



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA

MEDIA STATEMENT: APEC MINISTERS RESPONSIBLE FOR TRADE MEETING 2017 20 MAY 2017

1. The Ministers Responsible for Trade (MRT) Meeting of APEC is currently ongoing in Hanoi, Vietnam from 20-21 May 2017.
2. The theme adopted by Vietnam as the host for this year's APEC meeting is on "Creating New Dynamism, Fostering a Shared Future", with four key priorities namely (i) promoting sustainable, innovative and inclusive growth, (ii) deepening regional economic integration, (iii) strengthening Micro, Small and Medium Enterprises (MSMEs) competitiveness and innovation in the digital age, (iv) enhancing food security and sustainable agriculture in response to climate change.
3. APEC economies continue to remain resilient. Its 21 member countries currently account for half of global trade and 60% of the world's GDP. The APEC Regional Trends Analysis report, forecast an average 3.8% growth for APEC economies in 2017 and 2018, and 3.7% growth in 2019 compared to 3.5% growth recorded in 2016.
4. One of the main issues discussed in Hanoi was the role of MSMEs in promoting inclusive growth within APEC as well as increasing income and employment.
5. In his intervention at the MRT, the Minister of International Trade and Industry, Dato' Sri Mustapa Mohamed called on APEC member countries to identify specific initiatives to promote growth and development of MSMEs and to enable them to be linked with the regional and global value chain activities. Concrete measures need to be put in place to internationalize the MSMEs in the region. He also stated that MSMEs are also a priority for ASEAN and thus APEC and ASEAN should work together to take the MSME agenda forward.

6. “It is important that we ensure the benefits from globalisation are inclusive and equitable, especially given the rise of protectionist sentiment in a number of countries. Unlocking opportunities for MSMEs to participate more actively and successfully in global markets therefore will allow enterprises at the grass root level to benefit from closer economic integration,” Dato’ Sri Mustapa said.

7. Following the discussion at the MRT Meeting in Arequipa, Peru last year, all 21 APEC economies have agreed to have an APEC Compendium on Methodologies for SMEs’ Internationalisation – which was a proposal made by Malaysia, Peru, Mexico and the Philippines. This compendium allows APEC members to exchange policies, strategies and measures towards achieving MSMEs’ internationalisation agenda. It will also promote the sharing of best practices among APEC members and align their efforts in positioning MSMEs into regional and global markets.

8. Dato’ Sri Mustapa also added, “The future is digital economy and MSMEs should be an integral part of it. We need to continuously develop the competencies of our SMEs as well as in capacity building.

9. In Malaysia, through the collective efforts of MITI, SME Corp, MATRADE and MDEC numerous programme have been undertaken to facilitate the entry of MSMEs into global markets, which include partnership with the multinational companies and big local companies to hand hold and nurture MSMEs to be part of the global value chain. More opportunities for SMEs to enter the global e-commerce market are expected to be created through the investment by AliBaba in Malaysia’s Digital Free Trade Zone.

10. Dato’ Sri Mustapa also highlighted that for APEC to achieve the Bogor Goals of free and open trade and investment by 2020, APEC economies must resist all kinds of protectionism. While he acknowledged that there are challenges along the way, setting up barriers will further hurt global trade growth and impede regional economic integration. He stressed that Malaysia will continue to uphold the centrality of the multilateral trading system while pursuing bilateral and regional preferential arrangements with strategic trading partners to stay competitive.

11. APEC Trade Ministers shared their continued confidence in the World Trade Organisation (WTO) as a multilateral organisation promoting rule-based trade. The WTO received a major boost with the implementation of the Trade Facilitation Agreement (TFA) on 22 February 2017, which is the first multilateral agreement concluded in the 21 year history of the Organization. TFA has been welcomed by the private sector as countries work towards implementing their TFA commitments, facilitating the release and clearance of goods across borders.

12. The sluggish growth in global trade remains a cause for concern. Global trade is now expected to grow between 1.8% and 3.1% in 2017, down from its earlier forecast of 3.6%. The slower growth is attributed to the uncertainties surrounding the global economy.

13. “The implementation of the TFA is an important step towards reviving global trade. More trade facilitation measures are needed to ensure that trade once again becomes an engine of global growth. What is important is for us to keep the momentum going for improved market openings amidst all the challenges.” Dato’ Sri Mustapa said.

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