



Asia-Pacific
Economic Cooperation

Trade and MSMEs

Rethinking Regional Cooperation and Integration

Emmanuel A. San Andres, APEC Policy Support Unit

Asia SME Monitor 2024 Launch Seminar • ADB Headquarters • 21 November 2024

Rethinking Regional Cooperation and Integration

- 1 What is APEC?
- 2 MSMEs in APEC
- 3 MSMEs and Trade
- 4 Role of Regional Cooperation



What is APEC?



What is APEC?

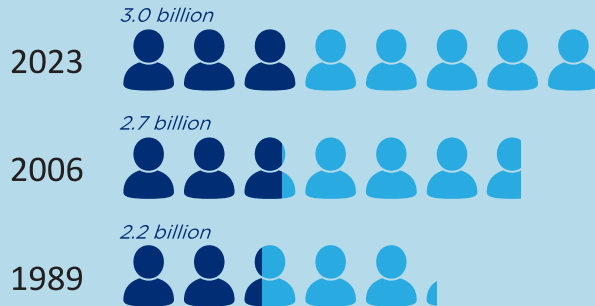
37% of the world's population live in the APEC region in 2023

POPULATION

each person represents 1 billion people

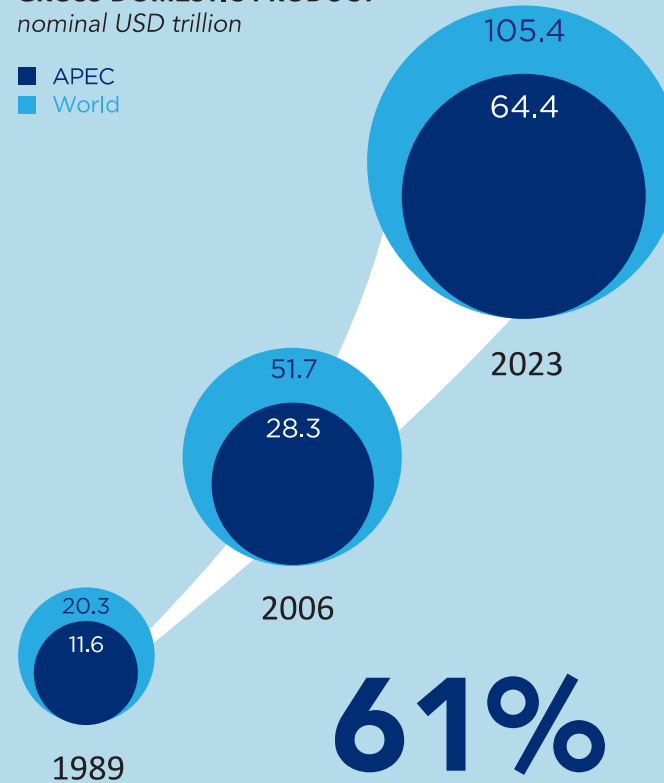


Rest of the world



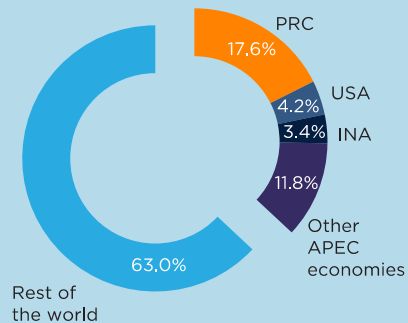
GROSS DOMESTIC PRODUCT nominal USD trillion

APEC
World



POPULATION SHARE IN 2023 percent of global population

3 APEC economies are among the world's top 5 most populous economies in the world



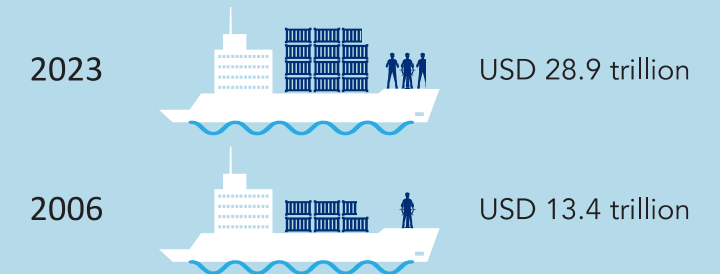
61% of global GDP was contributed by APEC economies in 2023

APEC economies accounted for

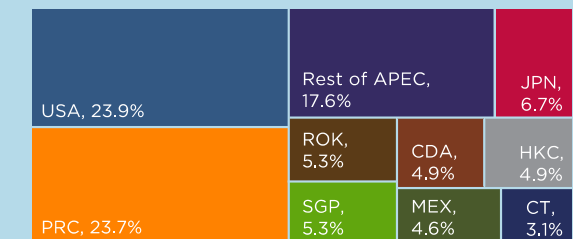
46% of global trade in goods and commercial services in 2023

