



# World SME Update

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

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## ALGERIA



### Promotion of renewable sources, the bill introduced in Parliament

Minister of Energy and Industry Mr. Damian Gjikhuri today (December 6, 2016) presented before the Parliamentary Committee on Productive Activities of the new draft law on "Promotion of Use of Energy from Renewable Sources".

This law will contribute to enhancing security of supply, the use of all national resources and opportunities for energy production for personal use or family for production and service needs. In the context of new developments to creating an open and competitive market, through this law addresses all the rules and relationships for a broad participation not only in domestic market but also regional.

The law provides for the implementation of the scheme for investment incentives the creation of new sources of energy from wind and sun. Small projects of renewable energy which are authorized by the Ministry to facilitate the procedure, which consists in the ability of small companies or households, the total installed capacity for electricity generation from wind or sun under 500 kW. For these categories of customers must be equipped with a bi-directional meter, which generate a part or all of the energy required for their needs and that can inject the excess energy produced in the distribution network.

Support for producers of electricity priority can be given nëpërmjet a competitive bidding process. Support will be in the form of a reward for achieving certain price membership, as additional reference price of membership.

Manufacturers prioritize agencies who took shit-have signed contracts to purchase of electricity, before the entry into force of this Law shall enter in the organized market of electricity, in accordance with the schedule provided in the Model of Electricity Market.

Manufacturers of heat hand renewables will be responsible for balancing production in accordance with the program adopted in accordance with market rules and procedures relevant that will be adopted by the ERE, conditions that do not apply for manufacturers with capacity installed at of less than 2 MW, or of demonstration projects, in addition to cases of electricity produced by the

construction of wind energy, where the exclusion applies membership of installed capacity of electricity of 3 MW or production of 3 compartments.

Contracts for difference provided for remuneration ndryshueshëm, Chat calculated as the difference between the price at which the producer of renewable energy is awarded in a competitive process for granting aid (price default) and the price of the construction market of electricity (price reference). Council of Ministers approves the procedure for organizing competitive bidding procedure for the provision of support to producers of energy priority.

The bill provides financial support on the basis of a contract for difference, without any tendering process for plants with installed capacity of electric power less than 2 MW, or for demonstration projects.

Financial support for the power unit does not exceed the difference between the total costs of power generation unified technology in question and the market price, or the total costs of the unified energy production may include a return to normal on the capital.

Financial support for renewable energy producers will be given to the full vetëshlyerjen plant, in accordance with the accounting rules and any investment aid previously about taking charge. Contracts for difference will have a maximum duration of 12 years.

The law provides operator Renewable Energy which is the Market Operator and will be funded by the obligation placed on all final customers of electricity for the promotion of energy from renewable sources ("obligation of energjinë Renewable"), based electricity measured and used by end-consumers. The operator of renewable energy, based on bilateral contracts with any electricity supplier will bill and collect payment for "renewable energy obligation". In this context, ERE will approve the procedure and determine compensation "of renewable energy obligation" to be paid by consumers of electricity, on an annual basis.

On network access it is one of the current barriers. The law provides further convenience in order to connect to the network of electricity from renewable sources has to do with a network connection to these resources. TSO and DSO ensure the transparent, non-discriminatory and based on tariffs approved and published by ERE network connection.

## ARMENIA



### BSTDB Expands Financing of the SME Sector Development in Armenia

The Black Sea Trade and Development Bank (BSTDB) provides a USD 10 million SME Loan to the Armenian ACBA-Credit Agricole Bank. The four-year loan will be used by ACBA-Credit Agricole Bank to finance specific projects or investment programmes for the creation, modernisation and expansion of industrial,

agricultural or service-related facilities of small- and medium-sized enterprises (SMEs) in Armenia.

