



# World SME Update

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

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## ARGENTINA

### Mr. Cabrera agreed with the IDB to increase lending to Argentine SMEs

The Minister of Production, Mr. Francisco Cabrera, participated in the signing program Finance Facilitation between the Inter-American Development Bank (IDB) and the Investment Bank for Foreign Trade (BICE), which will facilitate foreign trade and benefit Argentine SMEs with funding. Also they attended by the general manager of Southern Cone Countries IDB, Mr. José Luis Lupo, President of BICE, Mr. Pablo Garcia and CEO of IIC-IDB, Mr. James Scriven.

*"We want a globally integrated Argentina, where SMEs have role as main generators of sustainable productive employment,"* said Mr. Cabrera during the meeting held in the framework of the Annual Meeting of the Board of Governors of the IDB and the Inter-American Investment Corporation (CII), it held in the Bahamas.

The agreement will allow the BICE request the CII, as agent IDB loans medium and short term and guarantees highest rating (AAA) to promote foreign trade. So companies BICE customers will access export financing lines at considerable cost and competitive conditions.

Mr. Pablo Garcia, President of BICE, explained that *"the contract is complementary to support BICE may receive from the IDB through financing granted to Argentina, given the new performance of the Bank as a key tool for production development policy set by the Ministry of Production"*.

*"We reaffirm the strategic alliance BICE with the IDB and deepen the commitment to mobilize resources to facilitate foreign trade and benefit Argentine SMEs to have access to financing with very good conditions,"* stressed the Minister and recalled that the BICE will also award \$ 1,000 million in loans for SME investments under the Plan Productive Enterprise Belgrano northern Argentina.

Also during the annual meeting of the IDB, Mr. Cabrera Minister participated in the "Logistics and connectivity: The consolidation of the participation of Latin America and the Caribbean in global value chains" panel by the Secretary of Commerce in Brazil, Daniel Godinho; the head of the Small Business Administration in the United States, Maria Contreras Sweet; CEO of Grupo Britt, Pablo Vargas; and Vice President of Government Affairs for DHL, Maritza Castro.

During his presentation, he stressed that the *"great challenge of Argentina is the productive transformation where SMEs have a substantial role because they generate sustainable productive employment"*, and announced: *"We move to facilitate trade and*

*attract investment; So I say to those who are doing business in Argentina thinking that investments are very important to integrate SMEs to global value chains."*

Finally, the Minister invited investors to "not miss being at the start of this new Argentina that wants to build sound relations with all countries in the world based on three fundamental commitments: dialogue, mutual benefit and shared responsibilities" and he said that "soon will be key infrastructure investments in our production needs; We are building new bridges of dialogue and cooperation from Latin America to the world, we work for intelligent integration with global economies."



## AUSTRALIA

### New export loan for small business

Small and medium enterprises looking to export will find it easier to access finance thanks to the Small Business Export Loan I am announcing today (April 6, 2016).

Provided by Australia's export finance agency, Efic, the loan will improve convenience, increase approval speed and provide greater flexibility for Australian businesses seeking finance to export.

The Small Business Export Loan is the latest tool from the Turnbull Government to help small and medium enterprises take full advantage of the free trade agreements with the three north Asian powerhouse economies of China, Japan and South Korea.

This new loan facility will make it easier for small and medium enterprises to export and expand their business, driving jobs and growth.

The loan product enables businesses with annual revenue between \$250,000 and \$5 million to access up to \$250,000 to support an export contract. The loan will be available to small exporters when their bank is unable to help.

Small and medium enterprises can apply via Efic's online portal, EficDirect, in as little as 30 minutes and will receive an indicative offer immediately. A formal approval can be received within seven business days, after which funds can be available to draw on within as little as two business days.

In assessing loan applications, Efic will focus on the ability to service the loan, rather than the level of security available. This will overcome the barrier of being unable to provide tangible security that many small and medium enterprises face when seeking to access finance for export.

The new loan facility is the first of its kind designed specifically for small exporters.

The Coalition wants small and medium enterprises using the free trade agreements to drive jobs and growth – we are committed to supporting them through measures like the Small Business Export Loan.

## BOSNIA AND HERZEGOVINA

### EBRD and EU launch SME programme in Bosnia and Herzegovina

€20 million finance to adapt to new regulations. The European Union (EU) and the European Bank for Reconstruction and Development (EBRD) are launching a new programme to support small and medium-sized enterprises (SMEs) in Bosnia and Herzegovina.

The EBRD is providing €20 million in funding through local partner banks, while the EU funding of €4 million will finance incentives and know-how transfer to SMEs engaging in the “BiH SME Competitiveness Support Facility”.

Progress with the adoption of the EU’s acquis will involve far-reaching regulatory changes. Local businesses will have to make significant investments and adaptations to their operations in this process.

The new facility is designed to support this progress and motivate local SMEs to proactively confront these challenges. It will help overcome various barriers, upgrade production facilities and comply with EU directives in the fields of environmental protection, workers’ safety as well as product quality and safety.

