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# **Strengthening Small and Medium Sized Enterprises in the Asia-Pacific Travel & Tourism Industry**

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## 1. INTRODUCTION

*“Small is beautiful” – E.F.Schumacher, economist, [1911–1977](#)*

Exactly 35 years ago, in 1973, economist E.F.Schumacher published a revolutionary treatise called “Small Is Beautiful,”<sup>1</sup> which The Times Literary Supplement later ranked as among the 100 most influential books published after World War II. The fact that it was published in the year of the first energy crisis lent considerable weight to its central treatise that Man’s relentless pursuit of profit, promotion of giant organisations and increased specialisation, has in fact resulted in gross economic inefficiency, environmental pollution and inhumane working conditions.

With the emphasis on people and not products, “Small is Beautiful” argued that one’s workplace should be dignified and meaningful first and efficient second, and that nature (and the world’s natural resources) is priceless. Later to become a hero to many in the environmental movement, Prof Schumacher was critical of natural resources (especially fossil fuels) being treated as expendable income, arguing that in fact they should be treated as capital, since they are not renewable and will eventually run out. He stressed that nature’s resistance to pollution is limited as well, concluding that government efforts must be concentrated on reaching sustainable development, because relatively minor improvements, like education for leisure or technology transfers, will not solve the underlying problem.

Prof Schumacher’s philosophy of “enoughness,” grew out of his study of village-based economics, which he later termed “Buddhist Economics.”

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<sup>1</sup> [http://en.wikipedia.org/wiki/Small\\_is\\_Beautiful](http://en.wikipedia.org/wiki/Small_is_Beautiful)

He blasted the notions that “growth is good” and that “bigger is better,” and was one of the first economists to question the appropriateness of using GNP to measure human wellbeing, emphasising that “the aim ought to be to obtain the maximum amount of well-being with the minimum amount of consumption.”

## **2. OBJECTIVE OF THIS STUDY**

The conclusions and recommendations of E.F.Schumacher were largely ignored in mainstream policy-making circles at the time but are today gaining credibility and respect, especially in an age of climate change, economic turmoil, financial crises and other associated factors like a widening rich-poor income gaps. The forces of globalisation and free-market capitalism which dominated the latter half of the 20<sup>th</sup> century are proving to be unsustainable, founded as they are on the principles of short-term gain at the expense of long-term pain.

With the search for new, long-term oriented, equitable and sustainable social and economic systems now robustly under way, the travel & tourism industry is extremely well placed to prove that it can be a part of the solution. Exactly 20 years ago, in 1988, the author of this study sought to highlight the “Small is Beautiful” concept in writing the first analysis of the 1987 Visit Thailand Year. That was the first “Visit .... Year” in the history of travel and tourism. In 1987, Thailand received only 3.4 million visitors. But even then, it was apparent that travel and tourism would grow in a haphazard, uncontrolled way before realising its mistakes and then settling down into a more sustainable, long-term driven format.

All through the 1990s, travel & tourism, like other economic sectors, was driven by the concept of “bigness” as the way forward.

By successfully positioning itself as the world's largest industry and a major creator of jobs, foreign exchange earnings and economic growth, travel & tourism helped drive numerous associated industries like transport, communications and construction.

Mega-companies, especially the transnational corporations, have played a prominent role in generating this growth, in their capacity as investors, operators, developers and/or financiers. While there is no doubt of the benefits of this growth, this study will argue that the time has come to balance it by promoting the equally important alternative concept of "Small Is Beautiful."

This study is meant to draw attention to the importance of small and medium sized enterprises (SMEs) in the Asia Pacific travel & tourism industry. If travel & tourism is just as important an economic sector as telecommunications, agriculture and manufacturing, it important to recognise the immense contribution of its SMEs to job creation, foreign exchange earnings and poverty alleviation, as well as their contribution to creativity and innovation. Hence, this study strives to:

- underscore the need for Asia Pacific travel & tourism SMEs to gain the recognition and respect they deserve, get organised and make a strong case to their fair share of assistance and support to ensure their progress in good times, and survival in bad times.
- help governments recognise the importance of travel & tourism SMEs and harmonise policies towards them in line with other economic sectors such as agriculture and manufacturing.

- end their days of being considered largely a fringe beneficiary. As travel & tourism SMEs face the same challenges as their counterparts in other economic sectors, it is important for them to be given the same attention and priorities.
- help institutionalise policies to promote cooperation and inter-dependence amongst local, regional and global SMEs.
- help the industry as a whole move away from “thinking big” and towards thinking small. There is a tangible backlash against many aspects of unbridled globalisation, especially its mantra of “thinking big”. Many of the theories that supported the process of “thinking big” have been debunked, proving Schumacher’s theories right. The recent sub-prime mortgage crisis, bailout of numerous banks and collapse of major finance, insurance and real estate companies like Lehman Brothers, AIG and Freddie Mac and Fannie Mae clearly indicates that being big is no guarantee of survival.

Perhaps the most important consideration is that not providing enough support to local entrepreneurs can become a national security threat.

Globalisation certainly has its positive elements but, as the 1997 economic collapse in Asia and various other crises have indicated, over-exposure to free flows of money and over-dependence on exports can become a potentially destabilising factor.

This study is not meant to be a broad-based report on the state of regional travel & tourism SMEs. It is intended to be merely an “appetiser”, a preliminary attempt to identify the problems and suggest solutions, which could be followed later by a more detailed and well-funded effort towards implementing the proposed solutions.

### **3. IMPORTANCE OF SMEs**

In the past few years, governments have made it national policy to attract foreign investment into their economies. By far the most significant effort has been the promotion of investments by big companies. The era of market liberalisation, privatisation and deregulation has also led to free trade agreements, opening up additional investment opportunities.

It is undeniable that this process of opening up has had a positive downstream benefit on SMEs. Worldwide, SMEs are being hailed for their role in promoting grassroots economic growth and equitable development. SMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports <sup>2</sup>.

In India, the SMEs play a pivotal role in the overall industrial economy of the country, accounting for an estimated 39% of the manufacturing output and around 33% of the total export of the country. They employ an estimated 31 million persons spread over 12.8 million enterprises and the labour intensity in the SME sector is estimated to be almost 4 times higher than the large enterprises.<sup>3</sup>

In Indonesia, according to the Ministry of Cooperatives and SMEs, SMEs make up 90% of the country's 48.9 million business enterprises in 2006. They employed 96% of approximately 88 million workers that year.

In Malaysia<sup>4</sup>, SME constitute nearly 90% of the 22,000 active manufacturing companies registered with the Companies Commission of Malaysia. Approximately 40% of the SMEs in manufacturing are in the resource-based

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<sup>2</sup> Aug 30, 2008, Indian Prime Minister Manmohan Singh's address at the Presentation of National Awards to Micro, Small and Medium Enterprises.

<sup>3</sup> <http://msme.gov.in>

sector and their market share in terms of export contribution is about 20%. In the services sector, according to the Malaysia Department of Statistics (DOS),<sup>5</sup> of the total of 192,527 establishments in the services sector, 186,728 (or 96.7%) are SMEs. The education and health services sector has the highest concentration of SMEs, followed by wholesale and retail trade provision, and selected services such as insurance and telecommunication.

A key finding of this study is that the vast majority of emphasis, attention and importance is placed on SMEs in the industrial/manufacturing and agricultural sectors. Travel & tourism establishments come under services, which includes other critical economic sectors such as health, insurance and telecommunications. As a result, they are considered to comprise a relatively insignificant portion of the overall job creation and economic development effort and are accorded comparatively much less importance at the policy-making level.

### ***3.1. Definition of “Small and Medium Sized Enterprise”***

The following table by the Small & Medium Sized Industries Development Corporation of Malaysia provides a good yardstick definition of micro, small and medium sized enterprises. The travel & tourism and hospitality sector is covered by the ‘services’ section.

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<sup>4</sup> [www.malaysiasme.com.my](http://www.malaysiasme.com.my)

<sup>5</sup> International Review of Business Research Papers, Vol.2. No.1 August 2006 pp.1-14, An Evaluation of SME Development in Malaysia

### Definition of SMEs in Malaysia

Category	Micro-enterprise	Small enterprise	Medium enterprise
<i>Manufacturing, manufacturing-related services and agro-based industries</i>	Sales turnover of less than RM250,000 or fewer than five full-time employees.	Sales turnover between RM250,000 and RM10 million or between five and 50 full-time employees.	Sales turnover between RM10 million and RM25 million or between 51 and 150 full-time employees.
<i>Services, primary agriculture and information and communication technology (ICT)</i>	Sales turnover of less than RM200,000 or fewer than five full-time employees.	Sales turnover between RM200,000 and RM1 million or between five and 19 full-time employees.	Sales turnover between RM1 million and RM5 million or between 20 and 50 full-time employees.

Source: <http://www.smidec.gov.my>

### 3.2. Advantages of being “small”

In a presentation at the 2<sup>nd</sup> International Islamic Economic, Cultural & Tourism Conference in Thailand, September 7-9, 2007, Mr. Shahid Rashid, Chief Executive Officer Small & Medium Enterprises Development Authority (SMEDA) Pakistan [[www.smeda.org.pk](http://www.smeda.org.pk)] said it makes sense to focus on SMEs because they:

- Play a lead role in economic activity
- Create jobs at low capital costs
- Are a breeding ground for entrepreneurial talent
- Are important ancillaries to large industries
- Perform a vital role in innovation & product diversification
- Contribute towards export enhancement
- Are highly flexible in operation
- Are well positioned to adjust to business cycle
- Help diversify rural & household economies

- Create opportunities for self-employment & new business
- Help integrate formal with informal sectors through forward & backward linkages and between economically, socially and geographically diverse sectors
- Help reduce income imbalances via decentralised production & broad based income distribution
- They create major employment opportunities for the youth, female and self-employed segments.

