



**Asia-Pacific
Economic Cooperation**

Small and Medium Enterprises Working Group (SMEWG) Strategic Plan 2025-2028

SME Working Group Strategic Plan 2025 – 2028

1. Introduction

Micro, small and medium-sized enterprises (MSMEs) are the economic engines of the APEC region and of all APEC economies. MSMEs account for over 97% off all businesses, most private-sector employment and about half of private sector output within the region. Coming out of the global pandemic, the economic environment has changed significantly as fragmentation and uncertainty have grown, technological change has increased, and the world and APEC region must shoulder responsibilities together and jointly address global challenges. MSMEs will face particular challenges in adapting to this new environment but also have an important role to play. MSME development can support growth in the APEC region and ensure that growth is sustainable and inclusive. MSMEs play a critical role in the development of new technologies including artificial intelligence and those that will support the digital and green transformations while many will also face challenges in adopting such technologies. MSMEs play an important link in growing trade and inter-connectedness within the APEC region through increasing participation of MSMEs in trade from their current share of 35% or less of direct exports and through enhancing their connectedness to global value chains (GVCs).

First established in February 1995 as the Ad Hoc Policy Level Group on SMEs' (PLGSME), the Group was renamed the Small and Medium Enterprises Working Group (SMEWG) in 2000. In 2006, the SME Ministers endorsed the recommendation of the SOM Steering Committee on ECOTECH (SCE) Fora Review that the Working Group on Trade Promotion (WGTP) be incorporated into the SMEWG¹.

Prior to the current Strategic Plan 2025-2028, the Group has had guiding documents for its strategic objectives and programs, such as the Framework for SME Activities (1997), the Integrated Plan of Action for SME Development (SPAN in 1998/2002), and the Strategic Plan 2009-2012, 2013-2016, and 2017-2020, and 2021-2024.

This plan provides a set of objectives, organized into five priorities and agreed among the 21 economies. Its purpose is to address critical and emerging issues pertaining to the growth and development of MSMEs in the APEC region.

The SMEWG Strategic Plan 2025-2028 has taken into consideration in its development, not only the current challenges MSMEs must face, but also the forward-looking challenges as well as declarations and statements issued by APEC Leaders, APEC Ministers and APEC SME Ministers. The SMEWG, through its Strategic Plan 2025-2028, will make important contributions to the realization of the APEC Putrajaya Vision 2040 and the Aotearoa Plan of Action as well as the Bangkok Goals among others.

2. Vision Statement

¹ Prior to this date, the Micro-Enterprises Sub-Group (MESG) operated as an entity under the SMEWG from its establishment in 2002.

The SME Working Group (SMEWG) is the champion within APEC for the inclusive development of innovative, sustainable, and digitally empowered MSMEs that are well-equipped to meet the challenges of the 21st century.

3. Mission Statement

The SMEWG will further *promote the development of an **enabling environment***, foster **capacity building**, and enhance the **inter-connectedness** of MSMEs within the APEC region through the **sharing of best practices** among APEC economies and building on **synergies with other APEC fora, the private sector and other stakeholders** to promote the development and growth of MSMEs in the Asia-Pacific region.

4. Critical Success Factors

- Active participation of member economies in the SMEWG meetings as well as in developing projects, identifying initiatives and programs for regional cooperation and in sharing best practices on MSME development;
- Increased use of data and strengthened analytic capacity in support of evidence-based projects and program development; and,
- Enhanced engagement and partnership with the private sector, other APEC fora and multi-stakeholder organizations.

5. Priority Areas, Objectives, Actions and Measures of Progress

In line with the SMEWG's mission statement and considering ongoing APEC initiatives, the SMEWG will focus on five priority areas for its Strategic Plan 2025-2028.

