



**Asia-Pacific
Economic Cooperation**

2014/SMEWG39/018
Agenda Item: 11.3.2

Promoting Innovative Economy through APEC Co- Incubation Initiative

Purpose: Information
Submitted by: Indonesia



**39th Small and Medium Enterprises Working
Group Meeting
Nanjing, China
3-4 September 2014**



**Asia-Pacific
Economic Cooperation**

The 39th APEC-SMEWG Meeting, Nanjing September 2014

Promoting Innovative Economy Through APEC Co-Incubation Initiative

INDONESIA

The 39th APEC SME WG Meeting

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Background

1. High risk for new SME's innovative product and facing difficulties to enter competitive market.
2. Business incubators have demonstrated their roles to reduce SME risk in producing new products.
3. Possibility of cooperation among APEC member economies to foster innovative SMEs through co-incubation programs.
4. Co-incubation is a process undertaken by at least 2 incubators or related organization by sharing resources and expertise to provide opportunity for expanding SMEs engagement in foreign market.
5. GBC under Indonesia-Korea cooperation is a co-incubation best practice.

Initiative Track

1. The Daegu Initiative First Cycle (2005-2010) **emphasizes SME innovation** to build common benefits and prosperity among member economies.
2. The 31st Meeting of the SMEWG held in Gifu, Japan, 2010, agreed to focus on "Green Initiative" in the second cycle, designed to further **strengthen partnership among APEC member economies**. Three areas of collaboration were proposed: **human resources, information and technology**.
3. The Conclusion of *APEC International Workshop and Training on the Role of Business Incubators in Developing Green Technology-Based SMEs* in Yogyakarta Sept. 26~29, 2011 that urges **set up of Innovation Platform** for SMEs.

