



# World SME Update

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

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## AFGHANISTAN



### **Minister of Finance Discusses financial issues with Indonesia and Bahrain Finance Ministers and Afghan business community in Jakarta**

H.E. Mr. Eklil Hakimi the Minister of finance participated in the Islamic Development Bank 41 Annual meeting in Jakarta on May 17, 2016.

Besides participation in the meeting, he had several sideline meetings with Indonesia and Bahrain Finance Ministers and Afghan business community based in Jakarta, Indonesia.

Minister Mr. Hakimi and the Indonesian Finance Bambang Brodjonegoro discussed bilateral cooperation in the areas of customs, fiscal policy, tax administration and public private partnership.

H.E the Minister of Finance also met with his counterpart H.E Mr. Shaikh Ahmed bin Mohammed Al Khalifa, Minister of Finance for Bahrain. They discussed mutual cooperation between the two countries. Minister of Finance also visited the Afghan business community based in Jakarta.

The purpose of the meeting was to hear the challenges faced by the Afghan businessmen. One of the main challenges faced by the Afghan businessmen is the transfer of money from Indonesia to Afghanistan. H.E the Minister promised to the Afghan businesses that H.E with the assistance from the Central Bank and other relevant government agencies will seek solution to the challenges faced by the Afghans doing business in Indonesia including the transfer of money to Afghanistan.

## ARGENTINA



### **Production created a national register of incubators to develop more venture capital**

The Undersecretary of the Ministry of Production Entrepreneurs announced the creation of a National Incubator Network that aims to grow and strengthen the entrepreneurial ecosystem in the country.

The announcement took place at the seat of government of the province of Buenos

Aires on the occasion of the conference "Network for Entrepreneurship BA Province" and was attended by Undersecretary of Entrepreneurs of the Nation, Mr. Esteban Campero and Minister of Production, provincial science and Technology, Mr. Jorge Elustondo.

*"We are working to facilitate the entrepreneurial world the tools to generate the development of a more entrepreneurial capital. We believe there are many opportunities for growth and in this sense it is important to improve the value propositions and seize the development of local economies," Mr. Campero said.*

Encourage new businesses and reduce their death rate, detection develop skills and support entrepreneurs, improve the degree of professionalization of incubators and facilitate their work as a link to entrepreneurs are core objectives of the National Network of Incubators. The tool also aims to reach regions of the NOA, NEA and Patagonia, under the high concentration exists in major urban centers.

*"The role of incubators in terms of assistance, identifying potential and mentoring is essential in the growth of entrepreneurial framework and the Under secretariat represent strategic partners to bring our programs to entrepreneurs," the national official.*

The creation of incubators record was prepared by resolution 24/2016 published in the Official Gazette and will effect linking the entrepreneurial world with Seed Fund programs, PAC Entrepreneurs and Institutional Strengthening Program, among others, by the Ministry of Entrepreneurs and Small and Medium Enterprises.

## **BELARUS**



### **Simplify administrative procedures for businesses in the sphere of consumer services**

Administrative procedures for legal entities and individual entrepreneurs in the sphere of consumer services are simplified in Belarus. The corresponding decision was accepted the decision of the Council of Ministers on May 18, 2016 No. 391.

According to the decision of the administrative procedures governing the approval mode entities providing domestic services, and the inclusion of data will be merged into the registry of personal services. This means that on an application for inclusion (change) information in the register of personal services to legal entities and individual entrepreneurs will coordinate the operation of public service objects (or change). Previously, it was necessary to apply two separate statements. Socrates and timing of the procedures themselves.

Previously, to obtain matching mode was given 12 working days, then a further 8 working days required to include information in the state information resource "Register of the Republic of Belarus of domestic services." With the entry into force of the decision negotiation mode and the inclusion of the information in the register of municipal services will be carried out within 8 working days.

These administrative procedures are free and are valid. In addition, the new requirements for the domestic services installed without executors objects of consumer services, i.e. provide their services through advertising, catalogs, brochures, etc. and taking orders over the phone or via the Internet. In providing their services, they will be required to provide consumers with information on their name, and if the contractor is a sole proprietorship, - information on the name, surname, patronymic, mode of operation, the name provided personal services.

In connection with the entry into force on 1 January current year national of the Republic of Belarus of the classifier OKRB 007-2012 "classifier products by kind of economic activity" decree approved in the new edition of the list of types of consumer services to be included in the registry. The Ministry of commerce is in charge of four months, provide software upgrades and technical support of the state information resources "Register household Belarus services "with automatic overflow of the included information on new types of consumer services and the formation of new evidence for the inclusion of the named information resource.

