



**Asia-Pacific
Economic Cooperation**

2015/SMEWG40/031
Agenda Item: 13.3.2

**Sharing Best Practice in Each Priority Area SMEs
Access to Government Procurement and
Participation in GVCs: SMEs' Access to Public
Procurement Markets**

Purpose: Information
Submitted by: Peru



APEC
PHILIPPINES
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**40th Small and Medium Enterprises Working Group
Meeting
Atlanta, United States
10-11 June 2015**



Asia-Pacific
Economic Cooperation

40th Meeting of the APEC SMEWG
Sharing Best Practice in Each Priority Area
SMEs Access to Government Procurement and Participation in GVCs:

“SMEs’ access to public procurement markets”

June 10, 2015
Atlanta- Georgia



PERÚ Ministerio de la Producción

“SMEs’ access to public procurement markets”

SMEs Expansion of productivity: growth, employment, exports
Increasing productivity and reducing productive heterogeneity among firms:

1. **Promote to access to government procurement “Compras a MYPERU”**
National initiative to enhance micro and small firms during the international crisis
2. **Promote Productivity:** access to financial mechanisms to reduce costs and access to working capital
3. **Promote Innovation:** access the high technology and financial pilots projects
4. **Promote internalization:**
 - Currently 50% of inputs are imported
 - MSEs need to import as a group for economic of scale
 - E-Commerce
5. **Promote value added** to access to government procurement markets
Look for sustainability and growth



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“SMEs’ access to public procurement markets”

Program: “Compras a MYPERU”


MOTIVATION

Description:

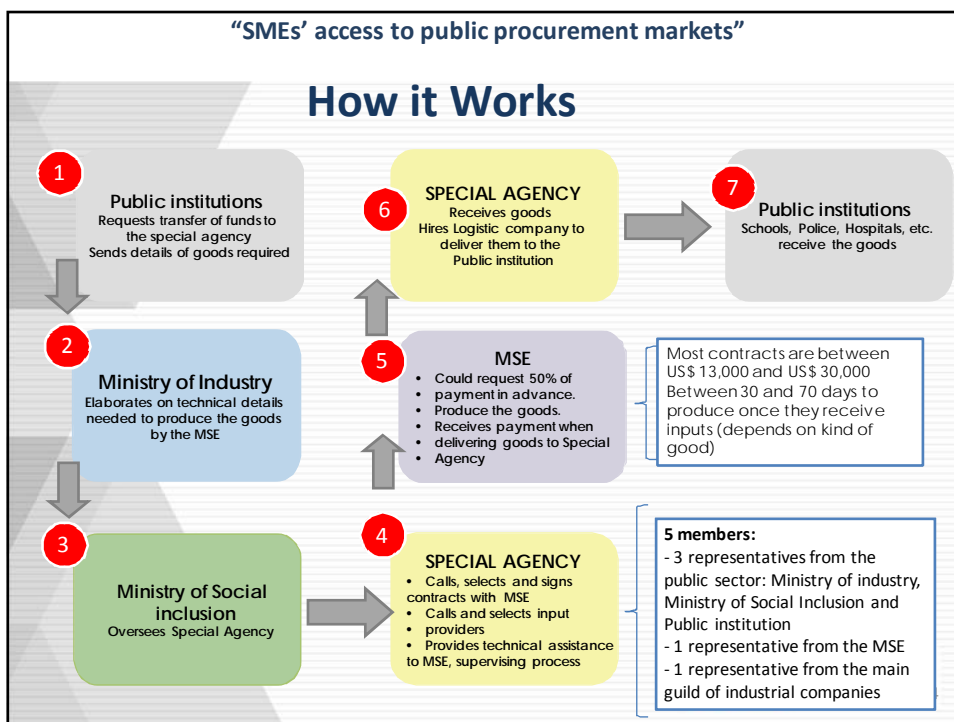
- Initiative to acquire directly from micro and small firms (MSE) goods required by public institutions through a special agency that operates as a private institution (not government procurement per se).
- Started in 2009, extended many times, in place until 2016
- A **Micro enterprise** is classified as so when declaring income less than US\$ 192 thousand annually. A **Small Enterprise**, less than US\$ 2.2 million annually.

Beneficiaries:

- **MSE:** footwear, furniture (school tables), clothing, kitchen and kitchen accessories.
- **Inputs providers:** leather, plastic, wood, iron, cotton, etc.
- **Logistics companies:** to distribute goods nationally
- **Final beneficiaries:** Military forces, police, students from public schools, hospitals, poorest communities.



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“SMEs’ access to public procurement markets”

Some advantages versus regular government procurement

1. Supervision by special agency is continuous. Goods that do not comply with technical requirements are identified in the process instead that at the end when public institutions receive goods.
2. Public institutions have problems acquiring goods through government procurement process:
 - Since preparatory actions start, it could take between 6 and 11 months to concrete large acquisition of goods (such as school tables).
 - Goods are acquired in small quantities and monetary values
3. If public institutions don't spend their budgets, budgets return to the Treasury at the end of the fiscal year. Budget transferred to Special Agency remains there.



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“SMEs’ access to public procurement markets”

Some results: 2009-2015

Budget: US\$ 345 million
MSE participants: more than 11,000
Goods required: more than 15 million



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Thank you for your attention !

