

SME Guidebook

Towards the AEC 2015



one vision
one identity
one community



SME Guidebook

Towards the AEC 2015

The ASEAN Secretariat
Jakarta

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

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www.asean.org - www.giz.de

Table of Contents

1. History of ASEAN	5
2. Foreword by the Secretary-General of ASEAN	7
3. Financial Facilities and Market Access Policies for SMEs in ASEAN	11
3.1 Stock-Taking of Financial Facilities Available for SMEs in ASEAN	15
3.2 Landscape of Financial Infrastructure for SMEs in ASEAN	65
3.3 Financial Institutions (FIs) and Non-FIs for SMEs	69
3.4 Sharing of SME Policies and Initiatives on Market Access and Internationalisation of SMEs	93
3.5 List of Trade Promotion Centers and Web Portals	113
4. SMEs, Are You Prepared for AEC 2015?	133
4.1 Simplified Customs Procedures	134
4.2 Self-Certification	136
4.3 How Do SMEs Comply with ASEAN Standards?	139
4.4 ASEAN Investment Promotion Agencies/Board of Investments	153
4.5 ASEAN FTAs	
a) ASEAN-China Free Trade Area	154
b) ASEAN-Japan Comprehensive Economic Partnership	156
c) ASEAN-Korea Free Trade Area	157
d) ASEAN-India Free Trade Area	158
e) ASEAN-Australia-New Zealand Free Trade Area	159

History of ASEAN

ASEAN – the Association of Southeast Asian Nations – was established on August 8, 1967 in Bangkok, Thailand, with the signing of the ASEAN Declaration (or Bangkok Declaration) by the founding members of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and Thailand. Brunei Darussalam joined on January 7, 1984, Viet Nam on July 28, 1995, Lao PDR and Myanmar on July 23, 1997, and Cambodia on April 30, 1999, making up what is today the 10 Member States of ASEAN.

The two-page ASEAN Declaration contains the aims and purposes of the association, which include cooperation in the economic, social, cultural, technical, educational and other fields, and in the promotion of regional peace and stability through abiding respect for justice and the rule of law, and adherence to the principles of the United Nations Charter.

With a shared vision of ASEAN as a concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies, the ASEAN Leaders in 2003 resolved that an ASEAN Community shall be established in 2020. In 2007, the leaders affirmed their strong commitment to accelerate the establishment of an ASEAN Community by 2015. The ASEAN Community is comprised of three pillars, namely the ASEAN Political-Security Community, the ASEAN Economic Community and the ASEAN Socio-Cultural Community - all expected to work in tandem in establishing the ASEAN Community.

To achieve the ASEAN Community, ASEAN is guided by the ASEAN Charter which entered into force on December 15, 2008. The charter is a firm foundation that provides a legal status and institutional framework for the region. It codifies ASEAN norms, rules and values; sets clear targets for ASEAN; and presents accountability and compliance. The ASEAN Charter established a number of new organs to boost its community-building process. With a strong foundation and the necessary structures in place, all is set for the ASEAN Community 2015.

Foreword



Accounting for 30-60% of the Gross Domestic Product (GDP) of ASEAN Member States and being the largest source of domestic employment for all economic sectors in both rural and urban areas, Small and Medium Enterprises (SMEs) have a strategic and significant role in the regional economy. By providing opportunities for entrepreneurship and innovation, SMEs foster greater participation of all sectors, including women and youth, in economic development and contribute significantly to poverty alleviation in the region.

The impending establishment of the ASEAN Economic Community (AEC) by 2015 will bring about many opportunities and challenges for SMEs. As such, it is important that SMEs understand ASEAN's on-going efforts for them to be able to participate in the process of Community building. SMEs should be able to take advantage of the regional initiatives and national incentives, to adopt strategic measures, and to reap the benefits of regional economic integration. Leveraging on ASEAN's integration efforts will also enhance SMEs competitiveness and resilience, paving the way for their growing presence in the global value supply chains.

ASEAN is publishing this **SME Guidebook Towards the AEC 2015** as part of our on-going efforts to capacitate SMEs. It is hoped that the Guidebook will be a useful reference for SMEs and the business community in preparation for AEC 2015, in full recognition that the success of SMEs is critical for the long-term sustainable growth of the region and the achievement of the ASEAN Community by 2015.

Le Luong Minh



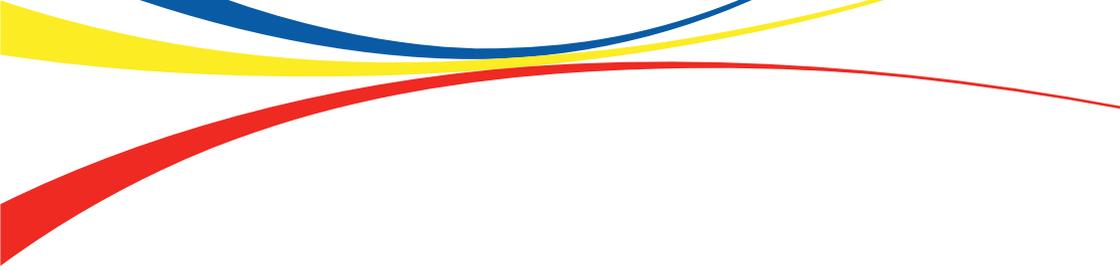
Chapter 3

Financial Facilities and Market Access Policies for SMEs in ASEAN

The business landscape today is complex and Small and Medium-Sized Enterprises (SMEs) have to operate in a highly competitive and rapidly-changing environment. As a result, they have to perform consistently in an efficient and productive manner as they face a variety of issues to develop, grow and achieve sustainability in the market. Difficulties with access to financial facilities and export markets are the key bottlenecks to SME development in the region.

To start-up, be competitive, and resilient, SMEs need adequate cash flow for investment, working capital, innovation, and the continual improvement of operational efficiency and productivity. Without adequate financing, the enterprises cannot innovate and be sustainable in the regional and the global economic climate. Hence, the ASEAN SME Agencies Working Group (SMEWG) agreed to stock-take the availability of financial facilities, infrastructure, financial and non-financial institutions for SMEs in the region, so as to allow the relevant policy makers to identify the gaps and required facilities or initiatives needed to enhance SMEs' access to finance.

SMEs play a pivotal role in the ASEAN economy, acting as vehicles to generate and restore growth in their own country and the region, provided that they are prepared to enter to the potential market either within ASEAN or globally. Those SMEs that have regional or international operations sustain growth turnover, higher rates of job creation, and increased innovation capacity. Other forms of internationalisation include foreign direct investment, technology transfers, and participation in international value chains. The following chapter provides you with key information on SME policies for enhancing market access in ASEAN member states, which are instrumental for the SMEs and export promotion agencies to develop their policies; and for the enterprises to further seek information and business advisory services within their own country and beyond.



3.1 Stock-Taking of Financial Facilities Available for SMEs in ASEAN

Brunei Darussalam

Grant Schemes

Name of Policy, Programme or Initiative for Financial Facilities

A. Enterprise Technical Assistance Scheme (ETAS) grant

Implementing Agency

Brunei Economic Development Board

Tel: (+673) 2230111

Email: etas.secretariat@bedb.com.bn

Website: www.bedb.com.bn

Implementation Period

Introduced in 2012

Key Objectives and Eligibility Criteria for SMEs

A grant scheme to help companies that intend to enter international markets, strengthen their competencies as well as overcome common market entry cost barriers

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Companies are registered in Brunei as “Sendirian Berhad”
- Companies actively operate for a minimum of five years
- Companies have progressive growth based on annual revenue in last three years
- Companies have readily available products and services

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

Maximum amount allocated per recipient company: B\$300,000.

Grant Schemes (Cont'd)

Name of Policy, Programme or Initiative for Financial Facilities

B. Local Enterprise Application and Products (LEAP) grant.

Implementing Agency

Brunei Economic Development Board

Tel : (+673) 2230111

Email: leap.program@bedb.com.bn

Website: www.bedb.com.bn

Implementation Period

Introduced in 2010

Key Objectives and Eligibility Criteria for SMEs

A grant scheme to provide financial assistance for developing prototypes of new products and applications that have innovative technological content, commercial practicality and export potential.

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Brunei registered SMEs
 - Bruneian-owned (citizens, PR) companies.
 - At least 50% Bruneian-owned companies.
 - Number of employees less than 100

**Individuals need to form a company*
- Students and researchers of Institute of Higher Learnings (IHL)
 - IHL students and staff
- Innovative technology
 - ICT, bio-technology, high-growth sectors, agriculture and aquaculture, engineering, etc
 - Locally developed or customised foreign-owned technology
 - IP generated
 - Capitalising on existing available resources in Brunei

- Strong business plan with commercial applications in private and/or public sector
 - Readily-available market
 - Risks identified
- Committed and qualified team
 - At least 10% of knowledge workers are local
 - Have required expertise
 - Adequate resources
 - Development team based in Brunei
- Potential end user identified is an advantage
 - Committed client/user (letter of intent)
- Export-potential is an advantage

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

Maximum amount allocated per recipient: B\$150,000

Grant Schemes (Cont'd)

Name of Policy, Programme or Initiative for Financial Facilities

C. Brunei Research Incentive Scheme (BRISc)

Implementing Agency

Brunei Economic Development Board

Tel: (+673) 2230111

Website: www.bedb.com.bn

Implementation Period

Introduced in 2012

Key Objectives and Eligibility Criteria for SMEs

A cost-sharing grant to support private sector research and development (R&D) activities and attract foreign companies to conduct R&D and set up lab facilities in Brunei.

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

Locally-registered or foreign companies interested in conducting R&D in Brunei.

6. Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

7. Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

8. Other Information or Comments

Maximum amount allocated per recipient company: B\$5 million.

Grant Schemes (Cont'd)

Name of Policy, Programme or Initiative for Financial Facilities

D. AITI grant for Development of Local ICT and Digital Media Industries.

Implementing Agency

Authority for Info-Communications Technology Industry of Brunei Darussalam (AITI)

Tel: (+673) 2323232

Email: farihah.said@aiti.gov.bn

Website: www.aiti.gov.bn

Implementation Period

Introduced in 2010.

Key Objectives and Eligibility Criteria for SMEs

A grant provided for development of “Brunei-Made” and local content of ICT and digital media products. (Brunei-Made is defined as products and/or solutions and/or applications that are made, developed, created and/or assembled in Brunei by citizen(s) and/or permanent resident(s) of Brunei Darussalam).

Four grant types are offered:

- Development – for developing prototypes or concept testing
- Enhancement – for improving and upgrading existing products
- Ownership – for obtaining certification and quality management systems
- Marketing – for marketing and improving existing packaging, design or labelling

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Business must be registered or incorporated in Brunei Darussalam for at least six months
- Business must be at least 50% locally owned
- Must have at least 10% local IT skilled work force
- Must have sufficient current assets to pay existing debts/liabilities
- Must satisfy the start-up/paid-up capital requirements.
- Have not committed an act of bankruptcy/winding up proceedings within the last two years.
- Have a training programme in place for knowledge transfer
- Hold valid licenses required for their business operations
- Principal business activities must be ICT related.

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

7. Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

8. Other Information or Comments

Maximum amount allocated per company: B\$250,000 (for a combination of more than one type of grant with maximum duration up to 24 months only).

Grant Schemes (Cont'd)

Name of Policy, Programme or Initiative for Financial Facilities

E. Training and Employment Scheme (SLP)

Implementing Agency

Department of Economic Planning and Development (JPKE)

Tel: (+673) 2233344

Email: info.jpke@jpke.gov.bn

Website: www.depd.gov.bn

Implementation Period

Introduced in 2010.

Key Objectives and Eligibility Criteria for SMEs

A grant that helps companies defray the training costs of their employees that have limited skills and experience as well as to retain workers.

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Employers/companies wishing to apply for the scheme may submit a project proposal paper to the Department of Economic Planning and Development (JPKE).
- Proposal must contain
 - Profile of company (employer)
 - Type of occupation offer
 - Number of job vacancies available
 - Salary
 - Training venue
 - Type or stages of skills required
 - Cost of training (if any)
 - Training provider.

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

Depends on type of training

Loan Schemes

Name of Policy, Programme or Initiative for Financial Facilities

F. Enterprise Expansion Program (EEP) financing

Implementing Agency

Brunei Economic Development Board

Tel: (+673) 2230111

Email: micro.biz@bedb.com.bn

Website: www.bedb.com.bn

Implementation Period

Introduced in 2012

Key Objectives and Eligibility Criteria for SMEs

Financing to assist small and medium size enterprises (SMEs) to expand their businesses through increasing productivity and to groom future promising local enterprises to export and expand overseas.

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Company must be registered with the Registrar of Companies and Business Names
- Have been in operation for at least two years.
- The company must be fully Bruneian owned
- Company must demonstrate encouraging business progress within the last 12 months
 - Growth in turnover (sales)
 - Number of clients/ customers
 - Business coverage area.
- Must be willing to adopt proper financial reporting/accounting system
- Products or services are commercially viable
- Present realistic cash flow including ability to service the financing.

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

Maximum financing amount per business: B\$15,000 (Maximum entitlement of up to 90% of the purchase price (10% to be borne by the SME))

Loan Schemes (Cont'd)**Name of Policy, Programme or Initiative for Financial Facilities****G. Microcredit Financing Scheme (MFS)****Implementing Agency**

Entrepreneurial Development Centre,
Ministry of Industry and Primary Resources (MIPR)
Tel: (+673) 2333964/ 2334172
Email: edc.mipr@industry.gov.bn
Website: www.bruneimipr.gov.bn

Implementation Period

Introduced in 2001

Key Objectives and Eligibility Criteria for SMEs

To assist local entrepreneurs to start and expand small scale businesses

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Citizen of His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam
- Sole proprietorship, partnership or private limited company (Sendirian Berhad) registered in Brunei Darussalam
- For joint venture, at least 30% equity capital owned by citizens of His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam
- Business must be operated in Brunei Darussalam

- Entrepreneur needs to possess business management skills and technical expertise in the business or industry that is being pursued
- Eligible for any type of business activity
- Business under the SME category should not have more than 100 employees.

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

Maximum loan amount per company or enterprise: B\$50,000

Loan Schemes (Cont'd)

Name of Policy, Programme or Initiative for Financial Facilities

H. Enterprise Facilitation Scheme (EFS)

Implementing Agency

Entrepreneurial Development Centre,
Ministry of Industry and Primary Resources (MIPR)
Tel: (+673) 2333964/ 2334172
Email: edc.mipr@industry.gov.bn
Website: www.bruneimipr.gov.bn

Implementation Period

Introduced in 1999

Key Objectives and Eligibility Criteria for SMEs

To assist small and medium sized entrepreneurs (SME) to expand and develop their businesses and build their capacity to export

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Citizen of His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam
- Sole proprietorship, partnership or private limited company (Sendirian Berhad)
- For joint venture, at least 30% equity capital owned by a citizen of His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam Business must be operated in Brunei Darussalam
- Entrepreneur needs to have business and management skills and technical knowledge/ expertise in the business or industry to be pursued
- Eligible industries under this scheme are agriculture, fisheries, tourism, manufacturing, construction and ICT
- Businesses in the SME category should not have more than 100 employees.

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

Maximum amount allocated per recipient company: B\$5 million

Loan Schemes (Cont'd)

Name of Policy, Programme or Initiative for Financial Facilities

I. Export Refinancing Scheme (ERS)

Implementing Agency

Entrepreneurial Development Centre
 Ministry of Industry and Primary Resources (MIPR)
 Tel: (+673) 2333964/ 2334172
 Email: edc.mipr@industry.gov.bn
 Website: www.bruneimipr.gov.bn

Implementation Period

Introduced in 2010

Key Objectives and Eligibility Criteria for SMEs

Provides registered and certified exporters with short-term financing before and after delivery. The pre-shipment facility helps exporters to finance the purchase of items such as raw materials and general costs while the post-shipment facility helps to defray delivery expenses

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Citizen of His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam
- Sole proprietorship, partnership or private limited company (Sendirian Berhad)
- Company is registered as an exporter (classification either as a direct exporter or an indirect exporter will be determined by MIPR)
- For joint ventures, at least 30% equity capital owned by a citizen of His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam
- Business must be operated in Brunei Darussalam
- Eligible industries under this scheme are agriculture, fisheries, tourism, manufacturing, construction and ICT
- Business in the SME category should not have more than 100 employees.

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

Maximum amount allocated per recipient company: Minimum B\$50,000, maximum B\$500,000

Investment Fund Scheme

Name of Policy, Programme or Initiative for Financial Facilities

J. Promising Local Enterprise Development Scheme (PLEDS) Investment Fund

Implementing Agency

Brunei Economic Development Board
 Tel: (+673) 2230111
 Email: int.pleds@bedb.com.bn
 Website: www.bedb.com.bn

Implementation Period

Introduced in 2012

Key Objectives and Eligibility Criteria for SMEs

An investment fund that will invest in and transform promising local enterprises so that they can compete internationally either through increased exports or overseas expansion.

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- The company is registered in Brunei as a Sendirian Berhad.
- The company has been in active operation for a minimum of five years
- The company has progressive growth based on annual revenue over the last three years
- Readily available products and services.

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

N/A

Brunei Darussalam (Cont'd)

Name of Policy, Programme or Initiative for Financial Facilities

K. Accel-X Investment Fund

Implementing Agency

Brunei Economic Development Board
Tel: (+673) 2230111
Website: www.bedb.com.bn

Implementation Period

Introduced in 2010

Key Objectives and Eligibility Criteria for SMEs

To provide funding support for early stage companies in hi-tech growth areas such as ICT, technology and engineering

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

High technology start-ups incorporated in Brunei with potentially scalable business models

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

Maximum amount allocated per recipient company: B\$1.5 million in any one company. Investment exceeding this may be allowed subject to approval.