Subjects who provide domestic services and included in the said register at the date of entry into force of this Regulation shall not be required in connection with the modernization of the register to apply to the local executive and administrative authorities for obtaining a new certificate. It will be sent to them within one month from the entry into force of the decision by the local executive and administrative bodies. The corresponding order given DOC, executive committee, the local district administration in Minsk. The basic rules of the decision shall enter into force four months after its official publication. These measures will contribute to the development of entrepreneurship, more active involvement of business in the sphere of consumer services.

## CHILE



### Minister Mr. Céspedes by Ciberday: "E-commerce plays an important role as a sales platform for MSMEs"

The authority said it is necessary to strengthen the ecommerce as a marketing channel for entrepreneurs, and Sernac is monitoring the development of Ciberday. He also reported that during the second half of 2015, the banking sector accounted for 39% of total claims of the financial market, where consumer loans (19%), current accounts (17.5%), and cards credit (12.8%), products focused more consumer complaints.

As an excellent electronic sales tool for micro, small and medium enterprises (MSME), called the Minister of Economy, Development and Tourism, Mr. Luis Felipe Céspedes , the initiative that develops during the day, called "Ciberday".

*"E - Commerce or ecommerce plays a very important to give you the opportunity as a sales platform for micro, small and medium enterprises (MSME) role, "* said the authority who stressed the importance of strengthening this initiative.

The statements were made in the company of the National Director of Sernac, Ernesto Muñoz, in the context of delivering a ranking of claims to financial institutions, which coincides with the completion of Ciberday.

The Secretary of State said that since the Sernac will be monitoring the operation of Ciberday, but remembered that people can report any irregularities and violation of consumer rights through the channels of assistance Sernac, who will attend your request.

He also made a call to speed up the discussion of Bill Sernac found in the Economy Committee of the Senate, but also stressed that the draft Competition Act will be voted on soon by the Chamber of the Senate, and be ready to its third legislative procedure, which means a breakthrough in the fight to strengthen consumer rights.

### Ranking of financial performance

The authorities released the ranking of bank behavior by Sernac, which aims to show the response rate of the institutions regarding claims filed by consumers.

Céspedes Minister said, *"This ranking allows us to ratify the priorities on the agenda of the Government in that decisive progress in the delivery of information to consumers, to strengthen their rights and the need for providers to give them answers its customers against claims"*.

According to the study, during the second half of 2015, the Service received 24,491 claims against financial market, of which 9,547 (39%) corresponded to the bench. Of these, the most sought financial products were consumer loans (19%); current accounts (17.5%); and credit cards (12.8%).

According to the data Sernac the study found, the highest rate recorded claims the BBVA, with 16.54 complaints per 10,000 debtors. It was followed Consortium (14.47) and Banco Ripley (12.67). Meanwhile, the entities that showed better behavior were Banco Bice (3.22), followed by Banco Internacional (14.47) and Banco Itau (4.20). As for the analysis of responses increased positive responses, from 58.4% in the second half of 2014, to 62.1% in the second half of 2015. While emphasizes that unfavorable or unanswered down from 41.6% in the second half of 2014, up 37.9% in the same period of 2015.

*"We hope that when consumers have a problem, claim. That's why we have the bill strengthening Sernac in Congress, through which the lives of consumers will be simplified by forcing companies to respond quickly and clearly. Sernac ensure that this is accomplished,"* said Mr. Céspedes.

In that sense, the Bice Bank recorded the highest rate of complaints responded unfavorably, with 58.33% of complaints, while BBVA was the bank that received the lowest rate, with 13.32%. Meanwhile, Banco Itau shows the best performance, because it has a low rate of claims and a low percentage of unfavorable response compared to other results.

The National Director of SERNAC, Ernesto Muñoz, explained that the ranking of the banking sector is important because it helps transparent behavior that companies have when they receive a complaint from a consumer. *"It's a minor point, because companies generally focus their resources on trying to attract new customers, but not always invest the same in deliver quality service when people have contracted their services,"* he said.

## GHANA



### Ghana Is The Safest Investment Destination – Ambassador Mr. Smith

Peace and stability, the two most important essentials every investor look out for is what Ghana is offering investors who are contemplating investing in Africa; His Excellency, Lt. Gen. Joseph Henry Smith, Ghana's Ambassador to the United States assured Business Executives and Investors in New York on Saturday( May 21, 2016).

Ambassador Mr. Smith was speaking at a two-day summit "Bridge to Africa Economic Summit" in New York to explore Investment Avenues in Africa and bring participants up to speed with the latest trends in various industries and markets on the continent. The summit was attended by high-profile experts and business leaders from Africa and U.S. The event brought together investors, trade experts, entrepreneurs, manufacturers and industrialists (Small and Medium Scale) to network, market their businesses and brainstorm on the way forward.

Presentations were made by His Excellency, Lt. Gen. Joseph Henry Smith, Ghana's Ambassador to US, Congressman Mr. Eliot Engel, Ranking member of on the House Foreign Affairs Committee, Mr. Timothy H. Marshall, President/CEO of JBRC, INC, Ms. Ruth Hassell-Thompson, New York State Senate and Mayor Mr. Richard Thomas, City of Mount Vernon, New York.

