

**APEC SMALL AND MEDIUM ENTERPRISE
MINISTERIAL MEETING**

HOBART, AUSTRALIA

8-9 MARCH 2007

JOINT MINISTERIAL STATEMENT

"Driving SME Growth through Economic Reform"

1. APEC Ministers and their representatives responsible for 21 economies met in Hobart on 8-9 March 2007 for the 14th APEC SME Ministerial Meeting.¹

Driving SME Growth

2. The policy theme of the meeting was 'Driving SME Growth through Economic Reform' in line with Australia's APEC 2007 theme 'Strengthening our Community, Building a Sustainable Future'.
3. Ministers discussed policies and initiatives to drive SME growth through economic reform including free and open trade and investment; macro-economic stability; adherence to the rule of law; prudent fiscal management by governments; and enhancing the business operating environment for SMEs to enable them to grow and prosper throughout the APEC region.
4. At a practical level Ministers agreed that SME growth would be stimulated by:
 - reducing transaction costs and red tape imposed by governments, such as making it easier to start and grow a business;
 - encouraging innovation;
 - saving time for SMEs, for example encouraging the use of e-commerce and online transactions with government;
 - better understanding and management of intellectual property rights; and
 - encouraging SMEs to consider internationalisation.
5. Ministers instructed the SME Working Group to enhance communication between governments of member economies and their SMEs making best practice common practice and, in particular, to improve knowledge amongst SMEs of the business assistance programs that are available for them.
6. Ministers noted the broad range of APEC-sponsored activities designed to progress these objectives.

Pandemic Preparedness

7. Ministers endorsed the 'APEC Pandemic Flu Planning Guide for SMEs' as part of the menu of material for economies to use to help their SMEs develop a plan for a pandemic.

¹ The meeting was also attended by the Deputy Executive Director of the APEC Secretariat, the APEC Business Advisory Council (ABAC), official observers: the Pacific Islands Forum (PIF) and the ASEAN Secretariat. The Organisation for Economic Cooperation and Development (OECD) and the Women Leaders' Network (WLN) attended as invited guests.

Encouraging SME Innovation in Developing More Energy Efficient Industry to Assist in Cutting Greenhouse Gas Emissions

8. Ministers agreed to encourage SME innovation in developing more energy efficient industry to assist in cutting greenhouse gas emissions. Ministers noted that opportunities exist for SMEs to provide services to industry that promote energy efficiency; and to develop practical innovative solutions that will assist in cutting greenhouse gas emissions.
9. Ministers also agreed that capacity building in this regard is essential to encourage member economies, especially the developing economies, to upgrade their technology and work practices and become more environmentally friendly.

Ha Noi Declaration on Strengthening SME Competitiveness for Trade and Investment

10. As instructed by Leaders in Ha Noi, Viet Nam in 2006, SME Ministers encouraged member economies to make every effort to develop and implement specific measures to improve their competitiveness, innovation and entrepreneurship in line with the 'Hanoi Declaration on Strengthening SME Competitiveness for Trade and Investment'.

Measures to Improve the Effectiveness of the SME Working Group

11. Ministers endorsed a number of measures to improve the Working Group's strategic direction and administration including the merging of the Micro-Enterprises Sub Group (MESG) into the SME Working Group and incorporation of the Working Group on Trade Promotion (WGTP). Ministers asked for a report on progress in implementing the integration of the WGTP into the SME Working Group, and merging of the MESG, at their meeting in 2008.

Cooperation and Collaboration with Related Organisations

12. Ministers encouraged the SME Working Group to continue and deepen the sharing of best practice between members including best practice presentations and capacity building seminars in and around meetings.
13. Ministers welcomed the collaboration developed by the SME Working Group with other APEC groups during 2007 and, as instructed by Leaders, SME Ministers affirmed their commitment to continue to lead coordination efforts within APEC.
14. Ministers encouraged the SME Working Group to continue its cooperation with the OECD through sharing of information and research results, and welcomed the outcomes of the joint APEC-OECD project and global conference held in Athens in November 2006 to identify key barriers to SME access to international markets, and the proposed follow up.
15. Ministers thanked participants from related organisations such as ABAC, the ASEAN Secretariat, the OECD, the Women Leaders' Network and the Pacific Islands Forum and noted the importance of their contributions to advancing APEC's SME work.

APEC 2008 SME Theme and Sub-Themes

16. Ministers noted that the APEC 2008 SME theme is to be 'Business Solutions for SME Development' with the sub-themes:
 - Business formalization and facilitation (Obtaining Business Licenses);
 - Fostering SME innovation, innovation management and technology transfer; and
 - Complementary services for strengthening SME regional hubs and local market development.
17. Ministers also noted that the next SME Ministerial Meeting will be held in the City of Chiclayo, Peru in September 2008.