

Asean SMEs can leverage on AKFTA

Asean-Korea SME Conference participants to draw from S. Korean success stories

by LINDA ARCHIBALD

SMALL and medium enterprises (SMEs) in Asean member countries can and should ride on the Asean Korean Free-Trade Agreement (AKFTA) to grow their businesses and market share.

"With AKFTA ratifications, it is imperative for the Asean members of state SMEs to harness the potential business opportunities by having greater understanding of the important information on regulatory requirements, benefits and opportunities arising from the FTA agreement," says SME Corp CEO Datuk Hafshah Hashim (picture).

Through the years, the trade volume between Korea and Asean member countries has increased persistently with total trade amounting to US\$124 billion (RM390.6 billion) in 2011, ranking the republic six out of 10 major trading partners in the region.

"Leveraging on that potential and creating better eco-



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nomie climate and liberalising trade barriers, the AKFTA was signed for goods in 2006 and for trade in services in 2007 while in August 2009, Asean and Korea signed an agreement on investment," she said.

In the region, Hafshah added, Korea has been one of the economic powerhouses of Asia with the amount of RM3.08 trillion trading value globally in 2011. According to Korean International Trade Association, Asean has been the third-largest trading partner, investment destination and the second-largest construction market besides the Middle East.

Korean SMEs which account for 99.9% of its enterprises and contribute 88% to its employ-

ment with 47.6% production rate have been resilient with a strong foundation to economic advancement of the economy. Products and services from Korean SMEs complement big conglomerates paving the way for them to establish themselves as the major global force in electronics, heavy engineering, creative technologies as well as multimedia.

She added that apart from the technology and innovation, Korea has begun to tap into their entertainment and cultural strength as one of the best-selling products from their local industry.

Hafshah said the Asean-Korea SME Conference 2013 (AKSC 2013) which begins today at Kuala Lumpur Convention Centre is an impetus towards growing the SME market potential in Asean countries and Korea alike.

In a recent weekly publication, Hafshah estimated that this year's business matching sessions at the conference are expected to generate potential sales valued approximately RM300 million, compared to last year's RM278 million.

The two-day conference, co-organised by Malaysia's Ministry of International Trade and Industry (MITI), SME Corp and Korea's Small and

Medium Business Corp, is riding on the reputable SME Annual Showcase — SMIDEX (June 12-14) hosted at the same venue.

The first day's morning session sets the tone with AKFTA participating member states discussing the potential economic growth, market opportunities and trade liberalisation to be derived from AKFTA, and how businesses from among the countries who are signatories to AKFTA can leverage on potential trade opportunities in Korea.

The panel of speakers to be featured here include representatives from the Korean International Trade Association, representatives from the international chambers of commerce from Asean member states, and Korean Embassy's Minister and Consul General Yoon Sang Soo.

The keynote address will be delivered by Korean Ministry of Trade, Industry and Energy DG Dr Toh Kyung-hwan, while Malaysia's high-profile former minister of MITI Tan Sri Rafidah Aziz, who now is at the helm of AirAsia X Sdn Bhd as its chairman, will also be delivering a paper.

The first day session culminates with a sharing on valuable insights innovation and

how SMES in the region can capitalise on this for their businesses. The panelists include Thailand's Small and Medium Enterprise Promotion deputy DG of office Dr Wimonkan Kasumas, MPDA Global Co Ltd CEO and founder Won Sangho and Singapore's Histoldpex Pte Ltd MD Dr Dean Tai.

The second day will commence at the Exhibition Halls, with a business matching session followed by a tour of SMIDEX 2013, and then a Pocket Talk.

After the Networking Lunch, participants will adjourn to the conference for a presentation of SME success stories from across Asia and Korea featuring Philippines' Hi Las Marketing Corp's president Roberto Amores, Korea's Mirtec Co Ltd's CEO Pak Chan Wha and Thailand's Tao Kae Noi Pte Ltd founder and MD Aithipat Kulapongvanich.

Before the day culminates with closing remarks from Hafshah, the participants will get a glimpse into the booming creative industry in Korea and the budding Malaysian creative industry, who's been learning from their big brothers in Korea.

The panelists here include Korea Tourism Organisation

MD Yun Jaeyin, Creative Content Association of Malaysia's CEO Datuk Mohd Mahyidin Mustakim and Korea Creative Content Agency researcher Lee Yang-hwan.

SMIDEX, which has been running as an annual landmark event for 16 years now, highlights the capabilities of Malaysian SMES in offering products, services and technologies for the global market.

The theme for this year's SMIDEX event "SMEs Changing the Game" was chosen in line with the launch of the SME Master Plan 2012-2020, which has been dubbed by Prime Minister Datuk Seri Mohd Najib Razak as the "Game Changer".

To date, almost 400 have confirmed participation in the conference with companies accounting for more than half of the participants, while over 50 international businesses and agencies, and over 50 members from the academia. The rest are representatives from government agencies and financial institutions.

The participants at the conference also include 30 Korean delegates and about 30 delegates from Asean member states. SMIDEX is expected to draw 15,000 visitors this year.