Brunei Darussalam (Cont'd)

Name of Policy, Programme or Initiative for Financial Facilities

L. The Future Fund

Implementing Agency

Administered by:

Futureventures Sdn Bhd (a joint venture initiative by Authority for Info-Communications Technology Industry of Brunei Darussalam (AITI), Brunei Economic Development Board (BEDB) and DST Group)

How to apply:

For more information or further enquiries, please contact:
Futureventures Sdn Bhd

Website: www.futurefund.com.bn

Implementation Period

Introduced in 2012

Key Objectives and Eligibility Criteria for SMEs

To bridge the initial funding gap for potential innovative ICT entrepreneurs that are promising and have good business ideas

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Promising ICT companies based in Brunei
- Ownership must be 50% or more locally owned at the time of investment, but ownership post-investment can change
- Startups must not be a subsidiary of foreign MNCs with over B\$10 million annual turnover

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

Maximum amount allocated per recipient company: From B\$50,000 increase to B\$150,000 for each company in tranches. (Follow on investment depends on investees achieving certain milestones.)

Cambodia

Name of Policy, Programme or Initiative on Financial Facilities

Part of the policy for the promotion of **Paddy Production and Rice Exports**

Implementing Agency

- Ministry of Economic and Finance
- National Bank of Cambodia
- Ministry of Commerce
- Ministry of Agriculture, Forestry and Fishery
- Ministry of Industry, Mines and Energy
- Rural Development Bank
- Private sector such as the Rice Miller Association
- Chamber of Commerce
- Federation of SMEs Association of Cambodia (FASMEC)

Implementation Period

From June 25, 2010 to 2015 and beyond

Key Objectives and Eligibility Criteria for SMEs

- The promotion of paddy production and rice exports
- Agricultural processing activities such as rice millers and SMEs in general

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Government provided US\$36 million to rice millers
- Rural Development Bank and its partners such as ADB, IFDB, AFD, and China Development Bank
- Commercial Banks

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

- The volume of Cambodian rice exports has increased significantly: 105,300 tonnes in 2010, 202,000 tonnes in 2011, 205,700 tonnes in 2012, and 236,700 tonnes in the first eight months of 2013
- The rice export target is at least 1 million tonnes by 2015

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

N/A

Indonesia

Name of Policy, Programme or Initiative on Financial Facilities

A. Kredit Usaha Rakyat (KUR)/People Business Credit

B. Revolving Fund Scheme (LPDB)

Implementing Agency

- Kredit Usaha Rakyat (KUR)/People Business Credit
- Ministry of Cooperatives and SMEs
- Revolving Fund Scheme (LPDB): Ministry of Cooperatives and SMEs

Implementation Period

- KUR - from November 2007 onwards (multi-year programme)
- Revolving Fund Scheme - from 2008 onwards (multi-year programme)

Key Objectives and Eligibility Criteria for SMEs

Objectives

To accelerate the development of economic activities in the real sector in the context of the prevention and alleviation of poverty and the expansion of employment opportunities.

The KUR programme objectives are as follows:

- To accelerate development of the real sector and the empowerment of micro, small, and medium-sized enterprises (MSMEs) and cooperatives
- Improve access to finance and develop access of MSMEs and cooperatives to financial institutions
- Control poverty alleviation and expansion of employment opportunities.

General requirements for MSMEs and cooperatives to be accepted by the KUR:

- MSME and cooperative do not currently accept credit/bank financing and/or not currently receiving credit programmes from the government
- Allowed to receive consumer credit (housing loans, motorcycle credit, credit cards and other consumer loans)
- For MSMEs and cooperatives still in Bank Indonesia's debtor information system, but have paid off credit, so require a payment certificate from their previous bank
- For micro KUR, they are not required to be checked in BI's debtor information system.

The KUR verdict carries the full authority of the Bank Committee, in accordance with the result of the feasibility analysis of prospective borrowers

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs that participated, and number of SMEs applied, granted, number of non-performing loans]

Amount of funds utilised

- Total debtors are 9.06 million
- Total credit disbursed IDR 121.79 trillion (USD 12.179 billion)
- Up to July 2013, total credit disbursed IDR 23.99 trillion (USD 2.399 billion) with total debtors of 1.38 million
- Non-performing loans (NPL) of KUR 3.6% on average
- Distribution of KUR:
 - Trade sector 50.44%
 - Agriculture 15.97%
 - Manufacturing 2.85%
 - Others 30.74%.

FIs Participating

There are three important pillars in the implementation of this programme: The government, the Bank of Indonesia (BI), and the Technical Department (Ministry of Finance, Ministry of Agriculture, Ministry of Forestry, Ministry of Marine Affairs and Fisheries, Ministry of Industry, and the Ministry of Cooperatives and SMEs).

Firstly, the government assists and supports the implementation of the following provision of the credit guarantee. Secondly, guaranteeing institutions serve as a guarantor on loans and financing provided by banks. Thirdly, banks give the insured loans to SMEs and cooperatives.

The guarantee institution of this programme is PT (Persero) Asuransi Kredit Indonesia (PT Askrindo) and the Indonesian Credit Insurance Public Company (Perum Jamkrindo). While agreement with the banks consists of six commercial banks and 13 Regional Development Banks (BPD). The six KUR commercial banks to date are: Bank BRI, Bank Mandiri, Bank BNI, Bank BTN, Bank Syariah Mandiri and Bank Bukopin. The 13 BPDs are: Bank Nagari, DKI Bank, Bank of East Java, Central Java Bank, BPD DIY, Bank Jabar Banten, NTB Bank, Bank West Kalimantan, Central Kalimantan Bank, Bank South Kalimantan, North Sulawesi Bank, Bank Bank Maluku and Papua.

Revolving Fund Scheme (LPDB)

- Launched in 2008, channeled particularly through cooperatives
- 2,457 borrowers
- Total loans disbursed IDR 3.703 trillion (USD 0.37 billion)
- Up to July 2013, total loans disbursed IDR 999.7 billion (USD 99.97 million) with 638 borrowers
- Average NPL is 0.03%

Success Stories and Guidelines if Policy to be Replicated by Other AMSs**People Business Credit (KUR).****Objectives**

- MSMEs are a core target group for fostering local economic development and contributing to poverty reduction
- To propose the highlight initiatives that can directly contribute to the development of MSMEs
- To encourage MSMEs in strengthening their eligibility and capability to increase their access to finance

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

N/A

Lao People's Democratic Republic

Name of Policy, Programme or Initiative on Financial Facilities

- A. Two-Step loan
- B. Credit guarantee scheme, venture capital

Implementing Agency

Department of SME Promotion (DOSMEP), SME Fund, Lao Development Bank (SME Bank)

Implementation Period

From 2012 onwards

Key Objectives and Eligibility Criteria for SMEs

To assist all SMEs in gaining access to finance by:

- Increasing bank liquidity to lend more to SMEs
- Diversification of financial products and services to SMEs
- Strengthening capacity of entrepreneurs on preparing business plans and financial reports.

All SMEs sectors under SME definition can access this scheme

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

The government has allocated USD 2 million to the SME fund for establishment, technical assistance and to lend to SMEs via the SME Bank

- SME Bank only
- 30 SMEs have received loans as of August 2013

Success Stories and Guidelines if the Policy is Replicated by Other AMSs

We are in the first year of implementation therefore; it is very new to share with other AMSs. However, we would like to exchange with you how we can learn from the best practices of a two-step loan scheme, credit guarantee scheme, venture capital, or matching grant scheme.

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

N/A

Malaysia

Name of Policy, Programme or Initiative on Financial Facilities

- SME Corporation Malaysia:
 - **Syari'ah Compliant SME Financing Scheme**
 - **SME Emergency Fund**
 - **Soft Loan for SMEs**
- TEKUN Nasional:
 - **TEKUN Financing**
- Credit Guarantee Corporation:
 - **Guarantee Schemes**
 - **Green Technology Financing Scheme**
 - **Direct Access Guaranteed Scheme**
- SME Bank:
 - **SME Revitalisation Scheme**
 - **SME Development Scheme**
 - **HALAL Industry Fund**
 - **Young Entrepreneur Fund**
- Malaysian Industrial Development Finance Berhad (MIDF):
 - **Soft Loan Schemes for Service Sector**
 - **Soft Loan Schemes for Automation and Modernisation**
- Export-Import Bank of Malaysian Berhad (EXIM Bank):
 - **Malaysian Kitchen Financing Facility**
- Amanah Ikhtiar Malaysia (AIM):
 - **Ikhtiar Financing Scheme**

Implementing Agency

- SME Corporation Malaysia
- TEKUN Nasional
- Credit Guarantee Corporation
- SME Bank
- Malaysian Industrial Development Finance Berhad (MIDF)
- Export-Import Bank of Malaysian Berhad (EXIM Bank)
- Amanah Ikhtiar Malaysia (AIM)

Implementation Period

Recurring

Key Objectives and Eligibility Criteria for SMEs

Key Objectives

- Syari'ah Compliant SME Financing Scheme: To provide financing assistance to eligible Malaysian SMEs whereby the Government of Malaysia has agreed to pay 2% of the profit rate charged on the financing provided by the participating Islamic Banks
- SME Emergency Fund: To assist SMEs who have their businesses adversely affected by natural disasters.
- Soft Loan for SMEs: Provides assistance to existing and new start-up companies in projects, fixed assets, and working capital financing.
- TEKUN Financing:
 - Provide funds to SMEs for expansion
 - Provide entrepreneurship information and business opportunities to TEKUN participants
 - Provide advisory and support to participants
 - Develop a TEKUN entrepreneurship community which is competent, innovative, and progressive.
- Guarantee Schemes: Provide guarantee schemes to help SMEs secure credit facilities from financial institutions via CGC.
- Green Technology Financing Scheme: Assist companies to obtain financing to support the government's initiative to promote investment in green technology
- Direct Access Guaranteed Scheme: Assist borrowers that are still in operation but distressed by flow problems/business slowdowns
- SME Revitalisation Scheme: Providing second chance financing for SMEs to rehabilitate operations
- SME Development Scheme: To accelerate the growth of SMEs and the expansion of industrial areas nationwide
- HALAL Industry Fund: To assist established SMEs entrepreneurs in the HALAL-based industry expand their business overseas
- Young Entrepreneur Fund: To assist young entrepreneurs involved in business activities of interest to the young generation
- Soft Loan Schemes for Service Sector – To assist companies and enterprises in the services sectors to raise their capabilities and capacities

- Soft Loan Schemes for Automation and Modernisation: Encourage industries to modernise and automate their manufacturing process and upgrade their production capability and capacity
- Malaysian Kitchen Financing Facility: Provide financing to Malaysian entrepreneurs to set up or expand existing restaurants overseas
- Ikhtiar Financing Scheme: Reduce the poverty rate in Malaysia by providing financing to poor households to enable them to undertake viable economic activities to upgrade their household income.

Eligibility Criteria:

Business enterprise based on the definition of SMEs

Measures and Evaluation of the Outcome [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

- Percentage of annual sales
- Number of accounts guaranteed/approved
- Percentage of non-performing loans
- Number of entrepreneurs assisted

Sharing of Success Stories and Guidelines if Policy to be Replicated by Other AMSs]

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments [if any]:

N/A

Myanmar

Name of Policy, Programme or Initiative on Financial Facilities

SME loan programme with low interest rate

Implementing Agency

Small and Medium Enterprise Development (SMED) Bank under the Ministry of Industry

Implementation Period

From 2012 to 2015

Key Objectives and Eligibility Criteria for SMEs

- To improve the SME's business and reduce the burden of interest rates and low investment
- Choose the industrial enterprise and inspect the collateral

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

10 billion kyats utilised, 175 SMEs applied, and 62 SMEs received the SME loans

Success Stories and Guidelines if Policy to be Replicated by Other AMSs]

Malaysia and Indonesia

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments [if any]:

- We are planning the establishment of the Fund Management Board by the Ministry of Finance
- Our government will allocate in the next budget 20 billion Kyats for SME loans through our SMED Bank

Philippines

Name of Policy, Programme or Initiative on the Financial Facility

Financing Programs for Micro, Small and Medium Enterprises (MSMEs)

A. Retail Lending/Structured Finance

A lending window directly provides funding to the MSME projects which are ready to expand but are not yet considered as bankable under the formal financing system.

Implementing Agency [please give the name of government agency, private sector or FIs or non-FIs implementing the facility]

SMALL BUSINESS CORPORATION (SB CORPORATION)

Implementation Period

On-going

Key Objectives and Eligibility Criteria for SMEs

Program Objectives:

- To finance the remaining pockets of “unserved” or “underserved” markets on direct basis to improve its credit access at better rates relative to informal sources;
- To help MSMEs grow in its industry and to a respectable size over time with continuous financing.

Target Borrowers/Minimum Eligibility Criteria:

1. MSMEs

- Must be a Filipino-owned enterprise, in the case of corporation, must be at least 60% Filipino-owned;
- Must have an asset size of not less than P500 Thousand and not more than P100 Mullion, excluding the value of land;
- Must have at least one year positive business track record
- Must not be involved in the following industry inclusion list of SBC:
 - Pure traders of imported goods
 - Engaged in vice-generating operations
- Must have a BRR score of “5” or better per SBC evaluation

2. MSME-Oriented Financial Institutions

- At least 60% Filipino-owned;
- With at least 50% MSME loan portfolio;
- Must have at least one year positive business track record;
- With BRR of “5” or better under SBC’s BRR for FIs

Type of Financing:

- Working Capital Financing

A direct lending facility which aims to further address the working capital needs of SMEs. This facility supports the enterprise’s gapping of receivables and/or build-up of inventory.

- Fixed-Asset Financing

A direct lending facility for domestic enterprises which aims to sustain, expand or improve MSMEs’ business operations. Expansion projects may include fixed assets acquisition and construction or renovation of the project site facility

Loan Amount:

- Minimum – P200,000
- Maximum – generally, based on debt service capacity of the borrower

Measures and Evaluation of the Outcomes [e.g., amount of funds utilised, no. of FIs or non-FIs participated, and no. of SMEs applied, granted, no. of non-performing loans]

Measure of performance are in terms of the following:

1. No. of direct borrowers (and end-borrowers , in the case of Wholesale Lending facilities)
2. Loan portfolio (volume)
3. Amount of loan released
4. No. of jobs generated
5. Improved access to MSME credit (for borrowers with less than P1.0 Million loan and with no collateral)
6. Outreach (at least 1 MSME borrower or partner financial institution (PFI) for each province)

Sharing of Success Stories and Guideline if Policy to be Replication by Other AMSs]

N/A

Any Failure Cases with Recommended Mitigating Factors or How to Prevent from Failures

N/A

Other Information or Comments [if any]:

N/A

Philippines (Cont'd)

Name of Policy, Programme or Initiative on the Financial Facility

Financing Programs for Micro, Small and Medium Enterprises (MSMEs)

B. Credit Guarantee Program

- **SME-GEAR** or Guarantee for MSMEs without collateral – a guarantee facility for completely unsecured or clean loans.
- **SME-GROW** or Guarantee for MSMEs with partial collateral - a guarantee facility for loans with insufficient collateral, where the guarantee cover is limited to the unsecured portion only. SBC shall not share on future collateral recoveries.
- **SME-GAIN** or Guarantee for MSMEs with available collateral but are faced with some credit risk concerns – a guarantee facility where the guarantee cover is on the entire loan inclusive of the secured portion. SBC shall share on future collateral recoveries on pari-passu basis.

Implementing Agency [please give the name of government agency, private sector or FIs or non-FIs implementing the facility]

SMALL BUSINESS CORPORATION (SB CORPORATION)

Implementation Period

On-going

Key Objectives and Eligibility Criteria for SMEs

Program Objectives:

The Program aims to help financial institutions consider the granting of loans to MSMEs through credit risk sharing, with SBC taking on the bigger bulk of the risk for a fee.

Minimum Qualifications of the PFI:

- Should be a financial institution which may include banks and financing/leasing companies;
- Latest CAMELS rating of at least “3”, if applicable;
- Positive net income for the past two years;
- Past due rate of not more than 20%;
- Capital adequacy ratio of at least 10%;
- Operational MSME lending unit; and
- No negative credit record

Eligibility Criteria for MSME Borrower:

- Borrower Risk Rating (BRR) score of “5” or better as scored by SBC;
- At least 60% Filipino-owned enterprise duly registered with the Securities and Exchange Commission (SEC) and or the Department of Trade and Industry (DTI);
- Asset size of not less than P500 Thousand and not more than P100 Million exclusive of the value of the land where the project is located;
- Sound business track record of at least 3 years%;
- At least one year business track record may be allowed provided that the enterprise has a BRR of “4” or better;
- Not belonging to the SBC exclusionary list of industries;
 - Real estate development (MSME contractors are qualified)

Measures and Evaluation of the Outcomes [e.g., amount of funds utilised, no. of FIs or non-FIs participated, and no. of SMEs applied, granted, no. of non-performing loans]

Measure of performance are in terms of the following:

- No. of direct borrowers (and end-borrowers, in the case of Wholesale Lending facilities)
- Loan portfolio (volume)
- Amount of loan released
- No. of jobs generated
- Improved access to MSME credit (for borrowers with less than P1.0 Million loan and with no collateral)
- Outreach (at least 1 MSME borrower or partner financial institution (PFI) for each province)

Sharing of Success Stories and Guideline if Policy to be Replication by Other AMSs]

N/A

Any Failure Cases with Recommended Mitigating Factors or How to Prevent from Failures

N/A

Other Information or Comments [if any]:

N/A

Philippines (Cont'd)

Name of Policy, Programme or Initiative on the Financial Facility

Financing Programs for Micro, Small and Medium Enterprises (MSMEs)

C. SME Venture Capital Program

Implementing Agency [please give the name of government agency, private sector or FIs or non-FIs implementing the facility]

SMALL BUSINESS CORPORATION (SB CORPORATION)

Implementation Period

On-going

Key Objectives and Eligibility Criteria for SMEs

Program Objectives:

The Program aims to incubate and create enterprises as a means to accelerate the development of economically and socially strategic enterprises. The Venture Capital Financing is in the form of risk capital which is equity in the business that may be used for product development, for the establishment, improvement or expansion of plant and facilities; for market development, and/or for working capital, among others.

