



# World SME Update

(A Global Update On SME News, Events, Policies & Programs)

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## AFGHANISTAN



### Afghanistan - Pakistan Business Cooperation Dialogue

The Asia Foundation (TAF) and Afghanistan Chamber of Commerce and Industries (ACCI) jointly organized Pakistan - Afghanistan cooperation on trade and business-to-business economic dialogue on 08 March 2016 at Continental Hotel of Kabul, Afghanistan. Pakistani delegation was led by Mr. Syed Yawar Ali, Chairman of the Nestle Pakistan Ltd while Mr. Alhaj Khanjan Alkozay, First Vice Chairman of ACCI was leading the Afghan business delegation.

Both sides focused on strengthening economic and business relation between the two countries through establishing joint ventures, encouraging the investors to invest in both countries and addressing the current transit - trade problems.

Pakistan delegation and Afghan businessmen met his Excellency Mr. Humayoon Rasaw Minister of Commerce and Industries of Afghanistan at his office. Mr. Rasaw welcomed all the participants and promised to provide facilities for businessmen to establish joint ventures, invest in Afghanistan and strengthen the business relation between these two nations.

He added that Pakistan is not only our neighbor country, but we have joint economic, social and cultural relations. Afghanistan has potential investment opportunities for all national and international investors. he stressed that relations between Afghanistan and Pakistan are historic bonds, therefore the current political issues should be separated from business relations. Mr. Minister emphasized that our business relations should be in accordance with APTTA , TIR and WTO rules and regulation.

His Excellency Mr. Dr. Hazrat Omar Zakhilwal, the ambassador of Afghanistan to Pakistan invited both the Pakistan business delegation and the Afghan businessmen for a breakfast at his house in Kabul. Mr. Zakhilwal Urged both sides to start joint ventures as soon as possible. Subsequently his excellency briefed the delegation on business opportunities in Afghanistan.

Both business delegations met with his Excellency Mr. Eklil Ahmad Hakimi, Finance minister of Afghanistan on the same date. During the meeting Mr. Hakimi spoke about the importance of engagement and investment in the region and added: *"we already signed protocols with Pakistani government for major infrastructures such as Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline project, CASA-1000 Project, and road construction projects. He added, it is important that you facilitate us to reach India and we do facilitate you to have access to central Asia on the mean time he*

*mentioned that if our economic situation grows up it will positively affect our political relations."*

At the evening the business delegations of both countries met with his Excellency Mr. Syed Abrar Hussain ambassador of Pakistan to Afghanistan in Kabul.

This meeting was attended by Pakistani business delegation, Mr. Alhaj Mohammad Younus Momand commercial deputy of ACCI's BOD, Mr. Baz Mohammad Afsarzai industrial deputy of ACCI's BOD, Mr. Azaraksh Hafizi director of international relation committee of ACCI, representatives from Pakistan embassy to Kabul and Prominent traders.

Businessmen from Both sides briefed Excellency ambassador about outstanding challenges that they face and asked for his full support specially regarding the visa issuance, which was fortunately welcomed by Mr. Hussain and he pledged his full support in this regard.

The Pakistan - Afghanistan cooperation on trade and business-to-business economic dialogue lasted for two days and finally ended with a joint dinner reception at continental hotel of Kabul, where Mr. Alhaj Mohammad Younus Momand commercial deputy of ACCI's BOD offered gifts to all members of Pakistani business delegation.

## **BAHRAIN**



### **CIBAFI Discusses Profound Structural Issues in MSME Market in Jeddah**

The General Council for Islamic Banks and Financial Institutions (CIBAFI), the global umbrella of Islamic financial institutions today has successfully launched its 2<sup>nd</sup> Roundtable Meeting in Jeddah, Kingdom of Saudi Arabia, in collaboration with the Islamic Development Bank (IDB), to address challenges in the Islamic Micro and Small and Medium Sized Enterprises (MSME) financing.

The delegates were welcomed by the opening remarks of H.E. Dr. Ahmed Mohamed Ali, President, IDB; Mr. Abdulrazzak M. Elkhrajy, Executive Vice President & Head of Shariah Group, the National Commercial Bank & Member of CIBAFI BOD; Mr. Abdelilah Belatik, Secretary General, CIBAFI, as well as Mr. Ahmed Fayed, Director, IFS Department, IDB. The Meeting gathered more than 60 senior executives of Islamic Financial Institutions (IFIs) from 17 jurisdictions to explore and share viable market practices to 'build robust technical capabilities' in providing Islamic MSME finance.

The Meeting was inaugurated by a speech of Mr. Firaz Hamdan, Islamic Banking Regulatory Committee of the Central Bank of Lebanon who shed light on some of the key areas in creating enabling environment and policy framework to support the penetration of Shariah-compliant financial services into the MSME market.

