Beijing Declaration on Strengthening Cooperation among ASEM Members on Small and Medium Enterprises (SMEs)

2007/10/31

The First ASEM SMEs Ministerial Meeting was held in Beijing on 30-31 October 2007. SMEs Ministers and their representatives from 45 ASEM members gathered under the theme "Drive the Future with Innovation, Promote Development through Cooperation" and conducted extensive and in-depth discussions on issues of common interest regarding SMEs such as technological innovation, business development services, and cooperation and development, and achieved the following outcomes.

Main Consensus

1. Promote the development of SMEs to build a harmonious world. SMEs play an important role in economic and social development. Ministers recognized that the development of SMEs can bring tangible benefits to the economic growth of ASEM members. All members should make every effort to promote the development of SMEs, and to bring into play their roles in creating employment opportunities, reflecting diverse development, revitalizing regional economy, reducing poverty and enhancing the well-being of the people.

2. Reinforce economic and trade cooperation to promote economic prosperity in Asia and Europe. Ministers noted that Asia is the most dynamic region in the world and Europe is the largest developed economy. Asian SMEs and European SMEs are highly complementary to each other in terms of product, technology, labor and market with huge potential of cooperation. It is of great necessity to further improve trade and investment climate, enhance exchanges among ASEM members, establish effective cooperation mechanisms for SMEs, and promote cooperation in multiple fields, notably trade facilitation, services, transfer of technology, intellectual property rights (IPRs), corporate social responsibility and accountability, with a view to narrowing the gap of development among members and promoting common economic prosperity in Asia and Europe.
3. Improve industrial structure, facilitate open markets, and promote fair competition to assist SMEs to address challenges of globalization. Ministers recognized that the deepening economic globalization and accelerating transfer of industries and services around the globe bring new opportunities and challenges to the development of Asian and European SMEs. Ministers highlighted the importance of opening up markets, fair competition, and removal of tariff and non-tariff barriers to the economic and trade cooperation among SMEs of ASEM members. To strengthen industrial cooperation between Asia and Europe is of positive significance to optimizing resource allocation and enhancing regional competitiveness. Ministers noted that industrial clusters characterized by congregated SMEs have become the source of regional economic vitality and diversity. To enable clusters to play a positive role in specialized division of work, industrial cooperation, optimization and upgrading is of great significance to regional economic development.

4. Enhance innovative capability to achieve sustainable development. Ministers stressed that innovation is a vital driving force for economic and social development, and SMEs are potentially the greatest innovators. ASEM members need to take positive measures to improve the environment for SMEs' innovation, attach importance to the protection of IPRs including proper enforcement and promotion of IPRs, enhance the ability to provide services for SMEs in their IPR creation, protection and application, and support the innovation activities of SMEs. In particular, members need to encourage SMEs to strengthen R&D and international cooperation in energy and environment technologies, promote the use of new and renewable energies, facilitate SMEs' access to energy-saving and environment-friendly technologies, so as to promote sustainable development.

5. Increase employment opportunities to attain general social affluence. Ministers acknowledged that increasing employment opportunities, encouraging entrepreneurship, and creating an enabling environment for entrepreneurs is essential to narrowing the gap between the rich and the poor and enabling all to benefit from economic growth. ASEM members are therefore encouraged to give more support to entrepreneurship, and employment opportunities as well as vocational training, and to simplify procedures for starting business.

6. Complete business development services to improve the environment for enterprises' development. Ministers considered it necessary to continue building the service system for SMEs, provide them with convenient and efficient services and meet their diverse needs for services. Ministers encouraged ASEM members to take measures to improve business development services for SMEs in microfinance, financing guarantee, market exploration, human resources, outsourcing and information consultation, and
to further improve the environment for enterprises' development. Minister encouraged financial institutions of ASEM members to extend credit facilities to SMEs in rural and underdeveloped areas.

**Next Steps**

7. Ministers suggested that technology exchanges, consultations and cooperation be carried out among ASEM SMEs in the field of resource conservation and environmental protection, and that ASEM SMEs be encouraged to jointly cope with impacts and challenges of climate, energy and environment by developing technologies and mitigating impacts.

8. Ministers encouraged SMEs to pay attention to environmental protection in their production and business activities, fulfill their social responsibilities, improve working conditions and protect employees' rights.

9. Ministers encouraged Asian and European SMEs to engage themselves in development and cooperation related to technology, investment, and economic and trade exchanges, and supported exchanges and cooperation on personnel training, IPR protection, and IT technology application among service agencies for SMEs in ASEM members.

10. Ministers suggested that ASEM members to learn and share best policy initiatives and practice concerning SMEs' innovation and development, make more extensive use of IT technologies and the Internet, develop e-commerce and facilitate SMEs' access to business opportunities.

11. Ministers stressed that exchanges on financing policies for SMEs be strengthened, innovation of financial products and services be promoted, investment mechanism for starting business be improved, and diverse financing services be provided to SMEs.

12. Ministers agreed to promote the development of SMEs industrial clusters, expand trade, investment, technology cooperation among industrial clusters in Asia and Europe, and to advance regional economic development with local characteristics.

13. Ministers appreciated China's decision to provide, during the annual "China International Small and Medium Enterprises Fair" in each September, a free "Hall for ASEM SMEs Cooperation and Exchange" for members to hold exhibitions and conduct exchanges, and a website (www.asem-sme.net) to facilitate members' participation in the Fair as well as daily communication.
14. Ministers agreed that the ASEM SMEs Ministerial Meeting be held biennially prior to the ASEM Summit and hosted alternatively by Asian and European members so as to build it into a regular and sustainable mechanism for policy exchange and dialogue.

15. Ministers agreed to set up a Senior Officials' Meeting Mechanism for ASEM SMEs Cooperation and hold the Senior Officials' Meeting biennially prior to the Ministerial Meeting, with rotation between Asian and European members. Government officials from each member will be designated to participate in the Senior Officials' Meeting and take responsibilities of daily liaison of SMEs cooperation as well as coordination and communication for the preparation of the Ministerial Meeting.

16. Ministers noted that the second ASEM SMEs Ministerial Meeting will be held in Europe in 2009.