A study by the International Labour Organisation, a part of the United Nations [*“Enterprise and jobs: Job generation by micro, small and medium sized enterprises”*] pointed out that there are nearly 10.4 million women-owned businesses in the USA, generating nearly \$3 trillion in sales. It said, “These businesses employ 18.5 million people, which represents one quarter of the work force. Growth of women-owned firms continues to outpace overall business growth, and employment in women-owned firms employing 100 or more has expanded six times faster than the average for the whole economy.”

The report added, “Women-owned businesses are as financially sound and credit-worthy as the typical firm in the US economy, regardless of industry or firm size.” It said the National Association of Women Business Owners [<http://www.nawbo.org/>] has campaigned successfully for legislation to give women easier access to credit. The Association is now networked in 35 countries around the world.

### ***3.3. Weaknesses and Threats***

Although open markets and free flows of trade and investments have benefitted SMEs, they have also created new challenges by the sheer pace of organisational, institutional and technological change.

According to the ILO's Bureau for Employers' Activities, the three main challenges facing SMEs are:

<> *Increased Competitive Pressures*: Enterprises are having to constantly remain abreast of the appearance of new investors, new customers and new competitors, both within their own countries as well as regionally and globally.

<> *Need for continuous new benchmarking*: There is a totally new emphasis on continuous new benchmarking. Quality is expected on a consistent basis. Delivery performance must be flexible and reliable.

<> *Shortened product life cycles*: Returns on investment have to be faster than before.

The ILO study cited the example of the impact of trade liberalisation on the traditional textile industry in Mexico.

“In Mexico, the traditional textile industry has not yet successfully adjusted to trade liberalisation. It was built up through a policy of import substitution, but the implementation of the North American Free Trade Association (NAFTA) has changed the market substantially; unfortunately, traditional companies have not been able to meet international standards of quality, quantity and reliability of delivery. New opportunities have been offered mainly by foreign-owned companies; however, these companies design, cut and commercialize the garments themselves, requiring only the sewing to be done by local companies.”

Analysing the factors contributing to the failure to adjust rapidly to the demands of international markets, the ILO study said the Mexican export sector has virtually no incentives to transfer skills to domestic industry.

It said, “Countries which have adapted successfully have initiated a process of wide-ranging and broad-based public debate, leading to an up-grading in local production capacities. This debate has apparently not taken place in Mexico, and the government does not seem ready to initiate it.”

#### **4. SMEs WITHIN THE TRAVEL & TOURISM INDUSTRY**

Although the multinational corporate “brands” get most of the limelight due to their high-profile communications and marketing strategies, the Asia Pacific travel & tourism industry abounds with SMEs. However, one of the major findings of this study has been the virtual absence of statistics on SMEs in Asia Pacific travel & tourism.

Yet, it does not take much to see that they comprise the vast majority of the pool of resources -- restaurants, inns & lodges, souvenir shops, spas, adventure tour operators, MICE event organisers, etc. A cursory check of national travel & tourism industry associations will show that more than 90% of their members are SMEs. They include small, independently- or family-owned companies and/or small companies set up groups of friends or partners. Many of them are women-owned companies. In places like Laos, Cambodia, Vietnam, Myanmar and throughout the developing world, they comprise almost 100% of the industry.

SMEs in the travel & tourism contribute to preservation of culture, heritage and the environment. They create jobs for artists and artisans, sculptors, wood-carvers, musicians, guides, etc. In addition to their monetary value in overall economic terms, their intangible value is profound and exceedingly important.

#### ***4.1. Challenges They Face***

Like in other sectors of the economy, travel & tourism SMEs are facing the classic challenge of having to cope with the pace of change and compete against the “big” corporations.

The most important negative impact of globalisation and technological change has been felt by travel agents, many of whom have been affected by the airlines’ commission cuts, and the advent of direct bookings. In the United States and elsewhere, many SME travel agents, especially those known as ‘mom-and-pop shops’, could not keep pace with the new ways of doing business. Competitive pressures forced them to either go bankrupt or become part of major travel agency groups or franchise chains, in order to gain access to markets, branding visibility, training programmes and expertise. This allowed the global groups to expand steadily. Liberalisation of government policies in many parts of the world, especially developing countries, also allowed global groups to take full 100% ownership.

Inbound travel agents in the tourist-receiving countries were affected by the realignments and competitive pressures that occurred downstream. Other suppliers of products and services to the travel & tourism industry were similarly affected.

International crises like SARS, the tsunami, the various other local economic and political upheavals further affected tourism, putting further pressure on the SMEs. More recent developments like the sub-prime mortgage crisis, the food-price crisis, the cost of oil, concerns about inflation and the looming global economic slowdown are making things worse.

In such times, access to finance becomes critical. Those unable to raise the funds in the past have either gone bust or faced pressure to become part of a major multinational group, further helping the conglomerates to expand their marketing presence, distribution networks and customer base.

For example, the number of global accommodation companies is small, but the market power they control is substantial. They, as well as major airline and tour operating groups, are continuing to forge ahead with brand campaigns, alliances and customer relationship marketing campaigns that draw upon the strength of their formidable databases and frequent guest programmes.

At the same time, online websites have emerged by the dozens. Major tour operators and their subsidiaries are consolidating their online businesses and cumulatively control millions of bookings. This market trend is likely to create further polarisation between the power of the online websites at one end and the smaller, niche-market operators at the other.

#### ***4.2. The “big” are neither invincible nor unbeatable***

Being big does not always guarantee success and large corporations do not always succeed in all markets.

##### Starbucks scales back in Australia

A case in point is the reported fate suffered by Starbucks in Australia. According to the BBC<sup>6</sup>, “The mighty Starbucks coffee empire has been handed a heavy defeat by thousands of small Australian cafes in the fight for a nation’s taste buds. Eight years after it began selling its espressos and frappuccinos in Australia, the US giant has succumbed to powerful financial and cultural pressures and has closed 61 of its 85 shops across the country.”

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<sup>6</sup> <http://news.bbc.co.uk/2/hi/business/7540480.stm>

Michael Edwardson, a consumer psychologist in Melbourne, was quoted by the BBC report thus, “It was maybe too standardised. Early on it was unique and different, but as it became a global chain the standardisation made it lose some of that coolness and edginess. It was quickly copied and lost its lustre.” Said the report, “In the end, Starbucks’ Australian adventure was undermined by countless High Street cafes, each striving to carve out a sustainable niche. Soon it became clear that the US coffee juggernaut, with its frothy, milky brew, was unable to meet the challenge of the local stores’ homespun hospitality and boutique qualities.”

Starbucks management was quoted as saying that it is refocusing its business in Australia’s three biggest cities; Sydney, Melbourne and Brisbane. “While the company is blaming underperforming stores, analysts say it expanded its operations in Australia too quickly and accumulated too much debt,” the report said. Another reason given was that Australia has more than 235 ethnicities speaking more than 270 languages and dialects, and that companies wanting to get ahead in Australia should be aware that they are not dealing with one monolithic block.

#### No chain coffee outlets or hotels, and proud of it

Another example of the growing backlash against globalisation emerged at the World Travel Market last November 2007. A remarkable press release, one among the hundreds piled up in the WTM media centre, was by a UK tourist destination, Guernsey, that gleefully bragged about having no McDonalds, Pizza Huts, KFC, Starbucks, Travelodge or Holiday Inns. Rather than highlight all the various cliché-ridden products and services that destinations claim to have, the release applied a little reverse psychology by highlighting what it did not have!

Remarkably effective as a communication vehicle, the VisitGuernsey message went head-on against the mind-numbing onslaught of branding, which is infusing global destinations with images of a homogenised “sameness” and forcing a search for those unique selling propositions that differentiate one destination from the next.

This is not a trend that management and branding gurus will want to highlight. The author of this study calls it “clonalisation”, a word coined in 2000 to underscore a view that globalisation in its current shape and form will eventually run its course. While “branding” may help associate products with the symbol of quality, the resulting homogenisation in the imagery of places and destinations will be the absolute antithesis of the distinguishing cultures, sights and sounds that travel & tourism sells for a living.

Headlined “Reasons To Go To Guernsey (And Sark, Herm, Alderney) - NO! NO! NO!”, the press release said in part:

“The island of Guernsey is famous for her white sand beaches, more sunshine hours than mainland Britain and fabulous seafood. But there’s a negative side:

<> No chain restaurants: There are no McDonalds, Pizza Huts, KFC.....none of them here. Instead, there are owner-run places, individual chefs, individual style from beach cafes to gourmet restaurants.

<> No chain coffee outlets: With respect to the great Starbucks, Neros and Co of our time, they aren’t here. Places with names like “A Piece of Cake”, Cobo Tea Rooms and the Pelican make just as good tea and coffee - really.

<> No hotel chains: Not a single Travelodge or Holiday Inn. Our places to stay have names like Old Government House, Fermain Valley, La Fregate, Aval du Creux, La Collinette, Milles Fleurs and St. Pierre Park.

◁> No theme parks, amusement arcades or zoos: Children on holiday here have to suffer crabbing in rock pools, playing on the sands, boat trips to see the puffins parading off the coast of Herm island (if the weather's bad they have to watch English TV too) or take a RIB (Rigid Inflatable Boat) ride to see the seals on the rock crops in the north of the island.