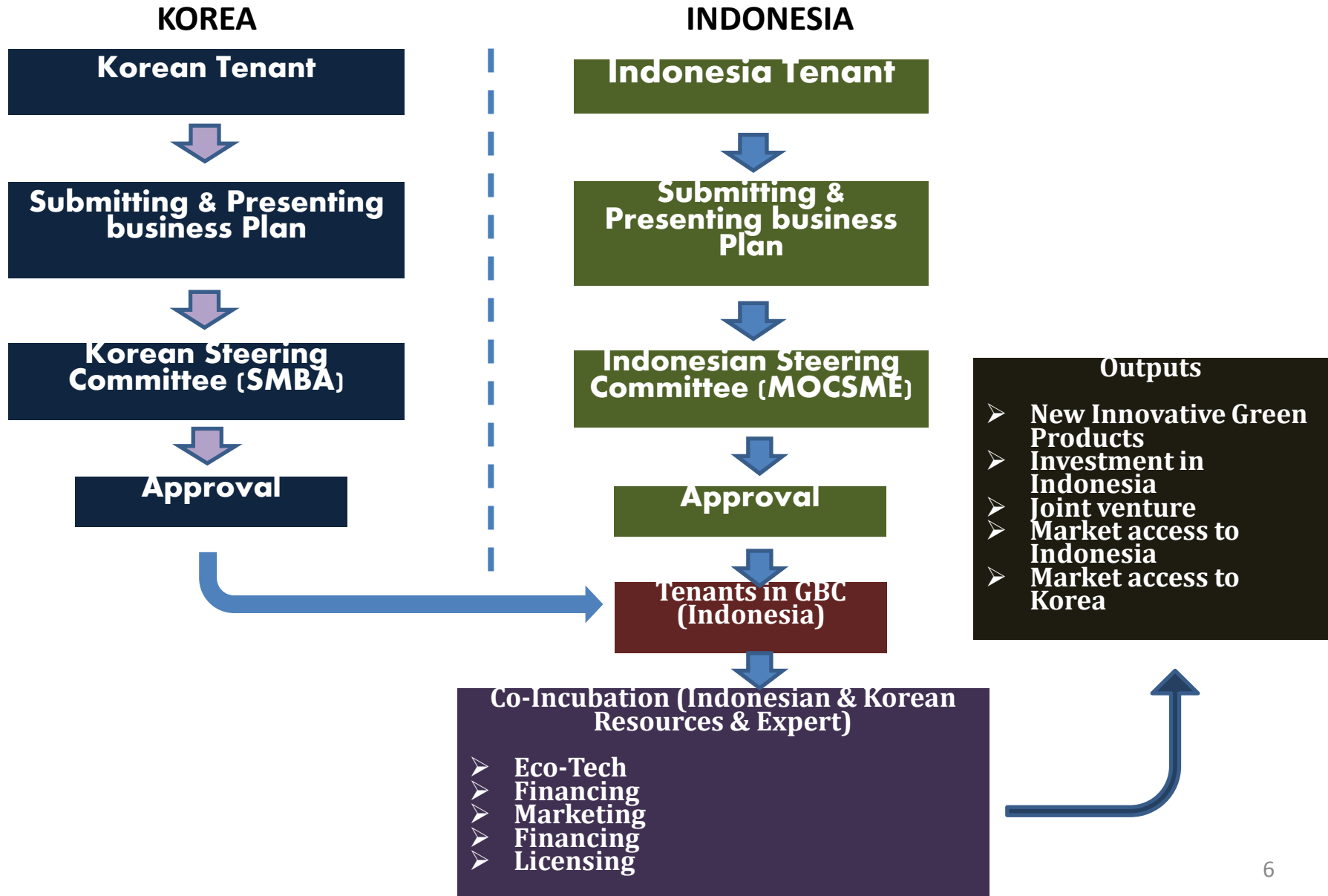
Co-Incubation Roles

1. Comprehend knowledge on overseas market characteristic
2. Enhancement of technology innovation
3. Promoting cross border business partnership
4. Expansion of domestic and overseas markets access for innovative products
5. Domestic and international legal compliance
6. Establishment of an efficient overseas support system for SMEs
7. Setting up overseas start-up and fostering base for SMEs
8. Fostering of the middle class & expansion of the industrial base (expanding business scale)
9. Benefiting incentives from local related agencies
10. Broaden coverage of the information system of SMEs

GBC concept (Best Practices)

1. Co-financed by Indonesia and Korea.
2. Networking with local incubators and research centers.
3. Focusing on new green products (innovative and high risk business undertaking).
4. Tenants are open to Indonesian and Korean.
5. Services includes, eco-innovation technology, marketing assistant both for domestic and international market (networking and business partnership), financing and business procedure and legal aspects (licensing).

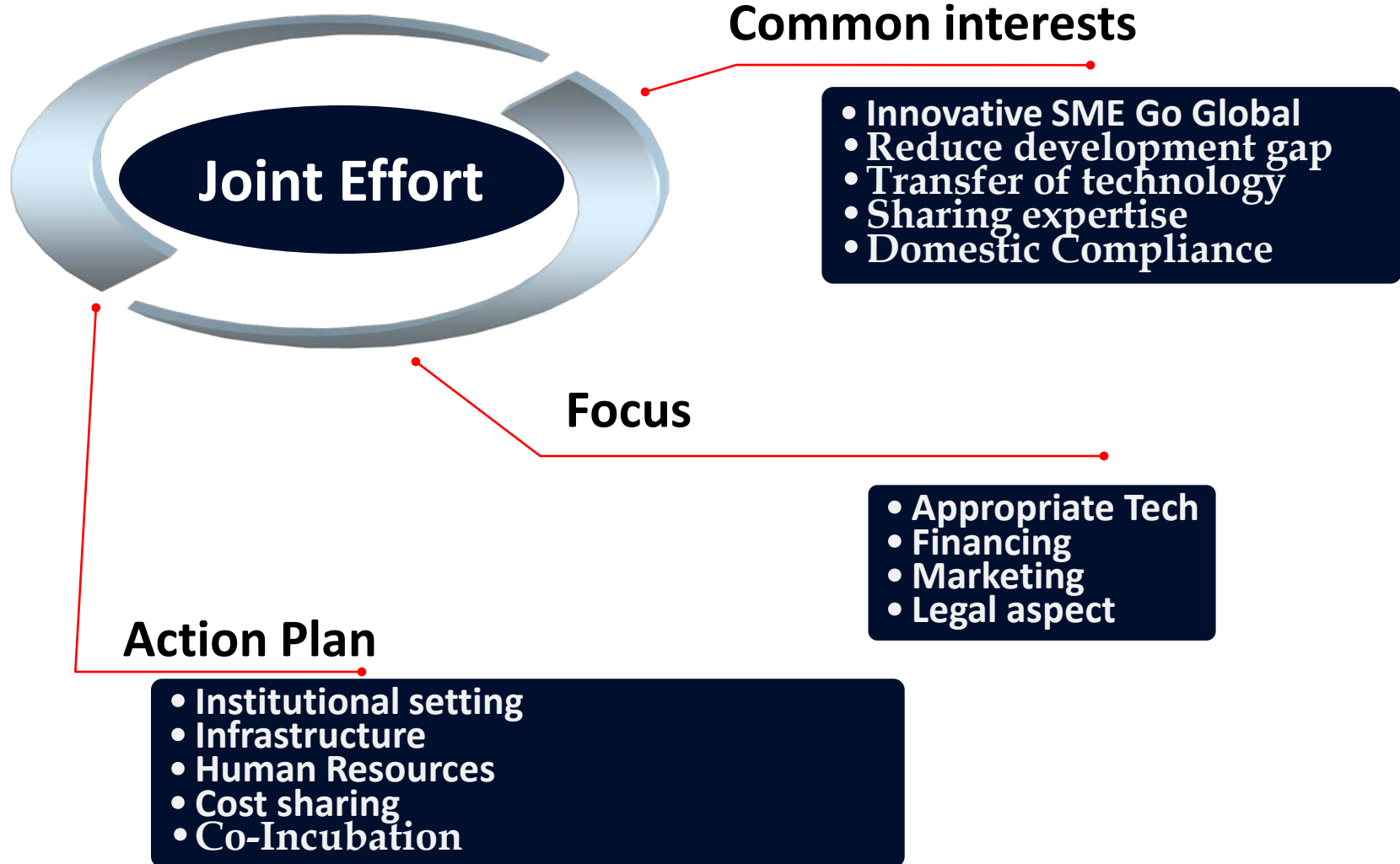
Co-Incubation Process (Best Practices)



