goal. Reskill workers while redeveloping R&D capabilities and incentivizing knowledge transfers in upgrading GVC potential. Social concern is also very important, focus on sustainable business practice across sectors to future-proof GVC growth in response to growing pressures from consumers and investors in key markets around social and environmental issues.
- Ms Ho Hoa Dong started her presentation by sharing some highlights of Khang An Company in 3 year (2021, 2021, 2022). The company was the top leader exporting seafood to the UK market in 2021 and top 14 Vietnamese seafood exporters in the industry within the first seven months in 2021. According to the speaker, four main factors affect the company's strategy: (i) Building the supply chain is important, (ii) Maximize the resources as much as we can, (iii) People are the key with warrior spirits, (iv) How agile your company is? Ms Dong shared some experiences of Khang An company during the Covid-19 pandemic such as storing materials and sub-materials as much as possible, arranging transportation and providing foods and place to stay for employees, keeping motivation and providing rewards and compensation program to employees; working closely with clients to understand their situations, flexible when

signing contract; negotiating with forwarders to get benefits in shipping fees, working closely with suppliers to provide quality meals and transportation for employees, coordinate with local authorities to support employees and their families.

4. Discussions

- Regarding the role of ministries and authorities in solving obstacles in the agricultural sector, a speaker shared that in Thailand the Department of Agriculture coordinated with related ministries and agencies to identify the current obstacles. KPIs were developed to measure the effectiveness of such coordination and the overall government's approach. For example, Thailand held one ministry accountable in the financial sector and the others had to cooperate. In the future, Thailand would separate functions and tasks by developing KPIs for the effectiveness of various offices and a joint-KPI for that of the government.
- In New Zealand, the agricultural sector has undergone reforms since 1994 and since then, the government has been providing major supportive resources to the Ministry of Agriculture. For example, a working group was formed on freight. However, those agencies' effective and synchronous cooperation remained hard and challenging when working with export companies.
- Another speaker pointed out that currently, Chilean authorities choose to cooperate and assist in the provision of relevant information instead of agricultural subsidies to support this sector. Therefore, the Ministry of Foreign Affairs assisted in the negotiation and other ministries cooperated to implement the process through the value chain committee. However, these agencies and ministries might not have sufficient knowledge and information about the global value chain and connectivity, making their participation difficult and challenging. Large enterprises also faced difficulties in innovation. Besides, if there was no relationships with partners in the value chain, businesses would face difficulties in exporting agricultural products and materials.
- **Regarding the impact of the COVID-19 pandemic on agriculture**, in New Zealand COVID-19 had little impact on prices and the dairy industry was doing quite well. However, a few other sub-sector had difficulties, especially the vegetable and fruit sub-sector because it did not have economies of scale. The reason was that many exporters had export contracts within 12 months but could not find a shipping partner when New Zealand locked down the economies. They also had problems with soaring freight.
- Rice, sugar cane and cassava were the largest value chains for the Thai economy. During the pandemic, Thailand encountered a global challenge in exporting. However, the government tried to support the export market while companies also helped one another overcome the hardship.

