



SME Newsletter

4th Quarter 2013

CHAIRMAN'S MESSAGE



We are pleased to publish the 4th quarter 2013 edition of the SME Newsletter, which we hope will serve as another vehicle for an exchange of information among CACCI members, particularly members of the SME Development Council (SMEDC), on the latest developments in the SME sector not only in the Asia Pacific countries but in the region as a whole.

This issue features, among others, a report on the breakout session organized by the SMEDC during the 27th CACCI Conference held in Cebu this year. I would like to take this opportunity to thank all those who participated in the session and joined in the discussions. Your views on the various issues affecting the small and medium enterprises in the region, the challenges

and opportunities they face, and the prospects for continued growth, would certainly serve as valuable inputs in identifying measures to further promote the SME sector moving forward.

CACCI believes in bringing SMEs into the mainstream of economic development. Because of their size, however, SMEs face limitations that make them less resilient to risks and prevent them from attaining economies of scale. These limitations are particularly significant in the areas of human resources development, technological capability, and access to financing and information. SMEs therefore need enhanced support in order to reduce, if not totally eliminate, the said limitations, and thus allow them to be competitive both domestically and internationally.

With the continued and strong cooperation of our members, we hope to make the SMEDC play a role in achieving this important objective.

*George Abraham
Chairman
CACCI SME Development Council*

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SME Breakout Session Draws Big Audience at Cebu CACCI Conference



The breakout session organized by the SME Development Council (SMEDC) attracted the participation of a sizeable number of delegates during the 27th CACCI Conference held on March 14, 2013 in Cebu City, Philippines.

The session was presided by Mr. George Abraham, Chairman and Managing Director of GA Group Pte Ltd. from Singapore. It featured two speakers from the Philippines, namely, Dr. Elias G. Tecson, Chief, Business Development Division at the Department of Trade and Industry, and Mr. Pedro Delantar, Jr., President and CEO, Natures Legacy Eximport, Inc.

Mr. Abraham, who is Chairman of SMEDC, started the session with a presentation on the status of the SME sector in the Asian region which he based on the work he has done with the SMEs in various countries in the region. He said

that the critical success factors for SMEs in the region is creativity, flexibility, risk-taking, the ability to raise capital, market-oriented, and most importantly, persistence.

The SMDC Chairman identified some of the major problems of SMEs as the lack of competitive capacity; lack of effective partnerships and networks; and absence of critical mass needed for success. Challenges include the need to resolve issues on technology and financial management; market access; managerial and entrepreneurial skills; use of up-to-date technology; and access to funding.

Mr. Abraham recommended the setting up of an SME board or bureau that will consolidate government resources and improve linkages between large and small firms. He also proposed the setting up of an SME bank or a financial institution to provide a more efficient financial channel. He likewise suggested the establishment of an enterprises development council in each of the chambers of commerce to serve as a platform for SMEs to discuss problems and formulate solutions.

Dr. Elias G. Tecson, Chief of the Business Development Division of the Department of Trade and Industry of the Philippines, presented an overview of the Philippines' micro, small, and medium enterprises (MSMEs). He listed the challenges for the Philippine MSMEs as pertaining to business environment, access to market; access to finance; and productivity and efficiency.

Dr. Tecson then presented the MSMEs Development Plan of the Philippines covering the period 2011-2016, and the strategies and approaches for achieving the Plan's objectives.

Mr. Pedro Delantar Jr., President and CEO of Natures Legacy Eximport, Inc., made a presentation about his company: its experiences since its establishment in 1993; the challenges they faced and the solutions they applied to the problems they underwent. Particularly those small solutions that made big impact on the company. He stressed that for an entrepreneur and for his company to succeed, there is a need for three important factors, namely, innovation, resilience, and a good team.

Mr. Delantar said that he was able to sustain his business by increasing brand awareness; adopting new technology; developing new markets; introducing new manufacturing processes; and strengthening the supply chain.

The presentations were followed by an open forum, during which the other delegates asked questions from the speakers, and shared their own comments and perspectives on the topics under discussion.

The SMEDC is expected to hold its next breakout session in Kuala Lumpur during the 28th CACCI Conference to be held in mid-September 2014.



Above photos show SMEDC Chairman Mr. George Abraham (seated center, topmost left photo) chairing the SME breakout session in Cebu and moderating the exchange of views and information among the foreign and local delegates.

