

# Asian Productivity Organization

Hirakawa-cho Dai-ichi Seimei Bldg. 2F  
1-2-10, Hirakawa-cho, Chiyoda-ku  
Tokyo, 102-0093 Japan



Tel:(81-3)5226-3920 Fax:(81-3)5226-3950  
E-mail: apo@apo-tokyo.org  
URL: www.apo-tokyo.org

## PROJECT NOTIFICATION

23 August 2010

1. **Project Code:** 10-RP-31-GE-STM-B
2. **Title:** Study Meeting on Strategic Merger and Acquisition for SMEs
3. **Duration & Timing:** Four days, 23–26 November 2010
4. **Venue:** Daejeon, Republic of Korea
5. **Implementing Organization:** Korea Productivity Center (KPC)  
International Cooperation Department  
57-1 Sajik-ro, Jongno-gu, Seoul 110-751  
Republic of Korea  
Phone: 82-2-724-1180  
Fax: 82-2-737-9140
6. **Number of Overseas Participants:** 18 participants from Republic of China, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Thailand, and Vietnam
7. **Number of Local Participants:** Up to six local participants
8. **Closing Date for Nominations:** 30 September 2010
9. **Objectives:**
  - To examine the latest trends and status of mergers and acquisitions (M&As) in Asia for SMEs, especially in the aftermath of the global financial crisis;
  - To examine both benefits and challenges of M&As for SMEs; and
  - To identify the best practices of SMEs in increasing productivity through M&As.
10. **Background:** M&As offer various advantages to Asian companies. Today, Asian companies involved in M&As comprise a wide range of firms including automotive, banking, and other service-sector companies. Through cross-border M&As, Asian companies are able to acquire new technologies, skills, markets, and brand images. On the other hand, there are also advantages from selling companies. Companies that are lacking successors or losing fierce

competition in the market can utilize M&As as an option to exit from their business rather than closing the entire operations and dismissing employees. To promote M&As, governments are also revisiting policies such as reducing corporate tax to invite foreign investment.

According to Thompson Reuters, M&As in Asia from 1995 to 2008 grew in both numbers of transactions and value. The share of number of transactions of M&As in Asia against global M&As increased from 8.5% in 1995 to 17.7% in 2008. The share of value of M&As in Asia against global M&As increased from 13.3% in 1995 to 20.0% in 2008. After experiencing a huge drop triggered by the Lehman bankruptcy in September 2008, both value and transaction numbers of M&As have increased steadily. From September to December 2009, value and transaction deals of M&As finally surpassed that of September to December 2008.

The APO held two previous study meetings on M&As: one in 2007 in Malaysia and the other in 2008 in Indonesia. Both study meetings examined the trends and practices of M&As in the global market as well as identified the challenges and opportunities in maximizing the potential of M&As. The findings from both meetings were compiled in a publication in June 2009 titled *M&A Issues and Perspective from the Asia-Pacific Region*. It was understood that in Asia, while large companies were enjoying the benefits of M&As, SMEs lacked knowledge of how to use M&As. Increasing the knowledge of SMEs was therefore recognized as necessary.

While the previous study meetings examined general topics related to M&As, this study meeting will focus on M&As in connection with SMEs. The study meeting will examine opportunities and challenges specific to SMEs through knowledge sharing from different country backgrounds. Experts are requested to produce a report on M&As focusing on SMEs covering (i) recent trends of SME deals (i.e., numbers, value), (ii) characteristics and (iii) guidance for SMEs in promoting productivity through M&As.

## **11. Scope and Methodology:**

### Scope:

- M&As between local SMEs;
- M&As between foreign firms and local SMEs;
- M&As in the aftermath of the global financial crisis;
- M&A regulatory and institutional frameworks; and
- Horizontal mergers, vertical mergers, cross-border mergers, and takeovers/buyouts.

### Methodology:

Presentations and lectures, group discussions, case studies, and country presentations.

## **12. Qualifications of Participants:**

SME owners, government officials, researchers, and consultants dealing with M&As.

## **13. Financial Arrangements:**

### a) To be borne by the APO

- i) All deputation costs of overseas resource persons.
- ii) Round-trip economy-class international airfare for all overseas participants between the nearest international airport from the place of work and Seoul by the most direct route. All participants are encouraged to purchase discounted economy-class tickets (IATA PEX, ZONE PEX, or other applicable discount

schemes). It should be noted that no additional per diem allowances will be provided due to early arrival, delayed departure, rerouting of tickets, or any other reason whatsoever.

- b) To be borne by the host country (Republic of Korea)
  - i) Expenses for hotel accommodations for 18 overseas participants for five days;
  - ii) Per diem allowances for 18 overseas participants at the rate to be prescribed later for up to five days; and
  - iii) All other local implementation costs.
  
- c) To be borne by the participants or participating countries
  - i) All participants should be fully insured against accident and illness (including hospitalization) for the principal sum of US\$10,000 for the entire duration of the project and travel, and must submit to the APO before participation a copy of the comprehensive travel insurance certificate valid in the Republic of Korea. The cost of such insurance will be borne by the participant or participating country. This insurance requirement is in addition to existing government insurance coverage in some member countries. If any participant is unable to insure himself/herself as stipulated above, he/she should secure this insurance in the host country at the commencement of the project and pay the premium himself/herself. ***Neither the APO nor the implementing organization will be responsible for any eventuality arising from accident or illness.***
  - ii) Any expenses incurred by participants for stopovers on the way to and from the project venue or for extra stay at the project venue before and/or after the official project period due to early arrival, late departure, or any other reason whatsoever.
  - iii) Any expenses related to visa fees and airport taxes.

#### **14. Actions by Member Countries:**

- a) Nomination of candidates
  - i) Member countries are requested to nominate up to two candidates in accordance with item 12 above. The key criterion for selection is whether their qualifications and work experience match the nature of the project. Nonselection of candidates is not a reflection on their competence.
  - ii) Member countries are also requested to inform the Secretariat as soon as possible if they do not wish to participate in the meeting, so that vacancies thus created can be allocated to other member countries.
  - iii) Nominations, accompanied by the candidate's biodata on the APO standard form in duplicate along with a passport-sized photograph and the Medical and Insurance Declaration/Certification Form, should reach the Secretariat **no later than 30 September 2010**. The biodata form is available on the APO Web site. Downloading information is also available from [www.apo-tokyo.org](http://www.apo-tokyo.org). If a digital photograph is not submitted electronically, a hard-copy photograph should be sent to the APO Secretariat by postal mail, with the candidate's name and project code clearly marked on the back. NPOs are encouraged to submit their nominations in electronic form.
  - iv) Every candidate must complete and submit a copy of the APO Medical and Insurance Declaration/Certification Form with his/her biodata at the time of

nomination. Please note that self-declaration is sufficient for candidates without any of the health conditions or illnesses enumerated on the reverse side of the medical form. However, for all others, medical certification by a recognized physician on the reverse side of the medical form is required.

- v) Accepted participants should be advised not to bring family members or engage in any private business activity during the entire duration of the project. Further, they should be requested to inform the APO promptly of their inability to participate and the reason for last-minute withdrawal.

b) Preparation of country papers

Participants officially accepted by the APO are required to prepare country presentations. The guidelines for the presentations will be forwarded to the selected participants.



Shigeo Takenaka  
Secretary-General