Enterprise Qualifications:

- An enterprise with large and rapidly expanding market with people who have brilliant ideas that can be commercialized and a strategy that has a strong sustainable competitive advantage;

- Preference should be business in its start-up stage and registered as a corporation with a written and sound business plan, but may include expanding and growing business in their development stage;
- The business should have products or services than can potentially become a national brand;
- It should have the necessary rights over its brands, products and services and is registered and documented by the appropriate government, private and legal entities;
- The principals should have necessary qualifications and integrity of character without adverse or negative findings and experience on record.

Measures and Evaluation of the Outcomes [e.g., amount of funds utilised, no. of FIs or non-FIs participated, and no. of SMEs applied, granted, no. of non-performing loans]

Measure of performance are in terms of the following:

- No. of direct borrowers (and end-borrowers, in the case of Wholesale Lending facilities)
- Loan portfolio (volume)
- Amount of loan released
- No. of jobs generated
- Improved access to MSME credit (for borrowers with less than P1.0 Million loan and with no collateral)
- Outreach (at least 1 MSME borrower or partner financial institution (PFI) for each province)

Sharing of Success Stories and Guideline if Policy to be Replication by Other AMSs]

N/A

Any Failure Cases with Recommended Mitigating Factors or How to Prevent from Failures

N/A

Other Information or Comments [if any]:

N/A

For other financing programs for MSMEs, please visit this link:
<http://www.dti.gov.ph/dti/uploads/file/Financing%20Programs.pdf>

Singapore

Name of Policy, Programme or Initiative on Financial Facilities

A. Micro Loan Programme (MLP)

Implementing Agency - SPRING Singapore

SPRING Singapore

Participating FIs

- a) DBS Bank Ltd
- b) Malayan Banking Berhad
- c) Oversea-Chinese Banking Corporation Ltd
- d) RHB Bank Berhad
- e) The Bank of East Asia Ltd
- f) The Hong Kong and Shanghai Banking Corporation Ltd (HSBC)
- g) United Overseas Bank Ltd
- h) Hong Leong Finance Ltd
- i) Ethoz Capital Ltd
- j) IFS Capital Ltd
- k) ORIX Leasing Singapore Ltd

Implementation Period

2001 to present

Key Objectives and Eligibility Criteria for SMEs

Key Objectives

SPRING works closely with the financial services sector to catalyse financing programmes for SMEs. We aim to make available more options for SMEs at each stage of their growth.

Objective of the MLP is to provide working capital loans of up to \$100,000 to small businesses with less than 10 employees

MLP Criteria

- Registered or incorporated in Singapore
- Company has 10 or less employees **or** has annual sales not exceeding S\$1 million

- At least 30% local shareholding
- Company's group annual sales of not more than S\$100 million OR company's group employment size of not more than 200.

Measures and Evaluation of the Outcome [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, no. of non-performing loans]

In 2012, S\$1.3 billion worth of government-backed loans were issued to SMEs. This amounted to 4,451 loans to SMEs

Sharing of Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments [if any]

N/A

Singapore (Cont'd)

Name of Policy, Programme or Initiative on Financial Facilities

B. Loan Insurance Scheme (LIS)

Implementing Agency

SPRING Singapore

Participating FIs (LIS)

- Bibby Financial Services (Singapore) Pte Ltd
- DBS Bank Ltd
- Hong Leong Finance Ltd
- Malayan Banking Berhad
- Oversea-Chinese Banking Corporation Ltd (OCBC)
- RHB Bank Berhad
- Standard Chartered Bank

- The Bank of East Asia Ltd
- The Hong Kong and Shanghai Banking Corporation Ltd (HSBC)
- United Overseas Bank Ltd (UOB).

Implementation Period

2002 to present

Key Objectives and Eligibility Criteria for SMEs

Key Objectives

SPRING works closely with the financial services sector to catalyse financing programmes for SMEs. We aim to make available more options for SMEs at each stage of their growth.

Objective of the LIS is to provide loans for working capital and trade financing

LIS Criteria

Facilities for Domestic Trade

- At least 30% local shareholding
- Company's group annual sales of not more than S\$100 million or company's group employment size not more than 200 workers.

Facilities for Sales to Overseas Customers

- Company must be Singapore-based
- At least three strategic business functions in Singapore
- Turnover of applicant company and its subsidiaries must not exceed S\$300 million for non-trading companies and S\$500 million for trading companies.

Companies applying for both domestic and export facilities, will have to meet the set of criteria as described above.

Measures and Evaluation of the Outcome [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, no. of non-performing loans]

In 2012, S\$1.3 billion worth of government-backed loans were issued to SMEs. This amounted to 4,451 loans to SMEs

Sharing of Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments [if any]

N/A

Singapore (Cont'd)**Name of Policy, Programme or Initiative on Financial Facilities****C. Local Enterprise Financing Scheme (LEFS)****Implementing Agency**

SPRING Singapore

Participating FIs (LEFS)

- DBS Bank Ltd
- Malayan Banking Berhad
- Oversea-Chinese Banking Corporation Ltd (OCBC)
- RHB Bank Berhad
- Standard Chartered Bank
- The Bank of East Asia Ltd
- The Hong Kong and Shanghai Banking Corporation Ltd (HSBC)
- United Overseas Bank Ltd
- Hong Leong Finance Ltd
- Sing Investments & Finance Ltd
- Singapura Finance Ltd
- Ethoz Capital Ltd
- IFS Capital Ltd
- ORIX Leasing Singapore Ltd.

Implementation Period

1991 to present

Key Objectives and Eligibility Criteria for SMEs

Key Objectives

SPRING works closely with the financial services sector to catalyse financing programmes for SMEs. We aim to make available more options for SMEs at each stage of their growth.

Objective of the LEFS is to provide loans for the purchase of equipment and assets.

LEFS Criteria

- At least 30% local shareholding
- Company's group annual sales of not more than S\$100 million or company's group employment size not more than 200 workers.

Measures and Evaluation of the Outcome [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, no. of non-performing loans]

In 2012, S\$1.3 billion worth of government-backed loans were issued to SMEs. This amounted to 4,451 loans to SMEs

Sharing of Success Stories and Guidelines if Policy to be Replicated by Other AMSS

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments [if any]

N/A

Thailand

Name of Policy, Programme or Initiative on Financial Facilities

A. Programme by Small and Medium Enterprise Development Bank of Thailand (SME Bank)

- Productivity Improvement Loan
 - Machines and automation loan
 - Working process loan.
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Happy Loan
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Special SMEs Credit
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Small SMEs Credit
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Import
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Export
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Innovation.

Implementing Agency

Small and Medium Enterprise Development Bank of Thailand (SME Bank)

Implementation Period

Programme by SME Bank

- Productivity Improvement Loan: From April 24, 2012 to December 31, 2015
 - Machines and automation loan
 - Working process loan.
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Happy Loan: Can apply until December 31, 2013
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Special SMEs Credit: Still open for applications
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Small SMEs Credit: Can apply until December 31, 2013
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Import: Still open for applications
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Export: Still open for applications
- Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Innovation: Still open for applications.

Key Objectives and Eligibility Criteria for SMEs

1) Productivity Improvement Loan

- Machinery and automation loan: To assist SMEs in the manufacturing sector, which have a factory/factories operating in compliance with the Factory Act, B.E. 2535 (1992) with the purchase and renovation of machines (Loan period: Maximum of seven years)
- Working process loan: To assist SMEs in all business sectors with investment, expansion, improvement, or development of businesses (Loan period: Maximum five years).

Criteria:

- SME Bank will complete the consideration of a loan request within three months from the final day for receiving the request
- SMEs that join the programme will be provided with support in terms of enterprise diagnosis, as well as advice and training from experts provided by the government.

2) Credit for Thai SMEs Entrepreneurs Sub-Programme – Happy Loan: To assist SMEs in 13 specific industries:

- Textile and garment
- Food and beverage
- Metal/cast product
- Restaurant and food vendor
- Wooden product
- Construction
- Rubber product and plastic product
- Retail
- Hotel
- Logistics and transportation
- Automotive and motorbike repair shop
- Furniture manufacture
- Jewellery

Criteria

- Individuals or juristic persons who have operated the business for at least two years.

3) Credit for Thai SMEs Entrepreneurs Sub-Programme – Special SMEs Credit:

To assist SMEs qualified as prime customers.

Criteria

- SME Bank existing customer, good background in debt payment
- The customer in a term loan
- Land or land with building as surety
- Principle instalment of at least one year
- Never default or debt restructuring (DR) and trouble debt restructuring (TDR).

4) Credit for Thai SMEs Entrepreneurs Sub-Programme – Small SMEs Credit:

To assist SMEs who would like to apply for credit of not more than 1 million baht.

Criteria

Individual/juristic person having operated in business for at least one year. Lack of qualifications in asset control, asset for sale, bankrupt or in a trial.

Individual person

- Thai nationality, at least 20 years. Applicant must not be over 65 years of age
- Business registration with Ministry of Commerce. Tax payment retroactive for one year before applying.

Juristic person

- Thai nationality, over 50% shareholder
- Juristic registration by the latest financial statement from the Revenue Department. Shareholders aren't in debt.

5) Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Import:

To support SME entrepreneurs operating an import business in machinery, raw materials or ready made products or others in order for liquidity in their businesses.

Criteria

- Comply with the bank notice.

6) Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Export:

To help SME entrepreneurs in order to support, promote, and facilitate their export businesses, also to help with liquidity both before and after export.

Criteria

Required documents for application:

- Original export documents
- Original L/C
- B/E under the conditions of L/C.

7) Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Innovation:

To support Thai SME entrepreneurs in production innovation, and redevelopment of research, inventions, patents, technology, machinery and equipment in order to use current capital for the business.

Criteria

- Specifically for innovation-based SMEs.

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

1) Productivity Improvement Loan

- Machinery and automation loan
- Working process loan.

Measures and Evaluation

- The interest rate is the MLR during the first two years and the MLR for the third year
- The maximum loan for an SME is 5 million baht without guarantee.

2) Credit for Thai SME Entrepreneurs Sub-Programme – Happy Loan

Measures and Evaluation

- Maximum borrowing 120% from surety (the surety complies with the SME Bank's regulations)
- Special Interest Rate MLR/year* (1st year) when disbursed before the end of Y2013
- 50% discount on the credit analysis fee
- Acting as a revolving fund, and expanding or improving the business, or refinancing (complying with the SME Bank's regulations).

Surety

- The credit amount must not be above the value of the surety. Compliance with the SME Bank's regulations
- If the credit amount is above the value of the surety, the extra amount must be guaranteed by the Thai Credit Guarantee Corporation (complying with the TCG's regulations).

3) Credit for Thai SMEs Entrepreneurs Sub-Programme – Special SMEs CreditMeasures and Evaluation

- MLR interest rate/year throughout project
- Maximum borrowing not over five years in duration.

Surety

- Existent surety: Land or land with buildings, using the value of the existing mortgage
- Existent surety with evaluation or latest price revision within three years. The surety is not necessary to review the new price evaluation
- Additional amount and outstanding debt as of approval day must not be above the existent credit amount.

4) Credit for Thai SMEs Entrepreneurs Sub-Programme – Small SMEs CreditMeasures and Evaluation

- Interest rate, long term instalment for one year
- Maximum of five years.

5) Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for ImportMeasures and Evaluation: N/A.**6) Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Export**Measures and Evaluation: N/A.**7) Credit for Thai SMEs Entrepreneurs Sub-Programme – Credit for Innovation**Measures and Evaluation: N/A.**Sharing of Success Stories and Guidelines if Policy to be Replicated by Other AMSS**

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments [if any]

N/A

Thailand (Cont'd)

Name of Policy, Programme or Initiative on Financial Facilities

B. Programme by Thai Credit Guarantee Corporation (TCG)

- Productivity Improvement Loan (PIL)
- Portfolio Guarantee Scheme (PGS), Phase 5
- Portfolio Guarantee Scheme (PGS New/Start-up)

Implementing Agency

Thai Credit Guarantee Corporation (TCG)

Implementation Period

- Productivity Improvement Loan (PIL) by TCG: From April 24, 2012 to December 31, 2015 (According to the time frame of the SME Bank's PIL scheme)
- Portfolio Guarantee Scheme (PGS), Phase 5 by TCG: From January 1, 2013 to December 31, 2015 (three years)
- Portfolio Guarantee Scheme (PGS New/Start-up) by TCG: From April 24, 2012 to December 31, 2015.

Key Objectives and Eligibility Criteria for SMEs

1) Productivity Improvement Loan (PIL): To guarantee SME loan under (PIL) from SME Bank. Divided into two sections:

- To assist SMEs in machinery and automation development in the manufacturing sector (with a factory/factories operated in compliance with the Factory Act, B.E. 2535 (1992)) with the development, purchase, renovation, and modification of machines and equipment
- To assist SMEs in working process development in all business sectors with investment, expansion, improvement, or development of businesses, e.g. personnel/ labor/work plans/working process and logistics, etc.

Criteria

- The qualifications and conditions of the SME must meet the requirements identified by the PIL of the SME Bank
- The SMEs are allowed to submit a request for the loan guarantee under both objectives (machinery and automation development, and working process development); however, the total amount of the guarantee must be 5 million baht or less per SME.

2) Portfolio Guarantee Scheme (PGS), Phase 5

- To allow SMEs in all industrial groups that have the capacity and want a loan but have no guarantee to access a loan from financial institutions
- To encourage Thai SMEs to operate businesses in foreign countries.
- To enhance liquidity for SMEs that are affected by an increase of the daily minimum wage.

Criteria

- In each portfolio, the guarantee period will not exceed seven years.

3) Portfolio Guarantee Scheme (PGS New/Start-up): To allow SMEs that have just started a new business to gain better access to loans from financial institutions.Criteria

- The SME's operation period must be three years or less (considered from their juristic person registration or trade registration, or official documentation or other documentation approved by the Thai Credit Guarantee Corporation).

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

1) Productivity Improvement Loan (PIL)Measures and Evaluation

- The total guarantee is 5 million baht per SME
- The guarantee fee of 1.75% per year of the guarantee amount. The government will be responsible for the fee for the SMEs in the first year.

2) Portfolio Guarantee Scheme (PGS), Phase 5Measures and Evaluation

- The guarantee fee is 1.75% per year of the loan guarantee amount throughout the seven-year guarantee period.

3) Portfolio Guarantee Scheme (PGS New/Start-up)

Measures and Evaluation

- The guarantee fee is 2.5% per year. The government will be responsible for the fee for the SMEs in the first year

Sharing of Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments [if any]

N/A

Viet Nam

Name of Policy, Programme or Initiative on Financial Facilities

Small and Medium Enterprise Development Fund (SMEDF)

Implementing Agency

Ministry of Planning and Investment

Implementation Period

From 2013

Key Objectives and Eligibility Criteria for SMEs

Providing financial support for feasible projects by SMEs in state priority areas which suit the fund's objectives to enhance the competitiveness and income of enterprises, and create more jobs

Measures and Evaluation [e.g. amount of funds utilised, number of FIs or non-FIs participating, and number of SMEs applied, granted, number of non-performing loans]

N/A

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Other Information or Comments

N/A



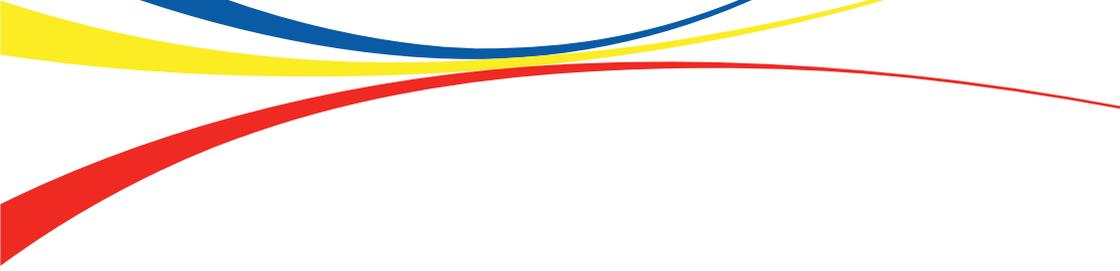
3.2 Landscape of Financial Infrastructure for SMEs in ASEAN

3.2 Landscape of Financial Infrastructure for SMEs in ASEAN

	Credit Rating	Credit Scoring	Credit Risk Information	Credit Bureau	Secured Transaction Law	Collateral Registry
Brunei Darussalam	–	–	–	✓	–	–
Cambodia	–	–	–	✓	✓(b)	✓(c)
Indonesia	✓	✓(d)	✓	✓(e)	✓	✓
Lao PDR	–	–	–	✓	✓	✓
Malaysia	✓	✓	✓	✓	–	–
Myanmar	–	–	–	(f)	–	✓
Philippines	✓	✓	✓	✓(g)	✓	–
Singapore	✓(h)	✓(h)	✓(h)	✓(h)	✓	–
Thailand	✓	✓(j)	✓	✓	✓	–
Viet Nam	✓	✓	✓	✓	✓	–

Remarks

- (a) National Bank of Cambodia
- (b) Ministry of Commerce
- (c) Ministry of Commerce
- (d) Pefindo, PT Kasnic Credit Rating Indonesia, etc
- (e) Not specific for SMEs
- (f) In Progress
- (g) Bankers Association of the Philippines (BAP) Credit Bureau
- (h) Private Sector Driven (For example: <http://www.smeccreditrating.sg/> , <http://www.dpgroup.com.sg/Aboutdp/CommercialSMECredit.aspx>)
- (i) each bank individually creates their own SME credit scoring



3.3 Financial Institutions (FIs) and Non-FIs for SMEs

Brunei Darussalam

Name of FI or Non-FI for SMEs

There are no banks specifically for SMEs. However, there are nine licensed banks including one trust fund which provides loans/credit facilities for both consumer and corporate loans/financing which also cater to SMEs.