The first session highlighted key issues on regulatory and market infrastructures for MSME finance with respect to important regulations to boost Islamic MSME finance market. The session covered some of the main areas of the industry, such as secured transaction laws, regulations, prudential standards, taxation, insolvency framework and reporting.

In addition, the Meeting focused on addressing challenges in information infrastructure for Islamic MSME finance emanated from the importance of credit bureau, scoring, and credit registry, that fits to the characteristics of MSME and Islamic finance. The session also discussed the emerging issues in developing Shariah-compliant guarantee schemes, mainly related to the appropriate structure, eligibility criteria, and coverage ratio.

Some of the innovative ideas on the potential to develop market infrastructures for Islamic MSME finance included SME capital market, Islamic syndicated finance, SMEs securitization through Sukuk, and crowdfunding platform for SME etc. A comprehensive tool to promote sustainable Islamic MSME finance was discussed to align Islamic MSME finance with micro-Takaful, and Waqf and facilitate a broad-based business environment for MSMEs.

The second session shed light on areas of leveraging from advanced technologies to reach competitive edges in Islamic MSME Finance. The discussion focused on building 'distinctive' capacities in e-banking and social media for Islamic MSME, as well as exploring issues in payment infrastructures for MSME businesses. Developing technical infrastructure for digitization and aligning it to the robust technological infrastructure were also revealed in the discussion as the core theme to be at the forefront in the industry.

The following sessions began with IDB-Microfinance Development Programme (MDP), and key case studies from Sudan, Tunisia, and Malaysia, which served as a demonstration of best practices of Islamic MSME finance across different jurisdictions. The session also covered the showcase of financing projects in IDB member countries by Agriculture and Rural Development Department.

On the second day, the Meeting is expected to kick off with a session by the IDB Awqaf Properties Investment Fund (Awqaf FUND), which will present a case study by the Islamic Financial Services Department of IDB. Other sessions will cover topics such as the risk management and technical infrastructure for Islamic MSME Finance to generating sustainable business; The intersection between MSME and the concept of risk sharing of Islamic finance; and The core process required with respect to Islamic financial products and services development and innovation.

This Meeting has been well supported by the participation of CIBAFI members from around the globe from a wide spectrum of the Islamic finance industry ranging from Islamic banks to regulators, policy makers and professional firms.

## **BULGARIA**



### **The new operational program "Initiative for Small and Medium Enterprises" provides 102 mln. Euro financial guarantee business**

The new operational program "Initiative for SMEs" is a powerful tool to support and encourage the development of small and medium enterprises in the country. This was stated by Minister of Economy Bozidar Lukarski signing today ( March 2, 2016) of an agreement with the European Commission (EC), the European



Investment Fund (EIF) and the European Investment Bank (EIB) for the new Operational Program "Initiative for Small and Medium Enterprises" (OPIMSP). The agreement was signed by Minister Mr. Lukarski from the Director General of DG "Regional and urban policy" in the European Commission Walter DEFA, the Executive Director of the EIF Mr. Pier Luigi Giliberto and director of "Central and Southern Europe" EIB Ms. Flavia Pallanza. The signing ceremony was attended by Deputy Prime Minister Mr. Tomislav Donchev.

The new program provides for financial resources amounting to 102 million euros by the European Commission and the European Regional Development Fund, which will be provided entirely by the EU, without financing from the Bulgarian side. In it, through financial intermediaries will be provided guarantees for lending to small and medium-sized enterprises, which will reduce the high collateral requirements on loans and will ease significantly entrepreneurs in obtaining fresh financial resources for their activities.

*"Today is a really important day for small and medium enterprises in Bulgaria because of the signing of the agreement on the one hand we hope to help small and medium-sized enterprises, on the other to achieve economic growth,"* said Minister Mr. Lukarski after signing. He added that the program gives higher guarantees by the EIB and EIF compared to previous similar financial instruments. Mr. Lukarski minister stressed that the expected multiplier effect of the program to be six times as reach € 600 million loans for small and medium enterprises. This is one of the initiatives on which our hopes to awaken financial resources in banks, said Minister Mr. Lukarski. He noted that our country is one of the pioneers in the EU accession this type of initiative; we are the third country after Spain and Malta to be included. "We did a lot of work. We sincerely hope our National Assembly to quickly ratify this agreement in order in the early autumn SMEs in Bulgaria have access to this capital," added Minister of Economy.

*"We are in an operational program and more 102 mln. Euros resource designed directly for small and medium enterprises and entrepreneurial initiatives. I hope there are enough good projects to benefit from it. This will have the effect of all - economic growth, income taxes."* It said after signing the Deputy Prime Minister Mr. Tomislav Donchev. He added that for 2016, thanks to various programs and initiatives that will bring to market 1 billion. Lev - resource available to Our Business in Bulgaria.