ECCIM Hosts SMEs Development Workshop

Representatives from business sectors and local owners of small and medium enterprises (SMEs) gathered at the Esfahan Chamber of Commerce, Industries and Mines (ECCIM) on February 12, to attend a workshop on SMEs Development, jointly organized and supported by the Iran Chambers of Commerce, Industry and Mines (ICCM) and the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI).

The workshop, which was well-attended by over 130 delegates, aimed to provide SMEs with an overview of the required knowledge and skills in financial management, enabling them to recognize the challenges they may encounter. The workshop also introduced some policies and programs that several countries have successfully deployed, to foster the growth of small and medium enterprises in their own countries.

Mr. Khosrow Kassaian, president of ECCIM, inaugurated the workshop with a short speech on the importance of SMEs in economic development. It was then followed by an opening remark from Mr. Majid Sameti, a faculty member from Esfahan University, where he spoke about Iran's experiences and programs for SME development.

The whole workshop was conducted by Mr. George Abraham, Chairman of CACCI SMEs Development Council and Chairman & Managing Director of the GA Group Pte Ltd. He shared his expertise on topics like educational and technical needs of SMEs, the prerequisites for SMEs development, and SMEs' access to financial resources.

An afternoon session was devoted for participants' discussion on the best practices and policies for the development of SMEs. ■



Mr. Khosrow Kassaian, left, president of ECCIM, presents tokens of appreciation to George Abraham, chairman of CACCI SMEs Development Council.



Representatives from business sectors and local owners of SMEs listen as speakers conduct a session during the SMEs workshop.



Mr. Majid Sameti, professor from Esfahan University gives a talk on Iran's experiences and programs for the development of SMEs.



Mr. George Abraham delivers a speech for the SMEs Development Workshop at the ECCIM premises.

Realizing the Potential of E-Commerce for SMEs

Electronic commerce (e-commerce) allows developing countries to compete in international trade, but the full potential of its benefits can be realized only when governments create business environments that harness the power of the internet.

“More needs to be done to exploit the potential of e-commerce as a development tool,” the International Trade Centre’s Executive Director Ms Patricia Francis said on 8 April 2013 at the opening of a two-day workshop on e-commerce at the World Trade Organization. If not, ‘it is a missed opportunity for exports and economic development’.

The bulk of e-commerce is business-to-business (B2B), and it provides opportunities for small and medium-sized enterprises (SMEs) to overcome logistical and geographic challenges in terms of access to markets. By selling products online, the need for middlemen disappears, allowing businesses to reduce transaction costs and become more competitive.

New markets

Participants at the event heard how e-commerce also creates opportunities in services trade, and how micro-work and freelance marketplaces enable entrepreneurs in developing countries to bid for work they did not have access to before.

In this way, e-commerce helps close the income gap and ‘provides the possibility of leap-frogging for countries across the income spectrum’, said Mr Harsha V. Singh, Deputy Director-General of the World Trade Organization.

This is evident in the mobile phone market, he pointed out, as an increasing number of rural farmers in developing countries sign up for subscriptions, more of them are able to engage in mobile money services, open savings accounts and earn interest on their deposits.

Lack of skills

Despite the growth of e-commerce on the internet and on mobile devices, digital literacy remains highly fragmented and affordable broadband is far from universally available. A major challenge is insufficient internet connectivity in many developing countries.

Online-payment systems remain unavailable in many countries and SMEs often lack the skills needed to engage in e-commerce. There are on-going inter-governmental discussions in bilateral,

regional and plurilateral fora about the possible need for new trade-related disciplines in areas such as cross-border data flows, data privacy and access to data storage infrastructure.

But Ms Francis pointed out that, while the governments of developing countries have passed regulations in support of e-commerce growth, they need to do more to build business environments with a focus on the digital economy. Governments will need to make the cross-border purchase and shipment of goods more efficient and less costly. Entrepreneurial services suppliers, including women and youth, will need to receive support.

More work must also be done to ensure data privacy and security of online and mobile payments, as electronic payment systems expand to accommodate more online transactions.

‘These are high-end service opportunities,’ Ms Francis said. ‘Growth in e-commerce will provide benefits related to foreign-currency generation, taxation, poverty alleviation and job creation for young workers,’ she added.

ITC has been promoting the development of e-commerce. In Morocco, the web portal of the textile industry association AMITH was upgraded, connecting potential buyers with local suppliers. In Bangladesh, within the framework of the NTFII project, ITC provided advice on web advertisement and social media to SMEs from the local IT industry. In Fiji, ITC linked rural producers with traders using mobile and web applications.

