



PROJECT NOTIFICATION

Reference No.: 302

Date of Issue	8 February 2024
Project Code	24-RC-13-GE-RES-A
Title	Research on Technological Capability Enhancement Support for SMEs and Productivity Improvement
Timing	19 February 2024–31 December 2024
Hosting Country(ies)	Not Applicable
Venue City(ies)	Not Applicable
Modality	Online
Implementing Organization(s)	APO Secretariat
Participating Country(ies)	All Member Countries
Overseas Participants	Not Applicable
Local Participants	Not Applicable
Closing Date	24 May 2024
Remarks	The above deadline is for nomination of national experts.

Objectives	Assess the current state of SME technological capabilities and innovation ecosystems; identify effective support measures needed to enhance SME technological and innovation capabilities; and propose policy recommendations to create an enabling environment that promotes SME productivity and innovation through enhanced technological capabilities.
Rationale	After the pandemic, SMEs are facing productivity and innovation challenges. Formulating effective support policies will be critical to their recovery and sustainable growth. Given that technological capabilities are a key determinant of SME productivity and innovation, it is essential to design informed policies to enhance firms' technological capabilities and their underlying ecosystems.
Background	<p>According to the 2023 APO report SME Transformation for Meeting the SDGs in Asia, SMEs constitute a significant economic force in Asian countries, contributing almost 70% of employment. Enhancing technological capabilities through participation in global value chains and benefiting from foreign investment spillover effects were key strategies for SME development. However, the COVID-19 pandemic disrupted these dynamics, impacting SMEs profoundly. SMEs, reliant on these mechanisms for technological advances, faced severe setbacks.</p> <p>There is a pressing need for APO member governments to create strategic support packages, emphasizing both immediate relief and sustained enhancement of SME technological capabilities. This research aims to identify tailored measures to navigate pandemic-induced challenges, foster long-term SME resilience, and align recovery with bolstering both traditional and new industrial sectors.</p>
Topics	SME technological capability development; Strategic support measures for SMEs; Technological upgrading and innovation in the postpandemic era; Economic resilience; Long-term resilience strategies for SMEs; Upgrading in global and regional value chains; and Enhancing the absorptive capacity of local SMEs to leverage foreign technology and investment.
Outcome	Analysis of the current level of SME technological capabilities in APO members; examination of the strengths and weaknesses of existing policies and regulations for SME technological capability development; and recommendations to strengthen the technological capabilities of SMEs and ecosystems.
Qualifications	Policy analysts and academic researchers from institutions specializing in SME technology and innovation management and government support policies, with proven research experience and publications.

Please refer to the implementation procedures circulated with this document for further details.



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