The Executive Director of the EIF Mr. Pier Luigi Giliberto said that access to resources remains a very important issue, especially for SMEs, not only in Bulgaria but also worldwide. *"EIF endeavor to provide such funding I am sure that Bulgaria has made a very important step for access to finance for SMEs,"* he said. In data Giliberto quoted expect more than 3000 Bulgarian SMEs to seize the initiative on preferential terms. *"This initiative will create new opportunities for entrepreneurs will generate growth and jobs. This is a good example of how EU funds support real investments in the real economy,. Bulgaria is making efforts to use financial instruments intensive,"* said Mr. Walter DEFA

Director of "Central and Southern Europe" EIB Ms. Flavia Pallanza pointed out that Bulgaria is the first country in the region that will benefit from the possibility of funding instruments. She pointed out that he main objective of this initiative is to

provide easier access to capital for SMEs through financial intermediaries, especially for companies with more risk profile for which financial guarantees not readily available.

After signing the agreement pending ratification by the National Assembly and selection of financial intermediaries.



## CANADA

### Canada Small Business Financing Program Improves Access to Financing

Important changes to the Canada Small Business Financing Program will make it more appealing to lenders and borrowers and ensure that the program remains an important tool in helping small businesses access financing.

Terms for real property loans are being changed to allow small businesses to access up to \$1 million over 15 years. This will reduce cash flow pressures on small businesses by not overburdening them with onerous repayment terms.

*"By providing more flexible loan repayment schedules for small business borrowers, the government is committed to supporting the growth and success of small businesses in Canada. The changes announced today will help borrowers have access to funds over a longer period of time and achieve greater success, which will benefit the Canadian economy."* Said Honourable Bardish Chagger, Minister of Small Business and Tourism

*"On an annual basis, Invest Ottawa engages with more than 5,000 entrepreneurs through one-on-one consultations, workshops and seminars. Financing is always a top priority for them. We are pleased to hear how the Government of Canada is supporting the small business community in Ottawa and across the country."* Said Mr. Bruce Lazenby, President and CEO, Invest Ottawa



## COLUMBIA

### Government announces support for women to start a career in the trades

The Government of British Columbia announced \$1.8 million today ( March 11, 2016) for the Women in Trades Training (WITT) initiative through the Industry Training Authority (ITA) to help support women to get the skills and training they need to start a career in the trades.

While there are more and more women pursuing trades careers in British Columbia, the percentage of male journeymen is still significantly higher than females. With the addition of nearly one million job openings expected in the province by 2024, women will play an increasingly important role in keeping B.C.'s economy diverse, strong and growing.

*"If we want a strong and vibrant economic future, then it is key that strong and vibrant women help drive it. A great opportunity for women to help drive the economy is through careers in the skilled trades. And the Women in Trades Training initiative will help give women the support and training they need to succeed."* Premier Mr. Christy Clark said

Through the Women in Trades Training Initiative, the Industry Training Authority has contracted Camosun College, Okanagan College, Thompson Rivers University and Tradeworks Training Society to deliver programs specifically designed to help women kick-start their trades career. These programs provide women with introductory trades training, technical training, an overview of various trade occupations, as well as job-placement support.

These four WITT programs are currently open to applications and will benefit up to 234 female participants when the training concludes in September 2016.

Funding for the Women in Trades Training Initiative is provided through the Canada-British Columbia Job Fund Agreement under the Employment Services and Supports (ESS) stream.

Through the Canada Job Fund, the Government of Canada provides British Columbia with a total of \$65 million per year to deliver targeted training programs. The ESS stream is designed to assist British Columbians who are facing barriers in the labour market to develop essential job-readiness skills.

Ms. MaryAnn Mihychuck, federal Minister of Employment, Workforce Development and Labour said *"It's terrific that B.C. and us can work together to help women in trades get the education, skills and training supports they need. We will continue to work with the B.C. government and others to help all Canadians get the skills they need for good quality jobs."*

Ms. Shirley Bond, Minister of Jobs, Tourism and Skills Training said *"There has never been a better time for women to consider a career in the trades. We are facing incredible economic opportunities and preparing for unprecedented demand for skilled labour over the next decade. Programs like the Women in Trades Training initiative provide women with the support and resources they need to be successful if they choose to pursue a career in the trades."*

Mr. Gary Herman, CEO, Industry Training Authority said *"There is growing interest in trade careers amongst women in B.C. and the Industry Training Authority is focussed on ensuring that the right resources and tools are in place to foster their curiosities into action. ITA, in collaboration with the government, supports various aspects of the apprenticeship journey, including trades exploration, technical foundation training, resume building, job search and matching, and potential financial support for daycare, tool purchase, and transportation, through the Women in Trades Training funding model. With more women registering to become certified electricians, welders, and carpenters than ever before, the Province is on track to building a diverse, strong, and sustainable trade industry."*