Source: ITC News, April 2013 ■



A speaker takes the podium during the two-day workshop on e-commerce held at the World Trade Organization in April 2013.



International
Trade
Centre

A Strategic Approach to SME Export Growth

By: *Jacky Charbonneau, Chief and Hema Menon, Trade Training Officer,
Enterprise Competitiveness Section, ITC*

Supporting SMEs in developed and developing countries to be better prepared to enter international markets.

One of the most viable strategies to achieve national development goals in both developing and developed nations is to promote small- and medium-sized enterprises (SMEs). SMEs increase competition, generate employment and develop entrepreneurship while boosting economic vitality at the community level and creating sustainable livelihoods.

It is for this reason that many governments design dedicated support programmes and policy initiatives aimed at the creation and development of a national SME sector. Such initiatives seek to assist SMEs in realizing their potential and to link them to a nation's larger developmental vision encompassing export strategy and poverty reduction. To name a few initiatives, SME support policies are in place in countries such as Argentina, Brazil, Chile, Mexico and Uruguay, while the European Union is covered by the Small Business Act, India by the Micro, Small and Medium Enterprises Development Act, Malaysia by a SME Masterplan, Tanzania by the SME Development Policy, Kenya by the Micro and Small Enterprises Bill, and the United States by another Small Business Act. SMEs are the *raison d'être* of work at ITC. The organization ensures inclusive and sustainable exports and aims to be the development partner for small business export success in developing countries.

SMEs Defined

While the definition of SMEs differs from nation to nation, three parameters are applied: investment (capital and technology); production volume or turnover (revenue); and number of persons employed. SMEs are owner managed, labour intensive, extremely productive and flexible, and have a tendency to innovate. Generally, SMEs do not export directly, but they form the backbone of larger, competitive export industries. Many studies, including the European Commission's 2010 report *Internationalisation of European SMEs*, show a direct correlation between exports and improved performance and competitiveness, yet SMEs rely largely on domestic markets despite new opportunities afforded by a more liberal, open and global economy. Export potential among SMEs remains vastly untapped.

Role of SMEs in Generating Innovation

SMEs play an important role in generating

innovation. Their capacity to develop and produce innovative products, processes and services varies depending on sector, size, resources and the business environment. They are key to the dynamism of high-technology industries, while in other sectors innovation by SMEs often consists of minor adaptations to existing products, innovation in design, or changes to modes of service delivery, management and marketing practices. In both these scenarios, the ability to differentiate products, segment markets, create brand image, find niche markets and target specific customer groups is key to the success and survival of SMEs.

Furthermore, there is evidence in the European Union that innovative companies are more likely to export, as detailed in the European Commission report *Policies in support of high-growth innovative SMEs* (2011). Such companies are more productive and internationally more competitive and, in turn, exporting has a positive impact on innovation. Hence, exporting and innovation are complementary strategies that result in higher export shares, suggesting turnover and employment growth at firm level and policies supporting innovation and internationalization should be linked up. Results from the 2011 World Bank study *Importing, Exporting, and Innovation in Developing Countries*, which surveyed 16,722 firms from 43 developing countries in different regions of the world, show that globally engaged firms are larger, more productive, more capital intensive and pay higher wages than domestic firms. Two-way traders and exporters grow faster and innovate more.

As production and distribution systems in international trade become more internationalized, fragmented and interdependent, high value addition and strategic positioning within regional and global markets and value chains are becoming increasingly important. With innovation at their heart, these systems are evolving rapidly through new and emerging technologies and business models. Jack Dorsey, founder of Twitter and Square, rightly says that technology changes the dynamics and velocity of participation. According to John Chambers, CEO of Cisco Systems: 'Speed of change is on steroids, what used to happen in 10 to 15 years now happens in three to five.' Growth is no longer linear, but exponential as the very technologies that are propelling the future are growing exponentially themselves. Ray Kurzweil, author, technologist and director of engineering at Google, says the exponential growth of technologies

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and their convergence will transform industries and pose new opportunities and hurdles for businesses and society.

