



## Opening Pathways for SME Growth

In a room filled to capacity, the excitement among the hundred-something guests can be clearly felt. *“I didn’t expect it to be like this. I thought it’s only going to be a simple event,”* enthused Ms. Lim Viriya, a participant from Cambodia and one of the many women entrepreneurs in attendance at the Investor Forum and Business Matching 2017 last November 13 in Bangkok.

Indeed, for the 50 small and medium enterprises (SMEs) in attendance, the event was an important step in making the next big jump: playing in the big leagues.

Small and medium enterprises in the Greater Mekong Sub-region (GSM) account for nearly 98% of enterprises in the Mekong countries, and provide employment to roughly 70% of the national workforce. Despite this, the GMS SMEs’ share in the gross domestic product and export earnings has remained relatively low at best. This can be attributed to a host of factors. National and regional business environments aside, SMEs in the region face internal constraints, primary of which is the limited market information and commercial intelligence, which in turn effectively limits them from acting as suppliers to foreign investors. Access to market, technology and innovation and skills development opportunities are also limited.



*Participants check product samples on display.*

Interestingly, the ASEAN Economic Integration has identified SME development as a core priority, and this only presses the importance of developing more effective linkages between SMEs and regional and global economies.

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## The Ripple Effect of Strengthening Local Food Safety Expertise



*Workers hard at work in a food processing company in Cambodia.*

Small- and medium-sized food enterprises (SMEs) are the backbone of Cambodian economy. However, the country’s food manufacturing sector continues to face numerous challenges in ensuring that the food processed and distributed, especially by local agro-processors, are safe.

Inadequate resources and expertise remain to be the biggest constraints in complying with a number of food standards and management systems. While there are initiatives being done, there is still a significant gap to be filled as far as knowledge of proper sanitation and hygiene among small businesses is concerned. Compounding this is the lack of accredited agro-processing facilities and food processing technologies in the country. Addressing the issue of food safety becomes even more paramount as manufacturing SMEs face increased competition to access international markets, especially with stronger food safety systems in neighboring countries.

One attempt to fill in this knowledge gap came in the form of trainings and technical assistance provided by Mr. Song Khenglean, Managing Director of TWM Consultant and a participant in two safe food courses under the Mekong Institute-Food Safety Project (MI-FSP).



A trainer himself, Mr. Khenglean found the regional training programs he attended at MI helpful in developing his competencies as a food safety trainer. *“I have conducted trainings for food processing SMEs before joining the MI programs, but I wanted to further develop my skills. Participating in these courses not only enhanced my knowledge and skills but also expanded my professional network, especially with other SMEs and relevant government officials in Cambodia and in the region,”* he remarked.

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## Editorial



Dr. Watcharas Leelawath  
Executive Director

2017 had been a busy year for MI. As we mark the second year of implementation of our 2016-2020 Strategic Plan, we have stepped up our initiatives in order to further cement our position as a hub for capacity building and human resource development in the Greater Mekong Sub-region (GMS) and fully integrate our work into the region’s knowledge and governance architecture.

MI’s focus on its three thematic areas – agricultural development and commercialization, trade and investment facilitation, and innovation and technological connectivity – has been further underscored as our projects along these three themes gained full speed. In 2017, however, we have paid closer attention to our project outcomes – the transfer of knowledge to wider groups of stakeholders, partnerships and collaborations fostered, policy changes effected and the scale up of activities.

Our training programs have expanded to include more stakeholders, and a stronger emphasis on the participation of women and small industry players such as small and medium-sized enterprises. Likewise, as the work in the RLED-EWEC Project moves to its next phase, we are proud to have been able to contribute to improving cross-border trade facilitation, and more importantly, helping farmer groups in Lao PDR, Myanmar and Vietnam reach milestones in their economic activities through such achievements as Good Agricultural Practices and Good Manufacturing Practices certifications.

Reflecting on the successes and also the challenges for 2017 is both timely and vital as MI prepares for 2018, which also marks the mid-term implementation of our Strategic Plan. As we strive to deliver on our objectives, it is necessary to foster a culture of openness to learning and knowledge exchange and to bridge thematic silos in order to introduce more integrative approaches and perspectives in the work that we do as an organization.

By doing so, Mekong Institute will be able to consolidate our position as a capacity development center in the GMS, and continue to extend activities and facilitate policy dialogue and network coordination for the continued growth of this region and its people.