- Start-up, entrepreneurship and business environment;
- Scale-up, innovation, and growth, including through access to finance;
- Access to international markets and connecting to global value chains (GVCs);
- Digitalization; and,
- Bio-circular-green transformation

S/N	SMEWG Priority Areas	SMEWG Objectives	Actions	Measures of Progress
1.	Start-up, entrepreneurship, and business environment.	- Foster an economic environment favourable to business start-up and entrepreneurship. - Encourage transparency and ethical business conduct in government to business interaction. - Facilitate transition of informal businesses to the formal economy and promote social enterprise and public-private partnerships. - Promote entrepreneurship and business development opportunities for those with untapped economic potential, such as women, Indigenous Peoples as appropriate, persons with disabilities, and those from remote and rural communities.	- Changes to business environment which facilitate business creation and support entrepreneurship. - Initiatives / projects / training / mentoring programs and capacity building activities targeted at start-ups. - Programs and policies to support business transition from informal to formal. - Programs and policies to support inclusive businesses, including social enterprises. - <i>Work with APEC Economic Committee (EC) in support of improvement of business environment to encourage business start-up.</i> - <i>Work with APEC Policy Partnership on Women and the Economy to support female entrepreneurship.</i>	- Indicators of quality of business environment. - Rate of business start-up - Rate of entrepreneurship of those with untapped economic potential, such as women, Indigenous Peoples as appropriate, persons with disabilities, and those from remote and rural communities. - Rate of formalization of informal businesses. - Increase the number of inclusive businesses, including social enterprises.
2.	Scale-up, innovation, and growth, including through access to finance.	- Support growth of startups and MSMEs. - Foster innovative, specialized development and competitiveness of MSMEs.	- Encourage growth of innovative startups, MSMEs and entrepreneurs through the creation of incubators, accelerators, innovation centers, clusters and other platforms.	- Measures of access to finance/loans. - Cost of finance for innovative startups and MSMEs. - Availability of innovative financial solutions, including micro-finance.

		- Support access to finance and innovative financial solutions for startups and MSMEs.	- Improve access to finance for startups and MSMEs. - Encourage development of innovative financial solutions to support startups and MSME growth. - Support collaborative development and technical exchange between large businesses and MSMEs. - <i>Work with APEC Policy Partnership on Women and the Economy to ensure equal access to finance and growth opportunities for women-owned and -led MSMEs.</i>	- Use of incubators, accelerators, and clusters. - Rate of investment in R&D and commercialization of innovations by MSMEs. - Amount of angel investment and venture capital secured by start-ups. - Availability of credit for start-ups and MSMEs.
3.	Access to international markets and connecting to global value chains (GVCs)	- Support MSME participation in international trade, including through connecting to global value chains. - Ensure that MSMEs in the APEC region are fully able to participate in trade and that the benefits of globalization flow to all elements of society, including MSMEs. - Ensure that the needs of MSMEs are reflected in programming and policies shaping international trade including trade agreements. - Enhance participation in international trade and in connecting to GVCs by MSMEs owned and run by	- Programs and initiatives which promote trade and investment, including trade fairs and matchmaking activities. - Reduced non-tariff barriers to trade that make it easier for MSMEs to enter into or grow in foreign markets. - Strengthen trade facilitation measures to support MSME utilization of trade agreements. - Strengthen services supporting the internationalization of MSMEs. - <i>Work with APEC Committee on Trade and Investment (CTI) and sub-fora to support favourable environment for MSMEs in trade.</i>	- Share of MSMEs that participate in trade (export and import). - Value of trade by MSMEs (export and import). - Share of MSMEs participating in GVCs. - MSME utilization of trade agreements.