Ghana, Ambassador Smith said, for 25 years, has been stable and peaceful after seven uninterrupted elections since 1992, hence the international community's recognition that the country is a model of democracy on the African continent. He said the country is endowed with abundant natural resources which continue to attract the attention of global business magnates into all sectors of the Ghanaian economy.

He named a few as Gas and oil, hydropower, fruit and vegetable farming, food processing which including fish canning, production of agro chemicals, pharmaceuticals and IT. Ambassador Smith said the government's on-going privatization initiatives have also opened up a number of sectors for new business partnerships and investment, notably the Banking, Finance, Insurance and Telecommunication sectors.

On energy sufficiency, he said the government is determined to make Ghana the industrial hub of the West African sub-region and hinted that Ghana would be adding 5,000 megawatts to its power distribution by the end of 2017. This, he said, would create a sub-region self-sufficient with energy and also create a political climate considered very vital for any investor looking for investment destination in Ghana.



## **HUNGARY**

### **Hungarian Chamber of Commerce and Industry signs cooperation agreement with China Council for Promotion of International Trade**

The Hungarian Chamber of Commerce and Industry (HCCI) signed a cooperation agreement with the China Council for Promotion of International Trade (CCPIT) at the Hungarian-Zhejiang Investment and Trade Forum in Budapest on Thursday (May 26, 2016).

At the Forum, the Ministry of Foreign Affairs and Trade's Parliamentary State Secretary Mr. László Szabó highlighted: *"China is important to Hungary. Hungarian export dynamics are outstanding, with an increase in exports of over 20 percent last year to one of China's most important provinces, Zhejiang. The business forum provides an opportunity to establish the highest possible Hungarian economic presence in China"*. The parties would like to not only increase exports of Hungarian goods, but also technologies, and there are already many examples of mutually beneficial trade contracts, he added.

Mr Szabó also mentioned that the Hungarian Government has striven to establish an investor-friendly environment and has reduced corporation tax. Major investments can achieve levels of tax as low as 10 percent, from which they can receive an 80% exemption during the first ten years of operation. Hungary's policy of opening towards the East is in harmony with China's "One Belt - One Road" programme and personal meeting facilitate opportunities for business development, he noted.

The development of financial relations is indicated not only by the Eastern and Central Europe regional centre opened in Budapest by Bank of China last year, but also by the State of Hungary's Renminbi bond issue this year, which was oversubscribed by 250 percent, he added.

The modernization of the Budapest-Belgrade railway is the first development project of the One Belt - One Road programme and also the largest ever European investment by the Chinese Government, Mr. Szabó said.

## INDONESIA



### Signing-Indonesia Cooperation Program UNIDO Country Programme 2016-2020

Minister of Industry Mr. Saleh Husin with Director General of UNIDO Mr. Li Yong signed a cooperation program UNIDO-Indonesia Country Programme 2016-2020 at the Ministry of Industry, Jakarta, Monday (May 16, 2016). Kerjasama includes 13 projects with a value of USD 40 million or equivalent to Rp 528 billion, with reference to the rupiah against the US dollar to Rp 13,200.

*"Currently, five projects are underway and already cost about Rp 230 billion or USD 17.48 million. Meanwhile, eight other projects will be developed,"* said Minister of Industry. Five projects include capacity building programs the fishing industry, the efficiency of energy use in the industrial sector, the introduction of industrial waste management, resource efficiency and cleaner production, and utilization of renewable energy.

Looking ahead, the eight projects that will be developed that increase in value-added production of seaweed in Sumenep, East Java; increased production of soybean industry to meet the nutritional needs of the people of Indonesia; promote energy efficiency in small and medium industries in Indonesia; the introduction of Best Available Techniques (BAT) and Best Environmental Practices (BEP) in the thermal heating process in the metal industry in Eurocopter South East Asia (ESEA).

UNIDO Director General Li Yong said Indonesia was able to maintain positive growth, even during the years of the global financial crisis that is when the economy most developed countries has decreased. "Based on the report of UNIDO, Indonesia managed to reach the top 10 countries in the world manufacturing industry or the top ten manufacturers of the world," he said.

## INDIA



**Finance Minister: India is improving in ease of doing business index and recent initiatives like insolvency and bankruptcy code will facilitate improvement in ranking of the country;**

The Union Minister for Finance, Corporate Affairs and Information and Broadcasting Mr. Arun Jaitley said India is improving in ease of doing business index and recent initiatives like insolvency and bankruptcy code will facilitate improvement in ranking of the country.

Mr. Jaitley was delivering the Annual Day lecture on "Competition, Regulator and Growth" here today on the occasion of the 7th Annual Day function of the Competition Commission of India ('the Commission').