*“This fourth loan agreement with ACBA-Credit Agricole Bank will further enhance access to longer-term financing for Armenian small businesses. The financing will contribute to the SME sector development, which is BSTDB’s strategic priority in Armenia supported by the Government. Our successful cooperation with ACBA-Credit Agricole Bank allows to reach out to a growing number of Armenian enterprises promoting job creation, income generation and multiplier effects for the economy” - said BSTDB President Mr. Ihsan Ugur Delikanli.*

Since 2006, BSTDB provided Trade Finance and SME finance facilities to ACBA-Credit Agricole Bank totaling USD 33 million. Since the beginning of its operations in 1999, BSTDB’s cumulative financing to support the Armenian SME sector development provided through local banks amounted to about EUR 100 million.



## **BELARUS**

**The Government of Belarus, Vnesheconombank, Russian Export-Import Bank, the Development Bank of Belarus and the Bank BelVEB signed a memorandum of intent to establish an integration development platform**

The Government of Belarus, the State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)', the Development Bank of Belarus, the State Specialized Russian Export-Import Bank and the Bank BelVEB 8 December signed a memorandum of intent to establish an integration development platform.

The document was signed during a meeting of the First Deputy Prime Minister of Belarus Mr.Vasily Matyushevsky with Vnesheconombank Chairman Mr. Sergei Gor'kov.

The Memorandum provides for the formation of the list of investment projects of the two countries that have a high potential for integration and effective use of existing and new instruments to finance their implementation. Work will be performed in the field of improvement of the legislative framework governing the integration process. It envisaged a more complete use of the financial and economic capacity of the Union State for the development of the economic integration of Belarus and Russia, including the formation of stable cross-industry clusters targeted for export to third countries.

First Vice Premier of Belarus said that the work of the platform will be carried out in several directions - that support mutual exports between Russia and Belarus, and, most importantly, mutual support for exports to third countries. *"Together we can find a new growth point for the ongoing development of integration processes in the Union State"*, - said Mr. Vasily Matyushevsky.

In turn, Chairman of Vnesheconombank noted that the establishment of an integration platform will help the joint product of Belarus and Russia to enter the markets of third countries. *"Our task - to create a platform where we could increase exports not only between Russia and Belarus, but also to go to third countries with the*

joint production Thus, this platform allows you to increase the volume of exports and, most importantly, to create synergies, to unite all participants. In this process, innovative ideas, "-. said Mr. Sergei Gorkov.



## CHILE

### Government launches Construye 2025 program to boost the construction sector

With the aim of generating greater economic growth for the country, President Ms. Michelle Bachelet, together with the Minister of Economy, Development and Tourism, Mr. Luis Felipe Céspedes; The Minister of Housing, Paulina Saball and the Executive Vice President of Corfo, Eduardo Bitran gave today we go to the Program of Productivity and Sustainable Construction, Build 2025, an initiative that aims to improve productivity in the construction industry and transform it into a referent on an international level.

The president who came to the company Baumax in Lampa, stressed that the Government believes in the existence of sectors that although they are no longer so relevant in terms of activity or generation of employment, they can expand and contribute to development.

*"We wanted to present the road map 2025 of the strategic program of productivity and sustainable construction, making it clear that the opportunities in this sector are not science fiction or something distant, but have the same solidity as the blocks of reinforced concrete,"* said President, who assured that these initiatives will have a sustained application in the time.

One of the challenges we have as a country is to increase our levels of growth, but that growth is sustained and inclusive. With this program we move in that direction. When we talk about increasing productivity we are, for example, talking about lowering the costs of manufacturing houses, so we are raising the quality of life of citizens.

"Construye 2025" seeks to incorporate sustainability as an additional competitive factor to optimize the value of real estate assets, reduce operating costs, improve access to better standard buildings, and generate associated knowledge for a global market, strengthening the value chain, In a sector that represents around 7.6% of the Gross Domestic Product (GDP), grants 8.5% of the employment and represents 15.1% of the total investment of the country.

Today the construction sector has a low productivity due to coordination and planning failures, low standardization and industrialized prefabrication, as well as poor preparation of human capital. In order to tackle this problem, the Transforma program was created with the joint vision of the public, private and university sectors, which already has seven road maps to transform the country productively.