Communicators will find that such messages will become increasingly common as they seek to distinguish their product from the clutter.

### ***4.3. The “Small” Can Strike It Rich***

The Internet has revolutionised global booking and distribution systems, and made it possible for relatively unknown entrepreneurs and good ideas to be brought to fruition, often in defiance of conventional wisdom. Here are two examples:

Low Cost Airlines: Although they cannot be technically classified as SMEs, low-cost airlines have proved that an alternative business model that takes on the “big boys” can succeed. The aviation industry has long been dominated by the major airlines, which consolidated their strength and market share in the 1980s and 1990s by forming global alliances. They also had a lock on the most critical element of business generation: the hugely expensive global distribution systems through which the vast majority of bookings were generated. But the Internet made it possible for this monopoly to be cracked. The emergence of low-cost, no-frills airlines rocked the industry, contrary to all forecasts. Indeed, they have continued to flourish throughout North America, Europe and the Asia-Pacific.

Boutique hotels: Similarly, the Internet has also facilitated the growth of boutique hotels worldwide. These small, exclusive properties, which can be classified as SMEs, have changed the face of the accommodation scene.

Many of them are set up by people who once worked for the major chains, got tired of the rat-race and big-company politics, and set up their own little operations, bringing to bear their expertise in marketing, operations and management. They, too, are flourishing.

#### ***4.4. Travel Marts to help SMEs***

The repeated occurrences of man-made and natural disasters have heightened recognition of the need to strengthen, bolster and support travel & tourism SMEs. In Asia, the most prominent form of assistance being given to them is in the form of travel marts. A number of local travel marts have emerged in Thailand, Vietnam, Cambodia, Indonesia, the Philippines and Laos. Even states and provinces are organising their own travel marts. Several niche-market marts focussing on specialised products like ecotourism, health & wellness or sports tourism are emerging.

As many of the SMEs cannot afford to go to global travel marts, being able to attend local, national and subregional marts provides them with an opportunity to try and generate business at lower cost. But there is a downside. These marts do not produce the kind of sizeable visitor arrival figures that look good on paper or impress economic or political decision-makers. Thus, their 'return on investment' factor does not match up against the results of their bigger brethren. Moreover, the calendar is getting so cluttered with marts, that it is becoming difficult to find productive and serious buyers able and willing to attend them.

This is clearly an area that needs to be re-examined. Just simply adding more and more marts to the annual calendar of events many not necessarily prove to be a cost-effective or sustainable solution.

#### ***4.5. Travel & Tourism SMEs in the OECD region***

In early 2008, the Paris-based club of industrialised countries known as the Organisation of Economic Cooperation and Development conducted a study on how the globalisation of tourism is affecting the role of SMEs in the industry's supply and distribution value chains and networks. It examined how SMEs can best operate in a global marketplace, compete with both local suppliers and major international tourism companies and multinational enterprises, and how recent developments in technology, especially in the area of Internet-based information and reservations systems, can best be embraced by SMEs.

The report also sought to identify strategies and policies that will strengthen the position of SMEs in those value chains. It drew upon case studies done in Australia, Austria, Germany, Jordan, Korea, Spain (Andalusia and the Balearic Islands), Poland and Switzerland. The primary focus of these case studies was on SME tour operators, travel agencies and hotels.

According to the report, while the number of large companies is relatively small in the tourism industry of the more developed tourism destinations, they can nonetheless account for more than half of total turnover in the sector and for a significant proportion of employment. On the other hand, 60-90% of all enterprises in the hotel sector, a leading branch of tourism, or in the travel agency sector, are micro companies, i.e. firms that employ fewer than nine persons (in Austria, for example, 99% of tourism establishments are SMEs and 90% of them employ fewer than ten people, while in Andalusia in Spain, 89% of travel agents and 81% of hotels also employ fewer than ten people).

Large companies, which benefit from standardisation and economies of scale, are in a position to offer their clients more attractive services at very competitive prices, the report said.

They are able to develop new tourism markets and offer new products. This helps them to increase the “customer value” and to reduce their operating costs. Small enterprises find this harder to achieve, and yet offer the opportunity to address one of the key, emerging demands of the market – the personalisation of the tourism product.

Said the report, “In the modern and increasingly experienced major tourism origin markets, many tourists no longer want standardised products, preferring to tailor their holiday experience to their own specific needs and tastes, and insisting on personalised services. It is here that an opportunity arises for SMEs, since they are an important part of a destination’s ability to adapt to the ever-changing requirements of the individual tourist, and are often more fleet of foot than larger companies in adapting to consumers’ changing tastes and preferences.

“Thus, tourism enterprises, especially in destinations, operate in a global market place but, for a large majority, remain actors at the local level. Rising international competition is forcing all enterprises to look at innovative ways of improving the quality and market orientation of their products, their profitability and competitiveness. This situation confronts SMEs with many challenges in the framework of globalisation,” the report said.

#### ***4.6. Rural Tourism Project In India***

In India, a Rural Tourism Project has been launched partnered by the Ministry of Tourism with the United Nations Development Programme (UNDP). According to Project Consultant Sudhir Sahi, it covers a skilled diversity of local communities at 36 rural sites in 20 states across India.<sup>7</sup>

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<sup>7</sup> <http://www.explorerruralindia.org/>

“The rural heartland of India is home to an array of endowments, each distinctive, with lifestyles redolent of art, craft, culture and natural heritage,” says Mr Sahi. It opens the way for rural communities to transform their means of earning a living into a way of life. It recognises the role of women in civil society, the primacy of human development and preservation of heritage. Advisory support to construction design has helped preserve vernacular architecture.”

Rural tourism also draws on the Gurukul process that is one of the earliest learning systems in India’s cultural history. Gurukul, or home of the teacher, was where the “shishya” or pupil came to live with the teacher as a member of the family. Virtually every corner of rural India possesses a craft or traditional skill, preserved and passed on by the gurus to their shishyas.

The 10<sup>th</sup> Five Year Plan, the National Tourism Policy and global Incredible India campaign all included special provisions to tap the tourism sector’s capability as a sustainable development driver, especially for rural livelihoods. This recognised means to supplement traditional farm-based income and diversify the livelihoods of many rural communities.

The rural sites, which have been grown by 90 more since the project was started, were identified on the basis of the following broad local parameters:

- tourism potential...art & craft skills...connectivity with existing tourism circuit
- heritage...natural, cultural, oral; vernacular idiom...local materials/styles/skills
- environment care, energy efficiency, waste management
- role of women

The Project is closely monitored by regular national/regional reviews, action audit, reporting and field visits by UNDP/Ministry of Tourism & State Tourism Departments. Says Mr. Sahi, “Sustainable visitor strategies based on art, craft, cultural & natural heritage and environment care can hence target larger tourism yields which could contribute significantly to conservation and the rural sector in particular.....This income route can reach the most disadvantaged if rural communities are strengthened through support to capacity building and sustainable rural infrastructure, while laying emphasis on the role of women.”

#### ***4.7. Thailand’s One Tambon, One Product project***

In 2001, the Thai government initiated the nationwide One Tambon One Product (OTOP) project aimed at improving incomes in village communities to help alleviate rural poverty. A tambon is a village sub-district, of which there are thousands across Thailand.

Drawing its inspiration from Japan’s successful One Village One Product (OVOP) scheme, Thailand’s OTOP project encourages village communities to produce and market unique products and handicrafts hand-made from locally available materials utilising local wisdom and skills handed down from generation to generation.<sup>8</sup> OTOP products include handicrafts, cotton and silk garments, pottery, fashion accessories, household items and many other articles indigenous to each community. Many are painstakingly hand-made.

The project has strong government support — identifying potential OTOP products, providing advice on production, quality control, packaging and designs to boost their appeal amongst domestic and export markets.

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<sup>8</sup> <http://www.tatnews.org/emagazine/2178.asp>

The entire OTOP product cycle comes under the supervision of a National OTOP Committee, with regional and provincial level committees to assist in identifying, developing and grading OTOP products.

For tourists, the products are sold via OTOP corners in major department stores or in the duty free sections of international airports at Bangkok, Chiang Mai and Phuket. The inaugural OTOP City held in December 2003 was one of the largest exhibitions ever held under roof in Thailand, giving the general public their first true glimpse of the massive extent of the OTOP project and the wide variety of products coming out of it.

#### ***4.8. Indigenous Tourism Australia***

In recent years, Tourism Australia has begun to give significant prominence to raising the profile of its indigenous people, the aborigines. This is part of the wider national programme to ensure that the rich culture and heritage of the indigenous aboriginal people can become a valuable asset to help reduce poverty levels, bring the aboriginal people into the mainstream of society and end years of discrimination and ostracism.<sup>9</sup>

According to the Tourism Australia website, “The growing awareness and demand for Aboriginal experiences by international visitors has provided the opportunity for Aboriginal people to develop an economically self-sufficient tourism business. As this segment grows, Tourism Australia in partnership with the State and Territory Tourism Organisations (STOs), is providing assistance to ensure that Aboriginal tourism products fully understand the tourism industry, both domestically and internationally.”

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<sup>9</sup> <http://www.indigenoustourism.australia.com/home.asp>

Tourism Australia says it is continually consulting with key industry and community members to maintain relevance and effectiveness of the indigenous tourism marketing activities, and “foster the integration of marketing and industry development activities across all States and Territories, ensuring the sustainable growth of Aboriginal tourism at an international and domestic level.”