Full Contact Address with Website and Email

Baidri Bank Berhad

Block A, Units 1-4, Kiarong Complex
Lebuhraya Sultan Hassanah Bolkiah
Bandar Seri Begawan BE1318
Brunei Darussalam
Website: www.baiduri.com.bn
Year Established: 1993

Hongkong and Shanghai Banking Corporation Limited (HSBC)

Corner of Jalan Sultan/Jalan Pemancha
Bandar Seri Begawan BS 8811
Brunei Darussalam
Website: www.hsbc.com.bn
Year Established: 1947

Citibank NA

Darussalam Complex
12-15 Jalan Sultan
Bandar Seri Begawan BS 8811
Brunei Darussalam
Year Established: 1972

Malayan Banking Berhad (Maybank)

No.1, Jalan Mc Arthur
Bandar Seri Begawan BS 8711
Brunei Darussalam
Year Established: 1960

Bank Islam Brunei Darussalam (BIBD) Berhad

Bangunan BIBD
Jalan Pemancha
Bandar Seri Begawan BS 8711
Brunei Darussalam
Website: www.bibd.com.bn
Year Established: 2005

Standard Chartered Bank

51-55, Jalan Sultan
Bandar Seri Begawan BS 8811
Brunei Darussalam
Website: www.standardchartered.com.bn
Year Established: 1958

United Overseas Bank Limited

Unit No. 10 & 11
Bangunan D'Amin Jaya
Lot 54989 Kampong Kiarong
Mukim Gadong
Brunei Darussalam
Year Established: 1974

RHB Bank Berhad

Unit G.02, Ground Floor, Block D
Kompleks Yayasan SHHB
Jalan Pretty, BSB BS8711
Brunei Darussalam
Year Established: 1964

**Perbadanan Tabung Amanah Islam
Brunei berhad (TAIB)**

Bangunan Ibu Pejabat Perbadanan TAIB

Jalan Sultan

Bandar Seri Begawan BS8811

Brunei Darussalam

Website: www.taib.com.bn

Year Established: 1991

Year Established

Please see earlier section.

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]

N/A

Cambodia

Name of FI or Non-FI for SMEs

Rural Development Bank (RDB)

Full Contact Address with Website and Email

Rural Development Bank (RDB)
 #9-13 St.7, Sangkat Chaktomuk, Khan Doun Penh
 Phnom Penh, Cambodia
 PO Box 1410 Phnom Penh, Cambodia
 Phone: (+855) 023 220 810/811
 Fax: (+855) 023 224 623
 Email: rdb@online.com.kh
 Website: <http://www.rdb.com.kh>

Years Established

The Rural Development Bank (RDB) was established in January 1998, received a banking license to operate initially as a specialised bank, and is registered at the Ministry of Commerce. It operates under the financial and technical guardianship of the Ministry of Economy and Finance (MEF) and under the control of the National Bank of Cambodia (NBC).

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]

The Rural Development Bank is responsible for implementing the special loan provided by the government, including the RDB counterpart fund, as working capital to the Rice Miller Association and rice market to: purchase paddy during the harvest season, prevent paddy outflow, enhance domestic recycling, increase value added, increase stocks for national food security and rice market competition for both price and quality, especially transforming paddy exports to rice exports.

Indonesia

Name of FI or Non-FI for SMEs

There are many FIs and non FIs in Indonesia, but none specifically for SMEs. All banks under Bank Indonesia (the central bank) have specific departments who handle SMEs, namely the Department of MSME and Financial Access Development

Full Contact Address with Website and Email

Jl. M.H. Thamrin 2
Jakarta 10350, Indonesia
Phone: (+62 21) 3818044, 3818744
Fax: (+62 21) 3518951
Website: <http://www.bi.go.id>

Years Established

Central Bank of Indonesia in 1953

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]

Growing SMEs

Lao People's Democratic Republic

Name of FI or Non-FI for SMEs

Lao Development Bank (SME Bank)

Full Contact Address with Website and Email

Lao Development Bank Head Office
 013 Soupanouvong Road
 Ban Sihom, Chanthabouly District
 Vientiane Capital, Lao PDR, PO BOX 2700
 Tel: (+856 21) 213300-04
 Fax: (+856 21) 213304, 222506
 SWIFT: LDBBLALA
 Email: ldbhovte@ldblao.com
<http://www.ldb.org.la>

Years Established

- 2003 (Lao Development Bank)
- 2008 (SME Bank)

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]

Emphasis on promoting SMEs' access to finance

Malaysia

Name of FI or Non-FI for SMEs

- Bank Kerjasama Rakyat Malaysia
- TEKUN Nasional
- SME Bank
- Malaysian Industrial Development Finance Berhad
- Bank Simpanan Nasional Berhad
- Export-Import Bank of Malaysian Berhad
- Amanah Ikhtiar Malaysia
- Bank Pertanian Malaysia Berhad
- SME Corp Malaysia

Full Contact Address with Website and Email

Bank Kerjasama Rakyat Malaysia

Bangunan Bank Rakyat
Jalan Tangsi, PO Box 11024
50732 Kuala Lumpur
Website: www.bankrakyat.com.my
Established for: 59 years

TEKUN Nasional

No. 2, Jalan Tasik Selatan 4
Bandar Tasik Selatan
57000 Kuala Lumpur.
Website: www.tekun.gov.my/
Established for: 15 years

SME Bank

Level 7, Menara SME Bank
Jalan Sultan Ismail
Peti Surat 12352
50774 Kuala Lumpur
Website: www.smebank.com.my
Established for: 8 years

Export-Import Bank of Malaysian Berhad

Level 1, Exim Bank
Jalan Sultan Ismail
50250 Kuala Lumpur
Website: www.exim.com.my
Established for: 18 years

Amanah Ikhtiar Malaysia

Menara Amanah Ikhtiar
No 3 Jalan Cempaka SD 12/1A
Bandar Sri Damansara PJU9 52200
Kuala Lumpur
Website: www.aim.gov.my
Established for: 26 years

Bank Pertanian Malaysia Berhad

Menara Agrobank, Leboh Pasar Besar
50726 Kuala Lumpur
Website: www.agrobank.com.my
Established for: 40 years

Malaysian Industrial Development Finance Berhad

82 Jalan Raja Chulan
50200 Kuala Lumpur
Website: www.midf.com.my
Established for: 53 years

Bank Simpanan Nasional Berhad

Wisma BSN
117, Jalan Ampang
50450 Kuala Lumpur
Email: www.mybsn.com.my
Established for: 39 years

SME Corp Malaysia

Level 6, SME 1, Block B,
Platinum Sentral
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 KUALA LUMPUR
Email: www.smecorp.gov.my
Established for: 17 years (formerly known as SMIDEC)

Years Established

Please see earlier section.

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]**Bank Kerjasama Rakyat Malaysia:**

- To ensure a satisfactory profit towards meeting dividend payments to its members while charging reasonable profit rates that are not a burden to its members.

TEKUN Nasional

- To provide easy business financing
- To provide business opportunities and entrepreneurial information
- To provide support services and guidance to entrepreneurs who participate in TEKUN's programmes
- To develop a progressive and dynamic TEKUN entrepreneur community and business network
- To instil an entrepreneurship culture among Malaysians
- To encourage a savings lifestyle among TEKUN's entrepreneurs.

SME Bank

- To provide financing and advisory services to SMEs involved in the manufacturing, services and construction sectors.

Malaysian Industrial Development Finance Berhad:

- **Image and Branding**
To enhance the branding and reputation of MIDF as a socially responsible corporate organisation that cares for its employees and the community, and is a partner with the government in all efforts towards nation-building. The enhanced reputation will increase public recognition, as well as the confidence of investors and government agencies, indirectly translating into financial growth for the company.

- **Human Capital Development**
To assist and realise the national agenda in developing human capital, especially in development finance. Apart from developing human capital, MIDF will offer a conducive workplace incorporating equal opportunities for employment, work-life balance and career advancement.

- **Community**
 - To create awareness of natural resources and environment conservation. MIDF also embraces corporate governance and adopts an ethical business policy, which outlines the company's position on being socially responsible in investing and financing, including its decision not to finance weapons deals with oppressive governments, and projects detrimental to the environment.

 - These objectives are in line with the guiding principles in the Silver Book on contributions to society, which emphasises efficiency in supplying goods and services to customers, provision of a conducive working environment for employees, the further enhancement of contributions to society, and funding development through corporate tax contributions.

Bank Simpanan Nasional Berhad:

- To promote and mobilise savings, particularly from small savers
- To develop the habit of thrift and saving
- To provide the means for saving by the general public
- To utilise the bank's funds for investment including financing the nation's economic development.

Export-Import Bank of Malaysian Berhad:

- To provide credit facilities to finance and support the export and import of goods, services, and overseas projects with the emphasis on non-traditional markets as well as the provision of export credit insurance services, export financing insurance, overseas investments insurance, and guarantee facilities.

Amanah Ikhtiar Malaysia:

- To reduce the poverty rate in Malaysia by providing financing to poor households to enable them to undertake viable economic activities to upgrade their income.

Agro Bank Malaysia:

- To promote Malaysia's sound agricultural development
- To co-ordinate and supervise credit from public funds for agricultural purposes by the various persons or bodies, whether incorporated or unincorporated
- To provide loans, advances, and other credit facilities for the development of the agriculture sector and agriculture related business
- To mobilise savings with particular regard to the agricultural sector and to accept savings and time deposits
- To raise the wellbeing of the agricultural community
- To carry out the general business of a modern and progressive financial services institution catering for the total financial needs of its customers.

SME Corp Malaysia :

- Mission: Promote the development of competitive, innovative, and resilient SMEs through effective coordination and provision of business support.

Myanmar

Name of FI or Non-FI for SMEs

Small and Medium Enterprise Development (SMED) Bank under the Ministry of Industry

Full Contact Address with Website and Email

No. 46, U Tun Nyein Road, Mayangon Township

Phone: (+95) 1 657602

Fax: (+95) 1 657603

Email: midb01@.com.mm , tmhsmidb@gmail.com

Years Established

February 12, 1995

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]

The industry sector is important for Myanmar. So, we pay incentives for industrial sector development

Philippines

Name of FI or Non-FI for SMEs

There are government and private sector institutions that are providing financial services to SMEs.

Full Contact Address with Website and Email

Development Bank of the Philippines (DBP)

Sen. Gil J. Puyat Avenue, cor. Makati Avenue, Makati City

Phone: (+632) 818.9511 to 20 / 818.9611 to 20

E-mail: info@dbp.ph

www.dbp.ph

Year Established: 1935

Land Bank of the Philippines (LBP)

Land Bank Plaza, 1598 M.H. Del Pilar cor. Dr. J. Quintos Sts., 1004 Malate, Manila

Phone: (+632) 405.7146 / 551.2000 local 2655

E-mail: sme-pmu@mail.landbank.com

www.landbank.com

Year Established: 1963

Philippine National Bank (PNB)

Philippine National Bank Financial Center

Pres. Diosdado Macapagal Boulevard, Pasay City

Phone: (+632) 573.8888

Fax: (+632) 573.4580

www.pnb.com.ph

Year Established: 1916

Planters Development Bank

Plantersbank Building 314 Sen. Gil J. Puyat Avenue, Makati City

Phone: (+632) 812.5325 / 884.7600 / 884.7800

E-mail: info@plantersbank.com.ph

www.plantersbank.com.ph

Year Established: 1971

Banco de Oro Universal Bank (BDO)

24th Floor The JMT Corporate Condominium

27 ADB Avenue, Ortigas Center, Pasig City

Phone: (+632) 667.1624 / 631.8000

E-mail: callcenter@bdo.com.ph

www.bdo.com.ph

Small Business Corporation (SBCorp.)

17th & 18th Floors, 139 Valero St., Salcedo Village, Makati City

Phone: (+632) 751.1888

Fax: (+632) 894.1677

E-mail: sbccorporation@sbgfc.org.ph

www.sbgfc.org.ph

Year Established: 1991

Philippine Export-Import Credit Agency (PHILEXIM)

17/F Citibank Tower, Citibank Plaza

Makati City

Phone: (+632) 885.4700 or 893.4809

www.philexim.gov.ph

Year Established: 1977

Active Alliance Finance Corporation

Suite 203 CLF Building , 1167 Chino Roces Avenue, Makati City

Phone: (+632) 890.7422

Fax: (+632) 890.7423

Email: info@activefinancecorp.com

www.activefinancecorp.com

Department of Science and Technology

Small Enterprise Technology Upgrading Program (SET-UP)

General Santos Avenue, Bicutan, Taguig City

Phone: (+632) 837.7531

Foundation for a Sustainable Society, Inc. (FSSI)

Unit E, 46 Samar Avenue cor. Eugenio Lopez Street

South Triange, Quezon City

Telefax: (+632) 928.8671

www.fssi.com.ph

Year Established: 1995

Philippine Business for Social Progress (PBSP)

Philippine Social Development Center Building

1002 Intramuros, Manila

Phone: (+632) 527.7741 to 48

Fax: (+632) 527.3743

www.pbbsp.org.ph

Year Established: 1970

Social Security System

SSS Building, East Avenue, Diliman, Quezon City

Phone: (+632) 920.6401 / 920.6446

E-mail: member_relations@sss.gov.ph

www.sss.gov.ph

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]

The various financing programs available for SMEs may have different requirements and target industry.

Singapore

Name of FI or Non-FI for SME

Banks with Financial Services catered for SMEs

- Standard Chartered Bank
- The Hong Kong and Shanghai Banking Corporation Ltd (HSBC)
- DBS Bank
- Overseas-Chinese Banking Corporation Ltd (OCBC)
- United Overseas Banking Ltd (UOB)
- Hong Leong Finance

Full Contact Address with Website and Email

Standard Chartered Bank

68 Orchard Road

Singapore (238839)

Website: <http://www.standardchartered.com.sg/sme-banking/en/>

Year Established:

The Hong Kong and Shanghai Banking Corporation Ltd (HSBC)

21 Collyer Quay #01-01 /#02-01 (Premier Centre)

Singapore (049320)

Website: <http://www.hsbc.com.sg/1/2/business/small-businesses>

Year Established:

DBS Bank

12 Marina Boulevard

Marina Bay Financial Centre Tower 3

Singapore (018982)

Website: <http://www.dbs.com.sg/sme/>

Year Established: 1968 (45 years)

Overseas-Chinese Banking Corporation Ltd (OCBC)

OCBC Centre, 65 Chulia Street

Singapore (049513)

Website: <http://www.ocbc.com.sg/business-banking/>

Year Established: 1932 (81 years)

United Overseas Banking Ltd (UOB)

80 Raffles Place UOB Plaza 1
Singapore (048624)

Website: <http://www.uob.com.sg/corporate/commercial/>

Year Established: 1935 (78 years)

Hong Leong Finance

16 Raffles Quay
Singapore (048581)

Website: http://www.hlf.com.sg/enterprise/sme/sme_centre.html

Year Established: 1961 (52 years)

Years Established (as of 2013)

Please see earlier section.

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]

Financial services including providing financial products and services for SMEs and administering government financing schemes. Banks with an SME banking arm are open to all SMEs regardless of industry, gender, objectives or age.

Thailand

Name of FI or Non-FI for SMEs

State-owned specialised financial institutions:

- **Small and Medium Enterprise Development Bank of Thailand (SME Bank)**

Full Contact Address with Website and Email

Small and Medium Enterprise Development Bank of Thailand
SME BANK Tower 310 Phaholyothin Road, Samsen-Nai
Phayathai, Bangkok 10400
Tel: (+66) 2265 3000
Fax: (+66) 2265 4000
Call Centre: 1357
Website: <http://www.smebank.co.th>

Years Established

In 1964, the Council of Ministers approved a financing strategy to promote and develop small industries, as proposed by the National Economic and Social Development Board (NESDB).

A loan processing office for small industries was established under the Department of Industrial Promotion, under the Ministry of Industry's supervision to provide financial support to small manufacturing businesses. That office later became the Small Industry Finance Office (SIFO). However, the SIFO's operations and growth were hampered by limited funds, which were dependent on state budget allocations, and cumbersome and inflexible government procedures and regulations.

In 1991, the government promulgated the Small Industry Finance Corporation Act and the SIFO became the Small Industry Finance Corporation (SIFC) with registered capital of 300 million baht. Its status as a juristic person allowed the SIFC to raise capital domestically and internationally.

In 2000, the government initiated policies using the SIFC as the primary mechanism to assist small and medium enterprises, key drivers of the Thai economy. The Ministry of Finance recapitalized the SIFC, increasing its equity to THB 2.5 billion.