*"We have worked with 1,250 companies through Corfo in the preparation of these roadmaps, 37 public institutions, 245 academics, and 420 communities. We have*

*materialized 250 projects associated with the development of prioritized sectors,* "said Minister Céspedes.

With the 15 measures of the roadmap of Construye 2025, it is sought to generate a more productive industry by reducing production costs by 20%; Increase sustainable buildings by 20% and reduce CO2 emissions by 30% by 2030.

The initiatives included in this roadmap include: BIM Plan (Building Information Modeling); Technological Center of R + D + i for the Construction; Prefabrication and industrialization of housing; Training, certification and registration of human resources; Public databases of information on prices, quality and sustainability; DOM online; Waste management of construction; Export services and products; Water efficiency in construction; Use of NCRE in buildings; Promotion of sustainable buildings; Development and updating of sustainable standards and certification; Standardization of measures (parts and pieces); Financing green mortgage loans and insurance coverage and modernization of contractual frameworks.

Construye 2025, is part of the Transforma Program, which aims to improve the productivity and competitiveness of the country.

## DUBAI



### GCC steps up efforts to improve SME ecosystem

With the oil price slump creating a \$275 billion export shortfall for GCC countries, regional governments are prioritising economic diversification and increasingly focusing on the development of the small and medium-sized enterprises (SME) sector.

A new report by Bloovo.com shows that SMEs provide economic impetus across two axes. First, they add directly to national gross domestic product (GDP) through business activity. SMEs account for 30 per cent of the UAE's GDP, 28 per cent of Bahrain's and 22 per cent in Saudi Arabia. Kuwait's GDP is 20 per cent composed of SMEs activity, with 17 per cent of Oman's GDP generated by the sector.

Second, SMEs are essential engines for job creation to keep pace with a growing - and increasingly young - national population. With the public sector operating at capacity, new jobs will need to become the preserve of the private sector. SMEs currently employ around 17 million people in the GCC, but this figure could rise to 22 million under a best-case scenario modelled by Bloovo.com.

"Supporting the creation and growth of SMEs is very much in the spotlight as GCC countries evolve economies less reliant on energy prices. And while regional governments have been active in creating an SME ecosystem, our report identifies key areas that still need support. Moving to an SME-oriented knowledge economy is the best way for GCC countries to maintain progress towards social and economic goals," says Bloovo.com CEO and co-founder, Ahmad Khamis.

Creating an effective SME ecosystem requires time, investment and regulatory optimisation. Fortunately, GCC countries have been cognisant of the importance of SMEs for a while and are accelerating programmes already in place. For instance, the UAE established Federal Law No 2 of 2014 to categorise SMEs, establish a dedicated council and determine incentives to be offered to small business owners.

Dubai SME, the agency set up by the Department of Economic Development, has been very active in supporting SME creation. It has to date assisted around 11,000 entrepreneurs through its development advisory services, has incubated 300 start-ups and engaged with 4,000 students through its 'Young Entrepreneur Competition' to launch 1,200 projects.

However, more remains to be done. Bloovo.com report identifies four crucial regulatory arcs to facilitate SME growth. First, there is an argument to create funds dedicated to get SMEs off the ground and make up for the shortfall of conventional bank financing. Apart from subsidised financing, funds and incubators could also deliver mentoring and support to increase chances of business success.

Second, company formation laws should be tweaked to offer greater flexibility and allow greater foreign ownership to attract FDI and international innovators. Third, a focus on commercialising intellectual property would help companies turn ideas into revenue streams - with the public sector playing a facilitative role in helping SMEs file for international patents. Finally, proactive action is required to make SMEs an essential part of critical supply chains. SMEs can be made first-preference suppliers for government contracts, for instance.