#### ***4.9. Indigenous Tourism Canada***

As in Australia, Canada is seeking to give aboriginal experiences greater exposure in Canada’s tourism brand. In line with the Canadian Government’s plans to improve the lives of its Aboriginal peoples, Aboriginal cultural tourism was one of six strategic issues identified in the Canadian Tourism Commission’s (TC) 2008-2012 plans.<sup>10</sup>

According to the CTC, re-engaging with the Aboriginal cultural tourism arena would use a completely different approach. It was decided that “the key to advancing the Canadian tourism brand is to position experiences which will resonate with the social values of key customer segments, in markets where that potential is backed by research.” The CTC entered into a partnership with Aboriginal Tourism Canada to achieve two objectives:

The first was to refresh the knowledge base about the opportunity for Aboriginal cultural tourism experiences in Canada. Two research projects were carried out first to establish markets of priority followed by a more in-depth analysis of the markets of greatest opportunity.

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<sup>10</sup> [www.corporate.canada.travel/corp/media/app/en/ca/magazine/pastIssues.do](http://www.corporate.canada.travel/corp/media/app/en/ca/magazine/pastIssues.do)

The second objective involved working with Aboriginal Tourism Canada, regional Aboriginal tourism associations and provincial marketing organizations to identify the best export-ready Aboriginal cultural experiences which all players can agree should be the priority experiences to integrate into international marketing channels. The research showed that many consumers – Europeans in particular – are seeking opportunities to visit Aboriginal communities and have direct contact with Aboriginal people and lifestyles.

With the 2010 Winter Olympic and Paralympic Games will take place in Vancouver, an agreement has been reached with the organising committee under which one-third of all royalties received from authentic Aboriginal products sold in association with the Games will be invested in Aboriginal youth.

## **5. HELPING THE “SMALL” GUY IS A GLOBAL MOVEMENT**

The drive to protect the small guy is becoming a global imperative as part of an effort to promote more trade, business and economic contacts among the developing countries, and reduce their dependence on exports, finance and aid from the developed countries. UN experts have long urged the world’s poorer nations to diversify their economies so that they are less vulnerable to shifts in world markets. All over the world, major international organisations have recognised the importance of SMEs and are working intensively to provide support and sustenance.

### ***5.1. UN Conference on Trade and Development***

The UN Conference and Trade and Development (UNCTAD) is one of the UN organisations most active in helping the “small” countries and companies.

Its major function is the promotion of “South-South” trade, which includes a strong commitment to capacity-building for SMEs in developing countries, so that they can realize the full potential of the Internet to trade internationally.

According to UNCTAD, “Trade between developing countries is largely within regions, spurs manufacturing and leaves economies less vulnerable to shocks.” Its policy statement says that “just as businesses know that it’s better to have a variety of customers rather than just one or two, developing countries seek a similar advantage with their exports. Traditionally, the bulk of what they have sold on world markets—much of it raw materials and agricultural commodities—has gone to industrialized nations. But in recent years they have found a new and rapidly growing group of customers: each other. This “new geography” of world trade is one of the major features of the recent globalization process and is caused primarily by economic and market factors.”

UNCTAD reports that South-South trade more than tripled between 1996 and 2006, reaching a total of more than US\$2 trillion. This trade was most extensive between neighbouring countries and featured a higher percentage of manufactured products than traditional flows of merchandise exports from developing countries to industrialised nations. Even so, UNCTAD reports that South-South exchanges made up only 17% of global exports in 2005. It hoped that as developing nations provide larger markets for each other’s goods, they will be less vulnerable to economic downturns in the industrialised West.

Says an UNCTAD report, “South-South trade encourages the creation and growth of SMEs. These, too, are vital for healthy economies: they lead to higher employment, to innovation, to linkages between economic sectors, to vibrant financial and banking environments, and to growing demand for domestically made products.

Economists note that developing countries frequently lack SMEs, a syndrome referred to as “the missing middle.”

South-South trade is currently dominated by developing Asia and obviously driven by the large and expanding economies of China and India. The growing middle class in the region is creating demand for higher-end goods. There also is a rising tide of Asian manufactured products arriving in Africa; low-priced imports from the South have enabled many Africans to become first-time owners of household goods such as refrigerators.

In 2003, UNCTAD also produced a guidebook entitled “Use Of The Internet For Efficient International Trade.”<sup>11</sup>. This Guide is the outcome of a series of UNCTAD national and regional e-business training events organized in Geneva, Switzerland (2001); Chiangmai, Thailand (2002); Thimphu, Bhutan (2003); Phnom Penh, Cambodia (2003); and Kathmandu, Nepal (2003) in the framework of UNCTAD technical assistance projects aimed at strengthening the capacity of trade support institutions in Asian developing countries.

The publication was designed for use by managers of SMEs and policy makers in developing countries as a reference manual for e-business. Special efforts were made to include real-life examples (Bhutan and Cambodia) that highlighted both challenges and creative solutions found by entrepreneurs in those countries. The Guide contains a review of doing business on the Internet, including an in-depth assessment of the key success factors and pitfalls of Internet business applications.

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11 [<http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2989&lang=1>]

## ***5.2. International Labour Organisation***

After the International Labour Conference in 1998, the UN International Labour Organisation (ILO) set up the Small Enterprise Development (SEED). It became one of ILO's many activities designed to harness ILO's 35 years of experience in facilitating the development of SMEs. Specifically, SEED seeks to unlock the potential for creating more and better jobs in the small enterprise sector. According to SEED, "Since this is where most women and men earn their living -- in micro- and small enterprises, in self-employment, in the informal economy -- this is where policies, regulations, business training, market development and organisation building matter most."

SEED works with governments, social partners and communities, to craft new policy tools, invigorate entrepreneurship and management training, and involve small business in new markets. The Programme conducts research on what works where and why. The main areas of work are:

- Promotion of an enabling business environment: balancing the need to reduce compliance and efficiency costs with the need to safeguard and, where appropriate, improve protection for workers, including their right to social protection
- Building representative associations
- Providing access to business development services
- Value chains and cluster upgrading
- Promotion of an entrepreneurial culture
- Job quality in micro- and small enterprises
- Promoting Youth and Women's entrepreneurship

SEED is part of the Job Creation and Enterprise Development Department within the Employment Sector of the ILO, and works with the International Training Centre of the ILO in Turin ([www.itcilo.org](http://www.itcilo.org)) in developing training and capacity building programmes for promoting sustainable small enterprises.

### ***5.3. Asia Pacific Economic Cooperation***

The Asia Pacific Economic Cooperation (APEC) group has a Small and Medium Enterprises Working Group (SMEWG) which strives to assist SMEs improve their competitiveness and to facilitate a more open trade and investment environment. Says APEC, “The SME sector creates most of the employment in the Asia-Pacific region and is the backbone of regional economic growth.”

In 2002, APEC Ministers responsible for SMEs established the Micro-Enterprise Sub Group (MESG). Apec’s Business Advisory Council reasons that SMEs account for over 90% of all businesses in the APEC region and employ approximately 80% of all workers. As globalization and regional integration enables more and more people to participate in the international market place, the influence of SMEs will increase exponentially. Creating a healthy economic environment will depend on the ability of policy makers to make adequate provisions for the growth of SMEs.

APEC’s four-year Strategic Plan 2009-2012 includes the following priorities for SMEs: 1) Improving the Business Environment; 2) Building Management Capability and Promoting Entrepreneurship; 3) Market Access and Internationalization; 4) Innovation; 5) Financing; 6) Raising Awareness of Sustainable Business Practices; and the cross-cutting theme, “Youth, Women and Minorities”.

The 16<sup>th</sup> SME Ministerial Meeting will be held in Singapore in October 2009 under the theme will be “Helping SMEs Access Global Markets and Overcoming Trade Barriers” with the sub-themes:

- Market liberalization to enhance market access amongst SMEs in member economies
- Facilitating business collaboration by encouraging cross-border networks/platforms
- Support for SME internationalisation

APEC’s most recent two-day SME summit was held in Hangzhou, China, in August 2008. It ended with a call for APEC to implement three special support programmes for SMEs in member economies:

- A Technological Infrastructure Programme should ensure the provision of information communication technology (ICT) services and infrastructure that are relevant to SMEs by 2020. This would include targeted financial support for the acquisition of resources and skills;
- A financing capacity building programme should establish micro credit and loan systems with sound legal frameworks; venture investment funds and governmental financing institutions for SMEs; and
- SME Training Programmes should be established.

#### ***5.4. Asian Development Bank***

The Manila-based Asian Development Bank includes promotion and development of SME’s as a major pillar of its policy brief to alleviate poverty in Asia.

Over the years, the ADB has given considerable assistance for the development of SMEs across Asia, including the Central Asian Republics, South Asia and the Greater Mekong Subregion. Much of this assistance has been designed to help the SMEs get improved access to finance.

The bank believes that SMEs, “time and again, have shown their capability to significantly stimulate economic activity and create jobs in the rural areas where the recorded incidence of poverty is the highest. SME development, therefore, is likely to have a substantial impact on the rural economy and one that can lead to a higher standard of living for the rural population. However, for SMEs to truly play their role as engines of growth and change, the many impediments to their development must be systematically addressed.”

One major project that was of direct benefit to tourism included assistance to the Maldives, an island country that is extensively dependent on tourism. A recent survey carried out by the World Bank showed that most of the 2,500 registered SMEs in the Maldives are quite small, with an average turnover of less than \$80,000 per annum. Their activities were generally limited to a very few economic sectors: tourism, fisheries, manufacturing, transport, and related services. Most of them are located in the capital, Male, which accounts for 27% of the total population.