Mr. Ian Brown, EBRD Head of Office in Sarajevo, said: *“We are very proud this important new framework which will allow us to address key issues facing local businesses in a targeted and focused way. By providing our financial support through local partner banks we are also making a contribution to strengthening the country’s financial sector. This project demonstrates what the EU and EBRD can do working together and will set standards in easily accessible support in areas where it is much needed”.*

Mr. Martin Schieder, Head of Operations Section for Economic Development, Natural Resources and Infrastructure, EU Delegation to Bosnia and Herzegovina said *“BiH authorities should speed up the necessary economic reforms and establish more efficient and country-wide harmonized institutional and policy framework for SMEs competitiveness. But today, we are here to launch some practical work to boost small and medium sized businesses in the country. Concretely, the ‘BiH SME Competitiveness Support Facility’ will assist some 50 SMEs in Bosnia and Herzegovina to upgrade their production facilities in order to comply with EU Directives in the fields of environmental protection, workers’ safety as well as product quality and safety.”*

Since the start of its operations in Bosnia and Herzegovina, the EBRD has invested more than €1.8 billion in some 130 projects in the country. The Bank invests in infrastructure development, support for small and medium-sized enterprises and the strengthening of the financial sector.

The European Union has provided more than 40 MEUR to support the SME sector in BiH over the past 15 years. With our technical assistance and grant funding, the SMEs received tangible support to grow in competitive sectors, such as tourism, agro-processing, wood and metal industry.

## BRAZIL

### Brazil More Productive will improve performance of small and medium industries

The minister of Development, Industry and Foreign Trade, Mr. Armando Monteiro, launched on Wednesday (April 6, 2016) the Brazil More Productive program, whose goal is to increase by at least 20% the productivity of small and medium industries participants.

The methodology used is the lean manufacturing (lean manufacturing), based on the reduction of the seven most common types of waste in the production process: overproduction, waiting time, transportation, over-processing, inventory, motion and defects.

*"The program will bring short-term gains in efficiency for small and medium-sized companies participating, acting in the microeconomic dimension of industrial policy. The program is a seed, an initiative that can be enlarged, and that provides contribution to a major challenge, which is to improve the average standard of the Brazilian industry performance,"* he said.

To the minister, *"the alliance between the private and public sectors is key to increasing the competitiveness of industry."* The Brazil More Production is carried out by the MDIC in partnership with the National Industrial Apprenticeship Service (Senai), the Brazilian Agency for Export and Investment Promotion (Apex-Brazil) and the Brazilian Agency for Industrial Development (ABDI). In addition, the program has the support of the Brazilian Service to Support Micro and Small Enterprises (Sebrae) and the National Bank for Economic and Social Development (BNDES).

#### How it works

By the end of 2017, 3,000 companies will be met in Brazil by 400 consultants Senai Institute of Technology and the Senai units. The consultants will be trained to apply the tools of lean manufacturing, focused on the production process, which provides rapid response, low cost, focusing on increasing productivity of the industry. Aspects that are worth mentioning in this initiative are the cost-benefit ratio and the real possibility of measuring results.

The complete service lasts 120 hours and investment per company is \$ 18,000. The Brazil More Productive subsidizes R \$ 15,000 per company, and each comes with a consideration of R \$ 3,000, which may be paid with the BNDES Card.

In 2017, participating companies in Brazil More Productive will have a National Program vacancies reservation Access to Technical Education and Employment (Pronatec MDIC) to meet the qualification requirements. . The program advisors will be responsible for the indication of the demand for professional qualifications of labor Deployment By May 2016, the program will start in ten Brazilian states: Bahia, Ceará, Pernambuco, Santa Catarina, Rio Grande do Sul, Paraná, Rio de Janeiro, Minas Gerais, São Paulo and Mato Grosso. The goal is to implement the actions of Brazil More Productive in all Brazilian states by the end of the year. Profile of the companies are able to participate in the program manufacturing of

small industries and medium-sized, which have between 11 and 200 employees and, preferably, are inserted in Local Productive Arrangements (APLs). In the first phase of the program, eligible sectors, due to its greater adherence to lean manufacturing tool are: metal mechanic, clothing and footwear, furniture and food and beverage.

## CHILE



### Minister Mr. Céspedes inaugurated the first center for tourism SMEs Extensionism Technology

The initiative seeks to provide an adequate supply of specialized technology services, technical assistance for successful technology absorption; services improve the receiving ability of technologies, and strengthening the capacity to innovate, so that SMEs in the tourism sector can make a leap in productivity.

*"Tourism should move from being a major to be a tractor, a growth engine of our economy. That implies necessarily increase the presence of tourism in our economy"* said Minister of Economy, Development and Tourism, Mr. Luis Felipe Céspedes. Words that explained the importance of tourism within the economic growth strategy of the Government, within the framework of the inauguration of the first Extensionism Technology Center for tourism SMEs.

Center Extensionism Technology aims to provide small and medium enterprises adequate and effective supply of specialized technology services, technical assistance for successful technology absorption, services improve the receiving ability of technology, and capacity building for innovate.

*"We have to improve everything that is related to the acquisition of technology in the sector and that is precisely what you are looking for this center that routine generate innovation in the sector, I would define it that way,"* said the Minister.

The center will be operated by the Federation of Tourism Enterprises Chile (Fedetur), and bring SMEs to issues such as the area of information and communication technologies (ICT), energy efficiency and environmental sustainability; process automation and robotics, among others. All in order to increase the productivity of companies that provide tourist services, and strengthen a sector whose potential is significant, especially in a country as attractive as Chile.

For his part, Undersecretary of Tourism, Mr. Javiera Montes, explained that "this initiative seeks to bridge the technology gaps that allow positioning the tourism industry in more modern, innovative, efficient, and consistent markets with the environment, so you can connect consumers through more advanced information purposes "technologies.