## EGYPT

### Minister of Trade and Industry, the Council of Ministers approves a draft decision to create a device for the development of small and medium enterprises



*The Board of device management, headed by the Minister of Trade and Industry and the Board of Trustees, headed by Prime Minister Mr. M. Tariq Cain: The machine will eliminate the multiplicity and duplication of competencies and achieve integration among stakeholders will include small businesses and medium-sized enterprises and study the policies and strategic plans and legislation for funding at the head of the terms of reference device status. The machine will overhaul the Social Fund for Development and includes a number of stakeholders SMEs ministry*

Mr. Tarek Kabil, Minister of Trade and Industry announced that the Council of Ministers approved during its meeting this morning (December 6, 2016) on the draft resolution submitted by the Ministry of Trade and Industry on the establishment of device for the development of small and medium enterprises, which is scheduled to include under its umbrella a number of the ministry concerned authorities SMEs activities.

The minister said that the new device will have a board of directors chaired by the Minister of Commerce and Industry and member of a number of specialists

involved with the system and the small and medium enterprises, pointing out that it will be the formation of the Board of Trustees of the device under the chairmanship of the Prime Minister and the membership of concerned ministers.

He explained that the creation of this device will contribute to the elimination of entanglements list in the work of these bodies and duplication of functions which will provide an opportunity for the implementation of the ministry's strategy for the advancement of this vital sector, which represents a fundamental pillar in the structure of the national economy, pointing out that the device Sechts develop and study the policies and strategic plans and legislation private finance and entrepreneurship and to provide non-financial services which will require a restructuring of the social Fund for development, which is a key focus of the work of the new device, and without prejudice to the status of workers.

He pointed out that the device can proceed with its powers directly or through what is established by the companies or through NGOs or labor initiatives in this area, as well as develop the necessary programs for the advancement of this sector of the projects and the rules and conditions of use them including:

- Developing the capacity and skills of human resources in these projects and to link and integrate the supply chains of these projects and the development of skills in the field of marketing at home and abroad as well as capacity development in the field of research and innovation and development, as well as financing and feasibility studies areas

Minister of Trade and Industry said that the terms of reference of the machine also includes facilitation of collective bargaining for the provision of raw materials from good sources most suitable prices for these projects and encourage them to export their products abroad by providing opportunities for financing and incentives for the participation of these projects in the presentation of their products foreign exhibitions, contributing to a market and feasibility studies and made available for these projects to facilitate the access of these projects the necessary funding to start a business and to increase its capital, this as well as work with the relevant stakeholders to facilitate the termination of the proceedings needed to start the activity of these projects and develop the necessary coordination between the device and between the actors and initiatives working in this field, as well as controls and permits the establishment of a database of industrial projects, medium, small and micro-entrepreneurship and making information available to all parties concerned with the development and the development of these projects along with the development of incentive systems for industrial projects, medium, small and micro and Entrepreneurship and publish a statement of services provided by the device to these projects.

The terms of reference included the need to communicate with the device all the initiatives undertaken by the authorities, government agencies and NGOs, relevant and to propose draft laws and regulations needed to achieve the goals of the machine in terms of medium and small industrial projects and the development of micro-entrepreneurship.



## INDIA

### Cabinet approves MoU between India and Afghanistan on Cooperation in the Peaceful Uses of Outer Space

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its ex-post facto approval to the MoU between India and Afghanistan on cooperation in the peaceful uses of outer space.

The MoU envisages cooperation between the two countries for application of space technologies in education, agriculture, weather forecasting, telecommunications, rural health, sanitation, urban development, resource mapping navigation, remote sensing and any other areas mutually agreed upon.

The MoU will benefit both countries in the following manner:

- Development of space sector in Afghanistan;
- Burnish India's credentials as a nation with advanced space technology, one that can also assist other countries;
- Afghanistan will move towards self-reliance in the space sector;
- Help deepen bilateral ties and mutual understanding and trust between India and Afghanistan;
- Provide India with a foothold in Afghanistan's strategic space and communication sector.

Further, the MoU will boost high-tech jobs in the two countries in both core Science & Technology and R&D fields, and also the field of implementation. With ushering in of the era of mobile and internet-based applications and commerce, better communication and internet connectivity will boost creation of jobs in diverse fields.