Challenges

Within this rapidly changing scenario, exporters in developing countries seeking international markets are limited by a number of challenges. These include a lack of appropriate market, product and technology-related information, the need to meet and demonstrate compliance with quality standards, buyers' requirements, trade regulations, tariffs and non-tariff barriers, and are exacerbated by limited access to finance. Support services provided by national agencies, both public and private, often go unnoticed or remain underutilized. The result is that these exporters often find it difficult to export successfully and consistently. Most adopt a traditional, product-focused approach, receiving an order, fulfilling it and then closing the sale. This approach may work in the short term, but too often leaves the exporter at the mercy of price competition with little room for differentiation. On this basis, even when an exporter succeeds at market entry, it is unable to maintain a long-term presence.

ITC Support for SME Export Growth

ITC aids exporters to become more competitive and provides opportunities to participate in global value chains. To be competitive, SME exporters need a coherent, forward-looking business strategy and must improve efficiency, reduce costs and enhance the reputation of their products. This can be done by:

- * Practising sound export management principles
- * Creating a competitive, market-oriented strategy
- * Effectively marketing and branding products
- * Building reliable supply networks
- * Designing and producing quality products and services adapted to markets
- * Embracing information and communication

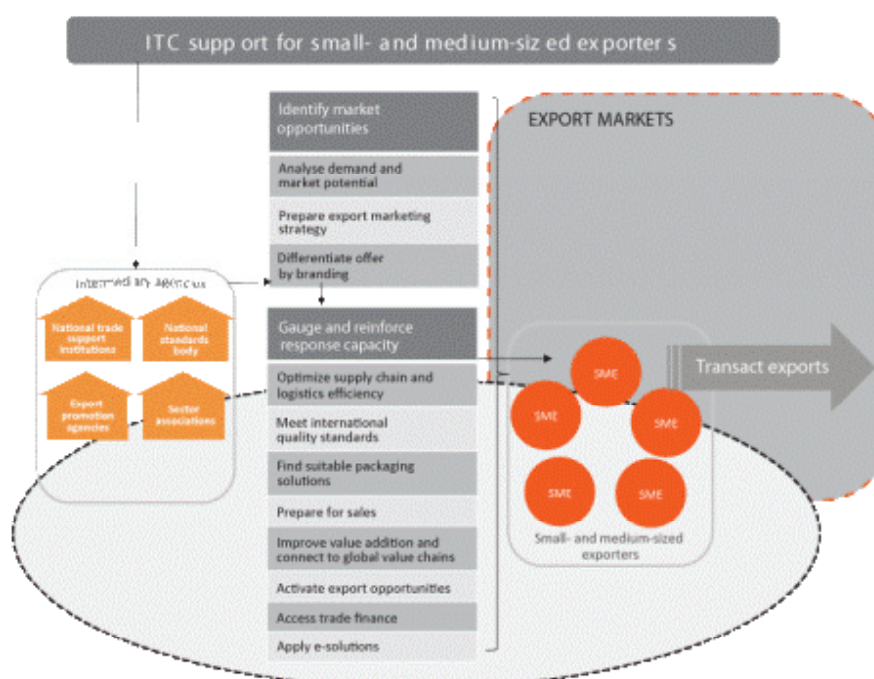
technologies, investing in research and development, and acquiring appropriate technologies.

For many capable firms the decision not to export is based on anticipated complexity and fear of the unknown. Still, by thinking beyond traditional borders, and with adequate preparation and support, SMEs can participate and thrive in international markets. ITC assists SMEs in reducing uncertainties related to exports and in overcoming some of the most common challenges. It supports export preparations, the identification of opportunities through market research and the adoption of a strategically sound, market-driven approach, including export marketing and branding. ITC also reinforces the supply capability of SMEs through improved logistics, and promotes value addition as the driver for exports. It facilitates and activates business links for SMEs, turning

opportunities through matchmaking. Moreover, it aids SMEs in the application of e-business solutions.

The ITC approach owes its strength to two important features:

* Inclusive growth: by not only focusing on the quantitative aspects of increasing exports, interventions aim to balance



trade flows qualitatively and attempt to optimize revenue streams in favour of the poor and marginalized.

* Value addition and projection: through improved branding and marketing, ITC projects support the improvement and projection of the added value within the export equation. This facilitates the move away from commodity-based, low-value or no-value-added exports.

Assistance to reinforce the response capacity of SMEs is provided by ITC through a mix of activities:

* Capacity building through training of trainers to ensure sustainability, and the realization of a multiplier effect by intermediary organizations replicating interventions;

* Direct assistance given to enterprises and including diagnostics, training, matchmaking and sensitization;

* Provision of information and advice through

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publications, bulletins, tools and checklists.