On December 20, 2002, the Small and Medium Enterprise Development Bank of Thailand Act was enacted, re-establishing the SIFC as the Small and Medium Enterprise Development Bank of Thailand (SME Bank). The bank's mandate was "to conduct business with the aim of developing, promoting and assisting small and medium enterprises to start-up, expand, or improve their businesses by providing loans, guarantees, venture capital, counselling, and other necessary services as prescribed by the Act".

In Fiscal Year 2009, the department passed a THB 2,500 million baht capital increase that saw the bank's share capital increase to THB 11,600 million.

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]

Mission

- Support government policies to assist and promote Thai SMEs
- Provide financial services and other responses to the needs of Thai SMEs
- Promote and develop Thai SMEs with competition potential on the global stage
- Develop IT technology systems with organisation management and good governance.

Objectives

The bank shall conduct business activities that will develop, promote, assist and support the establishment of, and expansion or improvement of medium and small enterprises by granting loans, providing security guarantees, making joint investments, providing consultation and advice or other necessary services.

These include:

- Providing loans or co-providing loans with/without security or collateral
- Jointly invest in small and medium enterprises
- Provide finance, technology, production, marketing and business management knowledge, and help them access financial, business management and technical services
- Sourcing capital for the bank
- Owning or taking possession of properties that were used by borrowers as collateral when such borrowers default on loan agreements
- Deposits with other financial institutions as necessary for conducting the bank's business
- Guarantee debts
- Issue financial instruments
 - Avail, accept or intervene to honour bills
 - Buy, discount or rediscount financial instruments or transfer claims of the beneficiaries in respect of such instruments
 - Charge interest, discounts, collect fees or other service charges when lending money, buying, discounting, rediscounting, guaranteeing and providing other financial services
 - Engage in the foreign exchange business

- Establish businesses to conduct the bank's business, after obtaining the minister's approval
- Accept deposits subject to withdrawal on demand or at the end of a specified period and paying interest at the bank's announced rates. However, the bank cannot accept deposits from the general public without cabinet approval.
- Represent government offices or state-enterprises on authorised bill payments and other bank related processes
- Invest the bank's surplus cash for profit as authorised by the board
- Provide suitable welfare for the bank's officials, employees and families
- Provide credit facilities or other forms of international trade financial services similar to commercial banks and other financial institutions
- Take any actions that will help the bank achieve its overall objectives.

The bank is prohibited from:

- Investing in any business in which the board of directors, the executive board, or the bank's president are direct or indirect partners or shareholders
- Granting credit to or guaranteeing the debt of any of the following persons or related parties:
 - Members of the board, executive board, or president
 - The spouses of the board, executive board, or president
 - Minor children of the board, executive board, or president
 - An ordinary partnership in which the person under (a) or (b) or (c) is a partner
 - A limited partnership in which the person under (a) or (b) or (c) is a partner with unlimited liability or in which one or more of such persons is a partner or are partners with limited liability in an aggregate amount exceeding thirty per cent of the total capital of such limited partnership
 - A limited company in which the person under (a) or (b) or (c) is a partner or the partnership under (d) or (e) holds shares, separately or in combination, in an aggregate amount exceeding thirty per cent of the total amount of such limited company's shares sold
 - A limited company in which the person under (a) or (b) or (c) or the partnership under (d) or (e) or the limited company under (f) holds shares, separately or in combination, in an aggregate amount exceeding thirty percent of the total amount of such limited company's shares sold.
- Pay money to or give any property to any of its directors, executives, president, officers or employees as commissions or remuneration for or by reason of any transaction or business of the bank other than gratuities, salaries, bonuses and other allowances which may normally be paid to them

- Purchase or permanently hold immovable properties except:
 - for use as premises for the bank's business or as facilities for its president, officers and employees
 - those acquired as result of debt settlements or loan guarantees or purchases of immovable property mortgaged to the bank at an auction.

The immovable properties which belong to the bank under (b) must be sold within five years from the date the properties were acquired by the bank or for longer periods when approved by the minister.

Thailand (Cont'd)

Name of FI or Non-FI for SMEs

State-owned specialised financial institutions:
Thai Credit Guarantee Corporation (TCG)

Full Contact Address with Website and Email

Thai Credit Guarantee Corporation (TCG)
 Head Office
 Charn Issara Tower II (17th-18th Floor)
 2922/243 New Petchburi Road, Bangkok 10310
 Tel: (+66) 2890 9988
 Mobile: (+66) 8 1889 2235
 Fax: (+66) 2890 9900, 2890 9800
 E-Mail: info@tcg.or.th
 Website: <http://www.tcg.or.th/>

Years Established

TCG is a state-owned specialised financial institution under the supervision of the Ministry of Finance (MoF).

It was established on December 30, 1991 under the Small Industry Credit Guarantee Corporation Act B.E. 2534 (1991) to take over all the business and operations of the Small Industry Credit Guarantee Fund. It officially commenced operations on February 21, 1992 with an initial registered capital of TJN 400 million.

On July 3, 2000, the government through the MoF made an additional capital increase of THB 4 billion for TCG, making up a total capital of THB 4.4 billion. At the end of 2005, TCG was approved by a special resolution of an extraordinary general meeting of shareholders to increase its registered capital by another THB 2 billion.

In 2008, it called a partial share payment of THB 302.47 million from the shareholders who had expressed their intention to take up new shares, making total capital reach THB 4,702.47 million.

The latest capital increase was approved by extraordinary general meeting no. 1/2009 on September 25, 2009 by another THB 2,137.47 million, of which 2,000 million baht was intended to be acquired by the MoF.

TCG on October 14, 2009 registered the capital increase with the Ministry of Commerce pursuant to the special resolution of the shareholder meeting.

At present, TCG's total registered capital is THB 6,839,946,700, of which THB 6,702,473,000 is paid-up.

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]

Mission

- To assist small enterprises in obtaining a greater amount of credit from financial institutions
- To strengthen the confidence of financial institutions in providing credit to small enterprises
- To accelerate the extension of credit to small enterprises throughout the country
- To assist in the achievement of the small industry development target under the national economic and social development plan.

Objectives

To provide support to SMEs through guarantee services for those that have potential but lack collateral security in order to enable them to acquire loans from financial institutions and, at the same time, enhance the financial institutions' confidence in credit expansion which will benefit overall economic development.

TCG's operations not only help boost the capabilities of SMEs in business and investment expansion but also encourage the emergence of new entrants, contributing to the country's economic development. The collaboration between TCG and the public and private sectors, together with consistent support from the government, will allow the achievement of its operational targets. Most credit guarantee institutions around the world get support from their respective governments, though in different forms, since they are one of the key financial mechanisms of governments in developing and promoting entrepreneurial circles.

With the above nature of business, and as a non-profit organisation, TCG is committed to operating for the benefit of the country. Its credit guarantee service will be a key driver in the strengthening of SMEs and the healthy social and economic growth of the country.

Viet Nam

Name of FI or Non-FI for SMEs

Credit Guarantee Fund for SMEs

Full Contact Address with Website and Email

The Vietnam Development Bank

25A Cat Linh Street, Dong Da District

Ha Noi, Vietnam

Website: www.vdb.gov.vn

Email: trangtindientu@vdb.gov.vn

Ho Chi Minh City Credit Guarantee Fund for SMEs

33 Pasteur, District 1

Ho Chi Minh City, Vietnam

Website: www.hcgf.com.vn

Email: quybaolanhtindung@hcgf.com.vn

Bac Ninh Credit Guarantee Fund for SMEs

Huyen Quang Road, Bac Ninh Province, Vietnam

Ha Giang Credit Guarantee Fund for SMEs

6 Bach Dang Road

Ha Giang Province, Vietnam

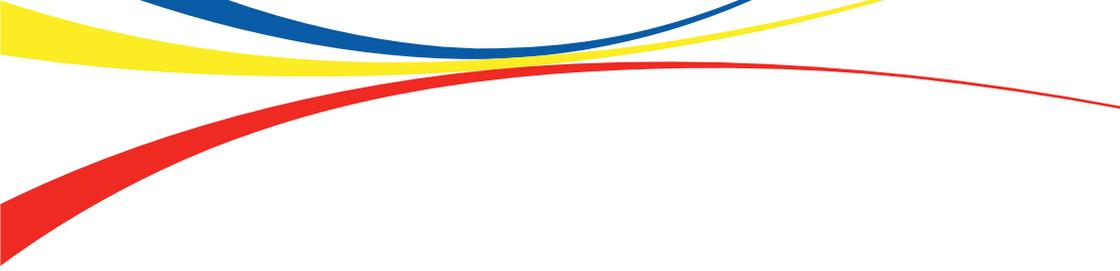
Email: quydautuhg@gmail.com

Years Established

N/A

Key Objectives and Targeted SMEs [e.g. industry sector, gender, specific objective, age]

Providing guarantees for SMEs taking out loans with commercial banks.



3.4 Sharing of SME Policy, Initiatives on Market Access and Internationalisation of SMEs

Brunei Darussalam

Name of Policy, Programme or Initiative on Market Access

Promotion and Marketing Services

Promoting /marketing SME products domestically and internationally

- Exhibitions, trade fairs, consumer fairs
- Road shows
- Business networking.

Producing

- SME Leaflets, Brochures and Directories

Implementing Agency

Marketing & Promotion Centre

Ministry of Industry and Primary Resources

Tel : (+673) 2382822

E-mail: pmc.mipr@industry.gov.bn / mpc.mipr@gmail.com

Website: www.bruneimipr.gov.bn

Implementation Period

On-going

Key Objectives and Eligibility Criteria for SMEs

Objective

To promote local products both for the domestic and overseas markets through the participation of SMEs in various exhibitions, seminars or trade missions, with a view to support the development of exportable local products.

For Local Trade Expos

Eligibility

- Companies registered or incorporated in Brunei Darussalam
- At least 30% of company equity owned by Brunei citizens
- Product owned or made in Brunei Darussalam
- Company should not have more than 100 employees.

Eligible expenses

- Booth
- Registration
- Free participation in promotional events organised by the MIPR
- Free listing of company name and product profile in promotional materials produced by MIPR.

For Overseas Trade Expos

Eligibility

- Companies or business associations registered or incorporated in Brunei Darussalam
- At least 30% of company equity owned by Brunei citizens
- Product owned or made in Brunei Darussalam
- Company should not have more than 100 employees
- Company owns a factory or a production premises approved by the relevant government authority
- High quality products with the appropriate standard certifications such as Brunei Halal, Health Certificate, ISO 22000, Hazard Analysis Critical Control Point Certification (HACCP), Good Management Practice (GMP) and others
- Properly labelled and packaged products.

Eligible expenses

Participation in international trade fairs and exhibitions. Various incentives through sponsorship are given for:

Registration

- Rental cost of booth space
- Cost of advertisement in show directory
- Cost of ticket or accommodation (whichever is higher) and for one person per company only
- Shipment of exhibit materials (not more than 150 kg per company) as unaccompanied cargo
- Cost of interpreter service if required

Lao People's Democratic Republic

Name of Policy, Programme or Initiative on Market Access

- Create information database and information provision regarding business and market opportunities
- Research and define potential sectors, products and services of local SMEs
- Encourage local SMEs to participate in domestic and international trade fairs
- Implement trade and export facilitation
- Promote value chain

Implementing Agency

- Ministry of Industry and Commerce, Trade and Product Promotion Development Department
- Ministry of Industry and Commerce, Department of Import and Export
- Ministry of Industry and Commerce, Department of SME Promotion
- Ministry of Industry and Commerce, Foreign Trade Policy Department
- Other concerned agencies

Implementation Period

All activities to be implemented from 2011-2015.

Key Objectives and Eligibility Criteria for SMEs

N/A

Measures and Evaluation[e.g. number of SMEs participating, number of SMEs successful in penetrating new markets from this policy]

The programs are being implemented and are under mid-term review. Therefore, the official report regarding the outcome has not been completed.

Success Stories and Guidelines if Policy is to be Replicated by Other AMSs

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

The first four activities are being implemented, however, due to a lack of resources, mainly human resources as well as supporting funds, implementation is slow. Only promotion of the value chain is being implemented intensely.

Funding Support

- GIZ
- ADB

Other Information and Comments

The Lao Trade Portal has recently been established to diversify channels for both domestic and international entrepreneurs for information regarding business and trade in the Lao PDR.

Malaysia

Name of Policy, Programme or Initiative on Market Access

- Ministry of Domestic Trade, Co-operatives and Consumerism:
 - Taste of Malaysia.
- Federal Agriculture Marketing Authority (FAMA):
 - 1Malaysia Best.
- Malaysian Palm Oil Board
 - Workshop on Business Opportunities for SMEs in the Palm Oil Industry.
- Malaysian External Trade Development Corporation (MATRADE):
 - Market Development Grant (MDG)
 - Women Exporters Development Programme.
- SME Corporation Malaysia:
 - Industrial Linkages Programme
 - SME Brand Development Programme.

Implementing Agency

- Ministry of Domestic Trade, Co-operatives and Consumerism
- Federal Agriculture Marketing Authority (FAMA)
- Malaysian Palm Oil Board
- Malaysian External Trade Development Corporation (MATRADE)
- SME Corporation Malaysia.

Implementation Period

From January 2013 to December 2013

Key Objectives and Eligibility Criteria for SMEs

- Taste of Malaysia: Promote and market SME products to hypermarkets abroad
- 1Malaysia Best: To create a brand name and acknowledged Malaysian agro based products that will boost the country's image while increasing sales through exporting to the global market
- Workshop on Business Opportunities for SMEs in the Palm Oil Industry: Provide information on commercialisation and business planning in the palm oil industry
- Market Development Grant (MDG): Assistance for SMEs in developing export markets

- Women Exporters Development Programme: Export assistance programmes designed for small and medium sized businesses owned by women
- Industrial Linkages Programme (ILP): Develop links between capable SMEs and MNCs/GLCs as well as large companies
- SME Brand Development Programme: Create awareness on branding among SMEs through seminars/workshops and offer advisory services via a Branding Innovation Centre and Branding and Packaging Mobile Gallery

Measures and Evaluation [e.g. number of SMEs participating, number of SMEs successful in penetrating new markets from this policy]

- Taste of Malaysia: Number of products promoted into foreign hypermarkets abroad
- 1Malaysia Best: Percentage of increase in sales
- Workshop on Business Opportunities for SMEs in the Palm Oil Industry: Number of technologies adopted and commercialised
- Market Development Grant (MDG): Number of potential companies for the export market
- Women Exporters Development Programme: Export sales generated
- Industrial Linkages Programme: Potential sales generated
- SME Brand Development Programme: Number of SMEs that benefitted.

Success Stories and Guidelines if Policy to be Replicated by Other AMSs]

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Funding Support

The government

Other Information or Comments

N/A

Myanmar

Name of Policy, Programme or Initiative on Market Access

Entrepreneurship training programme, technology transfer programme, cluster development programme, procuring market access, holding trade fairs and festivals, providing information for trade fairs and festivals in ASEAN and abroad, and business matching.

Implementing Agency

- Ministry of Industry
- Ministry of Commerce
- The Union of Myanmar Federations of Chambers of Commerce and Industry (UMFCCI)

Implementation Period

From 2011 to 2015.

Key Objectives and Eligibility Criteria for SMEs

- To meet market requirements, improve export income and substitute imports, improve competition, networking and entering international production
- Production and services for SMEs and SMEs in industrial zones

Measures and Evaluation [e.g. number of SMEs participating , number of SMEs successful in penetrating new markets from this policy]

Nearly 4,000 SMEs participated and 150 SMEs penetrated new markets due to this policy

Success Stories and Guidelines if Policy to be Replicated by Other AMSs]

ASEAN program and Thailand

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Funding Support

Related agencies and partner organisations

Other Information or Comments [if any]

Myanmar SMEs need financing, technology and market access.

Philippines

Name of Policy, Programme or Initiative on Market Access

Signature Events are CITEM's major international promotional activities in the Philippines. Recognised as the country's leading events for the sectors covered, these signature events provide opportunities for SMEs to conduct business with international and local buyers.

- **Manila FAME: The Design and Lifestyle Event.** Co-located with Manila Now, CEBUNEXT, and Bijoux Cebu, the four major sourcing events present top quality export products and unique Philippine craftsmanship in furniture and furnishings, holiday gifts and décor, and fashion.
- **Design for Exports (DEHome and Fashion)**
 - **Export Coaching Programme:** Providing market and business-oriented training and developmental programs for CITEM stakeholders to build their marketable capabilities, develop and introduce new products to the market, and ensure their product and market readiness for export promotions
 - **Merchandise Specialists Programme:** This strategy aims to “[create] exports that meet market demands in terms of design, price competitiveness, and profitability” for exporters in the furniture, handicraft, home and fashion accessories, holiday décor, and fashion industries.
- **IFEX:** A biennial event, IFEX Philippines is a premier international sourcing hub for the finest ethnic Asian food, ingredients and raw materials. The show provides food and beverage companies with a key venue to promote their products globally, and establish and strengthen links with international buyers, importers, and retailers.
- **Design for Export for the Food Sector (DEFood).** This will involve the hiring of a consultant or a team of consultants from the food industry to match skills and expertise with the exporters' capabilities. DEFood will help with food packaging system development, product development, alignment to market requirements/compliance certificates, and promotion. DEFood aims to create and promote a distinct Philippines brand of premium foods through the development of products of small and medium scale food producers that will cater to the premium market, resulting in the recognition of the Philippines as a source of high quality, premium-grade food products.
- **Overseas Trade Fairs:** Overseas promotional activities such as missions and roadshows form part of CITEM's integrated approach to export promotions and are undertaken in identified markets for business to business negotiations, image building, and branding.