Addressing the gathering from the judiciary, bureaucracy, regulatory authorities, chamber of commerce, industry leaders, academia and experts, Mr. Jaitley emphasised the role and importance of competition in stimulating growth and increasing welfare.

The Finance Minister Mr. Jaitley said that competition is important for promoting innovation, efficiency, new technology, price competitiveness, quality of products & services and increasing consumer choice. He said that competition is the heart of the market economy. He cited advantages of competition in various sectors of Indian economy such as telecom, automobile, banking, insurance etc. He also pointed that with the advent of ecommerce the most significant thing that has happened in India, is increased consumer choice and price competitiveness.

The Finance Minister Mr. Jaitley said that Socialism per se is anti-competitive as it promotes state monopoly and monopoly is not in consumer interest. While comparing sub segment of transport sector in India from competition perspectives, he highlighted the better quality of services in Civil Aviation as compared to the other segments wherein there is hardly any competition. Competition has also changed the international trade which is now guided by cost effectiveness and better quality.

The Finance Minister Mr. Jaitley also emphasized on the need of reducing entry restrictions and removal of exit barriers in order to enhance competition in the market. The economic environment should be pro-business with pro competition, else it may result in oligarchy. For the sake of fairness in the market economy, he advocated that regulators must have independence and accountability to provide level playing to participants in both public and private sector.

Mr. Jaitley concluded by saying that the fair competition would stimulate investment which create more jobs and promote growth in the economy.

Earlier, Mr. Devender Kumar Sikri, the Chairperson, Competition Commission of India in his welcome address gave a regulator's perspective of the Competition Act. He also discussed about the importance of modern competition law regime over the erstwhile MRTP Act. He talked about the responsiveness of the Commission to the stakeholders concerns as on the basis of their feedback, the Commission has amended combination regulations twice in the past one year. Mr. Sikri pointed-out the use of sound economic analysis and hard evidence in decisions of the Commission to ensure fair and consistent enforcement of competition law.

Speaking on the occasion, Honourable Justice Mr. G.S. Singhvi, Chairman, Competition Appellate Tribunal, who was the Guest of Honour, said that the power and duties conferred on CCI is enormous and need to be exercised carefully. He appreciated the role of CCI for developing a sustainable jurisprudence He also noted that competition law as a subject is gaining popularity in law schools.

The event concluded with a vote of thanks by the Secretary, CCI.



## JAMAICA

### Microcredit Bill Far Advanced

The draft Microcredit Bill, which aims to create an authority to regulate micro financing firms, is in an advanced state. This was disclosed by Minister of Industry, Commerce, Agriculture and Fisheries, Hon. Karl Samuda, at a Microfinance Institutions meeting, held at the Ministry's New Kingston offices on May 18, 2016.

He noted that the legislation will assist in the registration and regulation of micro-credit lending companies that provide financing to the Micro, Small and Medium-sized Enterprise (MSME) sector. The Bill will allow the entities to be licensed, while also providing measures for the protection of consumers.

Mr. Samuda said the Ministry is also finalising with the Ministry of Finance and the Public Service, the Offset regulations that will be provided under the Public Procurement Act which was passed in 2015. *"(This) will enable greater participation of the MSME sector in Government contracts,"* he explained.

Meanwhile, Mr. Samuda said the Government is placing greater focus on the development of the MSME sector, and has set a target of a minimum four per cent growth for the sector this year. The Minister noted that it is estimated that the sector worldwide will grow in the region of 10 to 15 per cent.

However, the Minister argued that if the sector is to grow, there will be a need for improved access to capital. *"That has been singled out by the International Monetary Fund as one of the single largest obstacles affecting the MSME sector. We are hoping that through our collaboration, we will be in a position to enable the sector to get the amount of working capital that is appropriate,"* Mr. Samuda said.

The meeting was another in a series by the Jamaica Association for Micro-Financing (JAMFIN), as it continues to pursue its mission to work for the growth of the micro-enterprise sector.

This will be done through the provision of accessible appropriate and timely financing, training and business development services to individuals and enterprises.



## JAPAN

### SMEA will Support Regionally -based SMEs in Securing Human Resources

SMEA will launch the Program for Supporting Regionally- based SMEs in Securing Human Resources under the FY2016 Budget. In this program, it will discover find human resources to meet the needs of regionally -based SMEs and small enterprises

from a variety of human resources ranging from young workers to women to the elderly of both genders, from both inside and outside the SMEs' regions, introduce such resources to SMEs, and support SMEs in encouraging fresh potential recruits to continue their careers.

In response to the program, the regional Bureaus of Economy, Trade and Industry will hold unique events depending according to on the current situation in each regions. Operating organizations, which have been selected through public invitation, will hold a variety of events across Japan, including joint explanatory meetings, and social exchange networking events for enterprises and training programs for fresh potential recruits to encourage them to continue their careers.