According Mr. Céspedes, tourism is a tremendously important sector because production chains that are generated are significant. *"I think an economy like ours, an economy where one of the things we have to ensure not only grow, but to grow in an inclusive way to make us all feel part, gives the tourist a very special feature, which is*

*precisely a sector that meets those requirements,* "he said.

In the same vein, the Minister explained that the program exists within a special approach to human capital. On the one hand it is related with technology, but on the other there is a dimension of human capital that is intended for the services themselves.

*"We have launched a program of human capital precisely to the tourism sector, where we put a significant amount of training and said we are willing to continue increasing it, to train workers in languages such as English and Portuguese,"* he said. This along with the necessary training for tour guides, which is one of the key links in the sector, along with skills in digital art.

## GREECE



### Mr. Katainen: Juncker Plan to spur lending to Greek SMEs

The European Fund for Strategic Investments (EFSI) will use recapitalised Greek banks to channel EU investment funding for small and medium-sized enterprises, European Commission Vice-President Mr. Jyrki Katainen told EurActiv Greece.

Speaking at an investment conference on Wednesday (April 6, 2016), Mr. Katainen said Greece should expect good news in the near future about financing opportunities to revive its economy.

*"I can promise you that in the next few days, you can hear the first positive news in Greece on how EFSI works and functions in your country,"* the Commissioner said at the conference, hosted by the European Investment Bank (EIB). He added that he would visit Greece in the next few weeks to raise awareness in the private sector. *"I am interested to discuss with the banks how they would increase SME financing with the support of EFSI,"*

Mr. Katainen told the conference, Europe as an Investment Destination. *"It's very important for me personally, but also for the Commission as a whole, to make sure that EFSI, which is a risk financing institution, can function also in Greece."*

The SMEs can benefit

Mr. Katainen noted that there was a general misunderstanding of big, public infrastructure projects. *"Juncker Plan money can be used only if it is private investment or public-private partnership,"* he said, adding that small and medium-sized enterprises can also benefit from it. *"They are in need of an intermediary bank,"* he said. *"This is one of the issues I want to discuss with the Greek banks. Now that they have been recapitalised, they can start lending again with the support of EFSI."*

According to Mr. Katainen, Greece needs investment more than any other country. *"I believe very strongly that the SME sector in Greece can be the engine of job creation in near future. And that is why I want to come to Greece in the next few weeks."*

First project to be approved

The first Greek project under the Juncker Plan is under way, with announcements expected early next week, EurActiv Greece has learned. In the meantime, the government in Athens is intensifying preparations for the submission of relevant proposals.

On 31 March, the Greek Economy Minister, George Stathakis, presented a list of 42 projects worth €5.6 billion which Athens has selected for funding under the Juncker Plan. Of these projects, 18 are purely private, with the remainder being public-private partnerships.

However, the Vice President of the opposition New Democracy party, Kostis Hatzidakis, insisted that the government delay the implementation of the programme, saying that 174 projects worth €41.5 billion had been selected during a first phase in 2014.

The European Investment Bank's Athens office told EurActiv that it is holding talks with the government on other projects that can be funded through the Juncker Plan.

## HUNGARY



### Hungary and Kenya agree on 5-point development plan

*"Kenya is the most developed country in East Africa, is one of Africa's leading powers in the fight against international terrorism and one of the engines of EU-Africa cooperation"*, Minister of Foreign Affairs and Trade Mr. Péter Szijjártó told Hungarian news agency MTI by telephone with reference to his official visit to Kenya on Wednesday (April 13, 2016), where he met with the Kenyan Foreign Minister, the Minister of Industry and the Governor of Nairobi.

He and the Kenyan Minister of Foreign Affairs had agreed on a five-point cooperation and development plan, Mr. Szijjártó told the press.

According to the plan, foreign affairs and foreign policy consultations will become more detailed and regular in future, to which the required agreement has been concluded. The parties also signed a declaration of intent on concluding an economic cooperation agreement between the two countries by the end of this year, in addition to which Hungary will be providing a further 50 scholarships for Kenyan students to study at Hungarian universities beginning in September. This means that Hungary will be providing the third largest number of scholarship places to Kenyan students after China and India, Mr. Szijjártó stressed.

The parties also agreed that with regard to its foreign trade development strategy Kenya will view Hungary as a regional centre for trade with Central Europe and the Western Balkans region and accordingly there is a good chance that the next Kenyan Embassy will be opened in Budapest, meaning the majority of Kenyan products will reach Europe via Hungary, he added.

Kenya is allowing Hungarian enterprises to enter its dynamically expanding market in four areas: Hungarian companies are expecting market opportunities within the field of public transport equipment manufacturing, Hungarian water management and water purification products will be appearing on the Kenyan market, Hungarian agricultural technologies will be applied in the interests of increasing productivity and Hungarian companies will be exporting medical equipment for use in Kenyan hospitals, Mr. Szijjártó explained, adding that a Hungarian-Turkish mission would also be arriving in Kenya during the course of the year in an effort to reduce infant mortality.

Eximbank is providing a credit line of 70 million US Dollars to facilitate the successful appearance of Hungarian enterprises on the Kenyan market.