## EGYPT

### ITFC partners with ITC and FTTC to implement a youth training and employment for trade project in the Arab republic of Egypt

The International Islamic Trade Finance Corporation (ITFC), member of the Islamic Development Bank (IDB) Group, signed a partnership agreement with the Industrial Training Council (ITC) (a subsidiary of the Ministry of Trade, Industry and SMEs of Egypt) and Foreign Trade Training Center (FTTC), for the implementation of the “Youth Training and Employment for Trade Project” in the Arab Republic of Egypt. The signing ceremony took place in Cairo on 8th March, 2016.

The Agreement was signed by Eng. Hani Salem Sonbol, Acting CEO ITFC and Eng. Tarik Kabil, Minister of Trade, Industry & SME's, on behalf of the Industrial Training Council (ITC), in the presence of high level representatives from all entities.

The purpose of this Partnership Agreement is to provide a framework for cooperation between FTTC, ITC and ITFC, particularly for the implementation of the project approved by the 4th Meeting of Aid for Trade Initiative for Arab States (AfTIAS) Board held in Cairo on the 1st of December 2015, which will be implemented by FTTC. The project aims to achieve inclusive economic growth with increased employment opportunities and greater competitiveness through trade policy reforms in Arab countries as an integral part of the regional trade and economic integration agenda.

Commenting on the signing, Eng. Tarik Kabil stated, *“We believe this partnership with ITFC and FTTC will contribute to decreasing the youth unemployment as well as the development of export competitiveness and sustainability in the global market. Training for export is a very crucial step to achieve the Egyptian Government’s goal towards export development on the one hand and job creation on the other hand.”*

Eng. Hani Sonbol in his statement, said; *“This partnership is a major milestone towards ITFC’s mandate to enhance member countries’ trade capacities for sustainable national trade development. Especially that export acceleration is one of the most important gateways for the Egyptian economic growth, due to the impact on the job creation (direct & indirect) and developing value added chains. “The overall goal of the project is to contribute to decreasing youth unemployment, and to the development of export competitiveness and sustainability in the global market.”*

It is worth mentioning that the Aid for Trade Initiative for Arab States (AfTIAS) is a multi-donor, multi-country and multi-agency programme, aiming to foster Arab trade through enhancing enterprise competitiveness and facilitating trade. The AfTIAS is organized to help Arab countries to expand trade beyond current levels, boost economic growth and employment, reverse deindustrialization and ultimately achieve higher human development outcomes.

## INDIA



### India needs 115 million non-farm jobs over next decade: President Mr. Pranab Mukherjee

Asserting that boosting economic growth while making it socially inclusive was a major challenge for policy makers, President Mr. Pranab Mukherjee has said Indian economy needed to generate 115 million non-farm jobs over the next decade to reap the 'demographic dividend'.

He said launch of the Start Up India programme by the government indicates country's commitment towards harnessing the brilliance and creativity of its young minds for the larger benefit of society and the nation.

Addressing a conference during 'Global Roundtable on Inclusive Innovations' held at Rashtrapati Bhavan yesterday, he said the country needs a model that draws in 350-400 million people who currently reside outside mainstream society.

*"The Indian economy today needs to generate 115 million non-farm jobs over the next decade to gainfully employ its workforce and reap its demographic dividend. Given this context, encouraging and promoting self-employment as a career option for young people will be of paramount importance,"* the President was quoted as having said in a press release issued today (March 14, 2016)".

A culture of innovation and entrepreneurship needs to be institutionalized as part of our socio-economic eco-system. Innovation and entrepreneurship need to be inclusive and focus on a variety of enterprises, such as young technology firms, upcoming manufacturing businesses and rural innovator companies, he said.

Mr. Mukherjee said policy makers in India are confronted with the challenge of boosting economic growth while at the same time making it socially inclusive. The President said that the country needed to focus on inclusive innovation projects that directly serve the welfare of lower-income and excluded groups.

*"Inclusive innovations often modify existing technologies, products or services to better meet the needs of those groups. It will only be successful if the innovations reach a much larger segment of the poor and excluded population than it currently does,"* he said.

Mr. Mukherjee said entrepreneurs play an important role in the economic development of a country. *"India will have to encourage creation of new SMEs (Small and Medium-Sized Enterprises) focused on manufacturing, while spurring grassroots innovation and growth. Putting entrepreneurship at the forefront of the economic agenda is, thus the need of the hour,"* the President said.