## IRELAND

### Investment Plan for Europe: EIF and the SBCI sign an agreement to provide EUR 100 million for Irish SMEs

The European Investment Fund (EIF) and the Strategic Banking Corporation of Ireland (SBCI) have signed the first COSME agreement in Ireland. This transaction is guaranteed by the European Fund for Strategic Investments (EFSI), the heart of the Investment Plan for Europe.

The COSME EFSI counter-guarantee agreement will allow SBCI to support EUR 100 million of loans to small and medium-sized enterprises (SMEs) in Ireland over the next three years. The loans will be provided as a result of a guarantee from EIF under the COSME programme with financial backing from the European Commission. The agreement will make it possible for SBCI to support additional attractive loans to around 2,000 SMEs through risk sharing initiatives.

Commenting on the signature, EIF Deputy Chief Executive, Mr. Roger Havenith said: *"SMEs continue to be drivers of economic growth in Ireland and the agreement signed today will help to create jobs and new opportunities in the country. Via its on-lending banks, SBCI will be able to provide EUR 100 million to over 2,000 SMEs in Ireland. I am also pleased to be in Dublin for the opening of the EIB Group Irish office today, which confirms the commitment of the Group to Ireland and the local Irish SME market"*.

European Commissioner for Agriculture and Rural Development, Mr. Phil Hogan, said: *"Supporting SMEs is a key element of our strategy to boost jobs and growth, particularly in rural areas. Today's agreement with the SBCI shows that the Investment Plan is playing a crucial role in delivering new financing solutions for smaller Irish businesses, allowing them to expand and create jobs. I hope that the EIB Group's decision to open an office in Dublin will facilitate many more such agreements in the months and years ahead, especially in the agri-sector."*

SBCI CEO Mr. Nick Ashmore said *"Today's signing marks an exciting new phase for the SBCI enabling us for the first time to bring new risk sharing products in the form of guarantees to the Irish market. It will help us deliver the Agriculture Cash Flow Support Loan Scheme in early 2017 and crucially it will allow us to develop new ways for SMEs to get easier access to finance"*.

EIF Deputy Chief Executive, Mr. Roger Havenith, arrived in Ireland today to sign the new EFSI agreement with SBCI and to attend the opening of the EIB Group's Irish office in Dublin. The EIB Group supported the launch of SBCI in 2014 and the opening of the new office will now give local entrepreneurs a direct contact point in Ireland for EIF and EIB financing solutions. Entrepreneurs will be able to access finance directly from SBCI's on-lending banks in Ireland.

## JORDAN



### **Industry and Trade" to expect the establishment of a project document to support innovation and technology centers**

The Ministry of Industry, Trade and Supply / Industrial Property Protection Directorate and in cooperation with the World Intellectual Property Organization (WIPO) and the establishment of a project document to support innovation and technology centers (TISC).

The project, which has been signed and the document by the Director of the Directorate of Industrial Property Protection, Ms. Zain Awamleh, to provide access to information and services to citizens with regard to the exploitation of the innovative potential and the development rights relating to intellectual property protection and management.

Under this project, these centers are working to provide services to local citizens include basic information about the laws and procedures for the protection of industrial property rights, especially those relating to patents, and within the services will provide information concerning the registration of patents and

research in databases to make sure Jeddah and innovative and portability of the patent to be registered industrial application.

As these services include training for local users on the use of technology databases, holding awareness workshops in this area. Sign a document of this project is to support innovation and technology transfer through local inventors and innovators come, leading to support local industries which have a positive impact on the national economy over the long term improvement in the domestic markets and the markets associated with the Jordanian market.

It is scheduled establishment of such centers to include all parts of the Kingdom with the participation of the private and public sectors, represented by a number of public and private universities, chambers of commerce and chambers of industry and fund scientific research, and others, will be the Ministry of Industry and Trade and Supply represented by the Directorate of Industrial Property Protection in collaboration with the World Intellectual Property Organization (WIPO ) to provide the necessary training to develop skills and abilities and technical support to the staff of these centers.