## Strengthening Local Food Safety Expertise

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Transfer of knowledge. Mr. Khenglean during one of his localized trainings for Cambodian SMEs.

Recognizing the critical need to educate local Cambodian SMEs on food safety, Mr. Khenglean organized localized trainings on the basic principles of Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP), and Agri-food Inspection and Audit as part of his action plans.

Seeking to help the SMEs improve their facilities and practices based on national and international food standard requirements, the trainings tackled inspection and audit for food processing plants. Mr. Khenglean introduced the 34 SMEs that participated in his trainings to the basic principles of food safety, importance of personal hygiene and plant sanitation, steps to comply with current GMP/HACCP requirements, as well as food safety hazards and how to properly control them.

Even with years of experience in training, he found that implementing the localized courses was both challenging and inspiring. He explained, *“Selecting the right participants, designing the program, and fitting the topics into the proposed timeframe were challenging. However, I was inspired with the participants’ high interest in these trainings, their commitment to learn, and their appreciation of the offered topics. Their interest and willingness to share their experiences in implementing food safety programs made it a memorable positive experience.”*

And true to form – like a ripple effect – positive actions have sprung from his initiatives. Mr. Tuy Sokneng, team leader of the food safety management team of Leang Leang Enterprise and one of the participants in Mr. Khenglean’s trainings attested, *“The training helped me to be more effective in implementing food safety programs, and I use the knowledge I gained to train my team. All of these contributed to the HACCP and ISO9001 certification that we just received.”* Meanwhile, the other SMEs have also begun to adopt their own food safety programs in their respective enterprises.

Mr. Khenglean’s commitment to supporting SMEs to meet international and national food standards remains strong. He hopes that more food safety training programs will be offered to Cambodian SMEs to raise their awareness of food safety management systems, enable them to better safeguard consumers’ health and boost food products export. ■

## REGIONAL WORKS

### MYANMAR

#### Training

- Food Safety Awareness in Food Supply Chain and Basic Nutrition Awareness for Family
- Formation and Strengthening of Farmer Groups
- Agri-Trading Mechanisms in Local Standard
- Food Safety Awareness in Food Supply Chain

#### Workshops

- Rolling Out Business Linkage among Key Players of Maize Value Chain

#### Other Activities

- Dawei-Thailand Trade Mission

### LAO PDR

#### Training

- Good Manufacturing Practices

#### Workshops

- Inception workshop on Project Scale-up

#### Other Activities

- Mekong-ROK Business Forum on Tourism, Food and Agricultural Industry

### THAILAND

#### Training

- Labor Migration Management in the Greater Mekong Sub-region
- Enhancing the Utilization of Free Trade Agreements (FTAs) by SMEs
- Enhancing Trade Competitiveness for Regional Integration

#### Workshops

- Synthesis-Evaluation Workshops: Promoting Women Entrepreneurship for Export Business; Trade Events Promotion

#### Other Activities

- Investor Forum and Business Matching 2017

### CAMBODIA

#### Training

- Food Safety Risk Analysis and Agri-Food Inspection and Audit
- Good Hygiene Practices
- Food Safety Risks and Control along the Food Supply Chain
- GMS Logistics Update and Green Freight