Over the years technology has become disruptive and innovation has played a major role in technological breakthroughs through product, service and process related innovations, Mukherjee said. The President said many of the advanced nations have capitalized on their educational network to assume leadership



positions in the area of innovation, start-ups and research.

India with an educational network of over 700 universities and 35,000 colleges is optimally placed to capitalize on its intellectual seed capital, he said.

Highlighting the issue of low levels of investment by Indian firms and businesses in Research and Development, the President said our current investment levels in R&D are a fraction of what world class companies spend. *"The major contributor of R&D expenditure is the government. Without a substantive stepping up of these expenditures, we cannot expect to be at the higher end of the value chain,"* Mr. Mukherjee said.

He called upon the private sector and institutes of higher learning to devote a larger part of their resources for R&D to enable innovation and job creation across the economy.

## IRAN



### SMEs will boost Iran- Switzerland economic ties: Mr. Jalalpour

Iran-Switzerland business forum was held in Iran chamber of commerce with the presence of Mr. Johann Schneider-Ammann, Mr. Mohsen Jalalpour, Mr. Mohamadreza Nematzadeh and a big number of both countries private sector activists.

February 28, 2016 ICCIMA public relation reported; in this forum Mr. Mohsen Jalalpour the head of Iran chamber of commerce industries, mines and agriculture highlighted the quality of political and economical relationship of two countries from the 17th century and said: during the 19th century and 140 years ago we both agreed to expand our ties.

Mr. Jalalpour praised the joint Iran-Swiss chamber efforts to connect companies of two countries and said: the volume of trade has been affected by the sanctions but we should look ahead to explore various and more fields of activities to develop the amount of exchange in pharmaceuticals, technology transfer, medical equipments, investment, environmental and water management projects.

Mr. Jalalpour mentioned the banking experience of Switzerland as a basis to do more bilateral works with Iranian private and governmental banks and added: considering the regional market around Iran our banks and small and medium size companies should benefit the opportunities more than before.

Integration of Iran into the international economic organizations. Referring to Iran's 80 million populations in front of 8 million Swiss populations, Swiss President Mr. Johann Schneider-Ammann said *"40 Swiss reputable companies are present in the delegation and you also should be dispatched 400 economic actors to our country."*

Swiss President added *“Iran and Switzerland have good relationship for 140 years. This relationship was always dominated dialogue and has left positive memories in the minds of businessmen of the two countries.”*

Noting that Switzerland is always looking for diplomatic solutions, Mr. Ammann stated *“on the nuclear deal, Bern played a positive role in the process and has even promised to actively help Iran to join the World Trade Organization. We devised a road map to expand cooperation in a range of economic fields through joint ventures and projects. Some 40 business representatives accompanied me in this trip.”*

President Mr. Schneider Ammann noted that his government is ready to offer banking and financial services to Iran, and facilitate visa for Iranian traders willing to enter joint ventures with their Swiss partners.

The Swiss president is in Tehran to hold talks with senior Iranian officials and discuss ways to improve mutual, regional and international relations, signing agreements in various fields.

Following the implementation of a nuclear agreement between Iran and the world powers a number of world leaders have visited Tehran to rapidly expand bilateral ties and win a major share in Iran's blooming economy.

## **JAMAICA**



### **Government Exploring Possible Creation of a Technology Innovation Fund**

Minister of Science, Technology and Energy, Dr. the Hon. Andrew Wheatley, says the Government is exploring the possible creation of a Technology Innovation Fund that would be pivotal in further boosting Jamaica's technology sector.

He notes that the fund would serve as a catalyst for attracting technology-driven investments from local interests by facilitating job creation and further strengthening the information and communications technology (ICT) infrastructure, thereby enabling a greater number of young people to secure or create their own employment.

He points out that the two-day KingstOOOn Animation Conference and Film festival, which ran from Saturday, March 12 to Sunday, March 13, 2016 at the Edna Manley College for the Visual and Performing Arts (EMCVPA) in Kingston, was one of the many channels targeted, in this regard.

Addressing patrons at the festival on Saturday, Dr. Wheatley noted that another of the Government's goals, in moving to further boost Jamaica's technology regime, was to enhance its use in education.

This, he added, to ensure, among other things, that students achieve 100 percent mastery in literacy and numeracy by the time they complete primary school.

*“Technology plays a significant role in this (undertaking). We must integrate education, entrepreneurship and technology,” the Minister emphasized.*

Regarding animation, Dr. Wheatley contended that this medium “creates opportunities to introduce our young children to this area (technology) and also to create characters and stories that use animation in teaching and learning.”

He further noted that animation develops key skills in communication, self-expression and presentation “that can boost our children’s capacity”, and encouraged young people to capitalize on the potential opportunities in this area.