According to the survey, more than 65% of all respondents identified a lack of access to finance as the most important and most severe constraint affecting SME performance. Banks in the Maldives have been following a very conservative approach that has a high exposure to the tourism sector. Commercial banks are still focused on collateral rather than on cash-based lending, and there are no venture capital companies in the country to support SME entrepreneurs.

The ADB assistance was in the form of loans to leasing companies that will provide them access to long-term funds and enable them to promote alternative financing instruments to SME entrepreneurs, promote their operations and profitability, and enhance their competitiveness. The project included leasing companies both in the Maldives and Sri Lanka, which is also heavily dependent on tourism.

### ***5.5. Organisation of Islamic Conference***

At the third extraordinary session of the Islamic Summit Conference in Saudi Arabia, in December 2005, the 57-member Organisation of Islamic Conference (OIC) countries agreed on a Ten-Year Programme Of Action designed, among other things, to foster economic cooperation and boost intra-OIC trade as a means of alleviating poverty and addressing issues related to globalisation, economic liberalisation, environment, and science and technology. One key area of focus is to encourage the creation of “a new generation of modern technology-oriented, and knowledge-intensive SMEs in OIC member states.” Among the recommendations:

<> Access to finance is the major problem for SMEs, as banks and financial institutions have generally ignored the requirements primarily because of their weakness in providing traditionally acceptable collateral. It is suggested that the concept of moveable asset based financing systems be seriously considered for SMEs.

<> Promoting information technology, especially via strengthening linkages between universities, research organisations and industries.

<> Boosting access to technology, training and markets by arranging SME trade fairs, encouraging exports by SMEs, and imparting technical training to the workers, and technology transfer workshops for the entrepreneurs.

◁> Establishing an Islamic Center for SME Support and Development, with assistance from the Islamic Development Bank which would network all SME support agencies in the OIC member countries, promote regular exchanges of national data and experiences, and explore solutions to common problems.

◁> Creating Venture Capital and Credit Guarantee Funds which could be disbursed in the same way as conventional venture capital under equity participation. The Fund could be managed under the umbrella of IDB, and raised from major contributions of financially stronger member states, and minimum contributions from other member states.

## **6. COUNTRY EXAMPLES**

Throughout the Asia Pacific region, countries are awakening to the need to protect the interests of the SMEs. Here are some examples of recent developments [all of which are based on published news reports, which have been duly attributed]:

### ***6.1. Indonesia***

In Indonesia, calls are being made for the banking sector to boost its lending to SMEs<sup>12</sup>. Parliamentarian Ali Masykur Musa, lawmaker from House of Representatives Commission XI overseeing financial affairs, said that while the loans were on the rise, banks were still not meeting their potential when it came to extending loans to SMEs.

“So far, the SMEs only take about 40% of the annual lending provided by banks, while the other 60% goes to large companies,” he was quoted as saying. “That’s not good enough considering the role the SMEs play in the economy.”

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<sup>12</sup> [www.thejakartapost.com/news/2008/02/26/banks-should-pay-more-attention-smes.html](http://www.thejakartapost.com/news/2008/02/26/banks-should-pay-more-attention-smes.html)

Andang Setyobudi, head of research and development at Bank Indonesia's credit and SMEs directorate, said a fully empowered SMEs sector was the answer to Indonesia's wide income disparity. "Funding accessibility for the SMEs must be increased. Not only from banks, but also from non-bank institutions, such as cooperatives, pawnshops and venture capital."

Andang said the central bank predicted bank loans to SMEs this year would increase by up to 20% from last year, on the back of a government program which provides funds to guarantee bank loans to SMEs. The absence of collateral is among the key reasons behind banks' reluctance to provide loans to SMEs.

Also in Indonesia, Vice President Jusuf Kalla has asked SME businessmen to brand their products so that Indonesians consumers can feel proud of using the goods<sup>13</sup>. Opening the 6<sup>th</sup> Small and Medium-scale Enterprises and Cooperatives (SME's Co) Festival, he said, "It is time for us to brand our products. If so far, women feel proud when they consume things with the Gucci brand and men feel the same about Dunhill and Kenzo-branded goods, people today should be made proud of using domestically branded products."

Mr. Kalla said the abundant domestic natural resources such as wood, gold, leather, even water hyacinths, and the capital made available by the government through the people's business credit (KUR) scheme would be useless if the Indonesian people did not like to use the domestic products.

According to the vice president, China and Japan could become developed countries because their people were proud of using their own domestic products.

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<sup>13</sup> [www.thejakartapost.com/news/2008/07/31/vp-asks-smes-brand-their-products.html](http://www.thejakartapost.com/news/2008/07/31/vp-asks-smes-brand-their-products.html)

“How could we be admired by others if we don’t appreciate our own domestic products,” Kalla said, adding that all developed countries made progress by starting to sell first their domestic products to other countries. The vice president also called on Cooperatives, Small and Medium Enterprises Minister Surya Dharma Ali to make selling of domestic products with national branding a habit.

## **6.2. Laos**

The Lao Development Bank says it will assist small and medium sized enterprises throughout the country by releasing loans to them<sup>14</sup>. The bank’s Managing Director, Mrs Bounta Dalavy, told Vientiane Times that the bank will provide access to financial services for the SMEs in order to stimulate the growth of private enterprise. She said the bank had released loans to SMEs in the past, “but not on an official basis.”

Acting in accordance with the advice of the government to encourage the establishment of small business, the bank will eliminate unnecessary steps that may have obstructed customers from borrowing money in the past. It will collect interest in line with market mechanisms. Mrs Bounta was quoted as saying that in 2008, the bank planned to increase the number of general loans granted by 18-20%. In 2007, it released 800 billion kip, of which 80% was for SMEs.

## **6.3. Singapore**

In April 2008, Spring Singapore launched a \$50 million grant scheme to encourage SMEs to ‘bring their own technology ideas to the market’.<sup>15</sup>

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<sup>14</sup> Source: Vientiane Times, April 3, 2008

<sup>15</sup> Source: Business Times, April 18, 2008

Its chairman Philip Yeo was quoted as saying in a Business Times report on April 18, 2008 that the scheme was designed to help them develop new products and come up with breakthrough innovations.

Funding will be given in two phases. The first, proof-of-concept, is for firms wishing to develop early-stage, proprietary ideas. Proposals from companies will be judged on their commercial potential and technical feasibility, and successful applicants can receive 100% grant support for their projects, up to \$250,000. The second phase, proof-of-value, is for SMEs keen to take on further R&D for a technology project, including the development of a working prototype. For this, firms can get grant support of 85%, up to \$500,000, Mr. Yeo was quoted as saying.

TECS is an extension of Spring's Technology Innovation Programme launched in 2006, which helps upgrade existing businesses but is 'not specific to product innovation', said Mr Yeo. "The idea behind TECS is to help companies look for ideas, whether internally or externally from tertiary institutions or research institutes, turn them into products and bring them to the market," he said, adding that SMEs must continuously find ways to innovate to leapfrog their competitors. Through TECS, Spring hopes to support more than 100 ideas over the next five years. There will be calls for proposals once every six months. For more details, visit <http://www.spring.gov.sg/tecs>

#### ***6.4. Philippines***

The Philippines has created what it calls the Republic Act 9501, "the Magna Carta for Micro, Small, and Medium Enterprises." This has been amended in 2008 to expanding its coverage to include the micro-enterprise sector, and provide better access to credit for start-up businesses.

To make MSMEs more viable and competitive, the law provides the mandatory allocation of credit resources of all lending institutions for MSMEs for a period of 10 years<sup>16</sup>. It requires banks to allocate at least 8% of their loan portfolio to micro and small businesses. The present law requires banks to set aside 6% of their total loan portfolio to finance small enterprises and 2% for medium enterprises.

The new law also imposes administrative sanctions and other penalties on lending institutions for non-compliance with the mandatory credit allocation provision. Senator Loren Legarda, the principal author of the law, was quoted as saying that the micro enterprise sector accounts for 99% of total commercial and industrial establishments in the Philippines that employs 69% of the labor force.

The new law also gives a new definition to SMSEs, raising the ceiling to qualify as a micro enterprise to assets of not more than R3 million, from the previous threshold of R1.5 million. Micro enterprises, comprise 91.8% of the country's business sector, were not originally included as qualified beneficiaries of government assistance in RA 6977.

Small enterprises will be those with total assets of R3 million to not more than R15 million. Medium enterprises are those with total assets of R15 million to not more than R100 million, from the previous threshold amount of R60 million.

The new law also increased the capital stock of the Small Business Corporation, the government financial institution focused on assisting MSMEs, from R5 billion to R10 billion.

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<sup>16</sup> <http://www.philippinechamber.com/>

The SB Corporation plans to release R4.7 billion in loans to MSMEs this year, R1 billion higher than last year.

The law also assigns the Micro, Small and Medium Enterprise Development Council to formulate an MSME Development Plan and to integrate various government and private sector initiatives to create a healthier and more vibrant SME environment. The group includes the secretaries of Tourism, Trade and Industry, Agriculture, Interior and Local Government, & Science and Technology; the chairman of Small Business Corporation; representatives from various provinces, the labor sector and the banking sector.

The law likewise created a Venture Capital and Microfinance Trust Fund to promote business opportunities available to the MSME sector. This fund will be used mainly for venture capital finance, especially in technology-oriented industries. It will provide collateral-free fixed and working loans to micro and small enterprises. A congressional oversight committee on MSME development was also created and the second week of July every year was declared MSME Development Week.