The content and delivery of any intervention is adapted to the specific perspective of a country, the intermediary agency, the sector and the needs and operational realities of SMEs. In many instances, ITC works with small producers or microenterprises.

Positive Results

The result is that small enterprises are better prepared to enter international markets and intermediary agencies are able to reinforce the support services they offer to enterprises. Within ITC projects, SMEs:

Improve their understanding of the export process and international markets; Spot suitable market opportunities, potential and trends; Design cohesive marketing strategies based on the unique strengths of their products adapted to target markets; Brand, promote and prepare for sales of their products; Meet with potential buyers and transact business; Optimize supply chains and logistics; Improve value addition; Are aided in fulfilling the requirements for appropriate quality standards and related certifications; Decide on suitable packaging solutions; and Deploy information and communication technology and e-solutions to improve overall performance.

Source: International Trade Centre, April 01, 2013 ■

APEC SME Summit: Breaking Barriers Through Innovation

By: Raj Bordia.

The APEC SME Summit held in Makati on 20th January 2013, focused on the potential of the small and medium enterprises across Asia. The summit was aptly held in the Philippines, considering that the country is now soaring at a 6% GDP growth rate. The Makati Business Club, which has been collaborating with AIM for several years now, was one of the sponsors of this landmark event. Students from the Asian Institute of Management (AIM) were invited to join this summit and rub shoulders with some high profile business executives. Students of AIM were exposed to success stories on how passionate individuals from South East Asia worked hard to prove their mettle.

The summit began with the success stories of Cher Wang (Chairman, HTC corp.) and Tony Tan Caktiong (Chairman and CEO, Jollibee Food Corp.) who both reflected on their vision to succeed. The focus of the summit then shifted towards integrated economies and technology when DHGate's founder, Diana Wang spoke about how E-Commerce can create opportunities for SME's in the Philippines, where consumption rate in proportion to domestic production is high. Age old maxims like "Necessity is mother of all inventions" were yet again proven to be true when Sheila Liriodendron Marcelo, founder & CEO of 'Care' and a mother of two, shared her story. Her organization offers solutions to many mothers across the globe and especially to single mothers in Philippines. 'Care' has given mothers a space to participate in the global workforce and more importantly to live an independent and dignified life.

The focus of the summit was not only on business and technology innovations but also on social entrepreneurship innovation – issues that address poverty and education. AIM students were exposed to the



Students from the Asian Institute of Management pose for a group photo at the APEC SME Summit held in Makati City, Philippines earlier this year.

marvel of Capitalism 3.0 starting to work and how social entrepreneurs have affected the lives of millions across the Philippines. The summit also brought out the thinking behind social heroes like Dr. Jamie Aristotle, Founder and MD of Centre for Agriculture and Rural Development. Dr. Jamie is a micro finance pundit who has assisted almost 10% of Philippines population either directly or indirectly. Finally, social entrepreneurs like Anna Melato-Wilk, President and co-founder, Gandang Kalikasan Inc., addressed the gathering.

The APEC SME summit was a forum for emerging leaders and entrepreneurs to reflect on their passion and determination to succeed. Leaders in the summit showed how to break traditional constraints through innovation and regional cooperation. Interactions with these successful leaders spurred the entrepreneurial spirit among students of AIM and made them look forward to starting their own ventures in the near future.

Source: AIM Chronicle ■

ADB: Lessons Learned from Helping the Philippines Expand Its Use of Microfinance

Poverty rates in the Philippines have generally declined in the last 20 years, but it remains a persistent, widespread problem in the country. The Philippine government has made poverty reduction a high priority.

Microfinance, or the provision of financial services such as loans to poor families, is recognized as a potent method of directly improving the lives of those most in need. When managed correctly, these small loans can be used to build small businesses and develop other income-generating activities that have a long-lasting impact.

The Philippine government has recognized the efficacy of microfinance and has made progress in promoting the development practice. It has also prioritized the need to accelerate the use of microfinance and expand its reach across the country. In 2005, more than two-thirds of poor families, or 17 million people, did not have access to microfinance.

The strategy

To help the Philippines expand its use of microfinance to assist poor families, ADB in November 2005 began the Microfinance Development Program. The program, supported by a \$150 million loan from ADB, sought to help the Philippines achieve the Millennium Development Goals, including the eradication of extreme hunger and poverty, and the empowerment of women, through the use of microfinance.