*“There is greater scope for growth and I encourage young animators... to explore the possibilities and create material that can be used in schools,” the Minister added.*

Dr. Wheatley expressed the hope that the KingstOOn festival will serve as a catalyst that positions Jamaica to further maximize on the global popularity of its brand, thereby enabling the country to achieve greater recognition and success.

KingstOOn Animation Conference and Film Festival was staged by the Ministry of Science, Technology, and Energy, with support from a number of key local, regional and international partners.

They include: the World Bank; Inter-American Development Bank (IDB); Jamaica Promotions Corporation (JAMPRO); Edna Manley School of the Visual and Performing Arts (EMCVPA); Jamaica Information Service (JIS); Caribbean Examination Council (CXC); Caribbean Institute of Media and Communication (CARIMAC), University of the West Indies (UWI); University of Technology Jamaica (UTech, Ja); and Jamaica Animation Nation Network (JANN).

## JORDAN



### **MOPIC, MOL sign two agreements to implement 20 productivity projects, fund youth productivity projects in the governorates**

Minister of Planning and International Cooperation Mr. Imad N. Fakhoury and Minister of Labour / Chairman of Development and Employment Fund's board of directors Dr. Nidhal Qatameen, signed today ( March 1, 2016) a cooperation agreement to implement the third phase of Productive Branches Projects in distant areas for 2016-2018. They also signed a second agreement to fund productive projects for unemployed youth through the Development and Employment Fund (DEF) in the governorates of Balqaa, Madaba, Kerak and Jerash.

Minister of Planning said the signing of two cooperation agreements with the MOL and DEF are in response to wide-scale popular demands across the kingdom to tackle the poverty and unemployment issues.

He pointed out that the most important demands of local communities that the ministerial team visited to discuss governorates' development programs 2016-2018, was implementing development investment projects that use extensive labour and generate income. The second demand was creating the proper environment for



entrepreneurship among the youth so that their self-employment opportunities are enhanced.

Mr. Fakhoury said that HM King Abdullah gave directives to the government to have field visits to understand first-hand the citizens' needs. The impact of those directives were immense in designing and implementing plans, programs and initiatives that can produce positive effects on development that raises citizens' standards of living all over the kingdom.

He went on to say that as part of the complementary roles between MOPIC and MOL to support local development efforts and enhance local communities' productivity, the two ministries signed a cooperation agreement to implement 20 projects as development projects of extensive labour in different governorates. MOPIC signed another agreement with the DEF to open a funding window with high concessionary loans for unemployed university and college graduates in the governorates of Balqaa, Madaba, Kerak and Jerash to enhance their chances in self-employment and free enterprise.

MOPIC, he pointed out, gives support to local development efforts targeting enhancing the productivity of local communities by implementing a number of development programs and initiatives. Enhancing socio-economic productivity program, one of those programs, strengthens the principle of Public private partnership as well as partnership with CSOs to create socio-economic environment capable of producing a directly positive change in the living standards of citizens. *"This is part of the government's efforts to fight poverty and unemployment and improve Jordanians' living conditions,"* he said.

Productivity Branches Initiative : Minister Mr. Fakhoury said this initiative will be implemented in cooperation with the Ministry of Labour to restore development gains to regions that have not received enough share of investments and job opportunities and that suffer from high poverty and unemployment rates. A total of JOD 14.07m were allocated from the budget of Enhancing Socio-Economic Program 2016-2018 to fund creating 20 productive branches.

MOPIC's contribution covers building hangers and their annexes at land areas of 600-4000 sq. meters for each branch of factories existing in or outside QIZs that will be established in areas of high unemployment rates. The minister of labour, he pointed out, will clarify the MOL's role in this initiative that will attract investments to targeted areas, enhance the investment environment in them and create more than 5000 job opportunities for the men and women of those areas.

## **MALAYSIYA**



### **High Impact Programme 2 to support innovative Malaysian SMEs**

Small and Medium Enterprises (SMEs) constitute over 99 per cent of all businesses in Malaysia. The majority of these SMEs – over 90 per cent – are from the services sector.

Given that there have been many developments in the economy since 2005 such as price inflation, structural changes and change in business trends, a review of the

definition was undertaken in 2013 and a new SME definition was endorsed at the 14th National SME Development Council (NSDC) Meeting in July 2013.

The definition was simplified as follows:

- Manufacturing sector: Sales turnover not exceeding RM50 million OR full-time employees not exceeding 200 workers.
- Services and other sectors: Sales turnover not exceeding RM20 million OR full-time employees not exceeding 75 workers.

### **Innovation and SMEs**

In the current environment, competitiveness at company level depends crucially on the speed with which new products can be brought to the marketplace and new cost-saving improvements made. Similarly, the creation of wealth and employment depends to a very large extent on the speed with which scientific and technological innovations are converted into practical and attractive solutions.