In addition, SMEA will also hold a model program of business matching events in which proactive regionally-based SMEs will meet city urban-based human resources prospective employees who are expected to it is hoped will play a leading role in such SMEs through business matching events. By doing so, SMEA will facilitate management innovation in the management of regionally-based SMEs as well as the revitalization of regional economies.

## LATVIA



### Government and investors agree on priorities to improve investment climate in Latvia

The participants of the 20th FICIL and Latvian government High Council Meeting agreed that this year's priorities are sustainable economic development, justice and the rule of law, the availability of workforce and education, and efforts to counter the informal economy. The participants of the 20th meeting discussed progress in the implementation of priorities so far and expressed their readiness to continue the dialogue in 2017.

In his opening speech, Prime Minister Mr. Māris Kučinskis welcomed the foreign investors' activities in Latvia and paid tribute to entrepreneurs who have trusted Latvia and decided to invest their money here.

The Prime Minister stressed that there was a clear principle for developing the Declaration of the Government – we should search for effective solutions for a more rapid but at the same time balanced development. The key principle of the Declaration is to ensure balanced annual GDP growth in the range of 5% in the medium-term.

Mr. M.Kučinskis emphasized that in order to implement the objectives of the Declaration, the government has clearly defined the priority action points for economic development - business environment, predictable tax system, development of an innovation platform, reforms in health care and education systems, demography, national identity and security dimension.

The Prime Minister remarked that the government will work to improve the attraction of foreign investment by creating a competitive investment portfolio and providing a holistic approach to servicing investment projects in public administration, as well as increasing the role of local governments in the process of investment attraction, ultimately leading to an increase in investment in the medium term by approximately 7 % annually. The government will also work to support SMEs and promote the international competitiveness of start-ups.

FICIL Honorary Chairman and PricewaterhouseCoopers UK partner Mr. Stephen Oldfield said, *“We expect strong leadership from the government and results in the field of good governance and the rule of law in Latvia; it’s time to move from words to deeds. The rule of law needs to be strengthened in Latvia and it has to become a policy priority and commitment of this government. There must be a clear signal to entrepreneurs and society as a whole. The enforcement and judicial authorities have to provide the resources that are necessary to implement it”*.

The Foreign Investors' Council congratulated the government of Latvia and its public administration on a decision of the Organization for Economic Cooperation and Development (OECD) - to invite Latvia to become its 35th Member State. The Foreign Investors' Council pointed out that the OECD recommendations have been a strong stimulus for a series of reforms and improvements which, in the long term, will contribute to the development and competitiveness of the Latvian economy.

When assessing the progress made so far, the entrepreneurs welcomed the determination expressed in the government's action plan - a more rapid economic development - GDP growth within a range of 5% per year starting from 2018. The entrepreneurs welcomed the government's efforts to improve the regulatory environment in Latvia and promote the transparent and predictable operation of the judicial system. The entrepreneurs believe that Latvia has made progress in the field of governance of state and local government capital companies.

The investors expressed satisfaction over the fact that the government was able to reduce the shadow economy, however, they also emphasized that the proportion of the shadow economy in the Latvian economy is still a serious obstacle that creates unequal conditions of competition and increases inequality in society.

The investors stated that Latvia needs to accelerate economic growth in order to achieve long-term growth and equivalency with the other EU and OECD countries in the near future. Latvia has to adapt to the challenges posed by the EU funds after 2020 through a timely investment attraction policy that focuses on strengthening competitiveness, innovative production and services, job creation and the diversification of the overall investment structure.

During the meeting, the participants also stressed that one of the challenges for Latvia is productivity and availability of workforce. To address this, there is a need to continue the concentration of human and financial resources through the intended administrative reform, and a need to optimize the education system by reducing the number of infrastructure units and improving quality.

The meeting was chaired by Prime Minister Mr. Māris Kučinskis and Stephen Oldfield, FICIL Honorary Chairman and PricewaterhouseCoopers UK partner.

The government of Latvia was represented at the meeting by the Prime Minister, Deputy Prime Minister, Minister for Economics, Minister for Justice, Minister for Health, Minister for Environmental Protection and Regional Development.

The Foreign Investors' Council in Latvia was represented at the meeting by senior management of the following companies: Cemex, Coca-Cola Company, DNB, EY, Eversheds International Limited, Fortum, Food Union, GlaxoSmithKline, Klasmann-Deilmann, Knauf, KPMG, Linstow, Mariner, MTG, Narvesen Baltija, Neste, NCH Advisors, Norvik banka, PricewaterhouseCoopers, Rimi Baltic, Powszechny Zakład Ubezpieczeń, SEB, SPI Group, Statoil Fuel&Retail, Stockholm School of Economics, Swedbank, TAV, Telia Sonera, Uralchem, Vitrol, as well as Chairpersons of 12 foreign chambers of commerce representing the United Kingdom, USA, Belgium and Luxembourg, Denmark, Estonia, France, the Netherlands, Norway, Finland, Switzerland, Germany and Sweden.

