MICRO, SMALL AND MEDIUM ENTERPRISES

A JOINT INITIATIVE WITHIN THE WTO

Ambassador José Luis Cancela
Today, 95% of companies across the globe are MSMEs, accounting for 60% of the world's total employment.

However, MSMEs face a number of obstacles when seeking to participate in international trade.

When MSMEs successfully access international markets, they can act as a catalyst for better distribution of the gains from trade to all sections of the economy.
MSMES’ PARTICIPATION IN GLOBAL TRADE

- Firms with fewer than 250 employees account for 78% of exporters in developed countries but only 34% of exports. In developing countries, MSMEs' exports amount to only 7.6% of total sales in the manufacturing sector, compared with 14.1% for large manufacturing enterprises.

- MSMEs' participation in international trade has remained limited for a number of reasons, including lack of relevant skills, lack of knowledge about international markets, non-tariff barriers, cumbersome regulations and border procedures, and limited access to finance, in particular trade finance. The smaller the companies, the greater the challenges seem to be to participate in international trade.
The Informal Working Group on MSMEs was created by 88 WTO Members at the 11th Ministerial Conference in Buenos Aires on 13 December 2017.

In the Joint Statement, the Friends of MSMES committed to discuss and identify “horizontal and non-discriminatory solutions” to improve the participation of MSMEs in international trade while taking into account the specific needs of developing countries.

The IWG aspires to ensure that the multilateral system enables a better inclusion of MSMEs in global commerce.
MEMBERS OF THE IWG ON MSMES

We have reached the mark of 89 Members, with the recent incorporation of Armenia.

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Examined…

• the improvement of access to information for MSMEs,
• ways to foster a more predictable regulatory environment
• reducing trade costs, improving access to trade finance for MSMEs
• Trade costs and trade facilitation issues affecting MSMEs
• how technical assistance and capacity-building initiatives could take into account trade needs and challenges that MSMEs face
• Internet as a tool to access global markets
TOOLS DESIGNED TO ENHANCE THE ACCESS TO INFORMATION

INTERNAL WTO MSMES WEBPAGE

NEWSLETTER

GLOBAL TRADE HELPDESK PROJECT
Micro, small and medium-sized enterprises (MSMEs) news archives

WTO-World Bank joint publication highlights need for policies to maximize trade gains for extreme poor
11 December 2018

Trade has made a significant contribution to poverty reduction but further integration of developing countries into international markets and policies to share the gains from trade more widely will be essential for further reducing poverty and ensuring that no one is left behind, according to a joint publication by the World Bank Group and the World Trade Organization launched today (11 December).

Research Workshop on Blockchain
27 November 2018

Speech
The WTO Newsletters on MSMEs provide updates and information on the latest developments in small and medium-sized enterprises (SMEs). This newsletter covers the Fall 2018 and Winter 2019 events.

**Fall 2018 Newsletter**

**Informal Working Group on MSMEs' latest developments:**

Meetings on Access to Information

On 27 March 2018, Switzerland hosted a meeting where the Members discussed the importance of adequate access to information to enable MSMEs’ success in global markets. Deputy Director-General Allan Wolff addressed the Group and stressed the need to forge links with institutions attempting to address the same challenges. Mr. Dorothea Triebel, Deputy Executive Director of the International Trade Centre (ITC), stated that trade information is essential to the ways that businesses trade. Members were present with an access to information platform called the Global Trade Helpdesk (www.helplinestart.org) - a joint ITC-UNCTAD-WTO project. Discussions focused on the need for MSMEs to be informed in their own language and the importance of establishing national contact points to provide policy updates. Finally, the Group acknowledged that Governments have a responsibility to inform MSMEs of such initiatives. For the summary and key takeaways of the meeting click [*here*](#).

**Follow-up**

A second session on Access to Information was hosted in Switzerland on 22 May 2018 to discuss details involving the Global Trade Helpdesk (GTH). Members received more in-depth details regarding the development plan and the operations of the digital system. It was agreed that the ITC would develop a draft survey to map information sources for the GTH. The survey would then be sent to the Group for Members to complete. A follow-up meeting will be organized in the coming months to further discuss the question of the national contact points. The Chair invited Members to reflect on best practices and experiences and to reflect on other initiatives that the Group could take to improve access to information for SMEs (see page 3 for a more detailed description of the GTH). For the summary and key takeaways click [*here*](#).

**FORTECOMING MSME EVENTS IN 2018:**

- Public Forum: Enabling Global MSMEs: How Technical Assistance and Capacity Building Initiatives Could Take into Account the Trade Needs and Challenges of MSMEs. 3 Oct (9:30-10:00) Room D
- Accessing Global Markets: The Internet as a Tool to Address Challenges for MSMEs in their Efforts to Reach Markets and Capitalise on International Opportunities. 11 Oct 2018, hosted by Brazil.
- Follow-up Sessions on Trade Finance and Trade Facilitation. 12 Nov 2018, hosted by Côte d’Ivoire and Pakistan
- Assessment Session and End of the Year Wrap-up and Way Forward. 29 Nov 2018

**Winter 2019 Newsletter**

**Message from the Coordinator H.E. Mr. José Luis Cancela:**

I hereby welcome the second edition of the MSME newsletter. The MSME Informal Working Group believes this channel will reinforce its work by serving as a communication tool for our objectives, both to non-members and to outside interests, including the private sector. Let us hope that the work of our Informal Group will encourage other Members to join this effort to find horizontal and non-discriminatory multilateral solutions to improve the participation of MSMEs in international trade while simultaneously considering the specific needs of developing countries.

I also would like to extend my congratulations to all the Members of the Group for their hard work during this first full year. For 2019, we have approved a new work format which will consist of four meetings with a standing agenda whose main engine will be the concrete proposals and ideas submitted by Members. Additionally, we have also decided to convene an open meeting with private sector representatives to exchange views and receive proposals to help us focus on tangible outcomes.

We wish you all a happy and productive 2019!
ROADMAP FOR 2019

Our objectives for 2019: achieve concrete deliverables, expand our membership with the aim of a multilateral outcome

• In line with the principles of flexibility and pragmatism, we will hold four plenary meetings starting on February 22, based on a “standing agenda” that would allow us a regularly review of the progress achieved on the various issued covered by our work programme.

• The standing agenda would discuss thematic work of interest to the group; review outreach activities to expand MSME membership; and review work relevant to MSMEs done in other WTO committees to avoid duplication of effort.

• If other issues of interest are raised by the group that require more in-Depth discussions, Members are invited to organize thematic sessions outside of the standing MSME IWG meetings

• Meetings with representatives of the private sector to hear their views and ideas
Item 1 - Thematic work

  Transparency cluster
  (to discuss issues such as access to information, information sharing, TPRs)
    ▶ Thematic cluster
    (to exchange national experiences -best practices- and develop guidelines/recommendations on issues such as trade finance, national contact points, logistics, de minimis)

Analytical tools cluster
  ▶ (work on data collection)
    ▶ Conceptual cluster
    ▶ (to explore the relevance of developing and promoting general principles such as the "think small principle")
STANDING AGENDA FOR 2019 MEETINGS

- Item 2 - Review of outreach activities
  - with other Members
  - with other organizations

- Item 3 - MSME-related discussions in other WTO committees

- Item 4 – Any other business
SCHEDULE OF WORK FOR 2019

22 February (room W)

27-28 June (room S1)

1-2 October (room W) or 10-11 October (room D) (depending on 2019 Public Forum dates)

27-28 November (room S1)
Thank you for your attention