

MAKING AEC WORKS FOR SMEs

Panel III AEC-Oriented SME Development

28 March 2014
Bangkok, Thailand



one vision
one identity
one community

Outlines

- 1** SME as the Third Pillar of AEC
- 2** ASEAN SME Strategic Action Plan - Progress & Key Achievements
- 3** Post 2015 Plan, Challenges & Issues

ASEAN ECONOMIC COMMUNITY

STRATEGIC SCHEDULE OF THE AEC BLUEPRINT (2008-2015)

Pillar 1 **Single Market & Production Base**

- Free flow of goods
- Free flow of services
- Free flow of investment
- Freer flow of capital
- Free flow of skilled labor
- Priority Integration Sectors
- Food, agriculture and forestry

Pillar 2 **Competitive Economic Region**

- Competition policy
- Consumer protection
- Intellectual property rights
- Infrastructure development
- Taxation
- E-Commerce

Pillar 3 **Equitable Economic Development**

- SME development
- Initiative for ASEAN Integration

Pillar 4 **Integration into the Global Economy**

- Coherent approach towards external economic relations
- Enhanced participation in global supply networks

HUMAN RESOURCE DEVELOPMENT

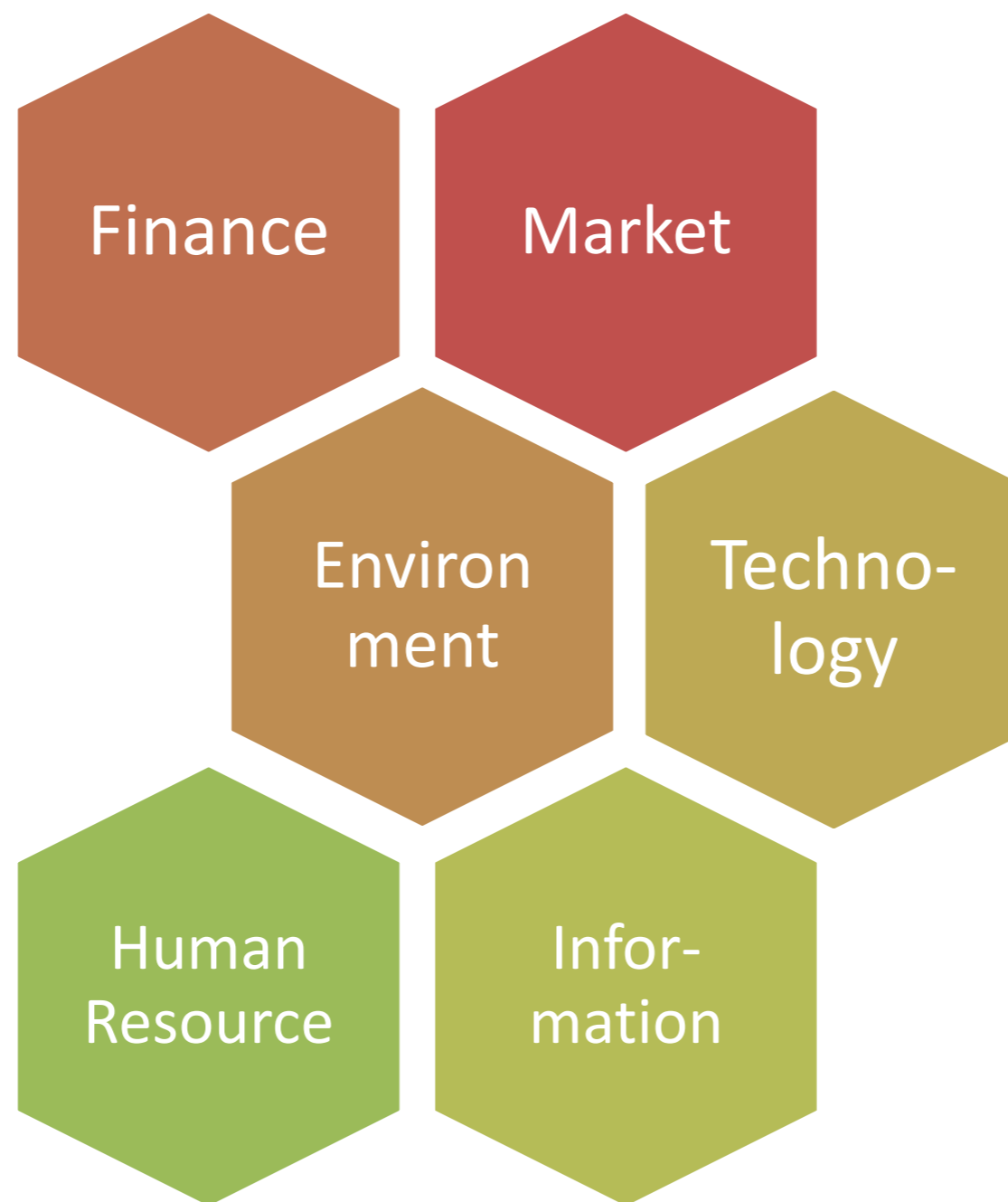
RESEARCH AND DEVELOPMENT

Significance of SMEs to ASEAN Economies



- **SMEs represent up to 99% of all enterprises in ASEAN member states (AMS)**
- **SMEs generate 56% to 97% of domestic employment including youth and women**
- **SMEs contribute 30% - 60% (Indonesia) to GDP**
- **SMEs contribute 19% - 30% to exports**

ASEAN Strategic Action Plan for SME Development (2010-2015)



Key Elements for Post-2015 SAP SME

Good Regulatory Environment

- ASEAN Benchmarks for Faster & Cheaper Startups
- A Common SME Definition Applied in a Country
- Good Coordination between Domestic Government Agencies

Entrepreneurial Education

- Support Entrepreneurial Learning
- Accelerator / E-learning Tools for Start-up

Access to Finance

- Develop Regulatory Framework
- Sound and Diversified Financial Products
- Financial Education and Discipline

Key Elements for Post-2015 SAP SME

Technology & Tech Transfer

- Promote Adoption of Technology
- Foster Tech Cooperation, focus on Commercialisation
- Promote Networking Among Tech Incubators

Support Int'l Market Expansion

- Capacity Building Program for Exporting SME
- Promote e-commerce, biz matching and social networking
- Reduce Cost and Simplify Customs Procedures

Access to Supporting Services

- Promote e-Services
- Ensure ranges of services and data are updated and relevant to domestic and regional trade

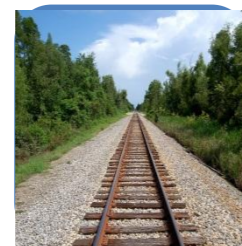
CHALLENGES/ISSUES



A **good SME policy environment** vital for SME development



Minimum **ASEAN benchmarks/standards** for some of the components will be useful



Challenge will be to develop a **roadmap and the milestones** to achieve this



SMEWG post-2015 Action Plan - may be a good avenue to operationalise some of these elements



Cross-sectoral effort – need cooperation of related ASEAN bodies



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