



**Asia-Pacific
Economic Cooperation**

2017/SMEWG44/023

Agenda Item: 14.5

APEC-Canada Growing Business Partnership

Purpose: Information
Submitted by: Canada



**44th Small and Medium Enterprises Working Group
Meeting
Sydney, Australia
15-16 March 2017**



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DU CANADA

15 MARCH 2017

APEC-CANADA GROWING BUSINESS PARTNERSHIP

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APEC-Canada Growing Business Partnership

How is Canada helping?

The 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.



APEC-Canada Growing Business Partnership

How can we work together?

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.



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APEC-Canada Growing Business Partnership

The context

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.

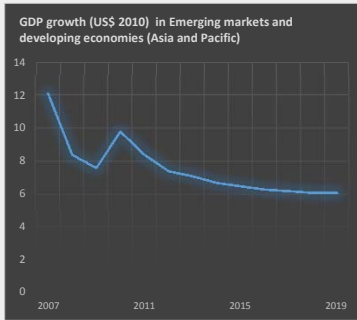
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Sources: APEC, Asian Development Bank (ADB), World Bank



But things are slowing down and the population is aging.

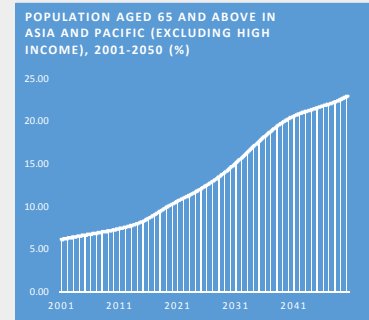
SLOWING ECONOMIC GROWTH



DROPPING EXPORTS



AGING POPULATION



Source: World Bank



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.



- 📱 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

Sources: APEC, Cisco, Gartner Inc, World Bank

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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 m-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%.



Source: APEC, USC Marshall

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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.

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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.