Innovation requires much more than the ability to turn a new idea into a working product. Efficient flows of technology are not enough -- ready supplies of finance and of business skills are also needed. There must be accessible protection for intellectual property, and adequate incentives for entrepreneurial drive. In short, what is needed is a dynamic, self-sustaining culture of innovation.

Critical to such a culture of innovation are the small and medium-sized enterprises (SMEs) which have in recent years proved themselves to be the engines of economic growth, and the principle sources of new employment. In many fields, SMEs provide the channels along which new technologies develop. In sectors such as biotechnology and information technology, relatively small numbers of new, technology-based firms are also key suppliers of new technologies.

Their ability to exploit new technologies, and to respond quickly to changing market needs, give SMEs a pivotal role in the success of many economies. Support for the creation of new ventures and spin-offs from research institutions and large companies, as well as the removal of barriers to their rapid growth and support for the transfer of know-how, also deserve to be accorded the highest priority.

### **Barriers to SME innovation in Malaysia**

Currently, although there are many initiatives to promote innovation, these initiatives are fragmented, disjointed and are not inter-linked. There exists a gap between the different phases of innovation. Given this, inventors from SMEs as well as those from research organisations face difficulty in accessing the national innovation ecosystem.

Furthermore, SMEs are not linked to commercial funding as financing for many of these innovation initiatives are mainly dependent on public funding. Intellectual Property (IP) protection can be crucial in the innovation space as it can be used as an "isolating mechanism" of one's competitive advantage. Lack of awareness of Intellectual Property Rights (IPRs) is recognised as one of the barriers to innovation where SME innovations get "copied" in the marketplace. Therefore, identification and protection of IPRs is important in the SME space as seen in larger organisations.

When good innovations are created and identified, most SMEs do not have all the essential expertise (technological, business, regulatory etc) in order to move those innovations to the market. In other words, most SMEs would struggle due to gaps

or market barriers to innovation experienced in the process of pushing their innovations along the commercial development process.

Some of the so-called “market barriers to innovation” include financing gaps; lack of access to equipment and infrastructure; business mentoring; legal advisory; IP/market/business strategies; required knowledge of verification and validation for regulatory certification and many others. The said market barriers must be identified and mechanisms must be put in place in order to successfully move SME innovations to the marketplace.

High Impact Programme 2 for removing market barriers to innovation in Malaysian SMEs. The High Impact Programme 2 (HIP2) - Technology Commercialisation Platform (TCP) of SME Corp’s SME Masterplan 2012-2020 addresses the said market barriers to innovation in Malaysian majority-owned SMEs. It is one of six programmes within the SME Masterplan which places innovation and SMEs at the heart of Malaysian research and development.

The programme, which is innovative by nature as well as in name, acts as a catalyst at national level – identifying, supporting and developing SMEs to innovate, and thus to renew and strengthen the prosperity of this cluster. The programme has been running successfully and has gained much traction in a short period of time producing results by taking national leadership in transfer of technologies from Malaysian universities and other research organisations to SMEs, and supporting the SMEs in moving these innovations to the market.

There have been some notable innovations arising from Malaysian SMEs themselves that HIP2 is currently supporting. Areas of support include end-to-end facilitation from idea to commercialisation – the main purpose of the programme is to remove market barriers to SME innovations.

## PAKISTAN



### Corporation between Pakistan and Turkey to create Job opportunities

Government of Pakistan is committed to curb poverty and unemployment through development of small and medium enterprises. Pakistan can boost its exports through SME’s. This was said by Federal Minister for Industries and Production Mr. Rais Ghulam Murtaza Khan Jatoi while meeting with president of Small and Medium Enterprises Development Organization (KOSGEB) of Turkey. Delegation was led by Mr. Recep Bicer, President of KOSGEB while Ambassador of Turkey also accompanied the delegation.

The Turkish delegation is in Pakistan on the invitation of chief Minister, Punjab, Mr. Mian Muammad Shahbaz Shafir. The Government of Punjab will work closely with KOSGEB in order to develop SME Sector through Turkish experience of development. KOSGEB will help Punjab government in transfer of knowledge, experience and technology. All these projects will be executed through SMEDA being the counterpart agency to KOSGEB. While talking to the delegation, Federal Minister emphasized the need of bilateral cooperation and trade. “Pakistan and



Turkey have huge potential of bilateral trade”, he said.