TRADE IN APEC

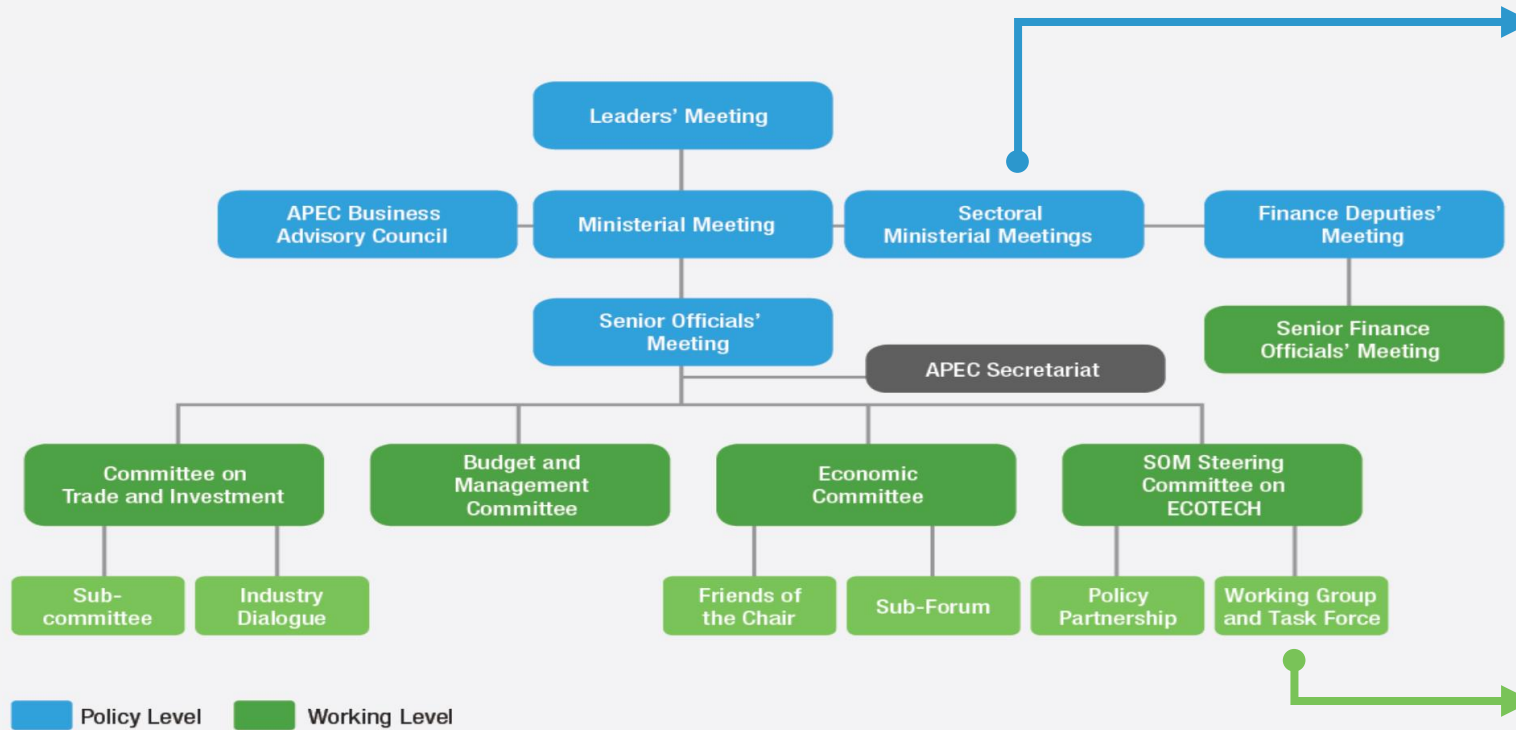
each container and person represent USD 2 trillion of goods and services, respectively