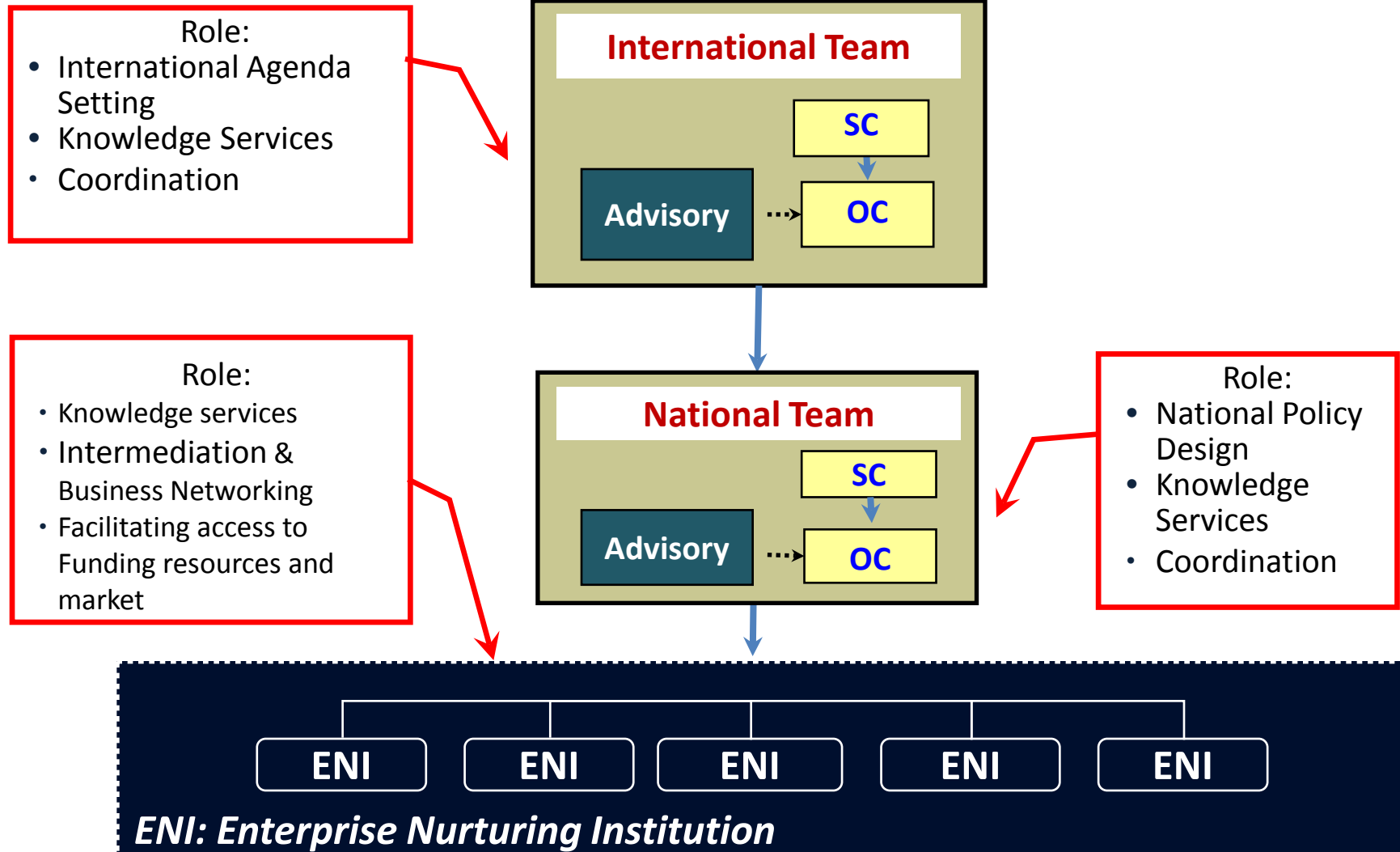
GBC Tenants

KOREAN SMEs		Indonesian SMEs	
Name	Line Business	Name	Line Business
HANA SYSTEM CO.LTD	Color shorter machine	PT. PETRA SUMBER MAKMUR	Enviroment friendly foam brick (building material)
DRILLING SERVICE INTERNATIONAL	Eksplorasi for renewable energy	KOPERASI MITRA MALABAR	Organic coffee
PT. SSH INDONESIA	Spare part for power plant for renewable energy		
INNOSIMULATION	Colsuntant for green product		
WHOIS	General services for green technology		

Proposed Scopes of Collaboration Within APEC



Institutional Setting



THANK YOU