#### Workshops

- Drafting of Iodized Salt Standards

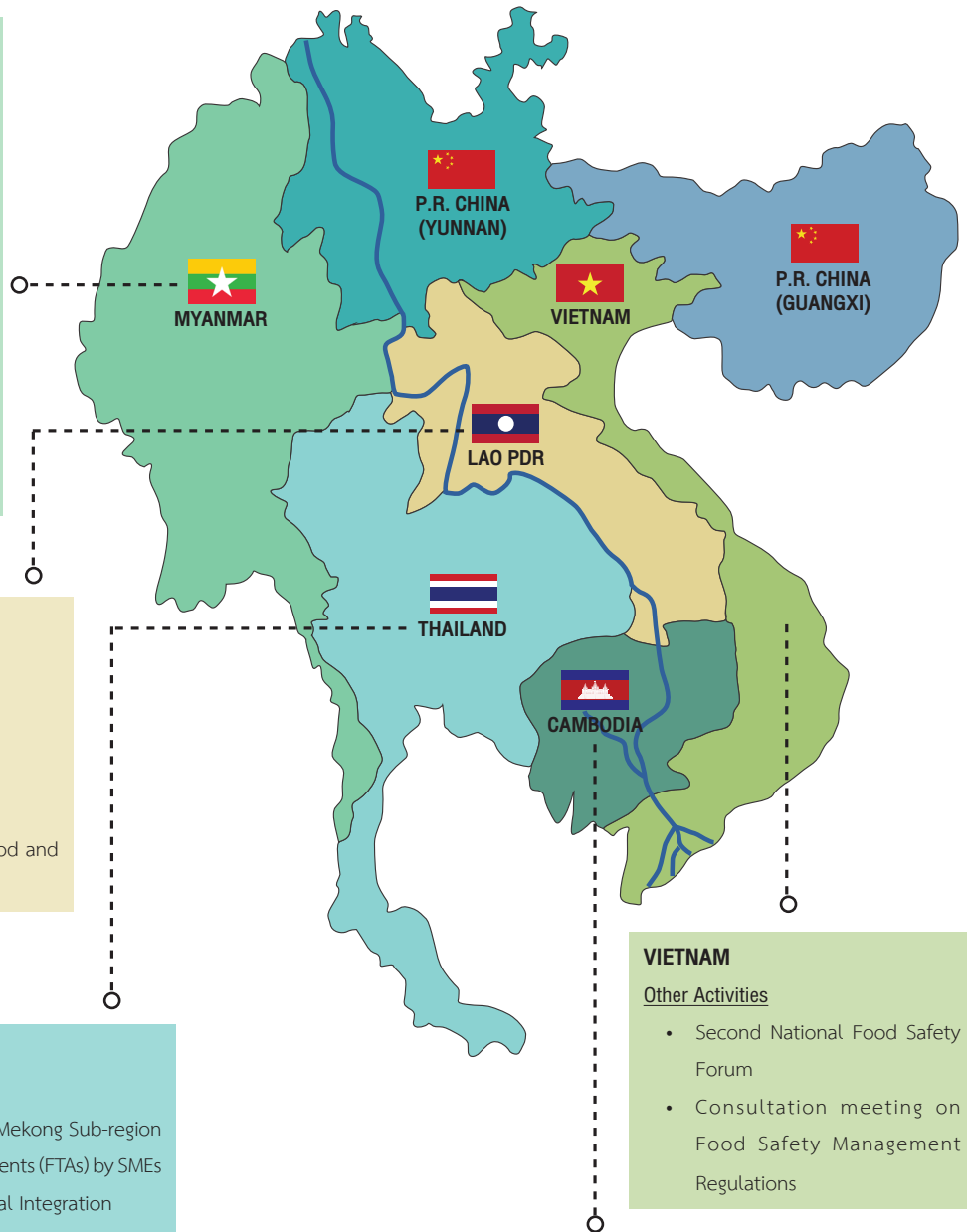
#### Other Activities

- Cambodia-Vietnam Business Matching 2017 (Preah Sihanouk and Svay Rieng)
- Thailand-Cambodia Buyer-Seller Meet 2017 (Battambang)

### VIETNAM

#### Other Activities

- Second National Food Safety Forum
- Consultation meeting on Food Safety Management Regulations





## Opening Pathways for SME Growth

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The Investor Forum and Business Matching 2017 was a welcome opportunity then for the SMEs in the 19 provinces of the Southern Economic Corridor to explore possible pathways for their expansion in the broader regional and global markets.

*“As producers, we are very busy with our production; we don’t have the time or way to find the real buyer so this [the Forum] is a really good way for us to get to the final buyer [of our products.]”* explained Ms. Thyda Thuang, Managing Director of Thuang Enterprise, a budding Cambodian brand producing Kampot sea salt.

Ms. Sifrong Thavixay of Daisavanh Garment Sole Co., Ltd., from Lao PDR and Mr. Chintana Srasamang of Thailand’s Siam Banana Co., Ltd., likewise both agreed that the Forum, more than anything, provided them an excellent opportunity to present their company and their products to investors from other countries.



*SMEs present their products to potential investors during the on-site business matching.*

The Investor Forum and Business Matching was organized as part of MI’s ongoing project, *Enhancing Competitiveness of Small and Medium-sized Enterprises along the Southern Economic Corridor (SEC) of the ASEAN Mekong Sub-region*, supported by the Japan-ASEAN Integration Fund (JAIF). Realizing the vital role that foreign direct investments play in enhancing the competitiveness of SMEs and promoting technology transfer, the Forum set out to facilitate the business linkages of SMEs in the provinces of the SEC with prospective foreign investors, thereby supporting their integration into regional and global value chains.