- In Chile, the COVID-19 pandemic hugely impacted businesses, especially through increasing freight. As Chile is located far from the rest of the world, it was difficult to transport goods in and out of the economy.
- Another opinion was related to FTA and MFN. Such sub-sectors as dairy production in New Zealand, or rice and sugar cane production from Thailand were not eligible for tariff reductions and were excluded from FTA because the economies tended to protect them. Therefore, creating global value chains or possible compatibility production models was especially hard for those sub-sectors. Wherever there were more restrictions, including tariffs or non-tariff barriers (like sanitary and phytosanitary measures), non-tariff barriers were more threatening to global value chains and integration in such value chains.
- Regarding micro, small and medium enterprises, it would be very hard for them to afford inspectors' visits from other economies to check the order and provide necessary certification for those export markets. So it was not only tariffs but also non-tariff barriers to agricultural products that more and more seriously affected MSME in agriculture and food processing.
- In order to address those problems in due course, it was advisable to enhance cooperation among economies, especially on non-tariff barriers at and behind the border, which hurt MSME the most. Another speaker added that in the non-tariff barrier issue, governments should study how to access each market with all requirements for testing, phytosanitary and related issues, etc, and whether the domestic testing laboratories could qualify for those economies. There could be a real gap and knowledge needed to be built to fill the gap. Furthermore, it was advisable to consider financing working capital, promoting investment in related industries and increasing financial requirements for the procedures. Meanwhile, related to tariffs in the agricultural sector, it was necessary to shift the focus from just exporting to enhancing the value for inputs.
- In response to the question on certification, a speaker advised enterprises not to get certified immediately. Instead, they could seek regular external audits to avoid wasting money until they become ready for certification. To support this process, the government should identify the gaps for MSME and consider providing such services as audit and mentoring.
- Related to the impact of climate change on MSMEs' production, a speaker talked about the problem with irrigation water in Indonesia. MSMEs were not capable of building good irrigation systems. Therefore, the government should spare some budget to build or improve the integrated road or infrastructure in the specific villages or districts in the more difficult areas. The problem in Indonesia was that improvement of the water dam dates back ten years or longer. Therefore, a long-term infrastructure improvement program was required to assist in climate change mitigation and adaptation. However, some projects, for example the solar panel project, were still in the conceptual development phase. To improve this situation, the Indonesian government provided about USD 5 million to each village to improve infrastructure, primarily the road

system. Until now the telecommunication, street and road infrastructure has been much improved.

- Regarding challenges of shipping and freight costs, such costs are on a steady rise these days because of the COVID-19 pandemic. Since material costs also increase, it results in higher and higher selling prices. However, consumers and customers could understand this situation, so e-commerce and business could still take place smoothly.
- Other concerns included how to comply with food safety regulations and how to maintain production in the context of pandemic breakout and consequently soaring shipping costs. A speaker shared that her company had already entered the global market for over 20 years and had all sorts of international certificates, such as the American FDA, Halal, ISO, etc, which gave her a big advantage. Unfortunately, the high shipping costs were fixed by the service providers and non-negotiable. What she could do was to cost-share with customers to keep the deal in the long run and sustain the business relationships. It was possible to share about 30-40 percent of the ocean freight charges for some time to maintain a win-win business model with customers and to keep the business running during and after the pandemic. However, it was only a short-term solution to cope with the pandemic crisis. For the long-term development, businesses should make sufficient raw material, capital and human resources available to stay operational until the coming harvest and recover later.
- Although the COVID-19 pandemic became endemic now, the shipping rates remained high. They are not expected to be cut down to the pre-pandemic level despite the fact that the shipping lines made a good profit in this period and there were now more shipping spaces.

V. RECOMMENDATIONS

At the final session, there were two panelists in this Session: Mr Nguyen Anh Duong, Director, Department for General Economic Issues and Integration Studies, Central Institute for Economic Management, Viet Nam; Dr Sitanon Jesdapipat, Associate Professor, Rangsit University, Thailand.

- Mr Nguyen Anh Duong began his presentation by giving an overview of the Asia-Pacific region in the COVID-19 context. He then talked about supply chain disruptions that showed that 83% of shippers reported disruption in the supply of key materials in 2021. About MSMEs' integration in GVCs in the agriculture and food sector, the speaker said that it is more difficult in the absence of capacity-building efforts, including those by government agencies tailored to the needs of MSMEs. Technical standards along GVCs in agriculture and food sector may require active adaptation and responsibility of MSMEs. Minimizing production costs should not be the sole concern for MSMEs in agriculture and food sector. Digital platforms can be useful, but not

automatically. At the end of the presentation, Mr Anh Duong provided some recommendation: (1) At the APEC level: Promoting supply chain cooperation and supply chain connectivity in agriculture and food sector should be leveraged; (2) At the economy level: strengthening confidence via concrete reforms, learn experiences of and promote technology transfers, improving capacity of MSMEs, cooperation with relevant partners in specific sectors, protection of intellectual property; (3) At the enterprise level: be active..

