

Business Ethics for APEC SMEs & SMMEs

A New Zealand SMME Medical Device Company Perspective

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Rationale

- APEC Leaders support initiative to develop common principles for ethical business practice for SMEs
- Accelerate stream of work for SMME capacity building
- Initiative builds on the APEC Anti-corruption Code of Conduct for Business (2007)
- Ethical Business Principles meet needs of different sectors
- Pilot - medical device industry:
 - predominance of SMEs
 - need for interaction with health professionals
 - Health and safety paramount

Code of Ethical Business Practice for Medical Technology

- Industry identified need for Asia Pacific Code of Practice for medical technology industry
- APEC good vehicle to encourage region-wide use
- ABAC took up initiative: Leaders signed off
- Industry expert working group reached agreement on high-level principles
- Focus now on encouraging all APEC economies to draw on the principles to establish domestic codes

Existing Codes within APEC Region

- Some APEC economies have existing Codes of Practice for medical technology.
- Some of these Codes are aligned with those in other economies
- Some are stand-alone
- Some APEC economies have no Codes of Practice for medical technology

Value of Code of Practice

High-level principles:

- Transparency
- Independence
- Appropriateness of relationships
- Advancement

Practical guidance:

- Research and Development: products/clinical trials
- Education: support for 3rd party education programs/grants
- Training: safe and effective use
- Donations: support to charitable organisations/missions

Adept Medical

- New Zealand SME company established 2003
- 3 fulltime employees; subsidiary of larger company with 95 employees
- Produces single use disposable products for ear, nose and throat
- Commenced exporting 2004
- Exports to 5 APEC economies (Australia, Canada, Hong Kong, Malaysia, US)

Adept Experience

Problems:

- Unethical practices produce uneven playing field
- Difficult to identify off-shore distributors applying ethical practices

Solution:

- Contracts with distributors incorporate code of principles aligned in NZ, Australia, and US

Result:

- Consistent approach; fewer resources spent on due diligence; more level playing field for SMEs

Value of Codes in other sectors

- Alignment of codes sets standards for best practice for ethical behaviour in the region
- Creates more level playing field of benefit to all
- SMEs benefit from a common principles approach
- Industry led codes allow for self-regulation that is sector-specific
- Self-regulation encourages industry buy-in

What Can ABAC Do?

Secure APEC Leaders support for:

- Adoption of general principles
- Adoption of codes of practice by other sectors
- Domestic implementation
- Programme of action to help implementation:
 - In-country training workshops/education/templates
 - Demonstrate value of using a common business code to help SMEs grow
 - Review and refine best practice