Specifically, the program sought to increase the number of users of microfinance and expand financial literacy and consumer protection for the poor. It also sought to build viable institutions that could provide efficient and cost-effective microfinance services and improve the policy and regulatory oversight of the industry.

The results

The program assisted the Philippines in more than doubling the number of active microfinance clients in the country, from 2.4 million in 2006 to 5.5 million in



2008. During the same period, about 2.6 million jobs were created, according to the program completion report produced by ADB.

In addition, the program took a wider view of microfinance than simply lending. This included helping to increase the number of microfinance institutions that offered microsavings and microinsurance services. In December

2007, at the conclusion of the program, there were six mutual benefit associations offering microinsurance to 518,307 policy holders.

The program helped make microfinance institutions in the Philippines more sustainable by assisting in the adoption of performance standards by government regulatory agencies and those doing business related to microfinance. These standards promoted legal and ethical practices within the microfinance industry, whose clients can be vulnerable to exploitation.

Working in coordination with the Philippine government, the program promoted the use of electronic banking, particularly with mobile phone technology. This lowers costs and saves time for microfinance clients, who often make multiple small loan payments a month. Rather than physically visiting a microfinance office, or relying on a go-between, the client can pay quickly and cheaply using their mobile phone.

The program also helped create new legislation, bolster a government regulatory agency and produced a consumer protection guidebook that helped improve the oversight of the industry and while increasing the financial understanding of clients.

The lessons

The program faced significant challenges. For instance, it sought to level the playing field in terms of taxation on microfinance institutions. Some microfinance institutions are considered non-government organizations and enjoy tax-exempt status while others do not. Tax-exempt non-government organizations vigorously opposed these efforts and at the end of the program, the status quo remained.

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ADB: Lessons . . . Continued from page 9

An attempt to increase the efficiency of a government agency involved in microfinance through privatization failed. More progress could have been made toward privatization had the program taken more concrete steps toward achieving the goal.

In addition, a website created with the support of the program could not effectively receive complaints from the public due to lack of awareness and technology limitations. The lesson learned in this instance was that the program could have more fully investigated the capacity of the website operator to sustain its new, enhanced functions.



Moving Forward

After the completion of the program in December 2007, efforts continued to align the new laws, manuals, and government agencies associated with microfinance. There were also efforts to maintain market-based principles in the conduct of microfinance, particularly in dealing with micro, small, and medium-sized enterprises.

As the number of microfinance clients increased under the program, the need for an efficient microfinance credit system became clear and was identified as a priority for future work. A need was also recognized for an expansion of microinsurance in the Philippines and for an increase in support for the financing of microenterprises.

Source: Asian Development Bank ■

Ulaanbaatar Hosts SME Trade Fair

The 17th SME Annual International Spring Trade Fair 2013 was successfully organized at Misheel Expo Center from 7-11 June 2013. Considered the largest trade fair in Ulaanbaatar, Mongolia with a great variety of exhibits and the most on-site deals, the Trade Fair was co-organized in collaboration with the Mayor Administration of Ulaanbaatar city and the Mongolian National Chamber of Commerce and Industry (MNCCI).

The purpose of this trade fair is to present commodity products and service and technology of domestic and foreign enterprise promoting its business between interested parties. It was initiated in 1997 and thereafter 17 sessions have been held successfully.

This year more than 100 standard booths at the exhibition area of 2700 square meters exhibited products of 120 enterprises from the food, textile, light industry, arts and other industries. Overseas exhibitors were from many countries such as The Czech Republic, Republic of Poland, Russian Federation, Spain and huge number of exhibitors from China and Singapore.

The Fair attracted 10 000 visitors and customers. The focus of the exhibition was to enhance international standards of import brands and to demonstrate new technology and products.

The MNCCI and other organizers conveyed their special thanks to all foreign participants, and expressed their hopes that they will once again participate at the 18th SME, Annual International Spring Trade Fair, at 12-16 June 2014.

Source: MNCCI ■



Above photos show the booths of foreign companies that participated in the 17th SME Annual International Spring Trade Fair 2013 organized by the Mongolian National Chamber of Commerce and Industry in June 2013 in Ulaanbaatar.