- Dr Sitanon said that we need to recognize what and how MSMEs contributed to secure food and fiber for economies at a critical time. So if we are going to integrate them, we need to recognize the social values and the risks that would be coming with full integration into the market economy. On the environmental aspect, the speaker thinks MSMEs on food sector do not harm the environment but provide positive contributions to greening the environment. For the recommendation, Dr Sitanon thinks it is very important for the government to provide direct and indirect support to MSMEs. The government could finance startups to tailor-make technologies that could easily be adopted and applied by MSMEs. The speaker thinks it is a very good idea that large Agro-businesses could step down to help MSMEs, but there might be some risks. Lastly, Dr Sitanon suggested that in one or two years from now, APEC should focus on pilot projects in each economy and apply various approaches, creating a learning platform to provide opportunities to transfer the knowledge we gain from others.

Participants also shared overall views and recommendations on the role of the government in supporting the agriculture and food sectors:

- *For the upstream segments*

+ Most importantly the government should improve farmers' access to water resources, and offer them more conditional assistance to encourage productivity improvement.

+ The government should promote the rental market for modern agricultural machines and digital technology. The only way for smallholder farmers to take advantage of economies of scale is to get organized for cost-sharing in the rental market, which would allow lowering the costs of using modern facilities.

- *For the midstream segments*

+ It is important to provide suitable production and market skills through training and incubating new entrepreneurs and startups.

+ Logistics is an important factor. There should be an economy's single window for all the logistic procedures to speed up international trade transactions.

- *For the downstream segments*

+ It is essential that the government take actions to raise consumers' awareness on food safety and their willingness to pay more for it so that farmers can have greater incentives to produce safe green food and farm products.

Other recommendations to the governments include:

- A new approach to overcome the pandemic shock is to transform the traditional business to the online and digitalized one. Moreover, human resources are the biggest asset for a company. Both elements can represent either strengths or weaknesses for a business.
- The government can support the agriculture and food processing sectors by assisting farmers and smallholder producers' organizations into larger groups and providing skill development so that they can take advantage of the digital economy by using the internet and e-commerce tools. They would be useful for farmers not only in the domestic market, but also in the international market when they look for and link with new customers abroad. This is a good experience from the Mekong Delta of Viet Nam, an area heavily affected by climate change.
- In Viet Nam, the government should seriously consider joining a collaborative cross-border framework for business dispute settlement. A framework like that is led by the Economic Committee of APEC.

Recommendations for APEC to facilitate SMEs' participation in the agriculture and food sector were as follows:

- APEC can assist in the setup of a shipping consortium among the member economies to service themselves. The increase in shipping costs is hampering the world business growth and escalating inflation. If large retail chains in the world can solve their logistic problems by operating their own ships, absolutely APEC and its member economies are able to do the same.
- It is important to have a quick framework for promoting the circular economy model in agriculture if the sector is to be improved. An interesting aspect of the circular economy is that it is built upon a rigorous and sophisticated linkage across activities. The framework should be safe, clear and transparent for MSMEs to join the network of large companies in the circular economy model in agriculture, especially organic agriculture. Then MSMEs would have better opportunities for successful integration into agricultural supply chains.
- A speaker proposed to consider the possibility of harmonizing food and agriculture-related standards among the trading partners in the APEC region to boost compliance with the requirements of the destination markets. It is important to initiate a frank dialogue within APEC about this issue. Different standards and measures on food and agriculture may affect the flows of food and agricultural products across the member economies, and consequently some products are not allowed to enter one economy or another. APEC member economies should initiate

a policy dialogue to have a common understanding on this issue to recover and promote trade in agricultural products.

- APEC can help organize more trainings, exchanges and dialogues, and try to set up and facilitate a B2B platform for promotion of the entire value chain linkages. In this way, MSMEs in agriculture, food and also other sectors would have more opportunities to share and gain knowledge and experience from the governments and economists, while policymakers would also get inputs from businesses to improve the legal framework.
- APEC can build capacity for cross-border trade promotion as well as support the rapid framework of trade facilitation, which includes cross-border trade, e-commerce and wider participation of MSME.

VI. CONCLUSIONS

In her closing remarks, Ms Pham Quynh Mai (Viet Nam' Senior Official to APEC) observed that MSMEs encounter a great number of challenges in integrating into the GVCs in agriculture and food sectors. For example, there remains a large gap between MSMEs' capabilities and expectations and demands for GVC integration, due to limited capabilities of MSMEs from access to finance, supplies of quality raw materials, human resources, business model to compliance to required standards including international specifications, making MSMEs generally hard to get involved directly in the GVCs. In that sense, it is very informative and helpful that APEC member economies share their economies' circumstances, and strategies in addressing challenges and promoting their MSMEs' more efficient participation in GVCs in agronomy.

