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Korea Shares with APEC Its “Digital Transformation Policies” as a Response to COVID-19

-Korea participates in the 27th Asia-Pacific Economic Cooperation
SME Ministerial Meeting (October 9)-

- Vice Minister Kang Sung-cheon shares Korea's policies on digitalization for SMEs and small business owners at the APEC SME Ministerial Meeting
- Major feats include discussions on improving the resilience of SMEs from the COVID-19 crisis, securing economic recovery from digitalization, and the announcement of a joint Ministerial Statement

Vice Minister of SMEs and Startups (MSS) Kang Sung-cheon participated in the 27th Asia-Pacific Economic Cooperation (APEC) SME Ministerial Meeting (Chairman: New Zealand's Minister for Small Business) that took place online on Saturday, October 9, 11AM (KST).

* APEC (Asia-Pacific Economic Cooperation): World's largest economic forum that consists of 21 economies from the Asia-Pacific region, covering 40% of the world's population, 59% of the world's GDP, and 50% of trade volume

During the meeting, which focused on a theme of “building resilience in a world with COVID-19,” the participants discussed issues including effective economic recovery with digitalization and inclusive and growth acceleration measures for the recovery of SMEs.

At the meeting, Vice Minister Kang Sung-cheon emphasized that Korea's digital transformation policies for SMEs and small business owners greatly contributed to recovering from COVID-19 and leading economic recovery, and shared the MSS's major policies for strengthening recovery and digitalization for SMEs and small business owners.

First, he laid out the plan to distribute 30,000 smart factories by 2022 to expand the base for digitalization for SMEs, and mentioned that there are also plans for advanced smart manufacturing policies such as the Korea AI Manufacturing Platform (KAMP).

* Korea AI Manufacturing Platform: Support for developing and utilizing AI solutions for small- and medium-sized manufacturers to apply manufacturing data and easily solve issues related to equipment and processes

In addition, he stated that Korea is making its utmost political efforts to realize digitalization for small business owners, with goals such as creating 500 digital traditional markets and 100,000 smart stores by 2025,

and added that for small business owners who lack access to digital technology, there should not only be support but also education. Against the backdrop, he introduced Korea's major related policies such as education for the digitally vulnerable groups and digital managers.

During the meeting, the APEC SME Ministers adopted a joint statement to declare cooperation among member economies and support for small business owners and SMEs under the Putrajaya Vision 2040*.

* New long-term vision for APEC that lays out plans for the next 20 years (through 2040); major factors include △trade and investment, △innovation and digitalization, △sustainable and inclusive growth

The statement includes recognition of the importance of △enhancing SMEs' access to international supply chains and finance to combat the impacts of the COVID-19 pandemic, △digital transformation to enhance the resilience of SMEs, recovery for vulnerable groups including women, and supporting the owners' mental wellbeing.

Vice Minister of SMEs and Startups Kang Sung-cheon stated, “To ensure that SMEs can respond more efficiently to the rapidly changing digital economic environment, now is the time for APEC economics to cooperate more than ever.”

He added, “Korea will stand by APEC to continue to share our expertise and experience of strengthening the recovery of SMEs with digitalization.”

Overview

- **(Current State of Affairs) APEC (Asia-Pacific Economic Cooperation)** is the world's largest regional organization that includes 40% of the entire world's population, 59% of the world's GDP, and 50% of global trade volume
- **(Membership) 21 economies in the Asia-Pacific region** including South Korea, China, Japan, and the United States of America
 - * South Korea, United States of America, Japan, Australia, New Zealand, Canada, Malaysia, Indonesia, Thailand, Singapore, the Philippines, Brunei, China, Hong Kong, Taiwan, Mexico, Papua New Guinea, Chile, Russia, Vietnam, Peru
- **(History)** Started in 1989 as a ministerial meeting among 12 countries including the United States of America, Japan, Australia, and South Korea, and **has been organizing summit meetings since 1993**
 - * 1991 APEC Ministerial Meeting in Seoul, 2005 APEC Summit in Busan
 - ** 2025 Summit to take place in South Korea
- **(Note) APEC membership** is for **economies** rather than countries, and so it is forbidden to use the term “country” or raise national flags
 - * Taiwan and Hong Kong are called “Chinese Taipei” and “Hong Kong, China” respectively

□ Vision and Goals

- APEC adopted the **Putrajaya Vision 2040**^{*} that lays out the new goals of the organization for 20 years through 2040 (November 2020 Summit)
 - * 3 Major Factors: ① Liberalizing trade investment, ② Innovation and digital economy, ③ Inclusive and sustainable growth

Feature: Seeks for **open regionalism** and **voluntary cooperation**

- **Aims to realize an open economic community** by liberalizing trade investments within the area and enhance economic technical cooperation (Denouncement of exclusive regionalism)
- Agreements are fundamentally **non-binding**, yet agreements at the summit levels are considered **political commitments**