



**KEMENTERIAN PEMBANGUNAN  
USAHAWAN DAN KOPERASI**  
Ministry of Entrepreneur Development and Cooperatives

## **PRESS STATEMENT**

### **NAVIGATING THE NEW NORMAL: RESTARTING AND REVIVING MSMEs THROUGH DIGITALISATION, INNOVATION AND TECHNOLOGY**

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**KUALA LUMPUR, 23 OCTOBER 2020** – The 26<sup>th</sup> Asia-Pacific Economic Corporation (APEC) Small and Medium Enterprise (SME) Ministers and its representatives from 21 economies, convened virtually on 23 October 2020 for the 26th APEC SME Ministerial Meeting (SMEMM), under the Chairmanship of H.E. Dato Sri Dr. Haji Wan Junaidi Bin Tuanku Jaafar, Minister of Entrepreneur Development and Cooperatives, Malaysia.

Under the theme, “Navigating the New Normal: Restarting and Reviving MSMEs through Digitalisation, Innovation and Technology”, the participating economies in 26<sup>th</sup> APEC SMEMM discussed and shared their best practices in mitigating the impact of the pandemic COVID-19 among MSMEs and initiatives on digitalizing MSMEs for an inclusive and sustainable new normal.

Micro, small and medium enterprises (MSMEs) are contributing 40 to 60 percent to the gross domestic product (GDP) and employing a significant part of the workforce in APEC economies making it crucial to socio-economic development. However, the unprecedented effects of the COVID-19 crisis on businesses calls for APEC economies to remain steadfast in strengthening an enabling environment for MSMEs through policies and measures that will help them recover and build resiliency.

“Many economies are providing tax relief, wage subsidies, interest rate reductions, soft loans, refinancing facilities as well as subsidies to help sustain businesses through the

crisis. In addition to these fiscal interventions, APEC must work together to promote and encourage the transition of MSMEs into the emerging digital economy. Going digital is not an option but a necessity for survival.”, said H.E. Dato Sri Dr. Haji Wan Junaidi Bin Tuanku Jaafar in his opening remarks.

He added that, “In the New Normal, MSMEs are inevitably pushed into an accelerated state of digitalisation. Businesses can no longer rely on brick-and-mortar stores but instead must start leveraging on e-commerce platforms. Businesses must pivot to adapt to digitalisation, innovation and technology to remain resilient.”

With these precedents, APEC economies will continue to work on developing the digital potential of MSMEs, including women-owned businesses by expanding access to digital tools, removing barriers to digital trade and e-commerce, providing digital skills-building activities, and enhancing access to information and communications technologies for business development and cross-border commerce. More concerted efforts by APEC economies are expected to further promote free, fair and open trade and investment among economies to uplift growth and strengthen the resilience of global supply chains.

APEC SME economies recognised the economic impact the pandemic has had on women and women-owned MSMEs and continue to support the implementation of the La Serena Roadmap for Women and Inclusive Growth, and other initiatives for businesses in APEC economies, especially those that support women-owned MSMEs in driving the economic recovery.

In order to facilitate MSMEs’ international trade, APEC support the commitment expressed by APEC Ministers Responsible for Trade to share and explore ways to facilitate essential movement of people across borders, while following the regulations protecting public health. We are committed to taking individual and collective measures to promote MSMEs access to international markets in the region, to maintain stable regional and global supply chains, and to advance socio-economic recovery and development. We continue to implement the Boracay Action Agenda to Globalize

MSMEs (BAA), which provides a framework for MSMEs' participation in international trade, and we look forward to the outcome of its final review this year.

With the endorsement of APEC SME Working Group Strategic Plan 2021-2024 which sets objectives in five priority areas: entrepreneurship, innovation and start-ups; SME access to international markets and global value chains (GVCs); inclusive capability development towards digitalisation; access to finance and alternative financial solutions; and government to business interaction.

APEC economies are on the right path to recovery and resilience, while supporting each other in this time of crisis.

**MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES**