

## SESSION 3

### ***SMEs as Development Drivers: Best practices to promote SMEs?***

**Thursday 9 April 2009, 16.15-18.15**

*The general objective of this short paper is to provide the distinguished participants with the broad scope of the discussions that will take place during this session of the conference and with the details of the session's structure. While suggesting an overall framework as well as some keywords for the proposed issue it aims to set the tone of the debates.*

*The distinguished participants are kindly invited to feel free to refer to the subjects proposed below as a support in order to guide the design of their interventions during the session.*

#### **Detailed programme**

**Moderator of the session:** *DÜNYA Gazetesi*

16.15 – 16.45	<b>Chairman of the session:</b> <b>Aurelio Martínez ESTEVEZ, Chairman of INSTITUTO DE CRÉDITO OFICIAL (to be confirmed)</b>
16.45 – 18.15	<b>Round Table:</b>  - Situation & Experience in Tunisia <b>Ridha Ben Mosbah</b> , Director General of Groupe Chimique Tunisien and the Compagnie des Phosphates de Gafsa  -European cluster initiative: case studies <b>Juan-J. Carmona Schneider</b> , Senior consultant Centre for Innovation and Technology  - Situation and experience in Turkey: <b>Mustafa Kaplan</b> , President of KOSGEB (Small and Medium Industry Development Organization)

#### **Proposed Format of the Session**

**The session's structure will be as follows:**

Presentation by the Chairman of the session dealing with the overall issues related to the proposed subject and briefly detailed below. This presentation is limited to 30 minutes.

The presentation will be followed by a one hour and fifteen minutes Round Table during which keynote speakers will have the opportunity to:

- Contribute to the debate by presenting their experience and stand concerning the discussed subject
- Participate to the discussion that will follow the presentations of the Chairman of the session moderated by a professional media host. The discussion will be substantially in line with the issues detailed below.
- Engage into interaction with the audience during the whole length of the Round Table.

**Important:**

***The second part of this session is a moderated Round Table. Thus, please kindly note that individual presentations of the keynote speakers shall no case exceed 7 minutes each.***

#### **Practical Issues:**

Various support tools (short media, PowerPoint diaporama etc) may be provided by the panellists. Please do not hesitate to come back to us for more information. However please note that the documents should be in English.

Presentations as well as Round Table Discussions should be conducted in English. There will be simultaneous English/Turkish translation.

The distinguished participants are invited to attend before the session a Lunch with the audience. Each panellist will chair an assigned table. Members of the audience will choose their table according to the issue presented by the panellist.

#### **Important:**

**Please note that every panellist is expected to provide the organizers beforehand the conference with a short memo, not longer than 2 Word pages, which will include:**

- A short presentation of the panellist (biodata, experience in the considered field of activity). This information will be used only for the conference purposes in the program as well as for the presentation of the panellist during the session.
- The panellists' position regarding the proposed issues, the subjects on which he/she would like to elaborate more specifically, the business cases, experiences and best practices that he/she would like to mention. This part is intended for the organizers and will NOT be published.

#### **Targeted audience of the conference:**

- Turkish SMEs
- SMEs from Mediterranean and other emerging countries
- Banks and Development Banks interested in the Turkish market
- Business associations, Industrial Zones and Chambers of Commerce
- Export credit insurance and Venture Capital companies
- Turkish authorities (i.e. Ministry of Finance, Under secretariat of Treasury, State Planning Organisation, Central Bank, Ministry of Industry and Trade)
- Local and International Media

#### **Suggested Scope of the Session**

*The conference is oriented towards the business community and is designed to address best practices, funding opportunities as well as to identify trends and innovations in SME sector development.*

*This session intends to present, through selected case studies, such as the European cluster initiative and a Brazilian experience, worldwide best practices to promote SMEs development.*

#### **1°- Chairman of the session presentation:**

This session will explore some public policies and experiences in fostering SME growth as well as their role in local development, in several economic areas, drawing from concrete international examples in the European Union and some emerging countries. How to create an enabling business environment for SMEs to prosper? How to reduce barriers to SMEs' participation in global markets? How to enhance their know-how and technology and improve their quality standards? How to increase their impacts on social and economic development locally? Several strategies have proven to be promising, such as global value chain approaches, clusters, non-financial services streamlining etc.

This session will address the question of the right regulations that manage the challenge to enable properly functioning markets with property rights (licensing, trademarks, patents) underpinning transactions and safeguard fair competition while creating favourable conditions for entrepreneurship.