Many of the SMEs that came to participate in the Business Matching were initially matched through the SEC Business Database ([www.sec4business.com](http://www.sec4business.com)), a platform that contains the SMEs’ business profiles and technology



*Panelists discuss investment opportunities in the GMS.*

requests which were used to find prospective investor matches. This same online platform will also be used to track the SMEs’ progress and follow up their business development with the investors they met during the Forum.

The SMEs were not the only ones to benefit from the gathering. Investors and regional organizations themselves had the opportunity to learn more about the SME development and initiatives in the Mekong countries. Featuring also an interactive panel discussion session, the Forum gathered representatives from relevant agencies from Cambodia, Vietnam, Myanmar and Thailand as well as prospective investors from Poland, Hong Kong, Japan and other ASEAN countries to talk about investment opportunities and potentials.

*“I see a lot of SMEs here and I’m able to get to know about the latest development, how they’re developing from SME perspective so that allows our Council to serve our stakeholders better,”* explained Mr. Sunny Chau, Director of the Hong Kong Trade Development Council, an organization that seeks to connect with businesses in the region and link them with Hong Kong’s own SMEs.

As a partner of MI in the Forum, the Otagai Forum Association, a membership-based organization of SMEs in Japan, also brought in their contacts and partners for both on-site and off-site business matching. Mr. Daisuke Matsushima, a professor at Nagasaki University and representing Otagai, explained that their effort to connect SMEs seeks to “bring the variety of knowledge and technology and set up a win-win type of business modeling” in the SEC. In fact, Otagai Association has been a partner of MI since 2012 in initiatives promoting business development among GMS businesses and Japanese SMEs.

Inclusive development brings to the frontlines small-scale players and actors, one of which are the SMEs. In the GMS where SMEs take up a significant part of the trade industry, their development cannot be ignored or discounted and in fact, should be made utmost priority. The Investor Forum and Business Matching 2017 is only one of the many initiatives in the region to carry forward their growth. ■

## How Networking Can Mean the Start of Big Things

### Story of the Koh Kong Sea Water Fish Sauce Cluster, Koh Kong, Cambodia



Koh Kong province in Cambodia may not be the first place to come to mind when the word fish sauce is mentioned, but members of the sea water fish sauce cluster in the province are determined to change this.

Local demand for fish sauce in Cambodia has seen a steady increase in recent years, all thanks to improved quality standards and fairer prices. There is much to be gained, and members of the sea water fish sauce cluster in Koh Kong want to capitalize on this increasing demand by expanding their market to other provinces in the country.

Yet there are barriers to overcome. For one, they face staunch competition from the more popular brand of Kampot fish sauce and the Thailand - produced ones. For Koh Kong Fish Sauce Manufacturing, one of the major producers and retailers of fish sauce in the province, another major issue is transportation as local logistics companies are only willing to deliver products to major cities where they have their own delivery routes. This effectively limits the possible reach of the products in other provinces particularly remote ones.

The opportunity to turn their circumstance around arose with the cluster's involvement in MI's project on *Enhancing Competitiveness of Small and Medium-sized Enterprises (SMEs) in the Southern Economic Corridor (SEC) of ASEAN Mekong Subregion (AMS)*, a project supported by the Japan-ASEAN Integration Fund (JAIF).

During MI's training on *SME Cluster Development and Export Consortia Formation* on September 12-17, 2016, the leader of the sea water fish sauce cluster from Koh Kong came to know the leader of the dried shrimp cluster and the Department of Commerce of Preah Sihanouk province. Following the training program, the cluster sought the assistance of the dried shrimp cluster and the Department of Commerce in registering for the Sea Festival, a local trade exhibition in Preah Sihanouk in December that same year. The small exposure in this three-day trade expo, made possible by connections established during a one-week training program at MI, has meant the start of big changes for the sea water fish sauce group in Koh Kong.

Besides the profit from the sale of the products, what has been the most beneficial for the group was the exposure it brought to the brand name of their cluster. During the trade expo, they received several inquiries from interested customers in Preah Sihanouk, evidently paving the way for opportunities for expansion.

The trade expo was only the start. The cluster is looking forward to joining more training programs offered by MI that will increase their knowledge of cross-border trading, business management and export practices – learning opportunities that are useful in achieving the cluster's long-term vision of becoming one of the region's top sea water fish sauce exporters. Cooperation with MI and organizations that can help them penetrate the regional and global markets is also highly anticipated.