Iran Small Industries & Industrial Parks Organization (ISIPO)

*By: Fakhrollah Molaei, Deputy Minister and CEO
of Small Industries & Industrial Parks Organization (ISIPO)*

The Iran Small Industries and Industrial Parks Organization (ISIPO) is a developmental organization affiliated to the Ministry of Industries and Mines. It was established by merging the Iran Small Industries Organization with the Iran Industrial Estate Company in the second half of the year 2005. The objective of the merged organization was to plan and develop industrial parks/areas as well as to support small industries (less than 50 employees), promote networks and industrial clusters and providing the consultancy services, within the framework of the Ministry of Industries & Mines general policies.

Considering the fact that 92% of Iran industries are SMEs and recognizing the vital role of SMEs in the economic growth, the ISIPO provides various supports and services through the provision of developmental programs to increase the competitiveness of SMEs and provide them with infrastructures and facilities.

In this regard ISIPO expands its cooperation with industrial associations, public institutions, R&D centers, universities, engineering and consultancy services companies to create the fruitful environment for utilizing and applying new technologies and to make itself a knowledge-oriented organization that is flexible towards international transformations.

Mission and objectives

The mission of the ISIPO is to increase the competitiveness of SMEs; enhance cooperation among private sector, industrial associations and public

institutions; and decentralize by enabling provinces to plan and implement policy, regarding small industries development.

The organization's objectives are to: (a) Increase the employment and enhance the share of value added of small industries in manufacturing sectors and GDP; (b) To Increase the competitiveness of sector by renovating, promoting networks, establishing & improving intermediary support institutions; and (c) To develop Industrial Parks and provide infrastructures, facilities and services required by investors.

Services to SMEs

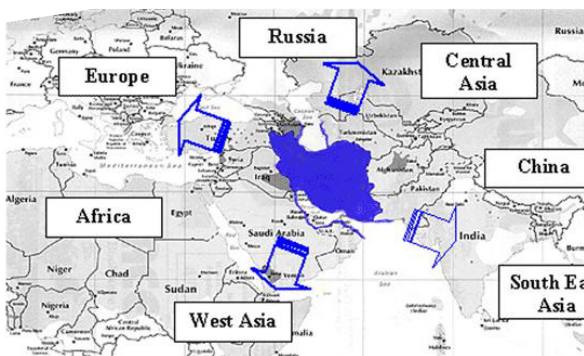
The ISIPO provides the following support and services to SMEs:

Entrepreneurship support – (a) Supporting training courses for improving the scientific and professional skills of SMEs workforce; (b) supporting training courses for promotion of business skills of entrepreneurs; (c) organizing and holding industrial tours; (d) developing Engineering and Consultancy services to Entrepreneurs and SMEs; and (e) improving business environment.

Technology enhancement – (a) IT development in SMEs; (b) establishing IT & Software Services centers; (c) creating Technology Parks adjacent to the Industrial Parks; (d) establishing Business and Technology Service Centers; and (e) supporting R&D activities in SMEs.

Market development and International Cooperation – (a) improving international cooperation for creating new market in the framework of bilateral and multilateral cooperation; (b) supporting access to international markets; (c) supporting SMEs participation in the national and international fairs and exhibitions; (d) facilitating international relations for SMEs; (e) cooperating with international organizations for partnership between Iran and foreign SMEs; (f) organizing and facilitating business trips for SMEs; and (g) holding and taking part in international seminars for exchanging experiences among SMEs

Consultancy support – (a) creating a network of more than 140 highly experienced and professional



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Iran Small

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consultants in different fields such as management, market development, innovation, R&D technology development, productivity and quality improvement, human resource; (b) subsidizing some part of SMEs consultancy expenses

Financial support – (a) Providing soft loan for investment and renovation; (b) Guarantee Fund of SMEs

In addition to the about support and services, the ISIPO also conducts training; productivity and quality promotion, (e.g., granting small industries Productivity Award sub-contracting development, industrial cluster development, establishment and development of industrial parks, and development of infrastructure (e.g. creating prefabricated industrial workshops).

Transferring knowledge and technical and engineering services of ISIPO

The ISIPO and its affiliated provincial companies have certain science and experience based capabilities in diversified areas, specifically on establishing industrial parks. Having over 92 percent of manufacturing units in 685 operational Industrial Parks under its coverage in the country, ISIPO demonstrates its strength in creating Industrial Parks in the form of EPC. Besides, ISIPO possesses valuable experiences and knowledge in software support services to SMEs. Networking models like Industrial Cluster Development projects, their implementation, SPXs, and creating Technology and Business Service Centers can be named as examples.