If the Islamic terrorist organisation al-Shabaab is not successfully subdued in the East African region, hundreds of thousands of people will be forced to leave their homes and that could lead to another wave of immigrants headed for Europe, the Hungarian Foreign Minister said. For this reason, Hungary is campaigning for the European Union to maintain a presence in Somalia via its training mission, to which Hungary is also providing military personnel.

Also a subject of discussion at the meeting was cooperation between the European Union and Africa, Mr. Szijjártó said, stressing that Kenya is one of the leading countries of the East African Community, with which the EU will be signing an economic cooperation agreement in June. It is in Hungary's interests for this agreement to be ratified as quickly as possible, because the fewer barriers there are to trade, the greater the success of Hungary's foreign trade activities within the region.

The Foreign Minister was also accompanied on his official visit by 15 Hungarian businesspeople, who will be participating in a Hungarian-Kenyan business forum.

## INDIA



**EXIM Bank of India and the Islamic corporation for the development of the private sector (ICD) signs MOU to enhance bilateral trade and investments between India and the member countries of Islamic Development Bank.**

Mr. Tarun Sharma of Exim Bank of India and Mr. Khaled Al Aboodi, the Chief Executive Officer and General Manager of the Islamic Corporation for the Development of the Private Sector (ICD) signing the MOU in Jeddah, to enhance bilateral trade and investments between India and the member countries of Islamic Development Bank. Standing from the left to right are: Mr. Sayed Aqa, Vice President of the Islamic Development Bank; H.E. Mr. Ahmad Javed, Ambassador of India to the Kingdom of Saudi Arabia; Mr. B.S. Mubarak, Consul General of India in Jeddah; and Mr. Zafar Sareshwala, Chancellor, Maulana Azad National Urdu University.

A Memorandum of Understanding (MoU) was signed between Export-Import Bank

of India (EXIM Bank) and the Islamic Corporation for the Development of the Private Sector (ICD), the private sector arm of Islamic Development Bank (IDB) Group. The MoU envisages cooperation, among others, to explore the feasibility of extending a commercial Line of Credit of USD100 million to ICD with the aim of facilitating the export of goods and services from India to ICD's member countries. Typically, the recipients of EXIM Bank's commercial lines of credit, act as intermediaries and on lend to overseas buyers for the import of Indian goods and services. Under the agreement, co-operation will also be achieved through the exchange of information on trade-related matters and the identification of business opportunities for Indian companies to pursue in ICD's member countries.

The MoU was signed by Mr, Tarun Sharma, Regional Head of EXIM Bank New Delhi Representative Office, and Mr. Khaled Al Aboodi, the Chief Executive Officer and General Manager of ICD.

During the signing ceremony, Mr. Tarun Sharma said, *"Since its inception, EXIM Bank has been both a catalyst and a key player in the promotion of cross border trade and investment. We remain committed to support Indian exporters to enter new markets in their bid to expand and we are convinced that our co-operation with ICD will serve that very purpose and will be mutually beneficial for both the parties."*

Mr. Khaled Al-Aboodi commented: *"Moving forward, we are very excited to find common ground and work with EXIM Bank. We acknowledge that India, being the seventh largest economy in the world, has a lot to offer and its high-quality exports of goods and services can drive the next wave of growth. I believe ICD's member countries can offer vibrant business prospects for India's exporters."*

EXIM Bank is a premier financial institution established under the Export-Import Bank of India Act, 1981, and wholly owned by the Government of India. The Bank's mandate is to finance, facilitate and promote India's international trade and to coordinate the working of institutions engaged in export and import-related services aimed at the globalization of Indian companies. EXIM Bank, through its wide network of alliances with financial institutions, trade promotion agencies, information providers across the globe, assists externally oriented Indian companies in their quest for excellence and globalization.

## ITALY



### **Investment Plan for Europe: EIF and Banca di Cambiano sign loan agreement for innovative businesses in Italy**

The European Investment Fund ("EIF"), Banca di Cambiano ("BCC Cambiano"), as a coordinating and participating bank, Banca di Castagneto Carducci, Banca di Pisa e Fornacette, and Banca di Viterbo have signed an InnovFin Umbrella agreement for SMEs, benefiting from the support of the European Fund for Strategic Investments ("EFSI"), the heart of the Investment Plan for Europe. IC Satellite - Luigi Furore & associati, has advised the operation.

The InnovFin Umbrella agreement for SMEs will be managed by BCC Cambiano to

enabling the 4 banks to provide a total of EUR 90 million of loans. These loans for innovative companies in Italy over the next 2 years benefit from the support of a guarantee provided by the EIF and are backed under Horizon 2020, the EU Framework Programme for Research and Innovation.

Commenting on the signature, EIF's Chief Executive, Mr. Pier Luigi Gilibert said: *"I am pleased to be announcing this InnovFin SME Guarantee agreement with BCC Cambiano to support innovative companies in Italy. With its network and the one of the other 3 participating banks, I am sure that many more innovative SMEs will soon be able to access this EU backed finance"*.