## **MALAYSIA**



### **Conducive Ecosystem Provided by Govt Has Nourished SMEs - Mr. Ahmad Zahid**

The development of Small and Medium Enterprises (SMEs) in Malaysia is well-structured and coordinated, due to the government's high commitment in providing a conducive ecosystem to promote growth and sustainability.

Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi said a sound institutional framework, clear policy plan, efficient delivery and facilitation of comprehensive, integrated programmes for SMEs, has been put in motion to develop SMEs into dynamic global players.

"The development of SMEs is a top priority under the 11th Malaysia Plan as Malaysia moves towards becoming a high-income economy. *"Efforts are being intensified to expedite implementation of the six High Impact Programmes (HIPs) and 26 other initiatives under the SME Masterplan, which are critical in meeting the set goals and targets,"* he said in his speech at the Enterprise 50 (E50) Award 2016 presentation ceremony here today( December 13, 2016).

Dr. Ahmad Zahid said despite the prevailing challenges from slower global economic growth and economic reforms in the domestic economy, the government is confident that SMEs will continue to be resilient and agile, rising to and above the challenges.

He said continuous proactive measures by the government to cushion the impact of the economic slowdown, together with Malaysia's steady domestic demand and stable employment market, are expected to help alleviate the downward pressures

on SME growth. "For 2016, SME gross domestic product (GDP) growth is projected to expand between five per cent and 5.5 per cent," he added.

In 2015, SMEs contributed 36.3 per cent to GDP from 29.4 per cent in 2005, while the share to employment rose to 65.5 per cent compared to 56.8 per cent. Meanwhile, SME exports have steadily increased over the years to 17.6 per cent, Ahmad Zahid said.

He said with all these key incentives in place for 2017, including the RM6.7 billion allocated for SME development in the Budget 2017, the entrepreneurial ecosystem is expected to be more vibrant, alongside an enhanced level of confidence.

The ongoing liberalisation, he said of the market place resulting from globalisation - including the formation of the ASEAN Economic Community (AEC) with a population of over 630 million people - will collectively lead to an expanded potential market for Malaysian SMEs.

*"This makes it even more crucial for SMEs to compete globally. In helping our SMEs grow and expand beyond borders, the government is taking imperative and progressive measures to intensify their internationalisation by enhancing global competitiveness and exports,"* he said.

The E50 is a prestigious award programme that recognizes the achievements of Malaysia's enterprising SMEs, which are well positioned for the future. A total of 50 winners were selected based on their financial capabilities, operations and management competencies, from among the nominations received. There were 1,355 companies of four and five-star score rating invited to be nominated, and of which only the top 50 were picked for their excellence.

All these companies had to undergo a stringent evaluation process, based on various parameters including management processes, innovation, market strategy, technology use, export revenue, investment in capital, training and also Research and Development.

Themed, "Celebrating Malaysia's Enterprising Spirit", the E50 Award is marking its 19th year since inception. The E50 Award has proven to be an invaluable public-private partnership initiative in showcasing Malaysian business success to promote the "Malaysian Brand" across the globe.

It is organised through close collaboration between SME Corp. Malaysia, Deloitte Malaysia and strategic partners such as MIDF, Telekom Malaysia and RHB Bank, with Media Prima and Malaysia SME as the media partners.

Despite the challenging economic environment faced by industry players today, this year's winner portrays promising business opportunities and sustainability, as 70 per cent of them have already penetrated foreign markets.

SME Corp. Malaysia believes the number will increase from time to time. This is in line with the government's agenda in promoting business internationalization for SMEs in Malaysia to achieve the desired 41 per cent contribution to GDP, 65

per cent in employment share and 23 per cent of exports as a high income nation in 2020.