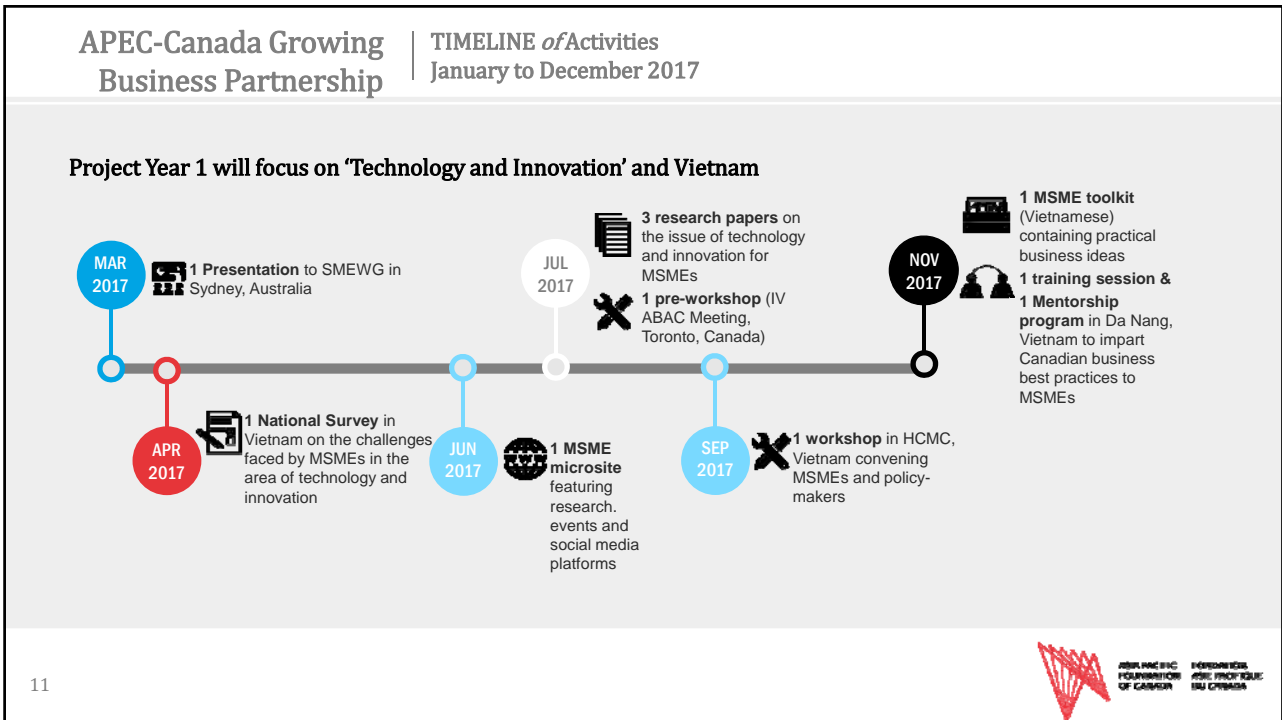
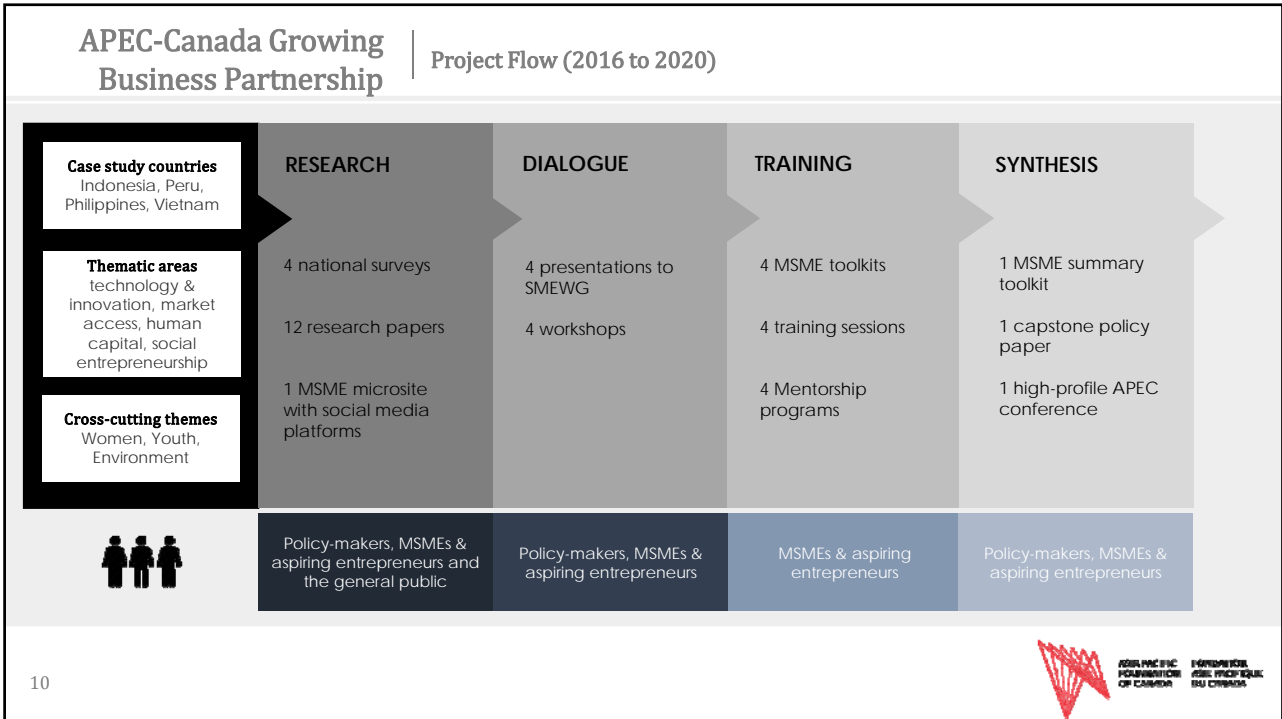


Using heuristic formats and mobile and e-platforms to overcome geographic, language, literacy and time barriers.



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