Mr. Jyrki Katainen, EU Vice-President, responsible for Jobs, Growth, Investment and Competitiveness, said: *"The agreement being signed today between the EIF and Banca di Cambiano will be of great benefit to small and innovative businesses in Italy. I recommend that small businesses in need of a loan approach the banks involved to find out more."*

Commenting on the operation, Mr. Francesco Bosio, General Manager of Banca di Cambiano said: *"The Guarantee Agreement is particularly important for reinforcing financial support for Micro Firm and SMEs, a customer segment that our bank has always been close to. Continuous changes of the economic landscape and markets require investment in research and innovation of both processes and products. Innovative SMEs find often hard to sustain growth and maintain it over time. With the support of the EIF Guarantee and our Bank strong territorial presence, jointly with the Participants Banks, we think to have identified a flexible instrument that would serve the purpose, through a wide range of potential applications, to support the growth of the future market leader in our territory"*.

This transaction implemented thanks to EFSI in Italy, reflects the EIB Group's commitment to respond swiftly to calls from Member States, the European Commission and the European Parliament for a rapid launch of concrete initiatives under EFSI, accelerating lending and guaranteeing transactions capable of boosting jobs and growth in the EU.

## JORDAN



### Minister of Industry calls for the private sector to take advantage of the Agadir Agreement

Chaired by the Minister of Industry, Trade and Supply engineered Ms. Maha Ali delegation Jordanian delegation in the third meeting of the Committee of Ministers of Foreign Trade in the framework of the Agadir Agreement, which was held in Cairo on Sunday with the participation of trade ministers in Egypt, Morocco and Tunisia as well as the EU ambassador in Cairo and the Technical Unit of the Convention.

The minister stressed in her speech during the inauguration of the importance of the meeting, which comes after nearly six years of the second meeting, which was held in Rabat in 2010 as well as the importance of the Agadir Agreement in finding opportunities to increase the volume of trade exchange among the States of the Agadir Agreement on the part of the other hand to increase export opportunities to

the EU market by using cumulation of origin and showed that despite the passage of nine years on the force of the Convention, but that there is still limited for the benefit of the private sector, including which requires a focus on activating the role of the private sector, strengthen partnerships and linkages between private sector institutions in the countries of the Convention.

The minister said that the most important outcome of the meeting of Ministers agreement on a future strategy for the work of the Technical Unit for the next period based on the examination Evaluative path Agadir Agreement during the past nine years of the Convention.

He said in a press statement has been approved technically to join both Lebanon and Palestine Agadir Agreement and the lifting of requests to join the committee of foreign ministers for approval as having jurisdiction under the Convention, stressing the importance of the area to increase the scope to take advantage of opportunities for industrial integration.

The minister said the importance of small and medium enterprises support in the countries of the Agadir Agreement has confirmed the minister to encourage them to achieve industrial integration and cumulation of origin in the framework of the Convention and therefore it was agreed to apply the private initiative of Deauville for a fund to finance the project of establishing a fund to support those projects.

And it showed that it was initialed on a number of protocols and memoranda of understanding in the field of anti-dumping and subsidizing preventive measures, competition, and the settlement of disputes and industrial property and the rules of procedure of the Committee of Ministers of Foreign Trade and prepare these documents complementary to the framework governing the Agadir Agreement and hoped to contribute to the implementation of the agreement further.

It is noted that in 2015 the establishment of the Joint Business Council Agadir Agreement, which in turn is an important step towards greater interaction and communication between the private sector in the countries of the Agadir Agreement and the optimization of the Convention through the cumulation of origin and industrial integration for export to European markets.

The total trade of the countries of the Agadir size is about \$ 4 billion during the year 2014. It also showed the importance of continuing to provide technical support for the unit during the next phase by the European Union to contribute to the implementation of the agreement in order to achieve greater economic integration of the member states and increase export opportunities for the European Union.

It was also stressed during the meeting to speed up the pace of work of technical assistance program sponsored by the Swedish International Cooperation Agency "( SIDA ) in the field of infrastructure support in the countries of the Agadir Agreement to achieve results in the 2018 year , as agreed upon knowing that this program is designed to help these countries in harmonization and conformity between goods produced in order to reduce non - tariff barriers and the program has a budget of nearly 5.8 million euros for a period of 5 years.

## JAPAN



### **JICA expands financing through IFC AMC Private Equity Fund to Support Private Enterprise in the Middle East and North Africa Region: Contributing to Job Creation for Socioeconomic Stability**

On April 14, 2016 the Japan International Cooperation Agency (JICA) signed an agreement for equity participation in the IFC Middle East and North Africa Fund, LP, which targets equity investment in private enterprises in the Middle East and North Africa (MENA) region. The Fund is managed by IFC Asset Management Company (AMC), a wholly owned subsidiary of the International Finance Corporation (IFC), and a member of the World Bank Group. This is the first project to be carried out by JICA's Private Sector Investment Finance (PSIF) targeting the MENA region since its resumption in October 2012.

This project aims to support, through this fund equity participation, private companies and projects with a focus on developing countries and regions in MENA. JICA will invest up to \$30 million to the fund, in addition to participation by the IFC and other financial institutions. The main sectors of investment by the fund include financial services, infrastructure, and manufacturing.

The MENA region has faced socioeconomic instability since the democratization movement known as the Arab Spring spread in the beginning of 2011. One of the factors of that instability is a high unemployment rate in the region, especially among the younger demographic, and expanding employment opportunities through economic revitalization is a priority. The amount of foreign direct investment in the region has not yet recovered to the level before the Arab Spring, and this project is expected to encourage further private investment in MENA.

By encouraging private investment in MENA through equity participation in the fund, JICA aims to support job creation and economic growth, and to contribute to socioeconomic stability in the region. JICA is also reviewing the possibility of providing information about the investment environment in the region to Japanese companies with an interest in pursuing business activities there.