		those with untapped economic potential, such as women, Indigenous Peoples as appropriate, persons with disabilities, and those from remote and rural communities.	- <i>Work with APEC Economic Committee (EC) in support of online dispute resolution (ODR) initiative.</i>	
4.	Digitalization	- Increase MSME digital transformation including through digital and business skills development programs and enabling environment. - Support MSME use of e-commerce. - Increase MSME capacity for digital transformation, including through new technologies such as AI. - Work to close the digital divide for MSMEs owned and run by those with untapped economic potential, such as women, Indigenous Peoples as appropriate, persons with disabilities, and those from remote and rural communities.	- Encourage the development of easy-to-use and cost-effective products and solutions that help MSMEs accelerate their digital transformation and improve business skills. - Ensure MSMEs have access to the necessary digital tools and training to participate in cross-border trade and engage in the digital economy, such as access to reliable, highspeed internet - Assess APEC SMEWG work in promoting standards and establish a continuous improvement policy for reviewing and evaluating progress - Support business environment which encourages start-up and growth of MSMEs bringing new technologies to market.	- Rate of MSME adoption and use of digital technologies. - MSME use of e-commerce and participation in digital trade. - MSME use of advanced digital technologies such as AI, blockchain, big data, IoT, etc. - Contribution of MSMEs to advancement of new and emerging technologies.
5.	Bio-circular-green transformation	- Support MSME adoption of bio-circular-green business practices and technologies. - Encourage MSME contribution to development of bio-circular-green technologies and solution.	- Activities / projects / seminars to promote green awareness for MSMEs. - Identify and address barriers that hinder MSME adoption of bio-circular-green transformation.	- Rate of adoption of green business practices and technologies by MSMEs. - Rate of green innovations by MSMEs.

		- Foster bio-circular-green adaption and innovation by MSMEs owned and run by those with untapped economic potential, such as women, Indigenous Peoples as appropriate, persons with disabilities, and those from remote and rural communities.	- Provide MSMEs with access to necessary training and skills to go green - Foster environment to support MSME innovation and contribution to green technologies.	
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Member economies are encouraged, on a voluntary basis, to report its contributions towards achieving the objectives of the five priority areas and release annual reports on the development of MSMEs for reference. For this purpose, they could consider reporting on the indicators included for each objective as well as the general indicators listed below which will be tracked annually to measure the effectiveness and performance of the SMEWG in meeting the objectives of the five priority areas.

- APEC Initiatives and Activities
 - Number of APEC initiatives developed in support of each priority area
 - Number of participating APEC economies in the activities carried out to achieve the objectives
 - The lessons learned from initiative/activity.
- APEC Supported Activities
 - Number of APEC supported activities carried out to achieve the objectives of the priority areas (e.g. forums, workshops, studies)
 - Reporting on lessons learned from APEC-supported activities such as forums, workshops and studies.
- Best Practice Sharing
 - Number of best practices shared by member economies at SMEWG meetings that are relevant to the priority areas
 - No. of best practices that are adapted and adopted by member economies
 - Supporting sharing of best practices with data, empirical evidence and evaluations where possible.
- Dialogue with Partners
 - Number of dialogue sessions with the private sector, relevant APEC fora and multi-stakeholder organizations on topics that are aligned to the priority areas
- Contribution to broader APEC Priorities including APEC Putrajaya Vision 2040 and the Aotearoa Plan of Action as well as the Bangkok Goals among others.
 - Reporting on how a project, initiative or action contributed to the advancement of APEC priorities.

6. Implementation Schedule

SMEWG will take a holistic and committed approach to implementing the priority areas in this Strategic Plan. APEC economies, with the support of the APEC secretariat will work together and with relevant partners to develop a schedule of activities for the next four years, between 2025 and 2028 to achieve the objectives of the Strategic Plan. The detailed implementation schedule is appended to this Strategic Plan and will be updated annually, in line with the SMEWG's annual Work Plan.

7. SMEWG Project Development and Ranking

SMEWG project proposals should focus on initiatives and activities that will enable APEC member economies to achieve the priorities and objectives of this Strategic Plan. Project proposals that have a direct link to the priorities of the Strategic Plan and support the realization of APEC Priorities articulated APEC Putrajaya Vision 2040 and the Aotearoa Plan of Action as well as the Bangkok Goals among others will be given a higher score by the SMEWG members.

8. Review of Strategic Plan

The SMEWG will monitor the implementation of the Strategic Plan and track the measures of progress on an annual basis. A mid-term review will be prepared and reported by the Chair of the SMEWG in 2026. A final review of the Strategic Plan 2025-2028 will be presented to APEC SME Ministers in 2028.