A new category, the E50 Women Entrepreneur Award, has been introduced this year, with the aim of promoting women entrepreneurs as exemplary businesses. This year's top 10 winners were Exis Tech Sdn Bhd, Hexa Food Sdn Bhd, IX Telecom Sdn Bhd, Koyoko M P Sdn Bhd, MYCO2 Sdn Bhd, PRM Foods & Marketing Sdn Bhd, Sin Sing Coffee Sdn Bhd, Siti Khadijah Apparel Sdn Bhd, ST Tiew Dental Group Sdn Bhd and Top-Mech Provincial Sdn Bhd. The winners received the Enterprise 50 award trophy and certificate at the award dinner.

They will be automatically nominated for the Industry Excellence Award and the National Productivity Award and among others, be able to use the Enterprise 50 logo on their corporate collaterals, be featured in the Enterprise 50 homepage [www.e50.com.my](http://www.e50.com.my) and receive media coverage.

Also present at the awards ceremony was Second Minister of International Trade and Industry Datuk Seri Ong Ka Chuan, the Deputy Minister (Industry) Datuk Ahmad Maslan, Chairman of SME Corp. Malaysia Tan Sri Dr Mohamed Al Amin Abdul Majid Mohamed and Executive Director of Deloitte Malaysia, Datuk Mohd Nizar Mohd Najib.

## MALTA



### Chamber Signs Agreement with China Foreign Trade Centre

An agreement between the Malta Chamber and the China Foreign Trade Centre was signed today during a promotional event for the 121st edition of the China Canton Fair. The agreement is expected to provide a wider scope for collaboration between the two entities within a context of mutual benefit.

Addressing the event, Malta Chamber President Mr Anton Borg said the future of the world economy will depend directly on what China does or does not do. *"It is important to appreciate the changing nature of the role of the Chinese economy in the world. Since China's economic miracle, it has come a long way from its role as a high cost-effective manufacturer. Today, China is the world's biggest exporter and the world's second largest economy. Projections go as far as predicting that it is only a question of time before it will be the largest."*

Within this context, Mr Borg said that the healthy relationship between one of the world's largest countries and the European Union's smallest one brings mutual fruit to the table. *"Whereas Malta provides Chinese investment a unique entry point to two vast economic regions – the European Union and North Africa, Chinese investment in Malta in areas such as energy generation and mobile telephony is already providing new opportunities on our shores"* he said.

*"At the Malta Chamber, we have long recognised the importance of China. Through our Internationalisation Desk, we have regularly hosted events that shine a light on the*

*possibilities and opportunities that exist for trade between our two countries. However more room for collaboration remains and as a Chamber we are only too eager to explore new areas of cooperation such as the one belt, one road concept and bring interested parties closer together towards reaching successful goals” Mr Borg said.*

The 121st edition of the China Canton Fair offers the perfect window of opportunity for Maltese businesses to meet many suppliers in a relatively small space and a limited amount of time.

The event was chaired by Malta Chamber Vice President Mr Tonio Casapinta and addressed by Mr. Jiang Jiang, H.E. Ambassador of the People’s Republic of China to the Republic of Malta, Mr William Wait, Chairman of Malta Enterprise, Ms. Qiu Guangling, Economic and Commercial Counsellor of the Chinese Embassy in Malta and Mr. Ma Chunzhi, Vice President of the China Foreign Trade Center.



## **ROMANIA**

### **Romania’s participation in the OECD event launching the new "Small Business Act" assessment cycle for the Western Balkans and Turkey (2016-2019)**

On December 16, 2016 Mrs. Sorana Baciu, Secretary of State in the PM's Chancellery, in charge of the coordination of the relations with the OECD and development policies for the domestic capital, participated in Paris, in the launch of the new Small Business Act (SBA) assessment cycle of SMEs development policies in the Western Balkans and Turkey.

The event organized by OECD aimed at presenting the main stages of the SBA assessment for the period 2016 – 2019 and facilitating a functional and productive dialogue among various entities engaged in drawing up and implementing the SME sector’s development policies in the Western Balkan states and Turkey.

The second part of the event, devoted to the SMEs access to funding, was chaired by Mrs. Sorana Baciu, who also reviewed the main opportunities and challenges faced by SMEs in Romania in funding their current activity and the development projects. The debate focused on the need to enlarge the access of SMEs to financial instruments alternative to bank loans, such as: factoring, leasing, or venture capital.