Implementing Agency

Centre for International Trade Expositions and Missions (CITEM)

Implementation Period

Continuing

Key Objectives and Eligibility Criteria for SMEs

Key Objectives

- To provide a promotional platform for SMEs to market their globally through the organisation of international events in Manila
- To provide opportunities for Philippine exporters to promote and showcase their products and expand markets through identified overseas trade fairs.

Eligibility Criteria for SMEs

- One year direct export experience and preferably in business for at least two years
- Available promotional collateral appropriate for international market
- No valid complaints against it filed with CITEM or any DTI office.

Measures and Evaluation of the Outcome [e.g. number of SMEs participating, number of SMEs successful in penetrating new market from this policy]

- Number of promotional events held in the Philippines
- Number of promotional activities held overseas
- Percentage increase of local exhibitors that attend CITEM promotional events
- Percentage increase in companies availing of product design development programmes.

Sharing of Success Stories and Guidelines if Policy to be Replicated by Other AMSS

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

The focus of assistance should be provided according to the level of development of the SME

- Tier 1: Industry leaders - assistance should be on branding
- Tier 2: Expanding - international marketing, brand building
- Tier 3: New entrants - capability building, product development.

Funding Support

General Appropriation Act (GAA)

Other Information or Comments [if any]

N/A

Singapore

Name of Policy, Programme or Initiative on Market Access

Grants

- Market Readiness Assistance (MRA) Programme
- Global Company Partnership (GCP) Programme
- Capability Development Grant (Industry Branding)

Access to Information

- Market Access Resources
- Advisory Seminars

Implementing Agency

International Enterprise (IE) Singapore
SPRING Singapore

Implementation Period

On-going

Key Objectives and Eligibility Criteria for SMEs

Market Readiness Assistance (MRA) Programme

For companies new to internationalisation, MRA is designed to help them learn more about different markets and be equipped with the basic knowhow when going abroad. It covers three main areas: information, learning and financial assistance, which will grow and enhance their competitiveness.

Global Company Partnership Programme (GCP)

For companies who are already overseas and looking to deepen their presence, the Global Company Partnership (GCP) is an approach adopted by IE Singapore to groom companies into becoming globally competitive by providing relevant assistance in the areas of building internal capabilities, gaining market access, manpower development and gaining access to financing. IE engages companies to thoroughly understand their business, assess best potential markets and opportunities for growth, and understand their capabilities and gaps before formulating customized solutions for their international growth.

Eligibility Criteria

Capability Development Grant (Industry Branding)

SPRING Singapore supports industry branding efforts and adopts a cluster development approach by leveraging on industry branding efforts. Different government agencies work closely with the business associations on industry-wide brand projects, or brand research efforts that are useful to enterprises for branding themselves to reach out to new markets.

Examples of industry branding projects include:

Food Manufacturing – Tasty Singapore

Tasty Singapore is an initiative by IE Singapore, SPRING and Singapore Food Manufacturers' Association (SFMA), to provide our Singapore Food and Beverage companies with a common platform to promote themselves and showcase Singapore food to the world. The Tasty Singapore brand captures the essence and spirit of Singapore food and represents the quality and high standards that have made Singapore food world-renowned. Representing the key attributes of Distinctiveness, Passion, Confidence, the branding has been promoted actively in trade shows such as SIAL in France and Foodex in Japan.

Furniture – Singapore Mozaic

In 2007, the furniture industry announced that it will embark on a furniture industry branding programme, Singapore Mozaic, to improve the industry's competitiveness in export markets by building up the brand image of Singapore-designed furniture. Spearheaded by Singapore Furniture Industries Council (SFIC) and supported by SPRING and IE Singapore, Singapore Mozaic will boost the industry's capabilities in management, design, knowledge and research and enhance the image of the industry.

Measures and Evaluation [e.g. number of SMEs participating, number of SMEs successful in penetrating new markets through this policy]

Number of companies assisted through initiatives

Success Stories and Guidelines if Policy to be Replicated by Other AMSs

MRA: <http://www.iesingapore.gov.sg/Publications/Publications/IE30-Inspiring-Company-Stories>

Global Company Partnership (GCP): <http://www.iesingapore.gov.sg/Assistance/Global-Company-Partnership>

Tasty Singapore: <http://www.tastysingapore.com>

Singapore Mozaic: <http://www.singaporemozaic.com>

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

N/A

Funding Support

Market Readiness Assistance (MRA) Grant

The MRA helps Singapore-based companies' overseas ventures by supporting pre-scoped professional services for market assessment, market entry and business restructuring through internationalisation

Global Company Partnership (GCP) Grant

The GCP Grant provides assistance to companies venturing overseas by supporting professional services and relevant activities to help companies shore up their capabilities, enter new markets, develop the right manpower and facilitate companies' access to capital.

Capability Development Grant (CDG)

The Capability Development Grant (CDG) is a financial assistance programme aimed at helping Small and Medium Enterprises (SMEs) defray part of qualifying project costs, relating to consultancy, manpower, training, certification, upgrading productivity and developing business capabilities for process improvement, product development and market access.

The grant supports a wide range of capability upgrading initiatives that enable SMEs to successfully compete and grow their businesses locally and globally. There are 10 supportable areas tailored to meet an SME's current needs and stages of development. They range from raising service standards, adopting technology innovation, grooming business leaders to growing a global brand.

Other Information or Comments

Website for Market Access Resources: <http://www.iesingapore.gov.sg/Export-Overseas/Market-Access-Resources>

Thailand

Name of Policy, Programme or Initiative on Market Access

The Third SME Promotion Master Plan

Strategy 4: Building and strengthening capacity of SMEs for international economic integration.

So far, three SME Promotion Master Plans have been formulated by OSMEP:

- The First SME Promotion Master Plan (2003-2007)
- The Second SME Promotion Master Plan (2007-2011)
- The Third SME Promotion Master Plan (2012-2016).

Implementing Agency

The Office of SMEs Promotion (OSMEP)

Implementation Period

The Third SME Promotion Master Plan

Strategy 4: Building and strengthening the capacity of SMEs for international economic integration.

From: 2012 to 2016.

Key Objectives and Eligibility Criteria for SMEs

The Third SME Promotion Master Plan, Objective

- To push SMEs to be the primary driving force of the Thai economy by giving importance to the development of their capacity so that they may run their businesses using knowledge, creativity, innovation and cultural uniqueness, both at the sectoral level and at the entrepreneurial level. To focus on the support given at each stage of growth, from the start-up of the business through the growth and maturity stage to the turn around stage, which includes the development of regional areas, the overall picture of the country, of sub-regions, and of each province, so that they are in line with the policy of decentralisation of growth from the central to the provincial regions, and in line with the strategy for the development of provincial regions.

Strategy 4: Building and strengthening the capacity of SMEs for international economic integration.

- To build the linkages and networks of SMEs so that they are able to accommodate globalisation and connect with international economies is essential as international trade plays an important role in the development of the Thai economy. Export revenue is the country's primary source of income, including exports from SMEs. Thailand's future economic growth will continue to depend primarily on the strength and stability of international trade.

Therefore, the promotion of SMEs in order to link with foreign countries will have to focus on building the knowledge and understanding of international trade for SMEs, especially the agreements under the ASEAN Economic Community (AEC), which will have an impact on the operations of all business sectors, as well as focusing on support for the improvement of the business operations of SMEs so that they are able to prepare themselves to respond to increasing competition, both domestically and internationally. This strategy also gives importance to the promotion of the capability of SMEs, and their expanding international trade and investment opportunities, as well as supporting the creation of cooperation networks with businesses in foreign countries.

In order to achieve the goal by using Strategy 4, we have planned three strategic actions:

- Strategic Action 4.1 - Building and strengthening preparedness of SMEs for the liberalisation of trade and investment
- Strategic Action 4.2 - Building and strengthening the capacity of SMEs to engage in international business
- Strategic Action 4.3 - Initiating and strengthening cooperation between Thai SMEs and businesses in foreign countries.

The business sectors that have been given importance are:

- Technology and innovation
- Agriculture and processed agriculture
- Creative industries
- Retail and wholesale
- Service and tourism.

Measures and Evaluation [e.g. number of SMEs participating, number of SMEs successful in penetrating new markets through this policy]

Monitoring and Evaluation

Once the SME promotion master plan has been turned into an SME promotion action plan, agencies tasked with the implementation of the plan must report the results of their performance, and prepare statistical data related to the SMEs.

Success Stories and Guidelines if Policy to be Replicated by Other AMSs]

N/A

Any Failures with Recommended Mitigating Factors, or How to Prevent Failures

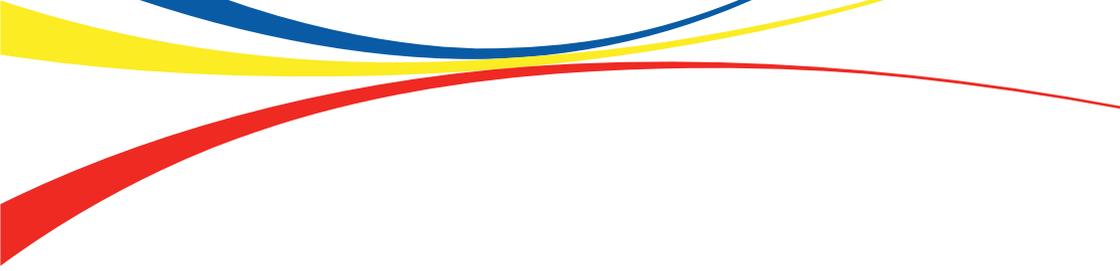
N/A

Funding Support

The budget for the implementation of the SME promotion plan, the budget from the SME promotion Fund (OSMEP budget), or an agency's task budget (non-OSMEP budget), may be used.

Other Information or Comments

N/A



3.5 List of Trade Promotion Centers and Web Portals

Brunei Darussalam

Name of Trade Promotion Centre

Brunei Darussalam Trade and Tourism Office

Full Contact Address with Website and Email

Domestic

The Department of Trade Development

The Ministry of Foreign Affairs and Trade

Tel: (+673) 238 3374 , 238 3378

Fax: (+673) 238 4099

Email: <http://www.mofat.gov.bn> / dtd@mfa.gov.bn

Mission Abroad

Brunei Darussalam Trade and Tourism Office

Ministry of Foreign Affairs and Trade

6F, No. 80

Jainguo North Road Section 1

Taipei 104, Taiwan

Tel: (+886) 2 25063767

Fax: (+886) 2 25063721

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

Functions

- Explore and identify market opportunities for Brunei Darussalam
- Facilitate trade and investment flows
- Formulate short term and long term domestic trade policies
- Provide a national focal point for trade and investment information
- Coordinate and facilitate regional and international trade cooperation

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerce or the private sector]

N/A

Cambodia

Name of Trade Promotion Centre

Trade Promotion Department, Ministry of Commerce

Full Contact Address with Website and Email

Website: www.tpd.gov.kh

Email: info.tpd.gov.kh

This email address is being protected from spambots.

You need JavaScript enabled to view it.

Phone: (+855) 23 216 948

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

Promote trade and industry sectors including SMEs

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerce or the private sector]

- All ASEAN member states and dialogue partners
- The private sector, the Cambodian Chamber of Commerce and SME associations.

Indonesia

Name of Trade Promotion Centre

- Marketing services agency for SMEs and cooperatives
- I-P.com (a portal from Indonesia commerce.com, a private trade promotion company)

Full Contact Address with Website and Email

- <http://www.smescotrade.com>
- <http://www.indonesia-product.com>

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

Growing SMEs

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerce or the private sector]

N/A

Lao People's Democratic Republic

Name of Trade Promotion Centre

Ministry of Industry and Commerce, Department of Product Promotion and Development

Full Contact Address with Website and Email

Ministry of Industry and Commerce
Phonexay Rd, Ban Phonexay, Xaysettha District
Vientiane Capital, Lao PDR 01000
www.moic.gov.la

Key Objectives and Targeted SMEs [e.g. Industry Sector, gender, with any specific objectives, commodities, services]

- SMEs in all fields are targeted, mainly agriculture, manufacturing, and services
- Gathering information regarding trade and business to be an information resource base for entrepreneurs

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerce or the private sector]

- Department of SME Promotion, www.smepdo.org
- Department of Product Development and Promotion, www.laotrade.org.la
- Lao National Chamber of Commerce and Industry, www.laocci.com
- Lao Trade Information Centre, www.laotradeportal.gov.la

Malaysia

Name of Trade Promotion Centre

Malaysia External Trade Development Corporation (MATRADE)

Full Contact Address with Website and Email

Menara MATRADE
 Jalan Khidmat Usaha, Off Jalan Duta
 50480 Kuala Lumpur
 MALAYSIA

Email: info@matrade.gov.my
 Website: www.matrade.gov.my

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

Key Objectives

- To raise the profile of Malaysian exporters in foreign markets
- To disseminate timely and relevant information and market intelligence to help Malaysian companies gain a competitive edge in foreign markets
- To introduce Malaysian companies to foreign importers seeking Malaysian suppliers
- To undertake activities to promote the export of Malaysian goods and services in overseas markets.

Targeted SMEs

- Manufacturing
- Services
- Agriculture

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerce or the private sector]

N/A

Myanmar

Name of Trade Promotion Centre

- The Ministry of Commerce
- The Union of Myanmar Federations of Chambers of Commerce and Industry (UMFCCI)

Full Contact Address with Website and Email

Office No.3, Nay Pyi Taw for Ministry of Commerce
Email: umyintwai@gmail.com , thanaungkyaw61@gmail.com
Website: www.commerce.gov.mm

No. 29, Min Ye Kyaw Swar Road for UMFCCI
Email: DAGON@mptmail.net.mm ; winaung@tagon.com.mm ; umfcci@mptmail.net.mm
Website: www.umfcci.com.mm

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

- To achieve business success and grow the contribution of exports and imports
- To improve communication in ASEAN
- Industry sector and commodities

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerces or the private sector]

UMFCCI

Philippines

Name of Trade Promotion Centre

A. Bureau of Export Trade Promotion (BETP)

Full Contact Address with Website and Email

G/F and 2/F DTI International Building
 375 Sen. Gil J. Puyat Avenue, Makati City 1200, Philippines
 Phone: (+632) 465 3300
 Fax: (+632) 899 0111
 Email: betpinfo@dti.gov.ph
 Websites: www.betp.dti.gov.ph ; www.itrc.dti.gov.ph

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

The BETP is the lead agency tasked to develop, promote, and expand export trade. It seeks to enable Philippine exporters to compete with world-class products and services in the international market.

Target SMEs are exporters and potential exporters involved in the following revenue streams determined in the Philippine Export Development Plan 2011-2013:

- IT business processing outsourcing (BPO) and other services
- Electronics
- Food: fresh/processed/marine
- Coconut products
- Minerals
- Shipbuilding
- Motor vehicle parts
- Garments/textile
- Homestyle: furniture/decor/giftware
- Wearables: fashion/accessories/bags/shoes/jewellery

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerces or the private sector]

- Export Development Council (EDC)
- Philippine Exporters Confederation, Inc (PHILEXPORT)
- Centre for International Trade Expositions and Missions (CITEM)
- Philippine International Trading Corporation (PITC)

Philippines (Cont'd)

Name of Trade Promotion Center

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS (CITEM)

Full Contact Address with Website and Email

Golden Shell Pavilion, Roxas Boulevard cor. Sen. Gil Puyat Avenue
1300 Pasay City, Philippines
Phone: (632) 831-12201
Website: www.citem.com.ph

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

Its core function is the promotion of Philippine products and services in the world market. This includes export expansion and branding the Philippines as an exporting nation. The aim is to promote the country as a reliable source products and services with quality that meets global standards. CITEM works closely with other Department of Trade and Industry (DTI) agencies in performance of its mandate.

Target SMEs in the following sectors:

1. Food Sector
2. Design Driven sector (furniture and furnishings, home and holiday décor and fashion wearables)

5. Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerces or private sector]

Government and Private entities

Philippines (Cont'd)

Name of Trade Promotion Center

PHILIPPINE INTERNATIONAL TRADING CORPORATION (PITC)

Full Contact Address with Website and Email

5/F NDC Building, 116 Tordesillas Street
 Salcedo Village, Makati City
 1227, Philippines
 Phone: (632) 818.9801 / 892.0425
 Fax: (632) 892.0782
 E-mail: op@pitc.gov.ph
 Website: www.pitc.gov.ph

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

As the government's international trading arm, the PITC undertakes both import and export of a wide range of commodities, industrial products and consumer goods. It is involved in a variety of trading arrangement and government-to-government transactions, principally countertrade. Likewise, the company implements facilitative trade-related services directed at the attainment of its two-pronged objectives: (1) expansion of market for Philippine products, and (2) stabilization of prices and supplies of essential raw materials and commodities for local industries and consumers.

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerces or private sector]

Government and Private entities

Philippines (Cont'd)

Name of Trade Promotion Center

FOREIGN TRADE SERVICE CORPS (FTSC)

Full Contact Address with Website and Email

3/F DTI International Building
379 Sen. Gil J. Puyat Avenue,
Bel Air 1200, Makati City
Phone: (632) 897.9659/ 897.9661/ 897.9672
Fax: (632) 890.5073
E-mail: ftsc.dti@philippinetrade.org
Website: www.dti.gov.ph

Southeast Asia & Greater China

Beijing P.R. China

Philippine Trade & Investment Center (PTIC)
Embassy of the Philippines
Room 1703, Tower C. Ocean International Center
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Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

The FTSC promotes the export of Philippine products and services in the world market, encourages inward foreign investments through various support activities, as well as undertakes commercial intelligence work.