According to the report, from 2001 to 2007, around R3.7 billion was lent to small and medium businesses in the country. The Arroyo government has promised to create six million jobs by 2010, through, among other things, promoting SMEs and developing land for agricultural business.

In the Philippines, members of cooperatives who are part of MSMEs have been given a chance to borrow from banks even without collateral with the recent launching of the credit surety fund program of the Bangko Sentral ng Pilipinas (BSP).<sup>17</sup>

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<sup>17</sup> [http://www.positivenewsmedia.net/am2/publish/Business\\_19/BSP\\_launches\\_credit\\_surety\\_fund\\_program\\_targeted\\_for\\_MSMEs.shtml](http://www.positivenewsmedia.net/am2/publish/Business_19/BSP_launches_credit_surety_fund_program_targeted_for_MSMEs.shtml)

BSP Governor Amando Tetangco Jr. spearheaded the program's launch along with the provincial government of Cavite and the Cavite Cooprenuers at the Governor Ayong S. Maliksi Provincial Gymnasium in Trece Martires City, Cavite Wednesday. He explained that MSMEs is the backbone of the country's economy since 99% of registered companies belong to this industry.

He cited an International Finance Corporation (IFC) report saying the industry accounts for 25% of the banking sector's total loans. He, however, stressed that this figure is too small since an estimated 60% of MSMEs' credit needs remain unserved.

This is due to the lack of collaterals that members of this sector can present to banks for loan application, he said, hence, the introduction of the credit surety fund program to address this problem. "In other words, the program will democratise access to bank credit and help level the playing field for our MSMEs," he stressed.

Under this program, a pool of fund would be established from contributions of local government units (LGUs), the Industrial Guaranty and Loan Fund (IGLF), and the small business (SB) corporation. A qualified borrower can borrow from banks without collateral since the CSF will serve as guarantor for the loan.

Tetangco said banks will be given an 80% re-discounting rates by the BSP for every loan it approved under this program. He said the program is a win-win solution since it will allow banks to increase their loan exposure to the industry and allow MSMEs to have greater access to credit.

"This will lead to more economic activities in the countryside and increase economy and gross national product," he said. And with higher growth, the country will be "less vulnerable to economic shocks," he added.

During the launch, the Cavite provincial government contributed P4.3 million to the fund, the IGLF an initial P5 million; and the cooperatives, P4.3 million. IGLF also vowed to give P500,000 initially for the training of cooperative members who will avail of the program.)

### **6.5. Vietnam**

The Asia Microfinance Forum 2008 was held in Ha Noi in August 2008 to focus on future challenges and innovations in Asian microfinance.<sup>18</sup> With the theme Financial Inclusion in the 21<sup>st</sup> Century - Challenges Innovations in Asia, the event brought together regional leading policymakers, financiers, advocates and organisations and was designed to encourage the development of innovative microfinance products and approaches among stakeholders in Asia. It also aimed to identify future opportunities and challenges arising from investment, technology and the environment..

Vietnam was selected for the forum as microfinance is still in its beginning stages and has seen rapid growth in interest. Vietnam has a large population, a great portion of which lives in rural areas and has high demand for microfinance services. According to the organisers, “The microfinance industry has been hailed by many as an important step in financial intermediation at the bottom-of-the-pyramid and will have a positive impact on poverty reduction. It can also help low-income households meet their basic financial needs, better manage risks, and contribute to sustainable social and economic development.”

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<sup>18</sup> <http://english.vietnamnet.vn/biz/2008/08/800860/>

## ***6.6. Japan***

The Japanese government is planning to allocate about 400 billion yen (\$3.67 billion) to help small and midsize companies raise funds by enhancing the nation's programs for credit guarantees and financing amid rising energy and raw material costs, Industry Minister Toshihiro Nikai was quoted as saying.<sup>19</sup>

Nikai and officials at the Ministry of Economy, Trade and Industry said this 400 billion yen will be funded by an extra budget for the current fiscal year. Nikai said that strengthening financial support measures for smaller firms will be the "highlight" of the government's emergency economic stimulus package.

During a meeting with Finance Minister Bunmei Ibuki, the industry ministry has secured an allocation of 400 billion yen for the measures, Nikai said. The Finance Ministry initially said it could only put up 300 billion yen, Nikai said, but Ibuki eventually accepted the industry ministry's request for a larger allocation.

Many small and midsize firms have been hit hard by recent rises in crude oil and other commodity prices. While their balance sheets deteriorate, these companies suffer a credit crunch, with financial institutions hesitating to lend them money for fear of defaults.

The government-backed credit guarantee program helps small businesses that do not have sufficient collateral by repaying debts held by financial institutions on behalf of these businesses in the event of defaults.

Ibuki told reporters that the default rate has been around 5% and that with the additional 400 billion yen, if allocated for the program, up to 8 trillion yen can be extended to these firms.

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<sup>19</sup> <http://home.kyodo.co.jp/modules/fstStory/index.php?storyid=396139>

Companies with a capital of less than 300 million yen and less than 300 employees are normally categorised in Japan as small and midsize enterprises, which account for about 99% of all firms in the country.

### **6.7. China**

In August 2008, China's central government introduced a series of measures to provide much-needed financing to SMEs facing unprecedented problems arising from surging energy and material costs and weakening overseas demand.<sup>20</sup>

Compared with the well-capitalised large state-owned enterprises, SMEs are much more vulnerable to both domestic and global economic uncertainties, economists and industry experts said. Latest statistics from the National Development and Reform Commission show that in the first six months of 2008, about 10% of SMEs reported an average 15 percentage point drop in their industrial output growth from a year earlier to 30%. This indicates a significant shrinkage in their profit margins.

SMEs have also been hit by the credit crunch resulting from the government's tightening monetary policy to fight inflation. Dearth of bank loans has exacerbated the capital shortage of many SMEs, straining their production capability and ability to make longer-term plans. Some are reported to have suspended production, having run out of working capital.

At a time when credit is tight, banks have understandably focused lending operations on traditional customers - large State-owned enterprises, which are much more creditworthy than SMEs.

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<sup>20</sup> <http://english.peopledaily.com.cn/90001/6481302.html>

According to figures released by the China Banking Regulatory Commission, total loans obtained by SMEs in the first quarter of 2008 dropped by 30 billion yuan year-on-year.

Aggregate lending by commercial banks in the first quarter of 2008 amounted to 2.2 trillion yuan, of which only 300 billion yuan was extended to SMEs, accounting for 15% of the total.

To address the problem of insufficient funding for small businesses, the central government has taken several steps to provide the capital-thirsty SMEs with a wider access to loans. In early August, the National Development and Reform Commission said it was considering establishing a bank specialising in lending to SMEs to broaden their sources of finance.

A week later, the People's Bank of China increased the annual loan quota by 5% for national commercial banks and by 10% for local commercial banks, taking into consideration that SMEs make up a larger proportion of their clients. The incremental lending as a result of the increase in loan quota is expected to go to SMEs, which have a stronger demand for loans than the large State-owned enterprises.

In addition to the efforts made by the central government, many local private-sector trade agencies have organized financing opportunities for SMEs. In Wenzhou, in Zhejiang province, home to the biggest number of SMEs in China, 16 new microcredit lenders are in the process of being established, according to Zhou Dewen, president of Wenzhou council for the development promotion of small and medium-sized enterprises.

According to Zhou, 20% of all SMEs in the city have suspended production this year because of capital shortage.

Zhou also said more than 270 loan guarantee agencies have been established in Wenzhou to help SMEs obtain bank loans. There were only two such loan guarantee agencies in 2000.

An industrial upgrade has become necessary in Wenzhou as the city has relied too heavily on traditional labor-intensive manufacturing for long and is paying for it now. Zhou said the local government in Wenzhou is trying all means to create a balanced economy by increasing the proportion of high value-added industries, including shipping, electromechanical and biopharmaceutical sectors.

## **7. CORPORATIONS TARGETTING THE SMEs, TOO**

### **7.1. IBM**

Multinational corporations are also joining the SME bandwagon because they see future customers for their products and services. Technology giant IBM is realigning its focus on developing markets, particularly in Asia and its SMEs, both of which are seen as the main drivers of economic growth. At a recent global conference in Los Angeles, attended by its worldwide business partners, the New York-based IT giant said one of the schemes it plans to strengthen is a leasing program that enables SMEs to acquire IBM technology and solutions and make staggered payments for purchase of IBM equipment.<sup>21</sup>

According to John Callies, general manger for IBM global financing, 20% of its revenues coming from companies which IBM funded. The company is also pouring more money to build “information infrastructure” such as innovation centers, cross border certification, and international product export program in emerging countries.

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<sup>21</sup> <http://www.mb.com.ph/issues/2008/05/30/INFO20080530125400.html>

Innovation centers, he said, will “provide localized support for every stage of the business cycle.”

The company’s heavy investment in the SME sector is not an insignificant business move. “This US\$50-billion sector is growing at 9% annually. Clearly, IBM wants a piece of that pie,” one of its executives was quoted as saying. The company has heeded research reports indicating that future profits will likely to come from companies that employ 1,000 employees or less. Frank Gens, senior vice president and chief analyst of research firm IDC, said that 34% of IT spending last year was consumed by SMEs. “But in 2008, IT spending among SMEs will grow almost twice that of large enterprises,” he said.