## MALAYSIA



### Malaysia Looks To Enhance Trade, Investment Ties With Chile

Trade and investment ties between Malaysia and Chile are set to be further enhanced with the start of a "Seminar on Business Opportunities with Malaysia" here today.

Organised by the Malaysian External Trade and Development Cooperation (Matrade), the seminar which showcases Malaysian products and services, has received an overwhelming response from the business community here with 150 participants.

Sharing Malaysia's success in managing its economy, Matrade Senior Director, Strategic Planning, Mr. Wan Latiff Wan Musa called on the Chilean business community to leverage on the existing Free Trade Agreement (FTA), signed between the two countries in 2012. He said they should also take advantage of Malaysia's competitive edge in terms of attracting Chilean businesses and investments and use the country as a gateway to enter and capture the ASEAN market. This follows the immense opportunities available to them following implementation of the ASEAN Economic Community.

"In 2015, Malaysia recorded US\$375.8 billion in total trade with a five per cent gross domestic (GDP) growth. *"Malaysia is a very open economy. The value of total trade is much higher than that of the GDP. We will continue with this approach in enhancing international trade, including with Chile,"* Mr. Wan Latiff said in his keynote address at the opening of the seminar.

He said Malaysia had a more diversified economic structure now, which establishes the foundation for future growth. *"Due to domestic and external factors, last year we record the five per cent growth and it was six per cent in 2014. Domestic demand will remain the key driver of growth led by private sectors spending,"* he added.

He noted that Malaysia's total trade with Chile in 2015 stood at US\$415.2 million. Total exports were at US\$222.8 million, and imports at US\$192.5 million. Mr. Wan Latiff said Malaysia's major exports to Chile were electrical and electronics products (photosensitive semi-conductor devices, diodes, and microwave ovens) worth US\$109.3 million.

Wood products comprising wooden furniture stood at US\$23.1 million, rubber products including rubber gloves, tubes, pipes and hoses, hard rubber & articles of rubber were worth US\$23.1 million. Chemicals & chemicals products, fertilisers, alcohols & phenols, soap, cleansing and polishing preparation came to US\$18.4 million.

Palm oil & palm based products comprising vegetable fat & oil, palm oil and palm kernel oil posted US\$109.3 million. The seminar here is the last leg of the trade and investment mission from May 14 to 27, to three countries, namely Peru, Mexico and Chile, and led earlier by the Minister of International Trade and Industry Mr. Datuk Seri Mustapa Mohamed.

Here in Chile, Mr. Wan Latiff is the Chief-de-Mission for the event and among others, includes one-to-one business meetings for participating Malaysian companies. He said the Malaysia-Chile Free Trade Agreement (MCFTA) is the first and only bilateral FTA between Malaysia and a Latin American country which came into force on Feb 25, 2012. He said Malaysia and Chile have agreed to progressively reduce or eliminate tariffs on respective industrial and agricultural products.

Upon coming into force, 90.2 per cent of tariff lines have a zero per cent tariff and by 2016, 98 per cent will fall into this category. Also present at the seminar was Malaysian Ambassador to Chile, Mr. Datuk Mohamad Rameez Yahaya, President of the Santiago Chamber of Commerce, Peter Hill and Trade Commissioner, Mr. Matrade Santiago, Ms. Noor Ezzwanee Ahmad. Mr. Wan Latiff said 12 business representatives from 10 companies are part of the trade mission to Chile.

The companies are IX Global Services Sdn Bhd (IT System Integration Services), Lite Bulk Sdn Bhd (Bulk Logistics), Mazsoni Global Sdn Bhd (Building Materials), Pitaberry Sdn Bhd (Health Beverages), Seni Daya Woods Industries (M) Sdn Bhd (Children's Furniture), and Star Medik Sdn Bhd (Medical Devices), Tamarind Furniture Sdn Bhd (Rubber wood furniture), VG Metal Technology (M) Sdn Bhd (Oil and Gas), VG Offshore Containers International (Oil and Gas) and UNIRAZAK, a financial Services provider for Sukuk (Islamic Bonds).