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerces or private sector]

Government and Private entities

Singapore

Name of Trade Promotion Centre

International Enterprise (IE) Singapore iAdvisory Centre

Full Contact Address with Website and Email

Address

230 Victoria Street

Level 10, Bugis Junction Office Tower, Singapore 188024

Website:

<http://www.iesingapore.gov.sg/Contact-Info/Overview>

Enquiries:

<https://www.iesingapore.gov.sg/Contact-Info/Enquiry-Form>

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

AIE Singapore's iAdvisory Centre is the first-stop solution for Singapore-based companies looking to take their business overseas. The Advisory Centre provides face-to-face advisory support on a wide range of internationalisation issues and IE assistance programmes. The centre also boasts an extensive range of online resources where companies can use to obtain business intelligence on overseas markets, industries, business contacts and trade statistics.

The iAdvisory Centre's collection of online publications cover market and industry trends, economic indicators, trade regulations and tariff rates. Visitors can also access databases for overseas business contacts.

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerces or the private sector]

All major Singapore trade associations and business chambers

Thailand

Name of Trade Promotion Centre

- Department of International Trade Promotion (DITP), Ministry of Commerce
- Department of Business Development (DBD), Ministry of Commerce

Full Contact Address with Website and Email

- Department of International Trade Promotion (DITP), Ministry of Commerce
 Department of International Trade Promotion (DITP), Ministry of Commerce
 44/100 Nonthaburi 1 Road, Bang Kra Sor, Nonthaburi 11000, Thailand
 Tel: (+66) 2507 7999
 Fax: (+66) 2547 5656
 Website: <http://www.ditp.go.th> ; <http://www.thaitrade.com>
- Department of Business Development (DBD), Ministry of Commerce
 Department of Business Development (DBD), Ministry of Commerce
 44/100 Nonthaburi 1 Road, Bang Kra Sor, Nonthaburi 11000, Thailand
 Tel: (+66) 2547 5155
 Fax: (+66) 2547 5153
 Website: <http://www.dbd.go.th>

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

- Department of International Trade Promotion (DITP), Ministry of Commerce
 Objectives
 - Promote the value creation of Thai products and services
 - Increase the competitiveness of Thai entrepreneurs
 - Promote the export of products and services with a pro-active approach.
 Targeted SMEs
 - Environmentally-friendly products (furniture) and services.
- Department of Business Development (DBD), Ministry of Commerce
 Objectives
 - To enhance Thailand as an ease of doing business location
 - Increase the business quality standards of Thai entrepreneurs.

Targeted SMEs

- Wholesale and retail
- Franchises
- Logistics and service sector.

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerces or the private sector]

- Thai Chamber of Commerce (TCC)
- The Federation of Thai Industries (FTI)

Viet Nam

Name of Trade Promotion Centre

Vietnam Trade Promotion Agency, Ministry of Industry and Trade.

Full Contact Address with Website and Email

20 Ly Thuong Kiet St., Ba Dinh Dist.

Ha Noi, Vietnam

Website: www.vietrade.gov.vn

Email: vietrade@vietrade.gov.vn

Key Objectives and Targeted SMEs [e.g. industry sector, gender, with any specific objectives, commodities, services]

N/A

Any joint partners? [e.g. other government agencies, dialogue and development partners, chamber of commerces or private sector]

N/A



Chapter 4

SMEs: Are You Prepared
for AEC 2015?

As the ASEAN Secretary-General H.E. Le Luong Minh highlights in his foreword that in order to ensure a wider and more inclusive participation of ASEAN SMEs in Community building, it is crucial for them to be up-to-date and knowledgeable on regional economic integration initiatives that will enable them to adopt strategic measures and reap the benefits of ASEAN integration. Leveraging on ASEAN economic integration initiatives will also assist to enhance SMEs competitiveness and resilience and pave the way for their growing presence in the global value supply chains.

According to the Roadmap for an ASEAN Community 2009-2015, “The AEC will establish ASEAN as a single market and production base making ASEAN more dynamic and competitive with new mechanisms and measures to strengthen the implementation of its existing economic initiative; accelerating regional integration in the priority sectors; facilitating movement of business persons, skilled labour and talents; and strengthening the institutional mechanisms of ASEAN.”

To put it simply, regional integration through the AEC should make doing business across ASEAN easier and reduce the cost of doing business.

Which sounds great in theory, but in practical terms, what does it actually mean for SMEs in terms of how they conduct their day-to-day operations? What steps is ASEAN taking to ensure regional economic integration through the AEC Blueprint and its Strategic Schedule? And what measures are being taken to guarantee the free-flow of goods and services throughout all member states?

This brings us back to the Secretary-General's point about awareness being key. In this chapter we will explain why AEC 2015 is so beneficial for SMEs, and outline the framework for its ease and success through the simplification of customs procedures, the establishment of an ASEAN wide self-certification system, and guidelines on how SMEs can comply and benefit from the harmonisation of standards and technical requirements on priority integration sectors based on international standards.

4.1 Simplified Customs Procedures

The AEC essentially creates a single-border state for business purposes, whereby transport operators and businesses will benefit from seamless and synchronised procedures by using simple and uniform documentation to move goods within the 10 ASEAN member states.

To achieve this, the ASEAN Customs Transit System (ACTS) is an automated system established by member state customs departments and agencies to monitor the movement of goods in transit as they move through ASEAN countries to their final destination.

ACTS is based on the following principals:

- A fully computerised system using electronic messages to communicate between traders and customs for the lodging of transit declarations and the discharge of completed transit movements, and the exchange of transit movement data between customs authorities
- Open to all “suitable” traders irrespective of their type of business, based on an assessment by the relevant authorities according to minimum agreed criteria based on international best practices
- Use a risk profiling scheme to simplify matters for the most reliable traders on a range of standard requirements
- One guarantee valid in all countries to cover the goods throughout the entire journey
- Universal use of a single regional customs declaration/document for transit.

How will it work?

One of the core elements of a single market and production base is the free flow of goods. Under ACTS, goods will be able to move across different member states by using a single customs transit declaration lodged at the office of departure, which will act as a single guarantee covering the entire journey, controlled by a computerised system to prevent any blockages or abuses.

How will SMEs benefit from ACTS?

The real and significant benefits to regional trade of ACTS are simplification, security and savings. Its mission is to boost the bottom-line of member state businesses, leading to greater economic competitiveness whereby faster customs clearance of goods will lead to significant savings in logistical time and cost for companies.

SMEs will benefit through the establishment of a more stable and secure supply chain, reduced costs through shorter and more reliable journey times, while still providing a secure environment which protects the interests and revenue of exporters and member states.

Currently, businesses face considerable time lags when their goods pass through customs and the uncertainty over how long it takes leads to inefficiency and uncertainty in business planning and operations.

Better connectivity of goods makes it easier and much less of a risk for companies, and specifically SMEs, to branch out into new markets across the region and sustain their, and the member states', economic development

Has ASEAN conducted any studies into turn-around times from the exporter's port or border until the goods are released at their final destination? If so, what were the findings?

Under the ASEAN Strategic Plan of Customs Development for 2011-2015, member states committed to conduct two time release studies to identify any bottlenecks in their clearance process, and work toward eradicating these blockages.

Conducting the study twice helps each customs body gauge their performance over time. Most member states have carried out these studies.

What are the key challenges or impediments? Can the relevant ASEAN sectoral bodies make the system run faster and more smoothly?

It is still early to reach any solid conclusions at this stage. However, the member states should be encouraged to exchange views on the methodology and the outcome of their studies at the working group level so they can learn from each other's experiences and make the process smoother.

4.2 Self-Certification

The key aim of the ASEAN Self-Certification Scheme is to increase efficiency by simplifying administration procedures and reducing costs. The scheme enables certified exporters to self-certify the origin of their products to enjoy preferential tariffs under the ASEAN Free Trade Area (AFTA).

The scheme will help improve the utilisation of tariff concessions available under AFTA and further enhance intra-ASEAN trade.

By promoting self-certification, ASEAN hopes to minimise the involvement of the member state authorities and lead to a smoother clearance of goods in the country of importation

Under this scheme, the primary responsibility of origin certification is carried out by companies, including SMEs, participating in regional trade. Certified exporters are allowed to declare that their products have satisfied the ASEAN origin criteria by a certified exporter on a commercial invoice or, in the event the invoice is not available to the importer, on any other commercial document such as billing statements, delivery order, or packing list.

Crucially, self-certification can be performed 24/7 by the company itself.

What are the key benefits of self-certification?

SMEs by their very nature, and especially those looking to branch out into new regional markets, do not necessarily have the advantages of multi-national companies with existing regional networks, or familiarity with the administrative certification procedures of other members states.

So, by shifting the certification burden onto the companies themselves, the scheme makes it much easier for companies to efficiently develop new markets in other member states.

Essentially the system enables certified exporters to create an invoice declaration for the export of goods. The issuing authority of exporting countries currently uses the ATIGA CO Form D, but the new process requires less information than the current form, and will gradually replace it.

Self-certification will facilitate and enhance intra-ASEAN trade, promote a regional production network, encourage the development of SMEs, promote the increased usage of AFTA preferential tariffs, reduce the cost of doing business, and maximise the efficient use of a government's limited resources.

Currently, member states have implemented self-certification by formulating a separate operator certification procedure (OCP) and a memorandum of understanding (MOU) for the pilot project for the implementation of a regional self-certification system.

The first self-certification pilot project started on November 1, 2010, with three member states taking part: Brunei Darussalam, Malaysia, and Singapore. Thailand joined the project on October 1, 2011. The MOU of the second pilot project was signed by Indonesia, Lao PDR, and the Philippines on August 29, 2012, and its implementation is expected to start as soon as possible.

How do SMEs apply for self-certification? What are the major criteria needed to be a certified exporter?

Exporters who have a good track record, are not blacklisted by any agency, and comply with the rules and regulations set forth by their national agencies, may apply to become an authorised/certified exporter through their national issuing authority (see below). Other criterion may be applied based on the rules and regulations of the respective member states.

Member State Self-Certification Issuing Authorities

First Pilot Project	
<p>Brunei Darussalam Ministry of Foreign Affairs and Trade International Convention Centre (ICC), Jalan Pulaie, Berakas BP3910 Tel: (+673) 2 383848 Fax: (+673) 2 383227</p>	<p>Singapore Ministry of Trade and Industry 100 High Street, The Treasury #09-01, Singapore 179434 Tel: (+65) 6332 9457 Fax: (+65) 63347113</p>
<p>Malaysia Ministry of International Trade and Industry (MITI) 13th Floor, Block 8 Government Offices Kompleks Jalan Duta, 50622 Kuala Lumpur Tel: (+603) 6200 0561 Fax: (+603) 6201 9799</p>	<p>Thailand Department of Foreign Trade Ministry of Commerce 44/100 Nonthaburi 1 Rd, Muang Nonthaburi 11000, Thailand Tel: (+66) 2547 4755 Fax: (+66) 25474757</p>
Second Pilot Project	
<p>Indonesia Ministry of Trade Jl. M. Ridwan Rais No. 5 Jakarta Tel: (+62) 21 3858203 Fax: (+62) 21 3858203</p>	<p>Philippines Department of Trade and Industry 4/F DTI International Building 375 Sen. Gil Puyat Avenue Makati City, Philippines 1200 Tel: (+632) 4653300 Fax: (+632) 8905149</p>
<p>Lao PDR Ministry of Industry and Commerce (MOIC) Lanexang Road, Vientiane, Lao PDR Tel: (+856) 21 452453 Fax: (+856) 21 450066</p>	

4.3 How Do SMEs Comply with ASEAN Standards?

A major obstacle for achieving the AEC in 2015 is harmonising the different product standards of the individual member states under one ASEAN-wide system.

Over time, each member state has developed its own often very different standards for products, something which can hamper the ease of exporting goods. If trade is to be truly free and unencumbered by administrative confusion, then unity must be achieved across ASEAN to make, for instance, the sale of Indonesian goods in Viet Nam as easy as in another Indonesian city.

This is especially important for SMEs who do not have the resources or experience to establish knowledge of procedures and networks in other member states.

But that will all change under the AEC and its promotion of the free-flow of goods.

To this end, ASEAN has been working hard to establish mutual recognition arrangements (MRAs) and the streamlining and harmonisation of standards in all business sectors.

So, how easy will it be for companies, especially SMEs, to comply with the new, uniform ASEAN standards? What follows is a look at the MRAs and harmonisation of standards and regulatory practices in seven priority sectors:

- Rubber-based products
- Traditional medicines
- Cosmetics
- Tourism
- Fresh fruit and vegetables
- Shrimp and aquaculture
- Livestock and livestock products.

Rubber-Based Products

The Rubber-Based Product Working Group (RBPWG) is responsible for eliminating technical barriers to trade in the rubber sector through the harmonisation of rubber-based product standards with international standards and quality. Priority products agreed for the focus of harmonisation are rubber hoses, foam products, rubber bearings, babies' teats, pacifiers, and rubber nipples.

On its establishment, the scope of the group was to:

- Enhance cooperation in conformity assessment, development and implementation of standards and technical regulations for rubber based products among ASEAN member countries
- Strengthen and enhance networking and exchange of information among member countries on standards, quality and regulations of rubber-based products to facilitate cooperation across ASEAN
- Harmonise ASEAN standards with international standards and quality
- Enhance joint actions and approaches on international issues and adopt common positions in relevant international organisations, agreements and arrangements
- Identify fields of cooperation with related ASEAN member countries and third party countries and organisations to promote the development of standards for rubber based products.

Standards

By 2015, the RBPWG has agreed to harmonise with the following international standards in addition to the already agreed 35 globally accepted International Organization for Standardization (ISO) test method standards:

- Seven ISO standards for hoses: ISO 5772, ISO 4641, ISO 4642-1, ISO 4642-2, ISO 2398, ISO 4079, and ISO 1403
- Five ISO standards on non-United Nations Economic Commission for Europe (UNECE) automotive rubber parts: ISO 4081, ISO 8789, ISO 11424, ISO 11425, and ISO 1436.

Progress

The harmonisation of the above standards is targeted for completion by 2015, and once achieved manufacturers will find it easy to design their products and meet all specification requirements for ease of sale anywhere in ASEAN.

The RBPWG is also looking into the development of a specification standard for natural rubber latex foam that does not have an existing ISO standard, as well as the development of an ISO standard for bridge and seismic bearings.

Traditional Medicine

Traditional medicine has a long history in ASEAN member states and is an important component part of modern health care systems.

Various types of traditional medicine and complementary and alternative medicine are increasingly used in developed and developing countries alike. However, the development of ASEAN traditional, complementary and alternative medicine faces some significant challenges in the AEC.

- Diversification of policy, regulations and technical standards and requirements
- Knowledge and sustainability in terms of the over harvesting of medicinal plants that threatens biodiversity
- Availability and accessibility in terms of increased patient awareness about safe usage as well as research, collaboration and communication among providers of traditional and other medicines
- Standardised service/practices and training. If traditional medicine and complementary and alternative medicine are to be integrated into health services across the AEC and be accepted by health professionals, in addition to strengthening the evidence based on safety, quality and efficacy, standardised practices/services with a measurable therapeutic outcome will be needed.

The Product Working Group on Traditional Medicines and Health Supplements (TMHSPWG) is responsible for the integration of these products across ASEAN, acting as the focal point to facilitate the development of strategies; integration initiatives; harmonised technical requirements including safety, efficacy and stability guidelines; harmonised labelling requirements; and a regulatory framework in the traditional medicine and health supplement sectors.

Standards

The following technical requirements and guidelines are the harmonisation requirements form part of the ASEAN agreement on traditional medicines and health supplements.

- Negative list of active ingredients
- Restricted additives and excipients
- Maximum levels of vitamins and minerals

- Limits of contaminants
- Safety data requirements
- Efficacy data requirements
- Stability and shelf life requirements
- Labelling requirements
- Minimising the risk of transmissible spongiform encephalopathies (TSE)
- Good manufacturing practice (GMP)
- Guidelines on claims
- Product dossier submission.*

** Note: As of writing discussions on the product dossier submission by the working group had yet to begin, pending the completion of all technical requirements and guidelines.*

Progress

The technical requirements and guidelines are being finalised in parallel with the traditional medicine and health supplements agreement, with the target of it being signed by December 2015.

The ASEAN industry association on traditional medicine and health supplements has been very active in the development of the technical requirements and guidelines, a completed list of which can be found on the ASEAN website at: www.asean.org/news/item/harmonization-of-standards-and-technical-requirements-in-asean.

Cosmetics

The primary objective of the ASEAN Harmonised Cosmetic Regulatory Scheme (AHCRS) is to open trade and allow the free flow of cosmetic goods from one country to another, without compromising safety and quality. This, in turn, will boost the economic growth of the ASEAN region and of course, the individual 10 member countries.

In the process, all stakeholders should benefit. For consumers it means faster development/entry of initiatives in the market, with a wider range of products to choose from. This will result in a simplified regulatory system and eliminate diversity from one country to another. For the cosmetics industry, and specifically cosmetics SMEs, it will widen their market. Instead of only targeting local consumption, the prospect now is to produce for the ASEAN market, for the entire ASEAN population.

The AHCRS was signed by the economics ministers of the ASEAN member states on September 2, 2003. It has two implementation schedules:

- Schedule A: ASEAN MRA of Product Registration Approval for Cosmetics, as the preparatory stage for Schedule B
- Schedule B: ASEAN Cosmetic Directive (ACD).