Referring to the SME market is “now the epicenter of new business model”, Gens said that SMEs have acquired a new-found importance for being more “simple, low-cost, and having more obvious business value.” By 2011, he was quoted as saying, emerging markets such as the BRIC countries (Brazil, Russia, India, and China) and nine other developing nations would surpass the US and Europe in IT spending. In 2007, the SMEs in the emerging markets spent \$ 139 billion as opposed to \$ 383 billion of Europe and \$ 463 of the US.

IBM said it intends to implement its SME strategy through a renewed tieup with its local business partners.

## **7.2. HSBC**

According to the HSBC Asia-Pacific Small Business Confidence Survey, published in Singapore in July 2008, small businesses across the Asia-Pacific region are optimistic about future growth prospects, with 44% expecting continued buoyancy and 26% expecting improvement.<sup>22</sup>

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<sup>22</sup> <http://www.hsbc.com.my/1/2/commercial-banking/sme-banking>

On capital investment plans, 68% of small businesses are hoping to maintain their levels of investment and 21% of them hope to increase them. Regionally, respondents aiming to maintain or increase their level of capital investment were also in the majority, with businesses in Vietnam being the most confident.

Strong economic conditions continue to fuel trade flows across the Asia-Pacific. A majority of regional respondents say their trade with China, as well as intra-regional trade, will remain at current levels or grow. Responses for these criteria were largely the same among Singapore businesses.

In response to these results, HSBC has introduced TradeSmart, a new initiative aimed at providing SMEs with a customised solution to trade. TradeSmart will provide SMEs with customised banking services, according to an SME's unique business needs, access to HSBC's extensive international network and advice on financing, risk management and international trade. Also available is a user-friendly Internet platform from which SMEs can make their applications. "Our commitment to SMEs is on a global basis, not just a national or regional one," said Ms Tan was quoted as saying. "Small businesses are the backbone of our economy."

The potential of the Asia Pacific region is also more easily tapped by the SMEs because of their ability to move quickly into markets and exploit opportunities. According to an interview in China Business, Feb 12, 2008<sup>23</sup>, Asia's SMEs are optimistic despite a growing negative impact from the US subprime crisis. Increasing domestic demand in the Asian markets could offset for SMEs the negative impact brought by the US slowdown worries, said Margaret Leung, global co-head of commercial banking at HSBC.

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<sup>23</sup> [http://www.atimes.com/atimes/China\\_Business/JB12Cb02.html](http://www.atimes.com/atimes/China_Business/JB12Cb02.html)

There is great hope that growth opportunities continue to exist, thanks to the population and intra-Asian trade grows and the small business sector is learning to adapt quickly to changing global conditions, Leung said. The half-yearly survey, conducted in the fourth quarter of last year, covered 2,700 SMEs in the mainland, Hong Kong, Taiwan, Singapore, India, Vietnam, Korea, Malaysia and Indonesia.

The survey indicated that SME entrepreneurs move with the times and changing circumstances, such as increasing production costs and tightening macroeconomic controls. One Chinese mainland entrepreneur expanded his spa and health club operations when his textile business began to be affected by outside factors. Vietnam's small businesses were optimistic about their growing economy and government help as they increasingly look overseas for new markets, assisted by plans to cut taxes and amend laws such as enterprise law and investment law. SMEs in Vietnam also felt they have a cost-competitive labour force, huge land as well as rich resources for development.

Other factors such as changes in regional labour laws and environmental regulations also presented both challenges and opportunities. There is concern about rising costs and currency instability.

## **8. EMERGING “SMALL IS BEAUTIFUL” BUSINESS MODELS**

The assistance being given to the SMEs is only a step towards a more fundamental restructuring of global economic systems now under way as part of a complete overhaul of a business model that has been seriously discredited and is badly in need of transparency and accountability.

This provides the travel & tourism industry with a unique opportunity to take the lead in creating a new business model for itself, based on four grassroots-based and homegrown philosophies that have been created and conceptualised in Asia. Good indicators of the new emerging economic order as the world shifts away from 'bigness,' they exemplify the "real convergence" to come in the pursuit of sustainability, poverty-alleviation, environmental conservation and a narrowing of the rich-poor income gap.

### ***8.1. Mahatma Gandhi's Need Vs Greed***

"The Earth provides enough to satisfy every man's need but not every man's greed." That endearing quote by Mahatma Gandhi is becoming increasingly popular these days, and being proven 100% right. It goes right to the heart of the over-consumption that has become central towards the survival of the consumer-oriented societies that drive economies.

It strives to show that real, long-term sustainability can only be achieved by shifting away from today's "buy, use and throw" culture. The travel & tourism industry is very well placed to fulfill this goal. That one sentence unlocks the secret of making better use of natural and financial resources and generating a more equitable economic society. It can also lead to better social and cultural harmony as societies abandon the "greed is good" philosophy that has been the source of so much ill-will and divisiveness.

Miguel d'Escoto Brockmann, President of the UN General Assembly for 2008, said in his opening address of the Assembly 63<sup>rd</sup> session on 23 Sept 2008, "The current financial crisis, on top of the high cost of food and the humanitarian devastation caused by recurrent natural phenomena, will have very serious consequences that will impede significant progress, if indeed any progress is made, towards the targets established in the Millennium Development Goals, which are themselves insufficient. It is always the poor who pay the price for the unbridled greed and irresponsibility of the powerful."

The September 29 2008 issue of TIME magazine was devoted to the financial crisis, which it headlined "The Price of Greed." The analysis laid the blame for the situation squarely on the "hothouse of greed and ignorance on Wall Street – and on Main Street as well. When greed exceeds fear, trouble follows. Wall Street has always been a greedy place and every decade or so it suffers a blow resulting in a bout of hand-wringing and regret, which always seems to be quickly forgotten."

Without a shade of doubt, Mahatma Gandhi was right.

### ***8.2. Bhutan's Gross National Happiness***

Former King Jigme Singye Wangchuck of the tiny, landlocked mountain kingdom of Bhutan designed the philosophy known as "Gross National Happiness." First drafted in 1972, the concept of GNH is also moving into the mainstream of conventional economic thinking. Designed to replace monetary and financial measurement units as the primary means of gauging human well-being, satisfaction and contentment, it is based on the simple rationale that that simply promoting higher Gross Domestic Product and Gross National Product as measurement units of economic growth will not make people any happier.

According to Lyonpo Jigme Thinley, Bhutan's Minister of Home and Cultural Affairs: "Could it be because as more and more of us cross over the thresholds of poverty and basic livelihood, we find the time to reflect on life and its meaning? In so doing, some of us find reasons for dissatisfaction with life as we live it. We are beginning to realise and understand that not only is our way of life as promised and indeed delivered by the conventional process of development, unfulfilling and hollow but that we are living dangerously. We are sensing a dire need for reality check and moderation at the very least, based on some understanding of what matters most in life.

"There are many who would agree that ours is a story of how the supposed means to happiness have been mistaken for the end itself. And having lost sight of happiness, we have committed ourselves to a life of endless labour and the goal of mindless growth. For too long, we have chased symbols of success that we believed would give rise to happiness. For too long we have chased illusions. Quite literally, this journey without a true destination is doomed. That is why we need a clear destination, a new direction. We need to be certain about what it is that we want to achieve through development and how to measure the progress we make."

Measuring the "success" of travel & tourism has been entirely based on statistical indicators, such as visitor arrivals, economic impact, investment and job creation. That, too, could become a thing of the past. Measuring the happiness level of satisfied tourists after visiting a destination could become a complementary means of measurement, one that would be far less at the mercy of an accounting process and far more within the control of the host destinations themselves.

Alternately, the happiness levels of staff and industry personnel, especially those at the points of service contact, could also become another “new” measurement for the creation of what the UN ILO calls “a decent workplace.”

At the macro level, having agreed that existing lifestyles and economic and business models are unsustainable, the next step has been to decide how to expand the “happiness” campaign by making it part of public policy. This is a whole new ball game. A “policy” needs to be backed by some kind of indicator, a formula for tracking progress from problem to solution. That’s where much of the discussion is ensuing.

### ***8.3. Sufficiency Economy Concept of Thai King Bhumibhol***

Thailand is home to a philosophy known as the “sufficiency economy”, a concept created by King Bhumibhol Adjulyadej, the world’s longest reigning monarch. Thai tourism authorities claim they are trying to factor this very important socio-economic development principle into their tourism development strategies in the wake of “growing realisation that endless tourism growth is neither sustainable nor desirable and that the country has to become a little bit more conservative in its future growth plans.”

This will require Thailand to stress quality over quantity, a policy that is destined to become even more important as global concerns go over environmental issues like climate change. Thailand, which has set new benchmarks in terms of global marketing of tourism, now hopes that its new concept of sufficiency economy would also play a role in setting new benchmarks for the management of tourism in future.

The sufficiency economy principles stress the moderate practices in Buddhism which are people-centred and based on three main ideas:

1. They provide reasons, concepts, principles and rules for doing things.
2. They stress action that emphasises moderation, appropriateness and gradual progress.
3. They emphasise readiness to accept change and to find a resolution for any problems.

The do not require just technical knowledge but the principles of wisdom and morality, such as honesty, patience and generosity. “The aim of a sufficient society is that people harmonise and think about what is advantageous for most people,” says one paper on the sufficiency economy presented at a conference in Bangkok. “It is a holistic concept of moderation and contentment. Its values include integrity, diligence, harmlessness and sharing. Finally, it seeks to achieve balance and sustainability.” UN Secretary General Kofi Annan, in presenting a UN award to King Bhumibhol, described it as a philosophy of “moderation, responsible consumption, and resilience to external shocks”. In essence, the “sufficiency economy” philosophy appeals for Thais to “review the past, learn from nature and use that knowledge to develop and manage the country’s economic development on the basis of good balance and moderation.”