Expectations on the SEC Biz Database, the central business networking platform developed and managed by MI for SMEs in the SEC, are also high. The group is hopeful that the database can open more connections with potential buyers both within the region and outside, as well as provide information on companies trading sea water fish sauce and related products.

Big things indeed can spring from small beginnings, such as one simple training program that can bring together target groups and agencies with resources to share and capacities that can be harmonized. Such kind of fruitful cooperation is something that can also be achieved for the other economic sectors that MI continues to help. ■

*Koh Kong-made fish sauce*



This story is part of the SEC Project Success Stories series (<http://www.mekonginstitute.org/what-we-do/ongoing-projects/southern-economic-corridor/success-stories/>).



## MI HIGHLIGHTS

### MI Hosts Symposium on Global Food Safety



Mekong Institute, together with the University of Georgia and Khon Kaen University, hosted the *Symposium on Global Food Safety: Production, Health and Market* on October 5-6, 2017. Over 100 participants from the academe, government agencies and the private sector joined the discussions on food safety concerns at the global and regional levels. The symposium was organized with partial support from the New Zealand Aid Programme (NZAP).

### MI Training Highlights Labor Market Information System

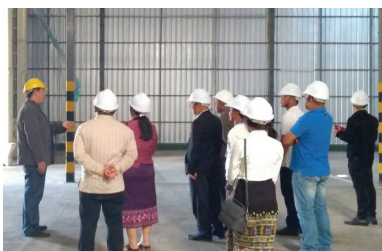


The training on *Labor Migration Management in the Greater Mekong Sub-region* held on October 16-27, 2017 underscored the need for an enhanced system for sharing data on labor migration. Delivered with the support

of the Thailand International Cooperation Agency (TICA), the training was attended by 20 government officers from agencies responding to and managing migration issues.

### Training on Good Manufacturing Practices Organized in Khammouane and Savannakhet

The push to promote Good Manufacturing Practices (GMP) continues as the EWEC Lao Field Office delivered back-to-back trainings, with the first kicking off in Khammouane province last November 17-19, 2017 and the second in Savannakhet on



November 27-29. About 35 rice mill staff and government workers joined the trainings, which aimed to enhance knowledge on rice mill practices as part of promoting GMP. Participants of the training in Khammouane also visited Vanida Rice Mill to further learn good practices from a model rice mill.

### MI Collaborates with Republic of Korea for 5th Mekong-ROK Forum

MI and the ASEAN-Korea Center joined hands for the *5th Mekong-ROK Business Forum on Tourism, Food and Agricultural Industry in the Mekong Countries and Republic of Korea* on October 19-20, 2017. Held in Vientiane, Lao PDR, the forum provided some 136 local SMEs from the Mekong countries opportunity to establish linkages with Korean businesses through market access, technology transfer, business support, and product development, among others.



### MI Executive Director Shares about Prospects of Belt and Road Initiative in GMS



Dr. Watcharas Leelawath, MI Executive Director, served as panel discussant in the *Policy Seminar on the Belt and Road Initiative* on November 24, 2017 in Bangkok, Thailand. He shared insights on how the Belt and Road Initiative (BRI) can push forward sustainable development in the GMS.

Dr. Leelawath also served as speaker at the *Asia-Pacific Forum on Science and Technology* on November 28-29, 2017 at Hefei City, P.R. China. He talked about how the BRI could play a significant role in capacity-building, networking and infrastructure investment initiatives.



### Thai Media Visit RLED-EWEC Project Sites in Vietnam

Members of select Thai media joined a media familiarization trip to the RLED-EWEC project sites on October 23-27, 2017. The group visited key provincial agencies including the Office of the Vice-Chairperson of Quang Tri Provincial People's Committee, Hue University in Thua Thien Hue province, and Da Nang Sea Port.



## MI Holds Training on Utilization of Free Trade Agreements



MI, with the support of TICA, delivered a modular training program on *Enhancing the Utilization of Free Trade Agreements (FTAs) by SMEs* on December 4-7, 2017. The training explained the importance of utilizing FTAs to expand trade opportunities for SMEs in the GMS. About 28 participants from relevant government agencies, Chambers of Commerce and Industry, business associations, SME exporters and business service providers joined the one-week training.

## EWEC Myanmar Delivers Training on Rolling Out Business Linkage



The EWEC Myanmar Field Office delivered a series of training on *Rolling Out Business Linkage among Key Players of Maize Value Chain*. The first training, organized on November 11, 2017 at Inn Gying Myaing Village, Myawaddy, targeted local brokers and traders. Participants were introduced to procurement practices in local markets and payment mechanisms between maize farmers, input companies and local brokers.

