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Strengthening Regional Structures for SME Promotion in ASEAN (ASEAN SME II)

Promoting Market Access and Cross-Border Trade

Project name	Strengthening Regional Structures for Small and Medium Enterprise Promotion in the ASEAN Region
Commisioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	ASEAN Member States
Lead executing agency	Association of Southeast Asian Nations (ASEAN)
Duration	01.11.2022 – 31.08.2025







Context and Challenges

Small and Medium-Sized Enterprises (SMEs) form the backbone of most ASEAN economies. Their expansion, however, is often impeded by a lack of information, networks and contacts. With the global digitalisation trend and cross-border trade growth, new prospects arise for SMEs to tap into foreign markets. Linking up with relevant partners and understanding current policy requirements are crucial prerequisites for that.

ASEAN acknowledges the vital contributions of SMEs for economic recovery, resilience and connectivity. A competitive, more sustainable and digitally inclusive ASEAN Economic Community (AEC) relies on scaling the adoption of new technologies by and for SMEs to benefit from emerging business opportunities.

In cooperation with the ASEAN Coordinating Committee on Micro, Small and Medium Enterprises (ACCMSME), the project supports the implementation of the Strategic Action Plan for SME Development (SAPSMED) 2025. The focus lies on improving the market access and internationalisation of SMEs (strategic goal C) and enhancing the policy and regulatory environment (strategic goal D).

Objective

Building on the experiences and networks of the predecessor project, ASEAN SME II applies a two-tiered approach that combines regional cooperation with country-specific assistance in selected ASEAN Member States (AMS).

Project activities concentrate on three thematic fields:

- Sustaining the regional SME portal "ASEAN Access";
- Strengthening the national SME portals and support structures in Cambodia, Lao PDR and Viet Nam, including crosscountry business matchmakings; and
- Stimulating public-private dialogues on policy issues relevant to SME promotion and cross-border trade.

The project objective and support are closely aligned with the Initiative for ASEAN Integration (IAI), which strives to boost the region's competitiveness by narrowing intra-ASEAN development gaps. Moreover, in line with the Agenda 2030, the project directly contributes to Sustainable Development Goals (SDGs) 8 and 9 on Decent Work and Economic Growth as well as Industry, Innovation and Infrastructure, respectively.





Images

Page 1 (left to right): ASEAN Member States representatives jointly launched the ASEAN Access platform and the Match feature in June 2021 and January 2022. The Learn feature was launched in November 2023. By using ASEAN Access, SMEs in ASEAN can access market information, expand their network and organise virtual business matchmaking.

Page 2 (left to right): Working with national and regional stakeholders to support SMEs in ASEAN. ACCMSME meeting in Bangkok, May 2023 and Regional Policy Dialogue organized under Indonesia's ASEAN Chairmanship at the ASEAN Secretariat, Jakarta, on July 2023.





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Approach

At the core of the project lies the **ASEAN Access** online portal (<u>www.aseanaccess.com</u>), owned by the ten ASEAN Member States (AMS) and hosted in Thailand. As the regional "one-stop business information gateway", the portal addresses the needs and ambitions of SMEs in ASEAN in relation to cross-border trade.

To this end, ASEAN Access features market talks as well as virtual matchmaking – all accessible online and at no costs for participating SMEs, service providers, business associations and other network partners. Further resources are regularly added and updated, notably e-learning or sector briefs on key industries, market dynamics and policy directions.

ASEAN Access applies a unique governance structure that brings together the public and private sector: While ACCMSME, through a dedicated taskforce, provides strategic guidance, it is the private network partners that drive activities and topics. Based on their interest, for example, a special focus is placed on engaging women entrepreneurs, among others as ASEAN Access Ambassadors.

At the same time, ASEAN Access is connected to national SME portals in the AMS. Within the framework of the IAI, ASEAN SME II continues to work with relevant public authorities and private partners in Cambodia, Lao PDR and Viet Nam to interlink regional and country-specific priorities. This includes promoting the readiness of SMEs in embracing new business models, for example on sustainable production and consumption. Despite no longer receiving national-level assistance, the project acknowledges Indonesia's critical role in contributing to ASEAN Access activities. This includes promoting the active participation of new network partners and providing impulses on emerging topics for public-private policy dialogues, particularly as part of its 2023 ASEAN Chairmanship.

Expected Results

- The number of ASEAN Access users has continuously grown since the launch in 2021. Presently, over 2,900 members are registered and 47 network partners connected. It is expected that additional SMEs operating across borders will sign on to the portal, thereby testifying to the benefits of its interactive features.
- For the institutional sustainability of ASEAN Access in the medium to longer term, appropriate funds and personal resources will have to be secured by both the host country and other AMS. Under the post-2025 vision for the AEC, ASEAN Access is prominently positioned as part of a wider "ecosystem" for the delivery of SME information and services in the ASEAN region.
- Similarly, for the national SME portals in Cambodia and Viet Nam, new services are expected to attract a wider range of users. This will gradually build and mobilise a community of SMEs that utilise the portals in preparation for cross-border activities. Here, too, an appropriate governance scheme has been consulted and agreed with relevant partners in the respective AMS.
- Relevant public or private partners in ASEAN take up futureoriented topics and recommendations from the policy dialogyes in their own strategy papers. This will substantiate the results of the ASEAN SME Policy Index (ASPI) 2024 which is formulated by ACCMSME, with the joint support of GIZ, the Organization for Economic Co-operation and Development (OECD) and the Economic Research Institute for East Asia and ASEAN (ERIA).

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