Going forward, JICA will proactively utilize the PSIF and provide a wide range of support while strengthening partnerships with the IFC and other international development financial institutions.

## MALAYSIA



### **Initialling of the framework agreement on partnership and cooperation between the government of Malaysia and the European Union (MEUPCA)**

Malaysia and the European Union (EU) initialled the Framework Agreement on Partnership and Cooperation (MEUPCA) on April 6, 2016 in Putrajaya. The initialing ceremony was held in the presence of YB Dato' Mr. Reezal Merican Naina Merican, Deputy Minister of Foreign Affairs of Malaysia. The text of the

agreement was initialled by the chief negotiators, Mr. YBhg. Dato' Ilango Karuppanan for Malaysia and H.E. Ranieri Sabatucci for the European Union (EU). H.E. Mr. Luc Vandebon, Ambassador of the EU Delegation to Malaysia, Senior Officials of the Ministry of Foreign Affairs and the Attorney General's Chambers were also present.

The MEUPCA provides an overarching strategic political framework for strengthening Malaysia-EU bilateral cooperation. Since the negotiations of MEUPCA commenced in October 2010, 11 rounds of negotiations had been held in Putrajaya and Brussels on a rotational basis. Malaysia and the EU successfully concluded the negotiations during the final round which was held on 7-8 December 2015 in Brussels.

The MEUPCA encompasses 60 articles covering a broad field of common interest in economic and non-economic sectors for Malaysia and the EU. It serves as a catalyst to the strengthening of bilateral relations between Malaysia and the EU and the enhancement of cooperation in wide-ranging areas including political relations, trade and investment, energy, transport, agriculture, finance, maritime affairs and other areas through dialogue and exchanges of information.

The MEUPCA is also an umbrella agreement that will provide the impetus in concluding other specific bilateral agreements. In particular, it will enable both sides to pursue Malaysia-EU Free Trade Agreement (MEUFTA) negotiations. The MEUFTA would give access for Malaysian products and services in the EU's huge market base. Malaysia will also benefit from capacity building programmes, the sharing of best practices and knowledge transfer in the areas of science and technology, green technology, environment, education and health.

The text of the agreement will be translated into Bahasa Malaysia and 23 other European languages. The Minister of Foreign Affairs of Malaysia and his EU counterpart will formally sign the MEUPCA at a mutually agreed date and venue.

## **NIGERIA**



### **Presidency rolls out policy actions to revamp economy**

Unveiling a detailed economic agenda that specifically tackles the nation's current challenges, Vice President, Prof. Yemi Osinbajo, SAN, has called on the Nigerian people to remain patient and indeed expectant, assuring that the Buhari administration is firmly committed to revamping the Nigerian economy and fulfilling its promises.

Acknowledging the pains currently facing the nation, Prof. Osinbajo expressed the determination of President Mr. Muhammadu Buhari's administration to take decisive decisions that would positively resolve the current economic challenges.

Said he: *"We acknowledge the pains and are concerned by them. This is why we are working diligently to address the tough challenges inherited from the nation's past."* According to him *"we are working diligently to address the tough challenges inherited from the nation's past,"* adding that the plethora of challenges facing Nigeria could be overwhelming, and with it the multitude of things requiring decisive action that have to be strategically handled.

Speaking today (April 7, 2016) at "The Nation's Forum On The Economy" in Lagos, the Vice President averred that the Buhari administration is already "taking action and in due course they would produce satisfying outcomes, for they are borne out of a leadership that has no other agenda but the progress and greatness of Nigeria".

Unveiling the economic strategic plan, Prof. Osinbajo disclosed that the Federal Government's blueprint would be based on a strategic implementation plan for the 2016 budget under six thematic key areas, adding that the plan, would focus on about 33 Priority Actions.

He listed the following strategic areas and some of the policy actions including the following:

**A. Lasting Changes in the Policy Environment, National Security and Governance**

- Achieve an Appropriate Foreign Exchange Regime: Increase low interest lending to the Real Sector we need to move toward a single digit interest rate.
- Maintain Capital Spending in the Budget at a minimum of 30%. Complement this with funds from the Infrastructure Fund for commercial projects
- Intensify the Fight Against Corruption by increasing Transparency, Accountability and Compliance with Law and Order

**B. Diversifying the Economy by Fast-tracking Industrialization, Agriculture and Agro-Allied Processing, as well as attracting investment into the Solid Minerals, Tourism and Entertainment Sectors**

- Implement Measures to Achieve Self-Sufficiency & Become Net Exporters of certain agricultural Items: rice-2018, tomato paste-2016, wheat-2019. Increase local production of maize, soya, poultry & livestock, so as to achieve self-sufficiency: deadlines to be announced in due course
- Adopt and Implement a Roadmap to Stimulate Investment into the Solid Minerals sector, and plug Revenue Leakages in the Sector
- Increase Manufacturing Capacity through the operationalization of Industrial Parks, Free and Export Processing Zones, etc.

