



BS/SME/WG/R(2003)1

**REPORT OF THE
MEETING OF THE
BSEC WORKING GROUP ON SMEs**

Istanbul, BSEC Headquarters, 21-22 May 2003

1. The Second Meeting of the BSEC Working Group on SMEs was held at the BSEC Headquarters in Istanbul on 21-22 May 2003.
2. The Meeting was attended by the following BSEC Member States:

Republic of Albania
Republic of Armenia
Republic of Azerbaijan
Republic of Bulgaria
Georgia
Russian Federation
Republic of Turkey
3. The Meeting also was attended by the representatives of the State of Israel and the Republic of Poland as Observers.
4. The representatives of the Parliamentary Assembly of the BSEC (PABSEC), the BSEC Business Council (BC) and the Black Sea Trade and Development Bank (BSTDB) also participated in the Meeting.
5. The representative of the Konrad Adenauer Foundation (KAF) also attended the Meeting as a Guest.

The list of participants of the Meeting is attached as Annex I.

6. Dr. Mehmet CAVLI, Deputy Undersecretary of the Ministry of Industry and Trade of the Republic of Turkey and Ambassador Tugay ULUÇEVİK, First Deputy Secretary General of the BSEC Permanent International Secretariat delivered inaugural statements which are attached as Annex II.

7. The Meeting was alternately co-chaired by Mr. Bayram MECİT, Vice-President of the Small and Medium Industry Development Organization (KOSGEB) of the Republic of

Turkey, and Mr. Elnur ALIYEV, Expert on the BSEC issues, Department for Economic Cooperation and Development of the Ministry of Foreign Affairs of the Republic of Azerbaijan.

8. The draft agenda of the Meeting was discussed and adopted. The agenda, as adopted by the Working Group, is attached as Annex III.

DISCUSSIONS ON COOPERATION AREAS AND FINALIZATION OF JOINT PROJECTS

9. Under this agenda item, the Turkish Delegation presented the “Information Network of SMEs” which was a presentation of “KOBİNET” (SME information network) and its services. It was explained that similar network could be designed for BSEC and that the new network could be linked with KOBİNET. The aim was to develop the business to business (B2B) e-commerce relations among SMEs. It covered the basic profile information of SMEs in seven languages. KOBİNET provided value added network services through the Euro Info Center (EIC) at KOSGEB.

10. The BSEC Business Council (BC) presented the Business Information Systems developed by the BSEC BC (www.bsec-business.org) that is a depository of important business information on each BSEC Member State.

It was also mentioned that in parallel, the BC was operating the Black Sea Business Information Network (www.bsbin.com).

11. In line with the decisions of the first Meeting of the WG on SMEs held in Istanbul on 16-17 May 2002, the Republic of Bulgaria presented a draft project proposal on the “Identification and monitoring of the barriers to cooperation and trade from the point of view of the SMEs in order of further elimination of these barriers.” Following the said draft project proposal, exchange of views took place among the delegations.

12. Furthermore, it was agreed that the further development of the draft project concerning the barriers to cooperation and trade should be considered and enriched bearing in mind the contribution of the BSEC WG on Trade and Economic Development regarding the trade liberalization and facilitation.

In this connection, the representative of the BSEC BC suggested that each BSEC country should identify 3 major barriers that its SMEs are facing when trading with the other 10 countries. This list with 10x3 = 30 barriers should be sent to the PERMIS within the next four months.

13. Taking into consideration the discussions and expressed opinions on the use of such mechanism as business incubation and industrial zones and taking into account the format of the BSEC as a regional organization, the Delegation of the Republic of Azerbaijan proposed to the WG on SMEs to consider the possibility of elaborating regional projects using the above-mentioned tools (business incubation and industrial zones) in some regional projects (for

example, the Baku-Tbilisi-Ceyhan pipeline project) with the purpose of developing SMEs along this pipeline.