### **1st National SME Conference Recommends to Foster SME Specific Research Culture, Rs. 3 Billion Allocated for Research: Chairman HEC**

Speakers at the 1st National SME Conference have recommended to organize involvement of Industry and academic institutions to foster evidence based SME specific research culture aiming to accelerate SME Led Economic growth. The conference was arranged by the Small and Medium Enterprises Development Authority (SMEDA) today (May 25, 2016) in collaboration with University of the Management and Technology (UMT) at a local five star hotel. The inaugural session of the Conference was addressed by Prof. Dr. Mukhtar Ahmed, Chairperson, Higher Education Commission of Pakistan as Chief Guest. Whereas, the welcome speeches were delivered by Muhammad Alamgir Chaudhry, GM-Out Reach Division of SMEDA, Prof. Dr. Hassan Sohaib Murad, Rector, UMT and Dr. Shahid Amjad Chaudhry, Chairman, Association of Management Development Institutions Pakistan (AMDIP). Mr. Faheemul Islam, Member Planning Commission addressed the closing session as Chief Guest.

Dr. Mukhtar Ahmad, Chairman HEC, while speaking as Chief Guest of the opening ceremony, urged upon the stakeholders of SME sector to work in close cohesion, as no goal can be achieved while working in isolation. However, the productive collaboration should be based upon solid research, which is rare so far in the country, he added. He disclosed that to create a research culture in the country, HEC had allocated Rs.3 billion, which would be utilized to fund the research projects in the universities. He told that the global think tanks were playing a critical role in highlighting issues and proposing recommendations to develop hassle free business environment through research. But, in Pakistan, a culture of research has yet to gain the significance it merits, he said and appreciated SMEDA and UMT to hold 1st National SME Conference to encourage SME led research.

Highlighting efforts of HEC in this direction, Dr. Mukhtar Ahmed told that the Commission started with 59 Universities to promote higher studies and research in the country, the number has now gone up to 179 universities,, which are bringing out 800 research publications and 12000 journals in the country. However, he emphasized to conduct research projects able to leave development impact on the society.

Regarding SME sector, Chairman HEC observed that the SMEs in Pakistan were about 40 years behind the world. Research should also be made on technological up-gradation of SMEs in Pakistan. He told that to fill in this gap, NUST was going to set up two Technology Parks in Pakistan with the support of China. Similarly three research centers were being set up to conduct research on Energy, Water and Food Security, he added.

Earlier, Mr. Muhammad Alamgir Chaudhry, GM-Outreach Division of SMEDA, in his address of welcome, said that the Conference is a milestone in SME development as it has brought together SME stakeholders on a common forum. The

objective of the Conference is to strengthen SME led sustainable economic growth through SME focused research, in order to secure the attention of policy makers and to develop an environment where new enterprises flourish, he added and expressed deep gratitude to UMT, AMDIP and other partners to support the conference. He assured to make the National SME Conference an annual event and announced to hold the next Conference in March 2017.

Prof. Dr. Hasan Sohaib Murad, Rector UMT, in his address, said that the economic development in Pakistan needed a research culture integrated with the business and industry. He assured to link up the research to be conducted by his students with potential sector of economy like SME. He was confident that partnership of UMT with SMEDA would pave way for developing a need-based research culture and hoped that SMEDA-UMT collaboration would set an example of industry academia and private-public partnership for economic development of the country.

Dr. Shahid Amjad Chaudhry, Chairman AMDIP, in his address, acknowledged pivotal role of SME sector in the economy and assured of his fullest support to encourage all of the management development Institutions to join SMEDA as active partners to make the SME development dream true in Pakistan.

Mr. Faheemul Islam, Member Planning Commission of Pakistan, while speaking as Chief Guest of the Closing Ceremony, said that it was encouraging for the government to see the private sector, academia and international development organizations participating at a single platform-here at the 1st NSME conference. This collaboration has helped resolve several problems faced by SMEs and given valuable insight for both the policy makers and the stakeholders, he said and hoped that the papers that had been shared in the conference would assist the government in designing policies that support the creation of a robust and best practiced SME ecosystem.

The four parallel sessions each for research paper presentations and experts' presentations sessions were held between opening and closing ceremonies. The first, second, third and fourth Research Paper Presentations sessions were chaired by Dr. Mohammad Nishat, Associate Dean, IBA Karachi, Dr. Ehsan ul Haque Professor LUMS, Dr. Muhammad Mohsin, Director IMS, Peshawar and Prof. Talib Karim, Rector, Institute of Business Management, Karachi Respectively,

Similarly, the first, second, third and fourth sessions held parallel for Experts' Presentations were chaired by Mr. Abid Sherwani, President South Asian Triple Hilex Association (having Marvi Memon, Chairperson BISP and Mr. Rehmatullah Javed as guests of honor), Engr. M.A. Jabbar, CEO, Qaim Automotive Manufacturing Pvt Limited, Mr. Esam Alqarah, Country Representative UNIDO and Mr. Yousaf Naseem Khokhar, Secretary, Ministry of Planning, Development and Reform respectively.

This is noticeable that over 50 research papers from across 27 Universities were received, which had to undergo double-blind review to ensure transparency of the whole process and only selected papers were presented in the conference.