The Minister and Turkish Ambassador also witnessed the MoU signing ceremony between KOSGEB and SMEDA. Mr. Alamgir Chaudhary, CEO SMEDA, signed the MoU with KOSGEB from Pakistan side. In his welcome address Mr. Alamgir Chaudhary identified the potential areas of mutual cooperation. Mr. Recep Bicar, in his address, threw light on the role of KOSGEB in poverty elevation and export promotion in Turkey. He also highlighted functioning and achievements of KOSGEB. While talking to journalists. The Federal Minister termed this event as a millstone in the way of Pak-Turk friendship. The delegation will remain in Lahore till 10th of March.

## **RUSSIA**



### **State support of small and medium-sized businesses will be 9.61 billion rubles**

The government decree on March 7, 2016 № 389-p has distributed grants to subjects of the Federation for the state support of small and medium-sized businesses.

Within the framework of the state program "Economic development and innovative economy" allocated a subsidy of 9.61 billion rubles., Granted in 2016 from the federal budget to the budgets of the Federation for the state support of small and medium-sized businesses, including peasant (farmer's) economy.

In addition, the order dated March 7, 2016 № 390-p Cabinet has given grants in the amount of 1.51 billion rubles. between the subjects of the Federation on co-financing of capital investments in the objects of state property, designed for small and medium-sized businesses.

All funds are distributed in accordance with the Rules of provision and distribution of subsidies from the federal budget to the budgets of constituent entities for this purpose. This takes into account the proportion of the resident population in the subject of the Federation as of January 1 of the reporting year, the level of budget sufficiency and effectiveness of the subsidies granted in 2014, as of October 1, 2015

In the allocation of grants to subjects of the Federation within the Far Eastern Federal District, used a step-up factor of 1.3.

The distribution of subsidies, the government notes, will be refined based on the results of competitive selection of subjects of the Federation in I quarter of 2016

Recall that the measures to support small and medium-sized businesses included in the government anti-crisis plan for 2016, signed by Russian Prime Minister Dmitry Medvedev, March 1, 2016

## SOUTH AFRICA



### SA, Zim seek to expand business ties

Trade and Industry Deputy Minister Mr. Mzwandile Masina says South Africa and Zimbabwe must work together to pursue their national interests, especially in the area of trade.

The Deputy Minister was speaking at a gala dinner hosted by the Ministry of Macro-Economic Planning and Investment Promotion, in Harare, on Monday. The dinner was part of the Investment and Trade Initiative (ITI) to Harare, Gweru and Bulawayo, organised by the Department of Trade and Industry (the DTI).

*“The development of South Africa is intrinsically linked with that of other countries in the Southern Africa region and the rest of Africa. As neighbors, it is incumbent upon us to work together closely in ensuring that we increase trade between our countries and achieve economic growth. The role of business in this mission can never be overemphasized. As government, our main task is to create a conducive environment for business to operate smoothly,”* said the Deputy Minister.

Deputy Minister Mr. Masina is accompanying a 30-member business delegation on the ITI to Zimbabwe, which kicked off on Sunday. The Deputy Minister said the bilateral economic and political relations between SA and Zimbabwe have been strengthened by the signing of the Bi-National Commission agreement in April last year. This, he said, opened doors for broader, more intense and high level cooperation between the countries. *“That is why we are here with a group of business people. We want them to engage with their counterparts here in Zimbabwe and exchange ideas that will result in them establishing partnerships and joint ventures and start manufacturing operations,”* he said.

The Deputy Minister emphasised the value of pursuing industrialisation and the beneficiation of mineral resources throughout Africa to grow the economies of the continent. He said there is a need for Zimbabwe and South Africa to contribute to efforts aimed at achieving regional integration in the continent. He cited the tripartite free trade area comprising the Southern African Development Community, Common Market for Eastern and Southern Africa and the East African community as an example of regional integration.

*“The importance of the free trade area is that it will provide a market of 600 million people for our goods and services. This will expand to one billion when the continental free trade area that is being negotiated by our leadership is achieved,”* he said.





World Association for Small and Medium Enterprises (WASME) is a global non-profit organization headquartered at Noida, India that has been spearheading the cause and development of Small and Medium Enterprises (SMEs) world over since its inception in 1980. Over three decades, WASME has emerged as one of the most representative, effective and leading international organizations, working towards the promotion of SMEs worldwide through policy advocacy, information dissemination, conferences, seminars, events, trainings, publication, network linkages and many **more** .

WASME enjoys consultative status with concerned agencies in UN system such as **ECOSOC, UNCTAD, ITC, WIPO, UNIDO, UNESCO, UNCITRAL, UNESCAP and ILO**, several intergovernmental and international organizations like **WCO, OECD, ICSB, APEC, APCTT, etc.**

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We always welcome your valuable feedback/comments on the SME e-Bulletin to further enhance our services on information dissemination. Hence, please send us your valuable guidance and meaningful articles as a regular contribution to SME e-Bulletin and our website in the larger interests and benefits of SMEs world over.

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