By hosting this Dialogue, Viet Nam wishes to join and strongly support APEC's common efforts on pursuing sustainability and inclusion through providing "unprecedented levels of support to all our business, including MSMEs" and promoting "their equitable participation in the economy, so that no one is left behind" as affirmed by the APEC Economic Leaders in 2021.

VII. ANNEX 1: FINAL AGENDA OF THE DIALOGUE

29 March 2022	
08:30–09:00	Registration and Test Run
09:00–09:10	<p><u>Opening Remarks</u></p> <p>- Ms Mai Thi Thuy, Chairwoman, Ha Noi's Women SME Association, Viet Nam.</p>
09:10–10:00	<p>SESSION 1:</p> <p>IMPEDIMENTS/ CHALLENGES THAT MSMES HAVE FACED IN GVCS IN AGRICULTURE AND FOOD SECTOR – PERSPECTIVE FROM THE GOVERNMENT SECTOR</p> <p>Moderator: Ms. Ma. Flordeliza C. Leong, Vice President – Advocacy, Communications and Special Concerns, AVP-Philippines Exporters Confederation, Inc., Philippines.</p> <p>Speakers:</p> <p>- Associate Professor Dr Witsanu Attavanich, Faculty of Economics, Kasetsart University, Thailand;</p> <p>- Mr Joe Nelson, New Zealand's Consul-General and Trade Commissioner to Viet Nam;</p> <p>- Mr Luciano Cuervo, Senior Economic Advisor, Global Value Chains Division, Under-secretariat for International Economic Relations, Chile.</p>
10:00–10:20	Discussions (Q&A)
10:20–10:30	Coffee Break
10:30–11:10	<p>SESSION 2:</p> <p>IMPEDIMENTS/ CHALLENGES THAT MSMES HAVE FACED IN GVCS IN AGRICULTURE AND FOOD SECTOR – PERSPECTIVE FROM MSMES AND SME ASSOCIATIONS</p> <p>Moderator: Ms Tran Thi Lan Anh, Director General, Bureau for Employers Activities, Viet Nam Chamber of Commerce and Industry.</p> <p>Speakers:</p> <p>- Dr Jared Greenville, Executive Director, Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES), Department of Agriculture, Water and the Environment, Australia;</p> <p>- Mr Ronald Walla, Chair of Micro Small and Medium Enterprise, The Employers'</p>

	<p><i>Association of Indonesia (APINDO), Indonesia;</i> <i>- Mr Philip Young, President of Global Food Solutions, Inc, the Philippines.</i></p>
11:10–11:30	Discussions (Q&A)

30 March 2022	
08:30–09:00	Registration and Test Run
09:00 – 09:40	<p>SESSION 3: HOW CAN WOMEN OWNED/MANAGED SMES FACE AND OVERCOME IMPEDIMENTS/ CHALLENGES THAT SMES HAVE FACED IN GVCS IN AGRICULTURE AND FOOD SECTOR?</p> <p>Moderator: <i>Mr Rami Amer G. Hourani, JD, President of PhilExport-Cebu, Philippines.</i></p> <p>Speakers: <i>- Ms Mindy Jen, CMO, Empire Eagle Food, Chinese Taipei;</i> <i>- Ms Ho Hoa Dong, Deputy CEO, Khang An Foods, Viet Nam.</i></p>
09:40–10:00	Discussions (Q&A)
10:00–10:10	Coffee Break
10:10 – 11:20	<p>SESSION 4: POLICY RECOMMENDATIONS</p> <p>Moderator: <i>Ms Nguyen Huong Tra, National University, Viet Nam</i></p> <p>Panelists: <i>- Mr Nguyen Anh Duong, Director, Department for General Economic Issues and Integration Studies, Central Institute for Economic Management, Viet Nam;</i> <i>- Dr Sitanon Jesdapipat, Associate Professor, Rangsit University, Thailand.</i></p>
11:20 – 11:30	<p>Closing remarks <i>- Ms Pham Quynh Mai, Viet Nam's Senior Official to APEC</i></p>