#### ***8.4. Grameen Bank***

The world of microcredit and microfinance gained global respectability in 2006 when Muhammad Yunus, founder of the Grameen Bank in Bangladesh, won the Nobel Peace Prize. Accepting the prize in December 2006, he said:

“I support globalization and believe it can bring more benefits to the poor than its alternative. But it must be the right kind of globalization.....Globalization must not become financial imperialism.”

According to the Nobel Prize organisers, Mr. Yunus is the pioneer of microcredit, the process of using collateral-free loans of small amounts to help millions of families out of poverty. The Bangladeshi economist started the bank by lending \$27 to 42 people to help them free themselves from “loan sharks.” In 1983 he founded the Grameen Bank, which now operates in nearly 80,000 rural Bangladeshi villages. Today we have 7.3 million borrowers, 97% of the bank’s clients are women.”

Said Mr. Yunus, “Rich people own conventional banks, but this bank is fully owned by its clients and has been a model for microfinance institutions around the world. They elect members for the board of directors who in turn formulate and execute policies for their socio-economic empowerment,” he said. “67% of our borrowers who have been with us for about five years, are now above the poverty line,” he said.<sup>24</sup>

Speaking about the functioning of the bank, he said: “I studied the operation of conventional banks and decided to do the opposite in lending money to the poor. The conventional banks follow the dictum of: the more you have the more you get. But I follow the principle: the less you have the highest priority you get in receiving the loan. They ask for collateral and guarantee. The Grameen bank provides loans without collateral, guarantees and legal hassles,” he said.

He said the bank encourages borrowers to send their children to school, which has borne fruit. “A 100% of our borrowers’ children are in school now. For higher studies we provide educational loans too.”

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<sup>24</sup> [http://nobelprize.org/nobel\\_prizes/peace/laureates/2006/yunus-lecture.html](http://nobelprize.org/nobel_prizes/peace/laureates/2006/yunus-lecture.html)

Added Prof Yunus in his speech, “To me, globalization is like a hundred-lane highway criss-crossing the world. If it is a free-for-all highway, its lanes will be taken over by the giant trucks from powerful economies. Bangladeshi rickshaw will be thrown off the highway. In order to have a win-win globalisation we must have traffic rules, traffic police, and traffic authority for this global highway. Rule of “strongest takes it all” must be replaced by rules that ensure that the poorest have a place and piece of the action, without being elbowed out by the strong.”

But Yunus was given the prize not for economics but for peace. This was so, he said, because “peace is inextricably linked to poverty. Poverty is a threat to peace.” He said: “The World’s income distribution gives a very telling story. 94% of the world income goes to 40% of the population while 60% of people live on only 6% of world income. Half of the world population lives on two dollars a day. Over one billion people live on less than a dollar a day. This is no formula for peace.”

## **9. KEY FINDINGS AND CONCLUSIONS**

The world order is changing like never before, across every conceivable front and industry sector. The emerging order is fraught with both opportunities and challenges for SMEs, with some corrections and adjustments certain to take place.

1. Free Trade will be replaced by free and fair trade
2. Big is Beautiful will be replaced by Small is Beautiful

SMEs are the lifeblood of travel & tourism. They provide diversity and variety and a relief from the monotonous “branding” proposition of globalisation and multinational corporations. They help broaden the choice of products and prices. They provide better levels of personalised service.

Their requirements for support and assistance are no different from those by SMEs in industrial, agricultural or manufacturing sectors.

Just as travel agents overcame the initial shock of the impact of the Internet on the traditional commission-based booking and distribution system, and began to capitalise on the opportunities, so too is it possible to start taking advantage of the emerging new regionalism, free trade opportunities and of the very real desire of governments to help the smaller and less advantaged members of the economic system.

However, interviews with representatives and executives of travel & tourism SMEs yield a key finding that a serious two-way communications gap exists:

- On one hand, many public sector organisations and institutions do not accord the travel & tourism SMEs any significant priority in terms of channelling assistance or inclusion in development programmes
- On the other, travel & tourism sector industry associations have little idea of what kind of help is available for their SME members and how to access it.

Bridging this gap is the way forward.

This study found that travel and tourism industry SMEs barely figure in the targetted economic sectors of various government programmes, except when affected by crises like SARS and the tsunami. Many of the assistance programmes implemented after the recent crises were not institutionalised but rather treated as ad hoc emergency measures that receded when the crises faded.

This is partly the fault of the travel & tourism SMEs which have done little to build a strong and professionally argued case for steady and sustained help. They have failed to collectively highlight their contribution to economic growth, and beyond to society, culture, heritage and environment, as well as other factors as critical millennium development goals such as poverty alleviation, the rich-poor income gap and education and health. Although the travel and tourism industry can proudly claim to be a positive contributor to all these factors, it has not positioned and marketed itself accordingly.

Much of the blame lies with travel & tourism industry associations to which most of the SMEs belong. With a few exceptions, they generally have done a poor job of defending the interests of SMEs. The vast majority were found to be too weak, badly funded, poorly organised, poorly managed and wracked by internal divisions to make a strong case.

As individual entities, SMEs are too small to be taken seriously. However, even when collectively grouped into local, national and regional industry associations, they have failed to become a formidable force.

Most Asia Pacific travel & tourism industry associations have poor quality websites. Their secretariats are under-resourced. Their research, communications and lobbying efforts are virtually nil. Travel & tourism SMEs are inadequately represented on the various national committees, nor do they figure prominently in the policy level speeches of the various ministers.

As a result, they have virtually no 'voice.' And 'voiceless' industrial sectors are never heard, nor do they gain any respect nor attention. Each new crisis further weakens them and makes them vulnerable to bankruptcies or takeovers.

**This downward spiral has to be halted, and reversed!**

Indeed, in the search for solutions, the nation-state of Singapore itself presents a role-model. A small or indeed, micro-country with no natural or population resources has still managed to create a clean and green environment that consistently tops world ranking in terms of competitiveness, productivity, efficiency and lack of corruption. There is no reason why this model cannot be copied and/or emulated by companies, institutions, associations or organisations, given the appropriate will and desire.

## **10. RECOMMENDATIONS AND NEXT STEPS**

The following actions are recommended, with an accent on finding simple solutions first.

<> *Develop a policy platform that stresses the SMEs*, and moves away from the “big is beautiful” scenario: It’s time to become proud of being small – small companies, small institutions and small countries.

Young people need to be made to feel proud of working for small companies, which must provide exemplary standards of working conditions and service levels.

Tourism policy-makers have to recognise that the new world order must be more balanced and must not expose travel & tourism, or the country at large, at large to any single source of financing, income, client base or customer segment. Solutions must focus on coming up with new innovative ideas and recommendations that do not repeat past mistakes but learn from them in order to come up with an entirely new sense of direction that is more sustainable and long-term. Policy-makers need to shift away from putting the interests of large companies and corporations at the top of their priority agenda and to start focussing on supporting SMEs.

<> Organise a series of data-gathering conferences: A series of national, regional, and some regional conferences within the travel and tourism industry need to be organised to focus specifically on the needs of the SMEs. No such conferences have ever been held. They can become a first-level platform for more detailed data-gathering and brainstorming, which can then be formulated into a policy roadmap and channelled into productive conclusions. They can be held annually under the auspices of the local NTOs and travel industry associations and then developed into wider regional, sub-regional or global conferences and events for a broader exchange of opinions and experiences.

<> Develop a roadmap: Such conferences will allow a more detailed assessment and analysis of the specific needs and requirements of the SMEs. The information can then be collated and used to press the cause and promote inter-dependence among the SMEs.

Philosophically, this is the same as promoting the interests of small developing countries. In some cases, the SMEs may seek more government help, in others they may focus on a greater element of self-reliance and self dependence. The most ideal solution, of course would be a good combination of both. The roadmap should concentrate less on marketing and more on providing training, management development and research.

<> Strengthen the travel industry associations: This should be an absolutely vital undertaking. The job of implementing any roadmap must be a three-way effort between national tourism organisations, private sector travel industry associations and the various national institutions, such as banks and ministries, specifically set up to help the SMEs. But it has to be executed primarily by travel industry associations in a transparent and accountable manner.

This will not be possible unless the industry associations themselves are well-managed, transparent, accountable and subjected to the normal processes of checks and balances. If even a single association is discredited or suspected of corruption and favouritism, the entire effort will be affected.

Assistance to the associations must be accompanied by a proper time-table for implementation and KPIs for independent evaluation of success. Its continuation should be linked directly to how well the projects and activities are executed.

◁ Create a global network of small and medium sized travel & tourism companies: Over time, a global network of SME travel & tourism companies will emerge but this can path can take its natural course. It is strongly recommended that no new associations or bureaucracies are created; they will soon degenerate into self-defeating internal divisions and controversies.

The critical need of the hour is to address the SMEs' needs and concerns without being bogged down in the various minutiae and politics of a new bureaucracy.

## II) FURTHER READING

Information Sources For Small And Medium-Sized Enterprises (SMEs)

[http://www.unescap.org/tid/gateway/tisgway\\_sme.pdf](http://www.unescap.org/tid/gateway/tisgway_sme.pdf)

[http://www.thma.org/th/index.php?option=com\\_content&task=view&id=46&Itemid=36](http://www.thma.org/th/index.php?option=com_content&task=view&id=46&Itemid=36)