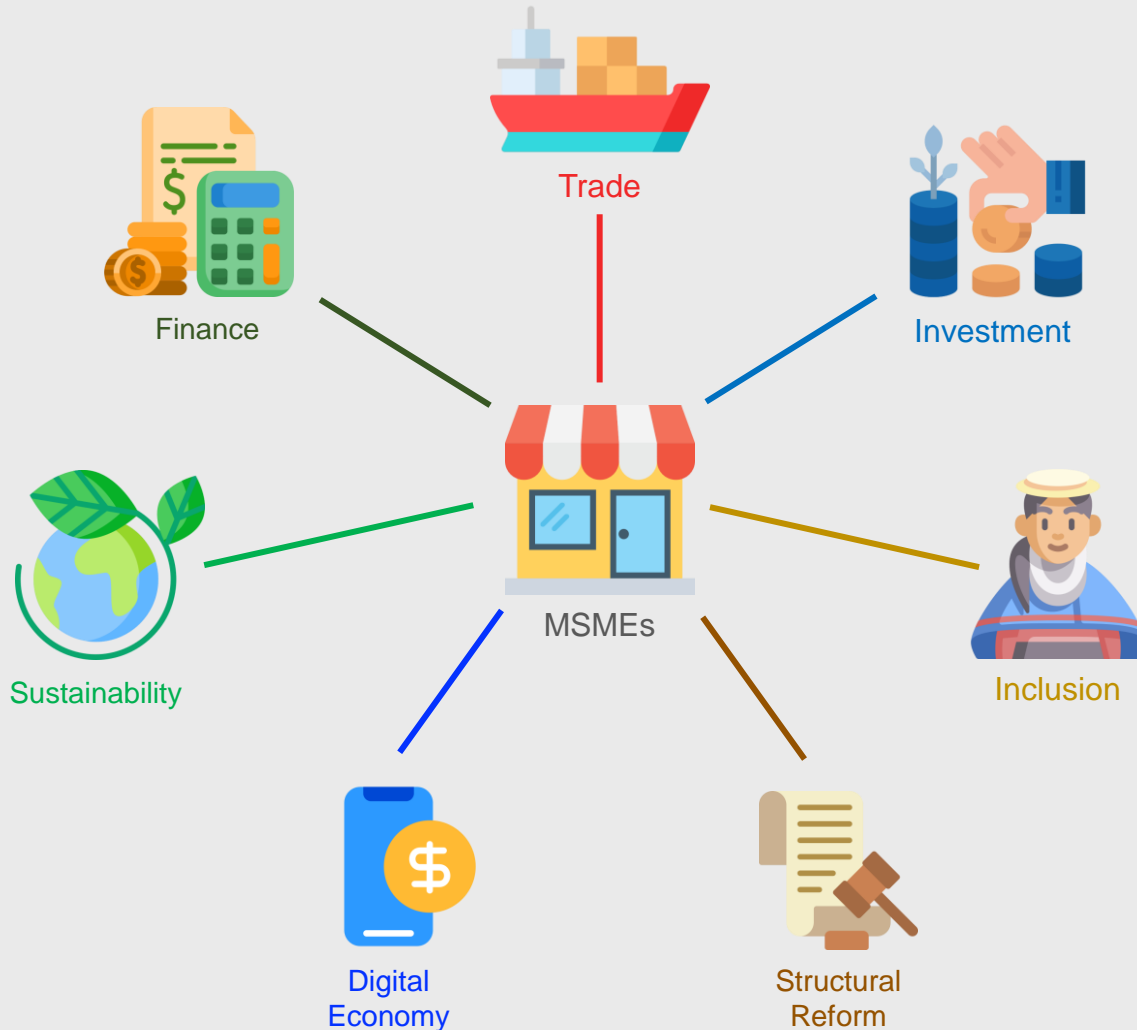
TRADE BY APEC ECONOMIES IN 2023 percent of total APEC trade



What is APEC?



MSMEs in APEC



*“To ensure that the Asia-Pacific region is resilient to shocks, crises, pandemics and other emergencies, we will foster quality growth that brings palpable benefits and greater health and wellbeing to all, including **MSMEs**, women and others with untapped economic potential.”*

– APEC Putrajaya Vision 2040

MSMEs in APEC

Economy	Number of Employees	Sales / Revenue	Assets / Capital	Sector / Industry
Australia	•	•		
Brunei Darussalam	•	•	•	
Canada	•			
Chile	•	•		
China	•	•	•	•
Hong Kong, China	•			•
Indonesia	•	•	•	
Japan	•		•	•
Korea		•	•	•
Malaysia	•	•		•
Mexico	•	•		•
New Zealand	•			
Papua New Guinea	•	•	•	
Peru		•		
The Philippines	•		•	
Russia	•	•		•
Singapore	•	•		
Chinese Taipei	•		•	
Thailand	•	•		•
United States	•	•		•
Viet Nam	•	•	•	



Why so different?