The ASEAN member states adopted and implemented the ACD between January 1, 2008 and January 1, 2011. The directive shifted the pre-market approval process to a post market surveillance (notification) mechanism, whereby the company or person responsible for placing the cosmetic products in the market would no longer be required to submit registration documents for further review and approval by the regulatory authorities. Instead they would only need to submit a notification of products to the regulatory authorities, and then put the product on the market.

The timelines for confirmation on notification vary according to national arrangements in each member state.

For further information on the AHCRS, download the information booklet at: <http://www.asean.org/news/item/general-information-booklet-on-the-asean-harmonised-cosmetic-regulatory-scheme>.

Standards

The ASEAN Harmonised Cosmetic Regulatory Scheme (AHCRS).

Progress

The ASEAN Cosmetics Committee, as the sectoral body that oversees the implementation of ACD, continues to harmonise relevant standards as the main reference for implementation. The latest update of harmonisation of standards for cosmetics (annexes of ACD) can be downloaded from the ASEAN website: www.asean.org/news/item/agreement-on-the-asean-harmonized-cosmetic-regulatory-scheme-phnom-penh-2-september-2003.

To assist manufacturers in complying with ACD requirements, the following ASEAN guidelines have been developed:

- Cosmetic labelling requirements
- Cosmetic claim guidelines
- Guidelines for cosmetic good manufacturing practice (GMP)
- Safety assessment guidelines
- Guidelines for product information.

Tourism

Climate change is an increasingly critical issue affecting tourism development and management worldwide. A small difference in climate makes a big difference for tourism as extreme heat, heat waves, tropical cyclones, rising seas, and heavy precipitation adversely affect the choice of tourism destinations. Climatic conditions define the length and quality of tourism seasons and play a major role in destination choice and tourist spending.

The ASEAN Green Hotel standards focus on the principles on how the hotel industry contributes towards sustainable tourism, by way of improving the quality and maintaining the sustainability of tourism products including action to reduce its contribution to global greenhouse gas emissions as part of a wider ASEAN commitment addressing climate change and environmental sustainability.

It promotes sustainable tourism development to reduce green house gas emissions in tourism establishments as part of making tourism a tool for poverty alleviation and make ASEAN continuously green.

Acknowledging the importance of tourism as an economic engine and a tool for development and change in the region, the Green Hotel standard is part of the ASEAN Tourism Strategic Plan (ATSP) 2011-2015, which will contribute to the overall goals of the ASEAN Community by 2015 through promotion of growth, integration and competitiveness of the tourism sector, and at the same time deepen social and cultural understanding, as well as facilitating travel into and within ASEAN. The ATSP provides a balanced set of actions and activities to realise the following vision.

“By 2015, ASEAN will provide an increasing number of visitors to the region with authentic and diverse products, enhanced connectivity, a safe and secure environment, increased quality of services, while at the same time ensuring an increased quality of life and opportunities for residents through responsible and sustainable tourism development by working effectively with a wide range of stakeholders,” according to an official ASEAN statement.

ASEAN has adopted a Mutual Recognition Agreement (MRA) on tourism professionals that will increase the equality of tourism human resources and will facilitate the mobility of tourism professionals within the region using the ASEAN Minimum Competency Standards for Tourism as the basis.

Standards

ASEAN Green Hotel has 11 major criteria and requirements:

- Environmental policy and actions for hotel operation
- Use of green products
- Collaboration with the local community
- Human resources development
- Solid waste management system
- Energy efficiency
- Water efficiency and quality
- Air quality management (indoor and outdoor)
- Noise pollution control
- Waste water treatment and management (water quality)
- Toxic and chemical substance disposal management.

The first ASEAN Green Hotel Awards took place in January 2008 in Bangkok and are convened every two years during the ASEAN Tourism Forum (ATF). The next awards will take place during ATF 2014, on January 16-23, 2014 in Kuching, Sarawak, Malaysia.

Progress

The audit criteria, method and guidance for ASEAN Green Hotel have been completed. The mechanism guidelines, including capacity building for the auditor and pilot testing for the standards are being developed.

Fresh Fruit and Vegetables

The ASEAN Good Agricultural Practice (ASEAN GAP) standard is a voluntary standard to prevent risks to food safety, produce quality, the environment, and workers' health and safety, associated with the production, harvesting and post-harvest handling of fresh fruit and vegetables in ASEAN.

ASEAN GAP will harmonise the national GAP programs of member states. The development of an internationally recognised GAP standard will facilitate trade between ASEAN countries and exports to global markets, improve viability for farmers, help sustain a safe food supply and protect the environment.

Standards

ASEAN Good Agricultural Practice standard (ASEAN GAP).

Progress

ASEAN GAP was endorsed by the ASEAN Ministers of Agriculture and Forestry (AMAF) in November 2006 and was formally approved as a voluntary standard for good agricultural practice in member states.

It covers four modules: food safety, produce, environment, and worker's health, safety and welfare.

Indonesia, Malaysia, Philippines, Singapore, and Thailand already had national GAP programmes before the formal adoption of ASEAN GAP as a regional standard, and are currently harmonising them with ASEAN GAP.

Brunei Darussalam and Viet Nam have fully adopted the standard, with minor revisions taking into account unique situations in their countries. Cambodia, Lao PDR and Myanmar are in the process of developing their national GAPs.

Moving ahead, the member states are now initiating the development of certification and accreditation mechanisms to promote ASEAN-GAP among stakeholders. The certification focus should be on the implementation of the food safety module at farm level, taking into consideration that the food safety aspects laid out by ASEAN-GAP are critical, especially in facilitating trade.

The establishment of the ASEAN-GAP certification system and accreditation mechanism will use the existing infrastructure of the member states, so establishment of a regional certification body (CB) will not be required. Guidelines and principles on the design, operation, assessment and accreditation of ASEAN-GAP certification and accreditation systems will be developed, reflecting essential elements and minimum requirements to be used on a regional level.

Related Information

To ensure the quality of agricultural produce, ASEAN has developed standards for mango, pineapple, durian, papaya, pomelo, rambutan, guava, lansium, mandarin, mangosteen, watermelon, young coconut, banana, garlic, shallot, jackfruit, cucumber, melon, salacca, okra, cashew kernels, sweet pepper, onion, chilli peppers, cabbage, coffee beans, turmeric, and yard-long bean, to ensure they are available fresh to consumers after preparation and packaging.

Guidelines for the following commodities are under consideration and finalisation: mango-fruit, durian fruit, corn, and coffee beans for consumption. ASEAN has also endorsed the guidelines and audit check list for the ASEAN Nursery Certification Scheme for Export.

Pesticides used to control pests and diseases to improve crop quality have also fallen under the gaze of ASEAN, which has declared its strong intention to use agrochemicals to ensure food safety issues are also addressed.

Shrimp and Aquaculture Products

The overall goal here is to support the AEC by enhancing the competitiveness of the shrimp and aquaculture production of the member states.

As guided by the AEC Blueprint, the ASEAN Good Aquaculture Practices (ASEAN GAqP) will focus on the promotion of trade inside and outside the region, improving competitiveness, quality assurance, and ensuring safety standards for seafood products. The development of suitable ASEAN quality assurance standards based on GAqP requirements is essential in establishing internationally recognised standards which can be used by ASEAN countries and, in turn, contribute to better trade facilitation and sustainable development of the sub-sector.

The ASEAN GAqP is primarily focused on the value chain approach of fish production at farm level and will avoid dealing with post-harvest processing aspects.

It will include the important commercial aquaculture commodities of each member state, farming activities from broodstock development and management, and hatchery and nursery production, to increase farm production, harvest and handling procedures.

Standards

ASEAN Good Aquaculture Practices (ASEAN GAqP).

Progress

Preparing the Workplan for Year 1 and defining the roles and responsibilities of the staff resource plan, which includes the lead country and project support staff - the Department of Agriculture-Bureau of Fisheries and Aquatic Resources (DA-FBAR), the Philippines - the technical working group (national coordinators/focal points), the ASEAN Secretariat, consultants, and other regional and international organisations.

Livestock and Livestock Products

The agriculture sector remains the backbone and dominant sector of the ASEAN community in terms of the large workforce it employs and its contribution to member states gross domestic product (GDP). The AEC Blueprint identified means for the agriculture sector to enhance competitiveness through the improvement of ASEAN standards for agriculture to be on a par with international standards. This works hand-in-hand with the objective of ASEAN cooperation in food, agriculture, and forestry to formulate and implement regional cooperation activities in enhancing international competitiveness of food, agriculture and forestry products to further strengthen food security in the region.

Food safety is an increasing concern regionally and globally, both in terms of its health impacts and its economic and political implications.

Food safety should be addressed throughout the food chain, from production to distribution or from the farm to the table. This requires close collaboration and cooperation between all stakeholders throughout the food chain, with clearly defined jurisdiction, responsibilities and cooperation mechanisms.

Different member states are at different levels in terms of food safety management and administration.

With growing global awareness on food safety and quality, ASEAN Good Animal Husbandry Practices (ASEAN GAHP) is a key policy in ensuring the production of quality meat and meat products in the region and sustainable development in the sub sector.

Therefore, farmers should aim to achieve internationally-accepted standards in livestock production and animal disease control programmes. As such, a suitable ASEAN GAHP, based on international quality standards, is essential.

Standards

ASEAN Good Animal Husbandry Practices (ASEAN GAHP).

Progress

The development of a regional standard in animal husbandry through the establishment of good animal husbandry practices is important to meet international standards in terms of quality and safety, particularly for animal products.

As one of the tools to facilitate intra-ASEAN trade, ASEAN GAHP will ensure livestock and livestock products are safe for all consumers in the region and this will contribute to better trade and sustainable development of the sector.

The initiative to develop the ASEAN GAHP is being carried out by member states, supported by the ASEAN Australia Development Cooperation Program Phase II (AADCP II).

ASEAN GAHP will be developed based on the shared features of existing national GAHPs, with particular emphasis on food safety, with due consideration of the basic elements/principles of biosecurity, animal health and welfare, environmental sustainability, and worker safety.

4.4 ASEAN Investment Promotion Agencies/Board of Investments

Brunei Darussalam

Ministry of Industry and Primary Resources
www.industry.gov.bn
 Brunei Economic Development Board
www.bedb.com.bn

Cambodia

Council for the Development of Cambodia (CDC)
 Cambodian Investment Board (CIB)
 E-mail: CDC.CIB@online.com.kh
 Web Site: ww.cambodiainvestment.gov.kh

Indonesia

The Investment Coordinating Board (BKPM)
 E-mail: info@bkpm.go.id
 Web Site: www.bkpm.go.id

Lao PDR

Investment Promotion Department (IPD)
 Ministry of Planning and Investment (MPI)
 E-mail: investinlaos@gmail.com
 Web Site: www.invest.laopdr.org

Malaysia

Malaysian Investment Development Authority (MIDA)
 E-mail: investmalaysia@mida.gov.my
 Web Site: www.mida.gov.my

ASEAN Secretariat

Services and Investment Division

Email: investment@asean.org
www.asean.org and www.investasean.asean.org

Myanmar

Myanmar Investment Commission
 Directorate of Investment and Company Administration
 E-mail: DICA.NPED@mptmail.net.mm
 Web Site: www.dica.gov.mm

Philippines

Board of Investments
 Department of Trade and Industry
 Web Site: www.boi.gov.ph

Singapore

Singapore Economic Development Board
 Web Site: www.sedb.com

Thailand

Office of the Board of Investment (BOI)
 E-mail: foreign@boi.go.th
 Web Site: www.boi.go.th

Viet Nam

Foreign Investment Agency (FIA)
 Ministry of Planning and Investment (MPI)
 E-mail: fiavietnam@mpi.gov.vn
 Web Site: www.mpi.gov.vn ;
<http://fia.mpi.gov.vn>

ASEAN-China Free Trade Area



China is the world's most populous country and home to the world's largest consumer market of 1.3 billion people. It is the world's second largest economy in terms of GDP, behind the United States and is known for exporting manufactured goods.

In 2002, China and ASEAN Countries signed the Framework Agreement on Comprehensive Economic Cooperation which formed the legal basis for the creation of the ASEAN-China Free Trade Area (ACFTA). Under ACFTA are three agreements on the free flow of goods, services, and investments.

- ASEAN-China Trade in Goods Agreement. Provides for tariff reduction and elimination of tariff lines categorised as either 'normal track' or 'sensitive track'.
- Agreement on Trade in Services. To liberalise and substantially eliminate discriminatory measures with respect to trade in services among the parties in various service sectors.
- Investment Agreement. To promote and facilitate investment flow within China and the region, and ensure fair and equitable treatment for investors, non-discriminatory treatment on nationalisation or expropriation, and compensation for losses.

Quick Look at ACFTA

Market and GDP	Largest free trade area in the world with a combined market of 1.94 billion and a GDP of about US\$9.5 trillion (in 2011).
Trade Value	China is the region's largest trading partner. Trade between ASEAN and China reached US\$318.6 billion in 2012, representing 12.9% of ASEAN's total trade.

Exports to China	Electrical equipment, computer/ machinery, lubricants/ fuel/oil, organic chemicals, fats and oils, and rubber, mostly intermediate goods for products that China exports.
Foreign Direct Investment	China is among ASEAN's top 10 sources of FDI. In 2012, FDI from China amounted to US\$ 4.1 billion.

ASEAN-Japan Comprehensive Economic Partnership



Japan is the world’s third largest economy after the United States and China. As of 2011, the World Bank estimated Japan’s GDP at US\$5.9 trillion. It is home to many of the world’s most-technologically advanced electronics, automobiles, and machines.

The ASEAN-Japan Comprehensive Economic Partnership (AJCEP) was signed in April 2008 and covers trade in goods, trade in services, investment, and economic cooperation. The AJCEP’s major provisions are:

- Elimination of tariff rates on tariff lines and trade value for goods in the normal track
- Rules of Origin (ROO)
- Dispute settlement mechanism
- Trade in services agreement (currently being negotiated)
- Investment agreement (currently being negotiated).

Quick Look at AJCEP

Market and GDP	Combined market of over 700 million, with GDP of US\$8 trillion.
Trade Value	Bilateral trade between ASEAN and Japan valued at US\$262 billion, making Japan ASEAN’s second largest trading partner after China.
Foreign Direct Investment	Foreign direct investment (FDI) inflows from Japan to ASEAN increased by 26.4% from US\$16.4 billion in 2011 to US\$20.8 billion in 2012, making Japan the second largest source of FDI for ASEAN with a share of nearly one fifth of total inward investments to ASEAN in 2012.

ASEAN-Korea Free Trade Area



South Korea is a high-income developed economy and its GDP reached over US\$1 trillion in 2011, making it one of the world's top 15 economies. South Korea's economic success can be attributed in major part to the mobile and electronic sectors.

In 2005, ASEAN and Korea reached a framework agreement that led to the signing of legal instruments establishing the ASEAN-Korea Free Trade Area (AKFTA). These legal instruments include the following:

- **ASEAN-Korea Trade in Goods.** Tariff reduction and elimination for all tariff lines over a transition period.
- **ASEAN-Korea Trade in Services Agreement.** Expand market access for service providers in ASEAN and Korea by easing restrictions on a wide range of service sectors.
- **ASEAN-Korea Agreement on Investment.** Fair and equitable treatment, full protection and security, and the transfer of funds relating to covered investments. It also has a provision on compensation in the event of nationalisation or expropriation.

Quick Look at AKFTA

Market and GDP	ASEAN and Korea has a combined population of over 650 million people and a combined GDP of US\$3.3 trillion.
Trade Value	Korea is ASEAN's fifth largest trading partner, with trade valued at US\$131.0 billion as of 2012.
Foreign Direct Investment	FDI from Korea to ASEAN was US\$1.9 billion in 2012, making it ASEAN's sixth largest source of FDI.

ASEAN-India Free Trade Area



With a population of 1.2 billion and a GDP of US\$1.8 billion – the fourth largest globally – India is a valuable trade partner of ASEAN.

India and ASEAN signed the ASEAN Trade in Goods Agreement (AITIG) in 2009, paving the way for the creation of one of the world's largest free trade areas, along with the ASEAN-China FTA. AITIG provides for progressive tariff reduction and/or elimination of originating goods traded between ASEAN and India.

ASEAN and India are presently negotiating services and investment agreements.

Quick Look at AIFTA

Market and GDP	AIFTA has a combined market of 1.8 billion people with a GDP of approximately US\$3.84 trillion as of 2011.
Trade Value	ASEAN-India trade was valued at US\$75.6 billion in 2012. India was ASEAN's sixth largest trading partner in 2012.
Foreign Direct Investment	Foreign Direct Investment flow from India to ASEAN totals US\$2.6 billion.

ASEAN-Australia-New Zealand Free Trade Area



Australia is a major world economy with a GDP of US\$1.4 trillion in 2011. New Zealand, its closest neighbour, also enjoys a prosperous economy, with a GDP per capita of about US\$28,000.

The ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) was signed in 2009 and covers trade in goods and services, investment, electronic commerce, dispute settlement, specific provisions on customs procedures, sanitary and phytosanitary measures, standards and technical regulations, intellectual property rights, and competition.

AANZFTA opens up business opportunities in ASEAN, Australia, and New Zealand, and allows greater market access for exporters and manufacturers, promotes economies of scale, and enhances collaboration among economic stakeholders in the region. It aims to create a business environment that will offer investors greater assurance that commercial activities will not be unnecessarily interrupted or disrupted.

Quick Look on AANZFTA

Market and GDP	Combined market and GDP of AANZFTA US\$ 632 million and US\$3.82 trillion, respectively.
Trade Value	Value of trade between ASEAN, Australia, and New Zealand US\$78.8 billion as of 2012.
Foreign Direct Investment	FDI from Australia and New Zealand is over US\$5 billion and continues to grow.

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