

Annex 4



APEC BUSINESS ADVISORY COUNCIL



27 August 2010

H.E. Masayuki Naoshima

Chair, APEC SME Ministerial Meeting &
Minister of Economy, Trade & Industry
Japan

Dear Minister Naoshima:

As the less than certain economic events in 2008/2009 and the economic volatility this year indicate a less than certain global recovery, ABAC believes that governments must concentrate their focus on Small and Medium Enterprises, including Micro-Enterprises (SMMEs), support policies.

Measures to improve SMMEs' access to fundamental resources such as Financing, Information Communication Technology (ICT) and Human Resources should be intensified as they are consistent with APEC's framework of balanced, inclusive, sustainable, innovative and secure growth.

Financial inclusion and access to capital remains a major challenge for SMMEs in the APEC region. In support of new and enhanced financial platforms focusing on inclusiveness, ABAC has written to APEC Finance Ministers on the recommendation to establish credit information and legal framework for secured lending.

Nurturing the innovative capacity of SMMEs and equipping entrepreneurs and SMME workers with adequate tools to grow their business continue to be a cornerstone of future economic growth.

ICT is an important tool through which SMMEs can achieve productivity gains and expanded market reach. Affordability remains a key barrier to ICT adoption by SMMEs and ABAC recommends that economies lower the cost in the telecommunications market through increased competition on affordable incentives to support SMMEs' further utilization of broadband services and ICT-related education.

Furthermore, to encourage innovation in SMMEs, ABAC suggests capacity building programs and policies that support the creation of an institutional mechanism for shared training facilities, and the establishment of "SMME market knowledge centers". These centers may include consultancy, organizing of overseas business missions and providing integrated market research data.

A longer-term goal is to design an education system that develops the skills and harnesses the drive of aspiring and emerging entrepreneurs at an early learning phase. To inculcate such shift, ABAC believes that SME Ministers should work with SMMEs and Education Ministers in prioritizing and developing a systematic education framework. In addition, ABAC urges the need to also provide access to programs that supports continuous training and life-long learning that addresses the development of business and the ever changing economic climate.

Lastly, ABAC is advocating the establishment of reliable indicators for the review of SMME support policies across the APEC economies. We believe that these indicators can be used as benchmarks on best practices in the APEC region to further enhance SMME policies.

Yours sincerely,


Gempachiro Aihara
ABAC Chair 2010