APEC-Canada Growing Business Partnership

Purpose: Information
Submitted by: Canada
APEC-Canada Growing Business Partnership: one of many projects Canada is undertaking to fuel cross-border MSME growth in the Asia Pacific region:

- A 4-year, C$4.74-million initiative funded by the Government of Canada intended to foster economic growth and reduce poverty in APEC developing economies by building the potential of MSMEs and aspiring entrepreneurs.
- Two components:
  a) An C$2M APEC MSME Sub-Fund.
  b) A C$2.49M research and training project.
APF Canada wishes to collaborate to extend the potential impact of this project by:
- Collectively defining critical research areas.
- Sharing best practices.
- Finding common points on project collaboration.
- Highlighting new ideas to explore and expand.
- Identifying common interests and build on them.
- Extending and complimenting other projects with common goals.

The APEC economies have shaped and transformed the global economy over the last quarter century.

- 40% of the world’s population, 50% of global trade and 60% of GDP.
- Expected to fuel nearly half the world’s economic growth through 2025.
- Half a billion people moved out of poverty since 1990.
- Middle-income population will reach 3 billion by 2030.
- 2015: opening a business -15 days and 6 steps. 2009 - 29 days and 8 steps.

Sources: APEC, Asian Development Bank (ADB), World Bank
But things are slowing down and the population is aging.

MSMEs, particularly those that are women and youth-led, are poised to change the current economic growth trajectory.

- 110 million MSMEs (98% of all businesses):
  - 60% to GDP
  - 54% to employment
  - 70% of the total export value
- Nearly 70% employed, yet women still lag by 28%.
- The gender gap costs $89 billion in economic output annually.
- Young people account for half of the region’s unemployed workforce.

Sources: APEC, International Finance Corporation (IFC), International Labour Organization (ILO), World Bank
New technologies are making growth more inclusive.

Sources: APEC, Cisco, Gartner Inc, World Bank

3 billion people connected to the internet: 5 billion people and 50 billion connected devices by 2025:
  - Mobile phone subscriptions: 109 per 100 people
  - Mobile phone penetration: 69.4% by 2019
  - Smartphones: 51.5% of mobile phone users, or 1.48 billion devices by 2019.
  - 2.51 billion mobile phone users in the region

Cross-border, mobile services offer MSMEs entry into global value chains.

- MSMEs with high internet and technology usage grew 2.1x faster than other MSMEs, regardless of industry.
- 70% of e-commerce exporters survive their first year in business compared to 40% for traditional businesses.
- E-commerce firms export to 35 different countries, versus 3.5 for traditional exporters.
- 270 million education-related apps were downloaded in 2011, up from 25 million in 2009.
- Doubling mobile data use increases GDP per capita growth by .5%
- A 10% increase in mobile penetration increases national productivity by 4.2%

Sources: APEC, USC Marshall
APEC can actively facilitate the full engagement of MSMEs into global value chains and remove barriers to their use of m-platforms.

- E-payment solutions expanded beyond traditional banking.
- Customs cost and trade rules reduced and simplified.
- Cross-border e-commerce regulatory framework harmonized.
- Domestic supporting institutions strengthened.
- M-commerce challenges and opportunities assessed.
- M-resource and education platforms maximized.

Source: APEC

Core to the project is women’s economic empowerment, youth entrepreneurship and attention to environmental sustainability.

- Focused on four case study economies: Indonesia, Peru, Philippines and Vietnam and sharing Canadian best practice experience.
- Funding surveys, research projects, training and workshops, as well as a major conference.
- Focused on business and entrepreneurship skills, access to markets for products and services, and technology and social innovation.
- Using heuristic formats and mobile and e-platforms to overcome geographic, language, literacy and time barriers.
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**Project Flow (2016 to 2020)**

**Case study countries**
Indonesia, Peru, Philippines, Vietnam

**Thematic areas**
technology & innovation, market access, human capital, social entrepreneurship

**Cross-cutting themes**
Women, Youth, Environment

<table>
<thead>
<tr>
<th>RESEARCH</th>
<th>DIALOGUE</th>
<th>TRAINING</th>
<th>SYNTHESIS</th>
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<tbody>
<tr>
<td>4 national surveys</td>
<td>4 presentations to SMEWG</td>
<td>4 MSME toolkits</td>
<td>1 MSME summary toolkit</td>
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<tr>
<td>12 research papers</td>
<td>4 workshops</td>
<td>4 training sessions</td>
<td>1 capstone policy paper</td>
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<tr>
<td>1 MSME microsite with social media platforms</td>
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<td>4 Mentorship programs</td>
<td>1 high-profile APEC conference</td>
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Policy-makers, MSMEs & aspiring entrepreneurs and the general public

Policy-makers, MSMEs & aspiring entrepreneurs

MSMEs & aspiring entrepreneurs

Policy-makers, MSMEs & aspiring entrepreneurs

**APEC-Canada Growing Business Partnership**

**TIMELINE of Activities January to December 2017**

Project Year 1 will focus on ‘Technology and Innovation’ and Vietnam

**MAR 2017**
1 Presentation to SMEWG in Sydney, Australia

**APR 2017**
1 National Survey in Vietnam on the challenges faced by MSMEs in the area of technology and innovation

**JUN 2017**
1 MSME microsite featuring research, events and social media platforms

**JUL 2017**
3 research papers on the issue of technology and innovation for MSMEs
1 pre-workshop (IV ABAC Meeting, Toronto, Canada)

**AUG 2017**
1 MSME microsite featuring research, events and social media platforms

**SEP 2017**
1 workshop in HCMC, Vietnam convening MSMEs and policy-makers

**NOV 2017**
1 MSME toolkit (Vietnamese) containing practical business ideas
1 training session & 1 Mentorship program in Da Nang, Vietnam to impart Canadian business best practices to MSMEs
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