ISIPO is now ready to share its experiences in the form of following technical and engineering services with willing countries, organizations, etc.: (a) Studying and Designing Industrial Parks; (b) Studying and Designing Industrial Wastewater Treatment Plants; (c) Industrial Renovation; (d) Recognition and Implementation of Industrial Cluster Development Projects; (e) Designing SPXs; (f) Training; (g) Studying and Creating Technical and Business Service Centers; (h) Studying and Creating Prefabricated Workshops; (I) Studying and Designing Technology Parks; and (j) Holding Business Trips. ■

General Industrial Indices of ISIPO (July 2013)

Subject	NO.
Industrial Parks and Rural Industrial Zones	918
Specialized Industrial Parks	50
Technology Parks	7
Industrial Workshops	3088
IT Complexes	3
Industrial Parks in Special & Free Zones	5
Business and Technology Service Centers in Industrial Parks	21

Subject	Status	Amount
Operating Industrial units in industrial parks	Unit	29,929
Employment in Industrial units in industrial parks	Persons	630,839
Industrial clusters	Cluster	202
Training services for SMEs	Course	8,519
	Person	236,054
Industrial Tours	Amount	1,408
	Person	37,033



Further inquiries may be directed to:

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Philippine CCI Urges SMEs to Maximize FTA opportunities

Utilize free trade agreements to benefit from duty-free market access for exports and move up the value chain, the Philippine Chamber of Commerce and Industry (PCCI) strongly urged small and medium enterprises (SMEs) during a forum on doing business in Free Trade Areas (FTAs).

Speaking at the forum held recently, Atty. Miguel B. Varela, president of the country's largest business organization said that despite opportunities provided by FTAs, SMEs have not been able to maximize the potentials of these agreements. A study made by the Asian Development Bank showed that only about 20 percent local firms utilize these FTAs.

"It is very important for the business community, more so, for small and medium enterprises (SMEs), to incorporate these FTAs into their business plans and portfolios as they will enhance their competitiveness through the various input-sources, foreign investments and technology transfers that will be generated as trade flows more freely," said Varela in his statement.

Encouraging SMEs to seize the vital business and trade opportunities arising from this menu of FTAs, Director Senen Perlada of the DTI Bureau of Export and Trade Promotion (BETP) gave highlights and practical samples of the amount of savings that SMEs could derive



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Atty. Miguel B. Varela

from utilizing the various free trade agreements.

Chito Acosta of the Bureau of Customs and Engineer Artemio Bernardino of the Tariff Commission presented the step by step process to avail of the export opportunities in partner markets including analyzing the tariff preferences, input or supply sourcing, rules of origin, what forms to fill out, and steps to be followed with the end view of creating value added to industries and players from these FTAs.

PCCI, through its international trade think tank, the Universal Access to Competitiveness and Trade (U-ACT) organized the forum with the support of the Foreign Commonwealth Office (FCO), and in partnership with International Institute for Sustainable Development (IISD) and ASEAN Business Advisory Council (ABAC).
Source: www.philippinechamber.com

About CACCI and SMEDC

The Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) is a regional grouping of apex national chambers of commerce and industry, business associations and business enterprises in Asia and the Western Pacific. It is a non-governmental organization serving as a forum for promoting the vital role of businessmen in the region, increasing regional business interaction, and enhancing regional economic growth. Since its establishment in 1966, CACCI has grown into a network of national chambers of commerce with a total now of 29 Primary Members from 27 countries in the region. It cuts across national boundaries to link businessmen and promote economic growth throughout the Asia-Pacific region. CACCI is a non-governmental organization (NGO) granted consultative status, Roster category, under the United Nations. It is a member of the Conference on NGOs (CoNGO), an association of NGOs with UN consultative status.

Membership in CACCI provides businessmen the opportunity for networking with his counterparts in other countries in the region and globally, participation in CACCI annual conferences and training programs, interaction in Product and Service Councils (PSCs) on various industry and service sectors, access to CACCI publications, and participation in policy advocacy work to create a policy environment conducive to private sector growth.

The SME Development Council (SMEDC) is one of the PSCs under the CACCI umbrella. The PSCs have been formed with the primary aim of promoting greater business interaction among CACCI members who are in the same product or service line. The PSCs meet at least once a year, usually in conjunction with the annual CACCI Conference held in various member countries around Asia Pacific. Occasionally, officers and key members of the PSCs conduct teleconferences to discuss their activities for the year.

For more information on CACCI and PSCs, please visit the CACCI website at the www.cacci.org.tw

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