The Conference that brought together corporate professionals, government officials and highly acclaimed academics from all over Pakistan was supported by University of Lahore and AMDIP. The representatives from Ministry of Industries and Production, Planning Commission of Pakistan, Securities and Exchange Commission of Pakistan, State Bank, Private Banks, International Development Agencies (World Bank, Japan International Cooperation Association, Karaandaz, etc.), Private Sector Companies and many reputable Universities of Pakistan attended the conference in large number.



## SINGAPORE

### **SBF-led SME Committee to embark on more initiatives over the next two years to boost SME development**

The SME Committee (SMEC) today unveiled its work plan for its new term, with new initiatives and areas of focus to enhance the business operating landscape and boost SME development. Established in 2011, SMEC is entering its third term from 1 April 2016 till 31 March 2018. SMEC comprises 60 business leaders and key members from various trade associations and chambers (TACs) serving in the main committee and five sub-committees - Cost of Doing Business, Financing, Innovation, Internationalization, and Manpower and Productivity.

SMEC's advisors - Minister of State for Manpower Mr Teo Ser Luck and Minister of State for Trade and Industry Dr Koh Poh Koon - will exchange views with SMEC members and discuss how the business community and the Government can better collaborate to build a stronger ecosystem which facilitates growth.

#### SMEC Work Plan 2016 - 2018

For its third term, SMEC will continue making advocacy a key priority, and work towards introducing more initiatives to address concerns raised by local enterprises. It will spearhead projects in areas such as building SMEs' human resource capabilities, empowering smaller companies to internationalise and collaborating with the Government to ensure that compliance costs are manageable for businesses.

The Committee's ongoing efforts in putting forward recommendations for the Singapore Budget annually, enhancing and promoting the Fair Tenancy Framework (FTF) and boosting SME participation in government procurement will continue.

Some specific projects to be undertaken by SMEC impacting enterprise development include:

- Data collection and information gathering to monitor SMEs' health in the midst of transformation as well as assess the effectiveness and relevance of government assistance schemes
- Continuous review of government assistance schemes
- Enabling more SMEs to participate in government projects through the government procurement framework;
- Enhancing the FTF for greater relevance to businesses and landlords;

- Reviewing the impact of over-regulation on compliance costs
- Submitting a recommendation on instituting a single agency overseeing innovation to encourage and equip more SMEs to participate in research and development;
- Facilitating the formation of strategic alliances, including partnerships, joint ventures, consortium formation and mergers and acquisitions (M&A) among SMEs for internationalization; and
- Identifying the types of shared services to aid SMEs' productivity drive and educating SMEs to leverage these platforms.

Mr S S Teo, Chairman of SBF, said, *"SBF has made good progress as a voice of our small businesses over the years. As our SBF-led SME Committee moves into its third term, we are committed to adding more value to the business community, particularly our SMEs, with new initiatives to address specific concerns that they have raised. SMEs form about 70% of SBF's member companies and they are a key pillar of our Singapore economy. SMEC remains a key platform to advocate SMEs' issues, boost their development and enhance their capabilities. We look forward to continue working closely with the business community and the Government to support long term business and economic growth for Singapore."*

Mr Lawrence Leow, Chairman of SMEC, said, *"Concerns over a slow-down in China, the world's second largest economy, the deepening debt crisis in Europe and the lack of clarity on how the world's largest economy the United States will fare, have all culminated in the depressed market and subdued investors' confidence today. Intensifying competition from regional and global players further exacerbate the challenges facing our local enterprises. The SMEC will play an active part in helping local enterprises ride this storm, through the implementation of initiatives targeted at raising their capabilities and enhancing their competitiveness. We will continue to engage the government through dialogues and recommendations to assist our local enterprises so that they remain relevant to the government's growth strategy and continue to serve as a key pillar of our economy."*

Mr Melvin Tan, Vice Chairman of SMEC, said, *"Although we see pockets of recovery in a few sectors, general business sentiments remain largely negative due to an expected prolonged period of slow growth, coupled with other factors such as shortage of suitable manpower, rising business costs and increased competition from regional markets. While these challenges presented are not new, they are more pronounced during a period of slow to no growth. Businesses are saying that they require help in certain specific areas. The SMEC has heard the concerns of businesses, and we will not only continue to engage the government in dialogue, but also attempt to take concrete measures to address some of these pressing concerns. This includes taking a closer look at the overall regulatory regime, and to assess the impact this is having on compliance costs."*



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.**

WASME's fortnightly SME e-Bulletin "**WORLD SME UPDATE**" aims to keep abreast its readers with latest information on various developments taking place in SME sector around the globe. If you have any news/ information on the issues related to Government policies & programs and latest developments in the SME sector i.e. technology and innovations, success stories, case studies, research and methods, planning and programmes, training and developments, finance and management, and marketing that you would like to share with the world SME community, please do send those to us at.

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.

**Editor, World SME Update**

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