

# MICRO, SMALL AND MEDIUM ENTERPRISES MSMES

### A JOINT INITIATIVE WITHIN THE WTO

Ambassador José Luis Cancela

# MSMES AROUND THE WORLD

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.

# WTO'S INFORMAL WORKING GROUP ON MSMES

- 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

WORLD TRADE	JOB/GC/208	
/ ORGANIZATIO	N	
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General Council	Original: English	
INFORMA	L WORKING GROUP ON MSMES	
4	IEMBERS OF THE GROUP	
Afghanistan Albania	Korea, Republic of Kyrgyz Republic	
Antigua and Barbuda		
Argentina	Liechtenstein	
Armenia	Malavsia	
Australia	Mexico	
Bahrain, Kingdom of	Moldova, Republic of	
Belize	Montenegro	
Brazil	Mvanmar	
Brunei Darussalam	New Zealand	
Canada	Nicaragua	
Chile	Nigeria	
China	Norway	
Colombia	Pakistan	
Costa Rica	Panama	
Côte d'Ivoire	Paraguay	
Dominica	Peru	
Dominican Republic	Philippines	
Ecuador	Qatar	
El Salvador	Russian Federation	
European Union	Saint Kitts and Nevis	
Grenada	Saint Lucia	
Guatemala	Saint Vincent and the Grenadines	
Guyana	Singapore	
Honduras	Switzerland	
Hong Kong, China	Chinese Taipei	
Iceland	The former Yugoslav Republic of Macedonia	
Israel	Turkey	
Japan	Uruguay	
Kazakhstan	Viet Nam	
Kenya		

# ANALYTICAL ROLE OF THE IWG THEMATIC SESSIONS OF 2018

### 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 ENCHANCE THE ACCESS TO INFORMATION

### **INTERNAL WTO MSMES WEBPAGE**

### NEWSLETTER

### **GLOBAL TRADE HELPDESK PROJECT**

### **INTERNAL WTO MSMES WEBPAGE**



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

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).

News item



Research Workshop on Blockchain 27 NOVEMBER 2018

Aid for Trade Global Review 2017

Aid for Trade 4th Global Review

20th anniversary of the WTO

Agriculture negotiations

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## WTO'S NEWSLETTER ON MSMES



October 2018

### Informal Working Groue

Fall 2018 Newsletter

Meetings on Access to Information

Informal Working Group on MSMEs latest developments:

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. Ms

Dorothy Tembo, Deputy Executive Director of the International Trade Center (ITC),

stated that trade information is essential to the ways that businesses trade. Members

were presented with an access to information platform called the Global Trade

Helpdesk (www.helpmetrade.org) - a joint ITC-UNCTAD-WTO project. Discussions

focused on the need for MSMEs to be informed in their own language and the im-

portance of establishing national contact points to provide policy updates. Finally the

Group acknowledged that Governments have a responsibility to inform MSMEs of

A second session on Access to Information was hosted by Switzerland on 22 May 2018

to clarify details involving the Global Trade Helpdesk (GTH). Members received more

in-depth details with regards to 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 MSMEs (see page 3 for a more detailed de-

scription of the GTH). For the summary and key takeaways click here.

such initiatives. For the summary and key takeaways of the meeting click here.

Follow-up



### FORTHCOMING 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 (8:30-10:00) Room: D. Accessing Global Mar-

- Tool to Address Challenges for MSMEs in their Efforts to Reach Markets and Capitalize on International Opportunities. 31 Oct 2018, hosted by Bahrain.
- 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 Wrapup and Way Forward. 29 Nov 2018

- kets: The Internet as a



MSME

### Winter 2019 Newsletter

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

I heartily welcome this 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!

### FORTHCOMING MSME EVENTS IN 2019:

• 22 February 2019

Winter 2019

- 27-28 June 2019
- 1-2 October or 10-11 October 2019 (depending on 2019 Public Forum dates)
- 27-28 November 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 outisde of the standing MSME IWG meetings
- Meetings with representatives of the private sector to hear their views and ideas

### **STANDING AGENDA FOR 2019 MEETINGS**

### 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 \$1)

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