**The chairman of the session** will put these issues into perspective and present the UNDP Turkey and Private Sector Partnership: the roles, initiatives and plans proposed by UNDP Turkey on implementing a multi-pronged strategy on Private Sector and Development, the UNDP Turkey experience in the less developed areas, and the "Partnership to Business Sector for Development" project.

*This presentation will be followed by a Round Table organized taking into account the memos received from each of the keynote speakers. Reactions to the Chairman's presentation would be complemented by insights addressing the subjects detailed below.*

*The keynote speaker is the ambassador of his/her subject, however the other speakers will have the opportunity to speak as per their wish mentioned in their memo. The moderator will organize and liven up the discussion.*

*The experience of an SME from Turkey will be also presented.*

## **2°- Round Table and Interaction with the audience**

### **a. Situation and Experience in Tunisia**

*Keynote speaker: **Ridha Ben Mosbah**, Director General of Groupe Chimique Tunisien and the Compagnie des Phosphates de Gafsa*

Tunisia has been the first Mediterranean country to engage into a resolute economic opening policy, mainly within the frame of an association agreement with the European Union. Since 1995 this policy has resulted into a national effort to adapt the productive sector to international competition through an enterprise upgrading program.

- What is the situation of SMEs in Tunisia, their strengths and their weaknesses?
- What are the measures taken in favour of Tunisian SMEs by the local and governmental authorities in the frame of the upgrading program?
- What innovative solutions have been put in place by Tunisia to facilitate the access to credit for SMEs?
- What are the best practices developed in the frame of the national upgrading program to increase the productivity and competitiveness of Tunisian SMEs?

### **b. European cluster initiative: case study**

*Keynote speaker: **Juan-J. CARMONA SCHNEIDER**, senior consultant ZENIT (Center for Innovation and Technology) in North Rhine-Westphalia, Germany*

Regional cluster development has been claimed to be the panacea in government initiatives to encourage home-based competitive advantage for small firms operating in an international market. Clusters of similar firms apparently derive support and competitive advantage through localized inter-firm relationships, place-specific economic factors.

- What exactly are these clusters and what underpins their value creation?

In a given interregional or transnational zone, an Intercluster is an alliance of clusters involved in the processes of common strategic developments. The aim is to develop synergies around products and services with high added value and thus to contribute to the emergence of European industrial projects.

In order to win increasingly complex contracts, companies have to seek complementary skills beyond the borders of their own clusters. They have to stimulate interactions with actors beyond their original scope. To meet this challenge, "cluster-actors" have to develop a European strategy to be prepared for globalisation.

By partnering with in a transnational value chain, a European Intercluster, regarded as a combination of complementary clusters, is a response to the fragmentation of production. By bringing together all elements necessary to an innovative product, it becomes a virtual integrated enterprise similar to a multinational company.

- How and why form an "Intercluster"? Is it the next generation of clusters? What are the critical conditions for these Interclusters to emerge? What may explain that some clusters and Interclusters are more successful than others?
- How to develop and manage the Interclusters?
- Are there any new challenges brought by globalisation to clusters in Europe?
- What could be the means to initiate and strengthen a European strategy for cooperation between clusters? Are there any applications to the Turkish case?
- In what ways could the alliance between clusters/Interclusters be an effective tool for SME development and provide effective solutions to deal positively with the integration into global markets and global production chains?

### **c. The situation and experience in Turkey**

*Keynote speaker: Mustafa KAPLAN, President of KOSGEB (Small and Medium Industry Development Organisation)*

Through its 8<sup>th</sup> development plan, the government of Turkey had reaffirmed the role of SMEs in Turkish economy with a large-scale programme dedicated to the support of SMEs. In order to maintain the benchmark position of Turkish SMEs, ease their difficulties with access to financial resources, spur employment, enhance quality and standards, incentive instruments for SME investments such as credit subsidies, tax exemptions, investment deductions, VAT support and low price energy have been made available. In some sectors SMEs are also granted state aids for their activities in the fields of export, promotion and R&D.

For instance, KOBİ A.Ş. (SME Investments Partnership Company) provides financial support and consultative services for SMEs at stages of start up, development and enlargement. Within the activities carried out by Small and Medium Size Industries Development and Support Administration.

KOSGEB – (Small and Medium Size Industries Development Organization) has been the central institution for the articulation of state support programmes..

- What is the mission of KOSGEB and its role towards Turkish SMEs?
- What are the specific difficulties faced by Turkish SMEs (according to the sectors, modern versus traditional business models, the size of the firms, their regional location)? In what ways KOSGEB could and has until now addressed these impediments to the development of SME?
- What support in terms of R&D can be provided to an innovative Turkish SME?
- What are the specific programs that provide Turkish SMEs with the capacity to grasp opportunities given by globalisation?