The second training was held on December 22, 2017 for local governors. They were oriented on the domestic market development for maize as well as negotiating tax exemptions for maize farmer groups.

## ALUMNI TESTIMONIALS



**Mr. Kyaw Sein Win**

Assistant Director, Minister's Office  
Ministry of Commerce, Myanmar  
*Activity: Training on Enhancing Trade Competitiveness for Regional Integration*

The training is very comprehensive. With this training, I had the chance to learn more about trade and other related areas like logistics, special economic zones and free trade agreements. I especially like the topics on WTO and regional integration because I work in trade relations, and these are something I can share to my colleagues back home. We hope MI will continue to support and provide this kind of training to the Mekong countries.



**Ms. Nor Hazirah Kan Hussin Kan**

Assistant Director, ASEAN Economic Integration Division, Ministry of International Trade and Industry, Malaysia  
*Activity: Training on Enhancing Trade Competitiveness for Regional Integration*

This training is extremely useful as it actually provides the knowledge and better understanding of all the fundamental elements under the subject of trade facilitation as part of regional integration, and in fact, moving towards global economic integration. The excellent presentation provided by the resource persons and other presentors guided us through on how we can apply the knowledge in our daily work life.



**Ms. Nguyen Thi Van Anh**

Specialist, Vietnam Chamber of Commerce and Industry (Ho Chi Minh City Branch), Vietnam  
*Activity: Training on Enhancing Utilization of Free Trade Agreements by SMEs*

I really appreciate the knowledge that I gained from this course. Before joining the course, I just had general information on the subject, but now I have a deeper understanding of FTAs and how they can help SMEs to develop their business. I also feel comfortable studying here in MI. I hope that in the future I will have the opportunity to come back and join more useful training courses like this.



**Ms. Win Pa Pa Thu**

Assistant Director, Department of Trade Ministry of Commerce  
Nay Pyi Taw, Myanmar  
*Activity: Training on Enhancing Utilization of Free Trade Agreements by SMEs*

The things we learned from this training like the overview of SME in the GMS, free trade agreement and tariff negotiation are relevant to me as a government official. The facilitators of the training are well-trained, and the resource persons explain with examples so the discussions are very clear.





## ALUMNI TESTIMONIALS



**Ms. Soudalay Phommahaxay**

Deputy Head, Ministry of Foreign Affairs, Lao PDR  
*Activity: Training on Labor Migration Management in the Greater Mekong Sub-region*

The training has been very good, very helpful and interesting. As I'm working for the consular department issuing the passports for Lao citizens, the information on the one-stop service has been very helpful to me, as well as the topic on raising awareness among migrants before they leave for the destination country. I wish to extend my appreciation and thanks to MI for organizing this course for us.



**Mr. Sokhemrin Yos**

Assistant to Director-General, Ministry of Foreign Affairs and International Cooperation, Cambodia  
*Activity: Training on Labor Migration Management in the Greater Mekong Sub-region*

I gained new experiences, and the curriculum presents insights from CLMV and practices in Thailand. One of the topics most relevant to my work is the information about migrant workers especially the process of recruitment because that's something I don't normally deal with in my regular work. I learned a lot about this topic.



**Ms. Thi Truc Phan**

Managing Director, Levica, Vietnam  
*Activity: Promoting Women Entrepreneurship for Export Business*

Overall, I am satisfied and I feel very lucky to join the program. I learned so much from the session on market information. I think the training program is well-constructed especially the follow-up training on how to adopt what we have learned. I think MI facilities are also way better than the other places that we've stayed at in Bangkok or Khon Kaen. The people here are really supportive and friendly.

## MI Calendar (January-March 2018)

DATE	ACTIVITY
January 8	Training on Basic Accounting for SMEs in Freight Transport and Logistics Sector (Myanmar)
January 8-12	Training on Basic Logistics Management (Myanmar)
January	Synthesis and Evaluation Workshop: Capacity Building on GMS Power Grid Interconnection Project
February 6	Training on Basic Accounting for SMEs in Freight Transport and Logistics Sector (Cambodia)
February 6-8	Training on Basic Logistics Management (Cambodia)
March 5-9	Regional Training of Trainers in Food Safety in CLMV
March 19-23	Regional Training Program on Mainstreaming Food Safety Risk Analysis
March 26-30	Regional Training Program on Raising Public Awareness for Safe Food Consumption

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