**C. Priority Critical Infrastructure, focused on increasing investment in Power, Rail and Roads, etc.**

- Optimize the 7,000MW installed capacity and ensure associated infrastructure to Fuel, Transmit and Distribute this capacity.
- Undertake the rehabilitation and construction of 31 major Road Projects scheduled for 2016 to restore degraded sections of the Federal Highways network and to Establish Connectivity over a distance of 2,193km (through public works projects, maintenance works, PPP and other interventions)

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#### **D. Oil and Gas Reforms**

- Adopt & Execute a Comprehensive National Oil & Gas Master-Plan ('NOGM') as the roadmap for the Petroleum Industry's Development, Diversification, Privatization & Governance. Adopt & Execute a Roadmap of Gas Development & Flare Elimination
- Set a deadline to be Self-Sufficient in Refined Petroleum Products & become a Net Exporter

Work with the National Assembly on the passage of a Revised Petroleum Industry Bill ('PIB') or Bills to give effect to the NOGM & to resolve Fiscal & Governance Issues of the Sector, & Eliminate Gas Flaring

#### **E. Ease of Doing Business**

- Move 20 places up global Ease of Doing Business Rankings, by implementing fast track measures for business approvals, acquisition of land titles, etc. (Nigeria is currently ranked 169 out of 189 countries by the World Bank - 2015 Survey)

Fast-track visa application and issuance processes

#### **F. Social Investment**

- Implement Social Intervention Programme and specific Health / Education projects included in 2016 Budget

Health Sector Interventions including Flagging off the Revitalization of 1 Primary Health Centre per Ward (a total of 10,000 nationwide)

The Social Investment plans include the following:

- Train and deploy 500,000 unemployed graduates as volunteer teachers who would be paid on the job while they seek jobs in their chosen careers.
- Homegrown School Feeding for primary school pupils across the country paid for by the government
- Micro-credit scheme that provides very soft loans to a million market women, artisans, traders
- Creating innovation and technology hubs/ parks on a large scale and skills acquisition & vocational training for over 300,000 non-graduate youths
- Conditional Cash Transfer where one million poor and vulnerable Nigerians would receive N5000 monthly
- Bursary awards for tertiary education students of Science, Technology, Engineering & Maths, STEM.

Vice President Osinbajo also re-assured the nation on the Change Agenda in line with President Muhammadu Buhari's statement in his 2016 Budget Presentation speech, that "we remain committed to economic diversification through import substitution, and export promotion, in order to build a robust and resilient economy, as a lasting legacy for generations to come".

He then underscored the necessity for continuous engagement with the Nigerian people, including stakeholders in the economy, stating that "we intend to start a

quarterly meeting with members of the private sector and other economic stakeholders soon and thereby create a forum for engagement on an ongoing basis." "Town-hall meetings at the presidential level would also be resumed across the country to explain progress and address the challenges with our people," he further stated.

## PHILIPPINES



### DTI Urges MSMEs to Venture in E-Commerce

The Department of Trade and Industry is urging the Micro Small and Medium Enterprises (MSMEs) to venture into e-commerce to expand market reach. E-commerce is a means to "connect domestic Industry with the global economy" said Trade and Industry Undersecretary Prudencio M. Reyes, Jr. in the recently held E-Commerce Training at the Philippine Trade Training Center.

Philippine E-Commerce Outlook 2018 projects the e-commerce industry to grow by 101.4% by 2018 from US\$ 1.15 billion in 2013. The country's growing internet population with estimate growth of 530% over the past five years is significant component to the e-commerce industry. Out of the country's 101.1 million population, 44 % are active internet users, 42% are active social media users, 113% have mobile connections; and 36% are active mobile users.

Philippine E-Commerce Sales reached Php 79 billion or 0.6 % of the country's total income in 2012. More than 76.2 % or Php 60.17 billion of which is accounted to the Services Sector to include Transport and Storage, Administrative and Support Service Activities, and Whole Sale Retail Trade. The National Capital Region ranks first in terms of the E-commerce sale at Php 62.31 billion followed by the Central Visayas and Western Visayas.

To capacitate MSMEs on E-Commerce, DTI and PTTC conducted a Special Workshop on Developing a Full E-Commerce Business on March 31, 2016 at the Philippine Trade Training Center. The workshop aimed to assist MSMEs to get activated on B2B E-Commerce Transactions, E-Commerce Site, Accept Electronic Payments Online and Offline; and to learn the basics of Facebook Marketing & Advertising, CRM, and E-mail Marketing.

Representatives from Lazada Philippines, SMENegosyo, Pay Maya, Hello Pay, and Globe Telecom's Mynt presented e-commerce platform and e-payment methods to aid MSMEs to jumpstart with e-commerce. With the Philippine E-Commerce Roadmap (PECR) already laid out "your participation makes you a party/stakeholder to this roadmap, it is a document all of us own as public and private sector" said Ms. Janette Toral, founder of Digital Filipino highlighting MSMEs' role in e-commerce industry growth.

PECR 2016-2020 is a blueprint to address issues in the country's e-commerce ecosystem with Infrastructure, Investment, Innovation, Intellectual capital, Information flows, and Integration (6Is) as key focus areas

## RWANDA



### Investment body adds reforms to ease doing business in Rwanda

The new reforms, mostly tackling key thematic areas of the World Bank Doing Business benchmark, are said to aim at not only improving on global doing business standards but also ensuring sustainability of local and foreign businesses in the country. The 2015 World Bank Doing Business Report ranked Rwanda the 55 out of 189 countries worldwide, becoming third easiest place to do business in the sub-Saharan Africa.

