

To: All WTO Members
From: H.E. Mr. Kouadio Adjoumani, Ambassador of Côte d'Ivoire

Invitation on Behalf of the WTO Informal Working Group on MSMEs

Revision

Open-ended thematic session: Promoting improved access to trade finance for MSMEs

WTO Room W, 8 June, 10 a.m. to 1 p.m. – Meeting of the Working Group on Trade, Debt and Finance

The members of the Informal Working Group on MSMEs are invited to take part in the meeting of the Working Group on Trade, Debt and Finance to take place **in the morning of 8 June, from 10 a.m. to 1 p.m., in Room W** (see WT/AIR/WGTDF/7 in annex).

The purpose of the morning's meeting is to continue the discussion on the challenges met by Members in accessing affordable trade finance, in particular the MSMEs in developing countries.

During this meeting, the Director-General will report orally to the Working Group on the work undertaken with the senior management of partner multilateral institutions.

WTO Room W, 8 June, 3 p.m. to 6 p.m. – Meeting of the Informal Working Group on MSMEs

Context

According to the World Bank, MSMEs account for more than 90% of the world's formal enterprises. In other words, they are the backbone of an economy. And yet the participation of MSMEs in international trade remains limited. According to WTO estimates, SMEs' direct exports only account for 7.6% of total manufacturing sales, well below the 14.1% for large manufacturing firms. Among the reasons for this modest participation are the problems facing the MSMEs in accessing trade finance.

Today, up to 80% of world trade is backed by some mode of financing or credit insurance. However, because there are significant shortcomings in the supply of these services, many enterprises, in particular, MSMEs, are unable to access the financial tools they need. According to the Asian Development Bank's survey on trade finance gaps, the estimated value of unmet demand for trade finance is 1.5 billion dollars.

The MSMEs in the developing countries are particularly hard hit in this respect. The estimated value of unmet demand for trade finance is US\$120 billion in Africa (one-third of the continent's trade finance market) and US\$700 billion in developing Asia. By filling these gaps in trade finance we would be freeing up the trade potential of several thousand people and small enterprises throughout the world.

Objectives

During this session, participants will:

- Discuss their national and regional experiences and the measures and programmes which proved effective (best practices);
- Discuss the measures and actions that the Informal Working Group on MSMEs could undertake in order to facilitate access to trade finance for the MSMEs, particularly in the developing countries;
- Share their views on how the EIF can help to address the trade finance constraints of the MSMEs.

Agenda

Moderator: H.E. Mr. Kouadio Adjoumani, Ambassador of Côte d'Ivoire

Introductory remarks (5')

H.E. Mr José Luis Cancela, Ambassador of Uruguay and Coordinator of the Informal Working Group on MSMEs

Panel: Challenges and solutions for improving access to trade finance for the MSMEs around the world.

1. Thoughts on the morning session and discussion of best practices (3 p.m. to 4.15 p.m.)

- Introductory words by the moderator
- H.E. Mr. Mohammad Qurban Haqjo, Chairman of the Working Group on Trade, Debt and Finance, will give an overview of the morning's discussions (10')

Discussion among members of the Informal Working Group on MSMEs regarding:

- Measures and actions that the group could take to facilitate access to trade finance for the MSMEs, particularly in the developing countries;
- National and regional experiences and the measures and programmes which proved effective (best practices).

2. Panel (4.15 p.m. to 5.15 p.m.):

- Mr. Yaya Ouattara, ITC (10'): Brief presentation of the ITC's programmes to support access by MSMEs to trade finance (5'); remarks on the role that the WTO could play, particularly through the Informal Working Group on MSMEs (5')
- Ms. Hang Tran, Enhanced Integrated Framework (10'): How can the EIF help to address the trade finance constraints of MSMEs?

Discussion

3. Identification of enterprises and international trade (5.15 p.m. to 5.55 p.m.)

- Mr. Gerard Hartsink, Chairman of the GLEIF (10') – Presentation of the "Global Legal Entity Identifier" developed by GLEIF

Discussion

4. Concluding remarks (5.55 p.m. to 6 p.m.)

Summary of the discussions and next steps.

In order to ensure that the discussions are meaningful and to identify concrete measures on which the Group could work, Members are asked to come up with ideas, suggestions and proposals that they could submit to the meeting, particularly with regard to good practices.

WTO/AIR/WGTDF/7

23 April 2018

SUBJECT: WORKING GROUP ON TRADE, DEBT AND FINANCE

1. THE THIRTY SEVENTH MEETING OF THE WORKING GROUP ON TRADE, DEBT AND FINANCE (WGTDF) WILL BE HELD ON 8 JUNE 2018 IN THE CENTRE WILLIAM RAPPARD. THE MEETING WILL BEGIN AT 10 A.M.

2. THE FOLLOWING ITEMS ARE PROPOSED FOR THE AGENDA:

- A. TRADE FINANCE: UNDER THIS ITEM IT IS PROPOSED TO CONTINUE THE DISCUSSION ON THE CHALLENGES MET BY MEMBERS IN ACCESSING AFFORDABLE TRADE FINANCE, IN PARTICULAR BY SMALL AND MEDIUM SIZED ENTREPRISES IN DEVELOPING COUNTRIES.

THE CHAIR HAS INVITED ME TO REPORT ORALLY ON JOINT WORK UNDERTAKEN WITH SENIOR MANAGEMENT OF PARTNER MULTILATERAL INSTITUTIONS. SUCH WORK FOLLOWS UP ON PROPOSALS THAT I HAD PRESENTED IN THE WORKING GROUP IN 2016, AND DESCRIBED IN THE FOLLOWING WTO PUBLICATION: "TRADE FINANCE AND SMES: BRIDGING THE GAPS IN PROVISION". I WOULD BE PLEASED TO REPORT ON RECENT PROGRESS AT THE BEGINNING OF THE MEETING, NOTWITHSTANDING ANY LAST MINUTE TRAVEL OBLIGATION.

IN THE MEANTIME, THE SECRETARIAT WOULD HAVE ALSO ISSUED THE LATEST REPORT OF THE EXPERT GROUP ON TRADE FINANCE, IN WT/WGTDF/W/86. THE SECRETARIAT WILL BE PREPARED TO ANSWER QUESTIONS ON ISSUES DEALT WITH IN THIS REPORT AND ON MY ORAL REPORT.

- B. INFORMAL DISCUSSION ON OTHER TOPICS THAT MEMBERS WISH TO ADDRESS IN FUTURE MEETINGS.

3. MEMBERS OF THE WTO, GOVERNMENTS WITH OBSERVER STATUS AND INTERNATIONAL ORGANIZATIONS WITH OBSERVER STATUS (FAO, IMF, ITC, OECD, UN, UNCTAD, WIPO AND THE WORLD BANK) ARE REQUESTED TO INFORM THE SECRETARIAT AS SOON AS POSSIBLE OF THE NAMES OF THEIR REPRESENTATIVE.

ROBERTO AZEVÊDO