Based on legislation or regulation



Eligibility for incentives or subsidies



Exemption from taxes



Implementation of regulations



Special Economic Zones



Participation in programmes

MSMEs in APEC

Economies	Number of employees	Share of total employment	Year	Economic contribution	Share of total output	Year
Australia	8,552,100	66.2 %	2022-23	AUD 999.8 billion	55.8%	2022-23
Brunei Darussalam	67,269	57.2%	2022		5.7%	2022
Canada	9,718,627	54.9%	2023	CAD 890.0 billion	55.5%	2020
Chile	6,462,298	46.5%	2022	CLF 3.1 billion	13.8%	2017
China		80.0%	2023		60.0%	2023
Hong Kong, China	1,206,981	44.3%	2023	HKD 724.9 billion	36.5%	2022
Indonesia	119,562,843	96.9%	2019		61.1%	2022
Japan	33,098,442	69.7%	2021	JPY 140.1 trillion	56.0%	2020
Korea	17,439,595	82.7%	2019		48.7%	2020
Malaysia	7,590,000	48.2%	2022	MYR 580.4 billion	38.4%	2022
Mexico	18,418,279	67.9%	2018		45.3%	2018
New Zealand	682,900	27.7%	2023		51.9%	2021
Papua New Guinea	291,346	12.3%	2016	PGK 3.3 billion	17.3%	2016
Peru	10,893,620	90.6%	2022	PEN 76.2 billion	31.4%	2022
The Philippines	5,607,748	65.1%	2022		35.7%	2006
Russia	31,873,034	42.0%	2023	RUR 29,6 trillion	21.0%	2022
Singapore	2,570,000	71.0%	2022	SGD 273.7 billion	43.0%	2022
Chinese Taipei	9,132,000	80.0%	2022	TWD 28.6 trillion	51.6%	2022
Thailand	12,828,236	71.0%	2022	THB 6.1 million	35.2%	2022
United States	61,608,985	45.9%	2020		43.5%	2019
Viet Nam	6,910,197	47.0%	2020	USD 196.0 billion	50.0%	2022

MSMEs and Women



Economy	Share of MSMEs Owned by Women (full or partial)	Year
Australia	34.9%	2021
Canada	15.6%	2017
Chile	41.7%	2022
Korea	40.7%	2021
Mexico	36.6%	2018
Peru	43.1%	2022
Russia	44.0%	2023
Chinese Taipei	37.3%	2022
United States	21.7% (employer firms) 42.0% (non-employer firms)	2019



MSMEs and Trade

Economy	Value of MSME Exports	Share of Total Export Value (%)	Year	Value of MSME Exports	Share of Total Export Value (%)	Year
Australia	AUD \$14.3 billion	3.8%	2019-20	AUD 13.9 billion	4.4%	2017-18
Canada	CDA 308.5 billion	40.8%	2022	CDA 199.6 billion	39.3%	2018
Chile		2.0%	2023	USD 1.4 billion	2.2%	2017
Indonesia	INR 339.2 billion	15.7%	2019	INR 293.8 trillion	14.4%	2018
Korea		16.7%	2022	USD 206.2 billion	34.1%	2018
Malaysia	MYR 144.5 billion	10.5%	2022	MYR 167.4 billion	17.3%	2017
Mexico		10.0%	2019	MXN 192.0 billion	12.5%	2017
Peru	USD 4.4 billion	7.2%	2022	USD 2.3 billion	5.6%	2017
Chinese Taipei	TWD 3.6 trillion	24.6%	2022	TWD 1.5 trillion	13.7%	2018
Thailand	THB 1.1 trillion	10.6%	2022	THB 2.3 trillion	28.7%	2018
United States		32.6%	2020	USD 459.7 billion	33.4%	2017

MSMEs and Trade



Economy	No. of MSME Exporters	Share of Total MSMEs	Year
Australia	49,912	2.2%	2019-20
Canada	46,884	3.5%	2022
Chile		0.4%	2023
Korea	94,635		2023
Peru	6,848	0.3%	2022
Russia	83,000	1.3%	2023
Thailand	21,705	0.7%	2022
United States	271,241	1.0%	2021



Role of Regional Cooperation

MSME issues



Internationalisation
and integration into GVCs



Access to finance,
technology, networks



Higher transaction costs
and information costs



Integration into ESG
monitoring and certification
ecosystems



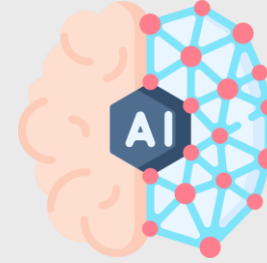
Data comparability
and monitoring of
priority areas

Role of Regional Cooperation

The big issues



Climate change



Digital technology
and AI



Shifting
Demographics



Anti-globalisation and
geoeconomic
fragmentation

Role of Regional Cooperation

SMEWG and SMEMM



APEC Small and Medium Enterprises Working Group (SMEWG)

- Established in February 1995
- Policymakers focusing on MSME growth and development
- Meet biannually
- Knowledge sharing, capacity building, priority setting



APEC SME Ministerial Meeting (SMEMM)

- Minister Responsible for MSMEs
- Meet annually
- 2024 Pucallpa Statement: “... enable [MSMEs] to become more competitive, specialized and innovative, including through access to global value chains, digital tools, technologies and innovation with a particular emphasis on those led by individuals with untapped economic potential, including women, Indigenous Peoples as appropriate, persons with disabilities and those from remote and rural communities.”

Thank you.



**Asia-Pacific
Economic Cooperation**