Rwanda Development Board (RDB) is implementing additional reforms that are expected to reduce the cost of doing business for the private sector. This includes automating processes and procedures to enable businesses to get services online including access to permits, property registration and the court services, among others.

For instance, time to access a construction permit has reduced to 20 days from 50.

Time required to apply and obtain the survey plan, occupation permits and freehold titles was also reduced from 30 to only three days, and the services were now made free of charge, according to RDB. The country's investment promotion body also announced that this year will see its online systems upgraded and more services added, removing all unnecessary requirements and procedures. *"For those involved in imports and exports we are soon making sure that services like cargo lease order, transit document and shipment inspection are made easy,"* says Mr. Karim Tushabe, a legal consultant with RDB's doing business unit.

Meanwhile, the property registration and transfer will be effected in one day, while employee registration normally done with Rwanda Social Security Board (RSSB), and Value Added Tax registration will all be done simultaneously with the company incorporation at RDB, available online.

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The 2015 World Bank Doing Business Report ranked Rwanda the 55 out of 189 countries worldwide, becoming third easiest place to do business in the sub-Saharan Africa. However, while Rwanda's business community applauds the reforms as important to making the business environment conducive, it still decries the poor service delivery. Some business operators cited flaws in implementation of some effected reforms and inefficiencies linked to the Internet delivery.

*"Our main issue is poor service delivery. Everything is getting automated which means the Internet has to be more efficient, but sometimes you have to wait for hours because the Internet is congested,"* said Mr. Richard Mugisha, a member of the business

community. Mr Mugisha's concerns were echoed by fellow business men at the doing business workshop held recently in Kigali.

Issues raised cut across a wide range of areas namely flaws in the taxation on imported right hand-drive trucks following a recent waiver on the long-standing ban as well as settlement of court cases involving import and property rights disputes. Others are to do with complexities arising from liquidation and business closure processes, alongside delays in execution of judgments blamed partly on lack of information.

They are concerns mostly calling for examination of loopholes in the legal and policy framework while others could necessitate concerned institutions to dialogue and find solutions. *"The business environment is not yet where we want it to be, so I can promise that we shall continue to make sure that all the challenges are addressed,"* said Mr. Innocent Bajiji, acting head of investment promotion and facilitation at RDB.

## **SOUTH AFRICA**



### **Registering a business is now seamless, says Minister**

The process of registering a company in South Africa is now a simpler, seamless process says Trade and Industry Minister Mr. Rob Davies. The Minister was speaking at the launch of the partnership between the Companies and Intellectual Property Commission (CIPC) – which is an entity of the Department of Trade and Industry - and Nedbank which sees the bank joining other major banks in offering CIPC Online.

The CIPC Online initiative makes it possible for potential business owners to apply for a company registration and a business bank account through Nedbank's online system. *"It now means that a small business or a large business can go to any of the major banks in South Africa and open a business bank account and simultaneously, through the online process, you can register with the CIPC and also you can get a South African Revenue Service tax number,"* said Minister Mr. Davies on Tuesday.

The partnership will assist in broadening the footprint and reach of the CIPC and will also offer a one-stop-shop for entrepreneurs. *"All of those processes are now combined, it's a seamless process for customers who are registering companies. That is an enormous step forward for businesses. Assuming that you've done everything right, this process can be done in four hours,"* said Minister Mr. Davies at the launch in Sandton.

The application fee for qualifying applicants is R175 to register a company. Those interested in registering their businesses can do so at the 800 Nedbank branches across the country or access [applyonline.nedbank.co.za](http://applyonline.nedbank.co.za). The Minister said the process of launching companies in South Africa has come a long way.

The CIPC was formed four years ago with the combination of the Office of

Companies and Intellectual Property Enforcement (OCIPE) and Companies and Intellectual Property Registration Office (CIPRO). *"The process of registering companies in this country has come a great long way since I become Trade and Industry Minister ... CIPRO was a very troubled institution, it took 15 to 20 days to register a company. There were very large queues outside the offices of CIPRO of people coming in from neighbouring provinces to register their companies,"* said Minister Mr. Davies.

With the formation of the CIPC, the process of digital company registrations began. *"What we've done over the years is that we've introduced digitisation. Digitisation has created the possibilities of a much easier and simpler process for anybody to register a company. There has been a number of developments, the commission is running kiosks and is planning to work with municipalities and they've started with partnerships with the banks. I'm told now all the major banks are on board,"* said Minister Mr. Davies.

The Minister said the first bank had been opening business accounts and simultaneously registering companies at a pace of 900 companies a month. To date, it does not take more than three days to register a business in South Africa. *"It will not take small business not more than three days to register a company in this country. It can take a few hours at most. It is an incredibly important step forward,"*

CIPC acting Commissioner, Advocate Mr. Rory Voller, said the commission is constantly striving to improve the services it delivers. *"It is our goal to reach as many people as possible in terms of what our mandate is and also to simplify the processes of the CIPC by using automation,"* said Advocate Mr. Voller.

The importance of the partnership between the two parties, he said, is to cut red tape for companies. *"It is our goal as public and private partners to make the lives of our people easier,"* explained Mr. Voller.

Meanwhile, Nedbank's Group Managing Executive: Retail and Business Banking said this initiative will assist businesses to increase efficiencies, unlock growth opportunities while freeing up their time to focus on running their businesses. *"It is against this that we have partnered with the dti and CIPC to bring a much needed service for new and existing businesses,"* 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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