Secretary of State Mrs. Sorana Baciu outlined the importance of the experience exchange among all involved factors in developing the SME sector, public or private, and the need to transfer the good practices from the states with already notable results in this respect to states with emerging economies. Mrs. Baciu deemed necessary a re-thinking of public policies in the sense of aligning them to a series of realities of the current business environment:

The main obstacles to the SMEs access to financing are the lack of managerial skills, the lack of basic financial knowledge and the poor awareness on corporate governance importance. At the same time, it is necessary to improve the regulatory framework in order to develop the non-banking financial instruments;

Creation of a stable and predictable business environment should always be a priority of the Government. The mentoring, consultancy and advising programmes can make a significant contribution to boosting the SMEs capacity to draw up and implement realist business plans and fundable projects.

Specialists with experience in funding instruments for the private sector (the Financial Supervisory Authority of Croatia, the Innovation Authority of Israel), SBA coordinators of the Western Balkan states and Turkey, representatives of the OECD, the European Commission, the European Bank for Reconstruction and Development, analysts and independent experts attended the event.

Romania's participation in this event represents a step forward in the accession process to the Organisation for Economic Co-operation and Development. On December 15, Mrs. Sorana Baciú had meetings with ambassadors of some OECD member states, with a view to promoting Romania as potential candidate state to the status of OECD member state.

The continuation of the efforts for Romania's accession to the OECD, initiated in the early 2000s, represented a priority of the current Cabinet ever since the beginning. Romania's intention to join this organisation was reiterated by Prime Minister Dacian Ciolos in June 2016, when he gave an address in the OECD Council meeting in Paris and had a meeting with the Organisation Secretary General Mr. Angel Gurría.

## ZIMBABWE



### Government working on improving ease of doing business: Mr. Chinamasa

The government will tighten laws to ensure that Zimbabwe is an investment destination of choice, Finance minister Mr. Patrick Chinamasa has said.

In his 2017 National Budget statement, Mr Chinamasa mentioned six laws that would improve the business environment, including the Movable Property Security Interest Bill, Companies Amendment Bill, Insolvency Bill, Judicial Laws (Ease of Settling Commercial and Other Disputes) Amendment Bill, Deeds Amendment Bill and Procurement Bill.

This follows very poor ease of doing business rankings, where Zimbabwe, this year, was placed 161 out of 189 countries. The indicators are used to analyse economic outcomes and to identify the reforms needed for a country to attract investors, such as the regulatory environment and policies.

*“Government has since undertaken an extensive review of the bottlenecks and challenges that have stalled progress in the advancement of ZimAsset objectives to generate both domestic and foreign direct investment into the economy,” Mr. Chinamasa said.*

*“This review has informed a raft of policy, institutional, legal and regulatory reforms that are expected to significantly improve the business environment, considerably enhance access to finance for small to medium enterprises (SMEs) and entrepreneurs, and contribute to making Zimbabwe an investment destination of choice.”*

Mr. Chinamasa said the Movable Property Security Interest Bill was meant to create a collateral registry, thereby permitting SMEs to use movable assets as collateral.

He said the Companies Amendment Bill would modernise the legal regime and enhance processes for business entry, business administration and protection of minority investors.

To ensure expeditious resolution of commercial disputes, Mr. Chinamasa said the government would introduce the Judicial Laws (Ease of Settling Commercial and Other Disputes) Amendment Bill.

*“A Deeds Amendment Bill will allow for electronic management of the Deeds Registry, and the government will make available the resources that will ensure effective implementation of the laws and the development of the institutions required to ensure consistent improvement of Zimbabwe’s business environment,” he said.*

Mr. Chinamasa said in 2017, the government would overhaul the business registration process in order to offer entrepreneurs prompt formal business entry and introduce financial sector infrastructure to permit the use of movable assets as collateral.



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/observer 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.

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