

Appendix. Policy Matrix: General Best Practices for SME Internationalization for ASEAN and East Asia

Preparation	
Policy Area	Measures
Information	
Initial orientation and familiarization; and general information on internationalization	<ul style="list-style-type: none"> • Services provided by general business support organizations; • Capability set up to provide initial response to enquiries and requests for further assistance; and • Examples/cases of SME internationalization identified
Information on market opportunities (potential buyers); and online channels	<ul style="list-style-type: none"> • Websites on markets and economies, including basic market and buyer information, developed (B – C, and B – B)
Information on market and industry; and economy information sharing events	<ul style="list-style-type: none"> • General seminars, networking events, and targeted workshops held (e.g., value chain-specific)
Publications, business leads and advisory services	<ul style="list-style-type: none"> • Research papers and market feasibility studies published, one-on-one consulting on partner selection conducted by professionals or government officials
Information on rules, regulations, and procedures	<ul style="list-style-type: none"> • Services to understand the local business environment, legal framework and market regulations provided (e.g., employment laws, taxation regimes, investment laws, etc.)
Information on market standards and certification	<ul style="list-style-type: none"> • Provide organizations with basic information on standards and their application, and certification requirements
Finance	
Exporters/business working capital	<ul style="list-style-type: none"> • Programs to make it easier for a firm to maintain its overseas operations, especially at the start of the business due to maturing short-term debt and upcoming operational expenses provided (includes loans to purchase fixed assets/equipment and machinery)
Discounted loans and risk sharing	<ul style="list-style-type: none"> • Programs to ease access to export-related loans provided (e.g., insurance

	coverage such as export credit insurance and guarantees)
Training	
Firm-specific training programs for internationalization	<ul style="list-style-type: none"> • Formal and informal training provided to help enterprises develop their capacity to train their staff and internationally
Internationalization and related workshops	<ul style="list-style-type: none"> • Training sessions on specific issues conducted (e.g., exporting, using free trade agreements, setting up foreign office, etc.)
Firm-specific market entry advice and assistance	<ul style="list-style-type: none"> • Advice on internationalization provided at business advisory centres or through professionals via mentorship programs on issues such as market conditions, legal regulations, and general taxation, • Can lead to more in-depth studies
Incentives for internationalization capabilities	<ul style="list-style-type: none"> • Support to build capabilities required in areas such as branding, certification, e-commerce, and intellectual property rights provided
Active Engagement	
Policy Area	Measures
Procedural	
Access to overseas trade and related offices	<ul style="list-style-type: none"> • Overseas offices established that provide market updates and local business or government contacts
Identification of potential business partners	<ul style="list-style-type: none"> • Services provided to help identify partners (for B – C, and B – B); • Assistance provided in establishing initial contact; and • Advice provided on building sustainable partnerships
Assistance in dealing with regulatory procedures and requirements in particular markets	<ul style="list-style-type: none"> • Programs provided to help companies meet regulatory requirements in particular markets in AEC and East Asia
Assistance in cross-border business disputes	<ul style="list-style-type: none"> • Support (e.g., subsidies, advice, etc.) provided for investigations or businesses facing problems with local companies (e.g., intellectual property rights issues)
Addressing foreign bureaucracy and red tape	<ul style="list-style-type: none"> • Government representation provided and/or access to services in the overseas market facilitated to resolve or expedite any issues related to red tape
Functional	
Holding trade fairs and missions	<ul style="list-style-type: none"> • Local or overseas missions and trade fairs for business leads and potential

	projects held, with emphasis on particular value chains
Addressing staffing for foreign markets	<ul style="list-style-type: none"> • Grants or advice provided on how to attract or retain manpower for overseas business
Strengthening competitiveness in foreign markets (for foreign buyers in global value chains)	<ul style="list-style-type: none"> • Programs provided to help companies develop a sustainable competitive edge through: <ul style="list-style-type: none"> ○ formation of strategic alliances ○ showcasing of products overseas ○ allowing companies to conduct studies or training to resolve short-term, time-sensitive market access issues ○ promoting industries overseas ○ providing resources for companies to enforce their trademarks, patents, and copyrights ○ adapting technology for foreign markets
Resolving logistics and transportation issues	<ul style="list-style-type: none"> • Grants or advice provided to resolve overseas logistical delivery and shipping issues
Dealing with intellectual property rights	<ul style="list-style-type: none"> • Support provided to help protect or exploit firm's intellectual property rights when doing business in/for foreign markets
Growth and Expansion	
Finance	
Cost of business operations support	<ul style="list-style-type: none"> • Support provided for operating and running costs (e.g., reimbursement grants) to sustain the venture in its initial years
Working capital support	<ul style="list-style-type: none"> • Long-term working capital support provided
Tax deductions on overseas expenses	<ul style="list-style-type: none"> • Tax deductions provided for marketing or investment expenses for overseas operations
Functional	
Assistance for growth and expansion in different stages of market development	<ul style="list-style-type: none"> • Support provided for different stages of market development (e.g., partnerships for capacity expansion, standards, certification, etc.)
Long-term strategic growth studies	<ul style="list-style-type: none"> • Support provided to develop long-term strategies and business plans

AEC – ASEAN Economic Community

B – C : business-to-consumer

B – B : business-to-business

Note: See Section 5 of paper for specific examples.

Regional Cooperation Initiatives to Support SME Internationalization

Regional Initiative	Explanation
Expand cross-border financing mechanisms	<ul style="list-style-type: none"> ● Facilitate the cross-border flows of financing and financial instruments (e.g., credit; credit guarantees; and trade and supply chain finance)
Expand cross-border and regional workshops and training	<ul style="list-style-type: none"> ● Conduct internationalization workshops targeted at particular value chains and market immersion programs with participation from multi countries, for sharing of experiences and networking
Establish comprehensive SME user-friendly online information portal	<ul style="list-style-type: none"> ● Online portal will include: <ul style="list-style-type: none"> ○ information on market and industry trends, and key issues; ○ business opportunities and related leads; ○ business matching on a region-wide basis; ○ comprehensive listing of the region's enterprises in key value chains to facilitate identification of potential partners/ suppliers/buyers; ○ information on rules, regulations and procedures in the region's markets; and ○ list of internationalization-related advisory services, associated organizations, and individuals in the region
Establish AEC SME Business Centres in selected locations to support SMEs exporting (directly	<ul style="list-style-type: none"> ● Centres would support SMEs on doing business in AEC and East Asian markets (e.g., business

and indirectly) and investing in the region	development services, legal services support, standards, technical issues, human resources-related support, etc.)
Establish “SME Internationalization Best Practices Centre” in the region	<ul style="list-style-type: none"> • Centre will provide practical information to the region’s SMEs on best practices (e.g. case studies focusing on particular value chains and markets, practical and supported frameworks for self-assessment of existing operations, strategies for firms on adapting and implementing best practices etc.), which could be linked to regional advisory services
SME internationalization through cross-border value chain linkages	<ul style="list-style-type: none"> • Cross-border linkages in key value chains, can contribute to the development of local communities, product market diversification and the upgrading of participating economies and firms, including SMEs. This could be especially effective in linkages between less-developed economies like Myanmar, and more-developed economies like Thailand (e.g., garment and textile value chain linkages between special economic zones in Myawaddy, Myanmar and Mae Sot, Thailand). • Provide opportunities for SMEs to “internationalize”, starting in a more limited and manageable way, with neighbouring countries. Within the framework of global value chains, this could provide significant opportunities for expansion.

AEC – ASEAN Economic Community
SME – Small and Medium Enterprises