

WHAT IS THE POLICY LANDSCAPE LIKE FOR MSMEs IN ASEAN?

A comparison of the policy landscape in ASEAN

REGIONAL OVERVIEW

SMEs have been identified as one of the key pillars of growth and economic integration in the ASEAN 2025 Blueprint. This underscores the importance of integrating SMEs into regional and global value chains.

The ASEAN Strategic Action Plan for SME Development (2016-2025) outlines concrete policy objectives with the aim to integrate SMEs with regional value chains, eventually allowing them to become globally competitive, innovative and resilient.

BRUNEI



In 2007, the government initiated Wawasan Brunei 2035 - a national economic development strategy to accelerate growth in the private sector.



In 2016, the government also set up the Darussalam Enterprise (DARe), a statutory body to develop local SMEs.



The Brunei Economic Development Board (BEDB) supports local SME development by expanding the local market.

98.5%

of total enterprises registered in Brunei are SMEs

59%

of Indonesia's GDP in 2013 was contributed by SMEs

CAMBODIA



Promotion of SMEs was a key strategy outlined in the Rectangular Strategy for Growth, Employment, Equity and Efficiency - Phase III.



Policy measures pertaining to SMEs include: modernising SMEs, enhancing SMEs' capacity, increasing SMEs' access to finance, as well as improving regulatory frameworks and institutional coordination.



The Ministry of Industry and Handicraft (MIH) put in place the SME Promotion Policy in 2015, providing a national framework to regulate and develop SMEs in the country.

>99%

of all enterprises operating in Cambodia as of 2011 are SMEs. This amounts to more than 500,000 SMEs operating in the country

INDONESIA



Indonesia's current SME development strategy is guided by the Master Plan for Acceleration and Expansion of Indonesia Economic Development 2011-2025 (MP3EI).



The Ministry of Cooperatives and SMEs have also established the Small and Medium Enterprise and Cooperatives (SMESCO) agency, which aims to increase the marketing capacity of SMEs.



In June 2016, Indonesia launched the "1,000 start-ups movement", a government-backed initiative which aims to grow 1,000 high-quality start-ups by 2020 amounting to USD 10 billion.

99.9%

of all business enterprises in Indonesia as of 2013 are MSMEs. This amounts to 57.9 million MSMEs

97%

of the total workforce in Indonesia as of 2015 was employed by MSMEs. This amounts to 117.68 million people

59%

of Indonesia's GDP in 2013 was contributed by MSMEs

MALAYSIA



The SME Masterplan, published in 2012, aims to provide SMEs with new opportunities for growth, in order to propel the recalibration of activities towards higher value-added ones.



The 2017 Budget proposed several programmes to strengthen SMEs, thereby contributing to the nation's growth.



The Eleventh Malaysia Plan (2016-2020) features numerous initiatives to help SMEs grow.

97.3%

of total enterprises in Malaysia as of 2015 are SMEs. This amounts to more than 660,000 SMEs operating in the country

65.5%

of the total workforce in Malaysia as of 2015 was employed by SMEs

36.3%

of Malaysia's GDP in 2015 was contributed by SMEs

MYANMAR



The Central Committee for Development of SMEs was established under the Ministry of Industry, with a mandate to foster the development of and offer guidance to SMEs.



The Small and Medium Enterprise Development Law, enacted in 2015, details the formation and missions of various government committees responsible for supporting and researching on SMEs in the country.



The Small and Medium Enterprise Development Policy was also announced in 2015 to provide a conducive environment for SMEs to grow.

87.4%

of total enterprises in Myanmar as of 2015 were registered as SMEs. This amounts to 39,062 SMEs* in the country

*this data might be incomplete, as SMEs in Myanmar can register with different governmental departments and agencies

PHILIPPINES



National support systems for SMEs in the Philippines have been guided by the Magna Carta for MSMEs.



In 2011, the government released the MSME Development Plan for 2011-2016 which seeks to address key challenges and constraints that the MSME sector faced.



In 2014, the government enacted the Go Negosyo Act which aims to promote inclusive growth and alleviate poverty by fostering the establishment of MSMEs.



In Feb 2017, the Philippine Development Plan 2017-2022 was completed and submitted to President Duterte. The Plan aims to increase access to economic opportunities for MSMEs.

99.6%

of all enterprises in the Philippines as of 2014 were MSMEs. This amounts to more than 940,000 MSMEs operating in the country

62.8%

of the total labour force in the Philippines as of 2014 was employed by MSMEs

25%

of Philippines' export revenues in 2014 was contributed by MSMEs

SINGAPORE



The Economic Strategies Committee (ESC) was set up by the Prime Minister in May 2009 to examine issues affecting SMEs and make policy recommendations to boost productivity.



Building on the work of the ESC, in Feb 2017 the Committee on the Future Economy (CFE) published its strategy proposal aiming to propel Singapore to new heights. SMEs are featured prominently in one of the strategies.

99%

of all enterprises in Singapore as of 2016 were SMEs. This amounts to approximately 180,000 SMEs operating in the country

70%

of the total labour force in Singapore was hired by SMEs in 2015

50%

of Singapore's GDP in 2015 was contributed by SMEs

THAILAND



The Office of SMEs Production (OSMEP), established in 2000, formulates SME development proposals and plans, creates a SME knowledge database and administers the SMEs promotion fund.



OSMEP formulates SME Promotional Master Plans every five years. The Third Master Plan (2012-2016) aims to develop a conducive business environment for Thai SMEs.



In 2012, the Office of National Economic and Social Development Board launched the Thailand Country Strategy to aid the growth and development of Thai SMEs.

2.7

MILLION

SMEs existed in Thailand in 2013

80.4%

of the total labour force in Thailand as of 2013 were employed by SMEs

41.1%

of Thailand's GDP in 2013 was contributed by MSMEs

VIETNAM



The amendment of the Enterprise Law in 2015, along with Decree No 56/2009/CP, emphasised the need for Vietnam to support SMEs as an engine of sustainable growth.



The first 5-year SME Development Plan for 2011-2015 promulgated in September 2012 (Decision No. 1231/QD-TTg) specifies various policies for strengthening the SME sector.



Vietnam's Ministry of Planning and Investment (MPI) is drafting a circular which encourages commercial banks to allocate at least 30% of their loan portfolio to SMEs.

97.5%

of all enterprises in Vietnam as of 2014 were SMEs. This amounts to over 500,000 SMEs operating in the country

51%

of the total labour force in Vietnam as of 2014 was employed by SMEs

40%

of Vietnam's GDP in 2014 was contributed by SMEs