



Final Communiqué
Issued by
The General Assembly of the G15
Federation of Chambers of Commerce, Industry
And Services, at the 14th Meeting Held in Jakarta
on 3-6 September 2007.

The G15 Federation of Chambers of Commerce, Industry and Services and under the auspices of Her Excellency, the Indonesian Minister of trade held the 14th meeting of FCCIS in Jakarta, 3-6 September 2007.

The 14th Meeting of G15 FCCIS concerns that many of G15 SMEs do not realize their full potentials due to the lack of market access, finance, business skills and technology development. There are great opportunities offered for broader cooperation among developing countries in the sector of SMEs.

The 14th Meeting of G15 FCCIS feels that it is time to tap those opportunities for an effective, useful development, and confirms that the G15 FCCIS can play a fundamental role towards the enhancement of trade and investment.

Therefore, the 14th Meeting of G15 FCCIS had a discussion on "The Role of the Small and Medium Enterprises in the Modern Economies" and recommended as follows:

1. Role of governments to promote SMEs:

- a) *Each country should define SMEs according to their economic and social circumstances in order to determine their targets and the kind of activities, which need and must be supported. It does not seem appropriate to use one definition internationally.*

- b) *Industrial surveys should be conducted (through professional organizations) to determine industrial opportunities.*
- c) *Establish a data bank for economic and social activities related to SMEs.*
- d) *Any data required by SMEs be offered free of charge or at a reasonable cost.*
- e) *Emphasize the importance of both export and local markets.*
- f) *Reducing rate of custom duties on raw materials (used by SMEs in the G15 member countries).*
- g) *Alleviate the problems of taxation, e.g tax holiday for certain periods and/or decreasing the tax rates.*
- h) *Encourage the establishment of leasing companies.*
- i) *Support recycling industries.*
- j) *Support establishing venture capital companies.*
- k) *Focus on SMEs training, which can be conducted in clusters by using counselors and specialists to reach a global competitive level.*
- l) *The need to improve SMEs should be created in every part of the economy at the macro level. This is achieved by creating competition by reducing trade barriers. At an industrial unit level, the government can work on the individual entrepreneurs by exposing them to concepts, visits to successful units and interaction with counselors. It needs to generate a sufficient number of committed entrepreneurs, who could be addressed in a geographical area, in clusters.*

2. Role of Universities and Research Centers:

- a) *These institutions must be linked to SMEs to provide technical assistance (TA) at concessional rates or through donor organizations.*

- b) *Emphasize on the development of applied technology rather than theoretical technology.*

3. Role and expectations from Banks:

- a) *Specify allocation of their own resources to lend SMEs on soft term basis.*
- b) *Change in approach from purely commercial to developmental.*

4. Role and expectations from large Enterprises:

- a) *Build contractual relationship with SMEs as feeding industries ancillaries.*
- b) *Consider SMEs for sub-contracts and provide support on a regular basis.*
- c) *Establish capital ventures with SMEs.*

5. Role and expectations from investors in SMEs:

- a) *Establish trading companies with investors as shareholders to procure raw materials on behalf of the SMEs, with authority for direct purchase and assist them in marketing their finished products.*
- b) *Organize collective market research (local and overseas) through a specially designated institution.*
- c) *Constitution of NGOs to help promote micro industries in the light of their success worldwide.*
- d) *Emphasis on feeding ancillary industries.*
- e) *Encourage and persuade SMEs usage of value engineering and develop cost consciousness to reduce their costs to enhance competitiveness.*

6. Role and expectations from international donors:

- a) *Foster SMEs in developing countries.*

- b) Refrain from imposing conditions on governments as may be in contradiction with national plans.*
- c) The terms for loans to SMEs should be soft and affordable.*
- d) Emphasis the importance of vocational training.*
- e) Technical assistance offered by foreign and local experts should be reasonably priced and should be realistic in methodology and approach.*
- f) Urge businessmen to invest in developing countries as these countries are a good markets on the basis of attractiveness of political, economic and social environment.*
- g) Assistance must be given to growing concerns and new establishments.*
- h) Donors have to take into consideration that we are partners in the development of the country on equal basis.*

7. Role and expectations from information and trade centers:

- a) Extend cooperation to obtain data which allows more effective comparison of the innovation, competitiveness and of SMEs in the G15 countries.*
- b) To work to strengthen networks that can help activate SME-communities, improve access to information and contact of relevance to broaden the markets, upgrade skills, employ and manage appropriate technologies.*
- c) To attain this objective, conditions for entrepreneurship and the growth of SMEs across the border, including in urban/rural areas, traditional and modern industries, and for both men and women entrepreneurs, should be improved.*

8. How can G15 members benefit from the G15 Trade Center (www.g15tradecenter.com)?

- a) *Urging business organizations and specialized bodies in enhancing the role of small & medium enterprises in the member countries, to communicate with the market executive management for establishing specialized e-market for these enterprises, which will support its marketing ability and seeking to line up its products with the larger industries as its inputs.*
- b) *Persuading all member chambers to cooperate with the market executive management, for joining the market. Moreover, to be trained on how to use and utilize its facilities and services. Also, all the member chambers have to designate elements equipped with contact and communication means.*
- c) *Encouraging the chambers to fully utilize the E-Trade service center network (www.g15tradecenter.com). As well as, they should initiate and inaugurate their own centers in cooperation with the market executive management. Chambers will provide the companies which are willing to expand their marketing activities throughout the E-Market with value added services.*
- d) *Urging the federation of chambers of commerce in member countries to nominate a group of business leaders in distinctive and specified sectors for each country. The executive management of the market in cooperation with the member chamber will propose the visibility studies concerning the establishment of specialized company for managing the vertical market (specialized) in this sector. This will be a specialized E-Market structure, which all the participants will benefit from.*

9. Role and expectations from the civil society organizations:

- a) *Promote interaction, exchange visits of business delegations, hold exhibitions and seminars.*
- b) *The system of SMEs should be completed by designating international marketing companies to market its products internationally.*
- c) *Establishing a sound database and achieving information exchange through activating the role of chambers of commerce and industries.*

10-The General Assembly of the 14th Meeting of G15 FCCIS requests the Chairman of the G15 FCCIS to report the concrete results of the recommendations of the final communiqué issued by the 14th General Assembly of FCCIS held in Jakarta, 3-6 September 2007 to the 15th Meeting General Assembly of G15 FCCIS.

11-The General Assembly Conveys appreciation and gratitude to the Indonesian chamber of commerce and Industry for inviting, hosting and providing facilities to make the holding of such a meeting a success.

12- Finally, the General Assembly like to announce that the next 15th FCCIS General Meeting will be held in India under the auspices of confederation of Indian Industry.

Jakarta, 4/9/2007.