EXCHANGE OF INFORMATION REGARDING THE BEST EXAMPLES OF SUPPORT GIVEN TO SMES IN BSEC MEMBER STATES

14. Under this agenda item, the following presentations regarding the best examples of support given to SMEs in the BSEC Member States were made:

a) The Small and Medium Entrepreneurship Development National Center (SMEDNC) of Armenia (www.smednc.am) presented the functions and programs of SMEDNC; Programs of informational support of SMEs (including “Reference Book of SME Support Programs and Organizations Providing Services”); SME Support Programs; Program of creation of web-pages for SMEs; Support for SMEs in implementation of Quality Management Systems (ISO).

b) The representative of the Ministry of Economic Development of the Republic of Azerbaijan presented as the Best Example of Support to the SMEs its website (www.sahibkar.biz) in three languages which contributes to the establishment of direct contacts between entrepreneurs and the Government. This website contains the database of the legislation of Azerbaijan, consulting services, information about economic reforms, establishment of cooperation among entrepreneurs.

Azerbaijani Delegation also presented information about the activity of the Business Development Alliance (BDA) - non-profit organization operating as a forum of local business community, foreign businesses and embassies, international financial institutions, etc. Its aim is to facilitate the diverse and sustainable economic development of Azerbaijan. As a sample of the best example of support given to SMEs can be considered the implementation of one of the initiatives of the BDA – creation of an Enterprise Center (www.ecbaku.az) by the foreign oil companies with the purpose to assist Azerbaijani SMEs to be more integrated into the oil projects in Azerbaijan.

c) The Agency for Small and Medium-sized Enterprises of the Republic of Bulgaria (www.asme.bg) presented the Micro-credit Guarantee Fund Project aiming at promotion of start-ups and also information on the Innovation Relay Centre-Bulgaria which provides services directed to high-tech enterprises.

d) The Center for Small and Medium-Enterprise Development and Assistance of Georgia (www.esmeda.ge) and the Small and Medium Enterprise Development Agency “SMEDA-Tbilisi” (www.kheta.ge/company/smeda) prepared a presentation on the support given to SMEs in Georgia which considered the forms of support to SMEs, such as the target groups and type of support they are receiving from the donor organizations.

e) The Small and Medium Industry Development Organization (KOSGEB) of the Republic of Turkey (www.kosgeb.gov.tr) presented the “KOSGEB Common Use Workshops and Laboratories Model”. This model aims at bringing the SMEs together and raising awareness of cooperation culture.

15. In addition, the representative of Israel provided information on SME support policies in his country. Upon the suggestion of the Chairman it was agreed that the representative of the said Observer State would present a paper on Israeli model regarding industrial parks.

16. The Business Council expressed its readiness to create a special section in its website www.bsec-business.org that would host all information on best practices for SME support. Each country should supply in four months this information in electronic format to the BSEC Business Council.

17. A question and answer session was held after each presentation.

18. The KOSGEB has 12 Technology Development Centers (TEKMER). These Centers were established mainly at university campuses to support high-tech SMEs and to develop high value-added products.

As an example to give an idea to the WG on SMEs, the Istanbul Technical University – KOSGEB TEKMER, one of the 12 TEKMERs of KOSGEB and 5 firms which operate in the fields of nanotechnology, advanced ceramics and ICTs sectors were visited on the second day of the Meeting of the WG.

ANY OTHER BUSINESS

19. Under this agenda item, the Business Development Alliance of Azerbaijan informed that recently in Azerbaijan a coalition of several NGOs was formed to support the business development of the mountainous regions of Azerbaijan. This project could be used as a project on a regional scale or at least as a basis for development of similar projects in the BSEC Member States.

DATE AND VENUE OF THE NEXT MEETING

20. The WG decided that the date and venue of its next Meeting would be communicated by the PERMIS to the Member States at a later stage.

EXPRESSION OF THANKS

21. The delegations expressed their sincere gratitude to the Turkish authorities for the kind hospitality extended to them and for the excellent arrangements made for the Meeting.

ADOPTION OF THE REPORT OF THE MEETING

22. The present Report has been adopted for its submission to the Meeting of the BSEC Committee of Senior Officials.
