MSME Day 2019

27 June is identified as World MSME Day. This year, the Group will celebrate MSME Day with a series of events together with the UK Federation of Small Businesses (FSB), the Republic and State of Geneva, the International Trade Centre (ITC) and Sustainable Finance Geneva (SFG). MSME Day will start with a session co-organized by the UK FSB on trade facilitation. A parallel event will take place in the morning at the ITC, entitled "Impact Investment Lab". The afternoon sessions will consist of a panel discussion on impact investing for MSMEs by representatives from SFG and the private sector, as well as the launch of the ITC SME Competitiveness Outlook 2019 report.

For the full programme agenda, see page 2-3.
MSME DAY 2019 PROGRAMME AGENDA

Morning session
Event organized by the UK Federation of Small Businesses (FSB) in cooperation with the Informal Working Group on MSMEs. R.S.V.P. by 23 June 2019.

10:00-10:10 Opening remarks Mr. Alan Wolff, Deputy Director-General, WTO
10:10-10:20 Welcome remarks H.E. Mr. José Luis Cancela, Ambassador of Uruguay, Coordinator of the WTO Informal Working Group on MSMEs

10:20-12:00 How to Facilitate Trade for Small Businesses
Whether that be via direct exports or indirectly as part of a global value chain, trade is a vitally important driver for smaller businesses, as it enables them to diversify their markets, reach new customers, grow, and become more competitive. However, more needs to be done to help small businesses benefit from and contribute to world trade. The statistics from developed and developing countries alike show that large companies tend to export much more than small ones. From issues relating to access to information to compliance with rules of origin, there are many obstacles and costs involved for small businesses looking to export. This session will examine from a variety of perspectives how to facilitate trade for small businesses.

Panel discussion: Mr. Mike Cherry, National Chairman, UK FSB
Mr. Jalal Benhayoun, Director General, PORTNET Public Limited Company
Mr. Andrew Staines, UK Ambassador & Deputy Permanent Representative to the UN and WTO

Moderator: Mr. James Sibley, Deputy Head of EU & International Affairs, UK FSB

Afternoon session
Events organized by the International Trade Centre (ITC) with the support of the Informal Working Group on MSMEs, the Republic and State of Geneva and Sustainable Finance Geneva. R.S.V.P. by 23 June 2019.

15:00-15:05 Welcome remarks Mr. Alan Wolff, Deputy Director-General, WTO
15:05-15:10 Ms. Dorothy Tembo, Deputy Executive Director, ITC
15:10-15:15 Ms. Olga Algayerova, Executive Secretary, United Nations Economic Commission for Europe
15:15-15:20 Mr. Alexandre Epalle, Director General of Economic Development, Research and Innovation, Republic and State of Geneva

WHAT IS MSME DAY?
The United Nation General Assembly, recognizing the need to improve small business access to microfinance and credit, decided to designate 27 June as Micro, Small and Medium-sized Enterprises Day through its resolution A/RES/71/279. The goal is to increase awareness and actions to support small business.
15:20-16:00 Impact investing for micro, small and medium-sized enterprises

Dialogue:

Mr. Fabio Sofia, President, Sustainable Finance Geneva

Ms. Freda Ampofo, Founder and CEO, Kaeme, Ghana

Ms. Ndeye Thiaw, Managing Partner, Venture Capital, Brightmore Capital, Senegal

Moderator: Mr. Crispin Conroy, Permanent Observer of the International Chamber of Commerce to the United Nations Office at Geneva

16:00-17:30 Launch of the SME Competitiveness Outlook 2019: Big Money for Small Business

Increasing investments in small and medium-sized enterprises in developing countries can have major impacts on the achievement of Sustainable Development Goals through the employment opportunities they generate, the business practices they choose to adopt, the sectors in which they operate, and the impact they have on the broader competitiveness of the economy. Successfully mobilizing commercial private investment and effectively connecting this capital with small businesses is key. This year’s SME Competitiveness Outlook helps global asset managers meet local SMEs.

Panel discussion: H.E. Mr. José Luis Cancela, Ambassador of Uruguay, Coordinator of the WTO Informal Working Group on MSMEs

Ms. Marion Jansen, Chief Economist and Director, Division of Market Development, ITC

Ms. Afua Asabea Asare, Chief Executive Officer, Ghana Export Promotion Authority

Ms. Gulbakhori Makhkamova, Chair of the Board of Directors of the National Association of Business Women of Tajikistan

Moderator: Ms. Jacqueline Coté, Director, Public Relations, Graduate Institute of International and Development Studies

17:30-17:40 Closing remarks Ms. Arancha González, Executive Director, ITC

17:40-19:00 Networking reception

DO YOU KNOW?

According to the data provided by the International Council for Small Business (ICSB), formal and informal Micro, Small and Medium-sized Enterprises (MSMEs) make up over 90 per cent of all firms and account on average for 60-70 per cent of total employment and 50 per cent of GDP.
On 22 February 2019, the Informal Working Group on MSMEs held its first open-ended regular meeting of the year. The meeting was chaired by H.E. Mr José Luis Canela, Coordinator and Ambassador of Uruguay, and followed the new standing agenda the Group adopted in November 2018. A total of 58 delegations attended the meeting, including seven non-members (Egypt; Haiti; Jamaica; Mauritius; Tajikistan; United States; and Yemen).

Switzerland and the ITC updated the Group on the latest developments on the Global Trade Helpdesk (GTH). Members later discussed a proposal co-sponsored by Canada, Brazil, Argentina and Uruguay regarding the voluntary inclusion of MSME information in TPR Government reports. Mexico also proposed developing a public online tool to consolidate and disseminate the MSME knowledge acquired by the Group.

Canada shared with the Group its "Small Business Lens" – a national initiative that requires federal regulators to consider the needs of small businesses when designing regulations.

The OECD presented on the WTO-OECD Trade in Value Added (TiVA) database, which aims to better reflect MSMEs’ participation in international trade. The Chairs of the Working Group on Trade Debt and Finance and of the TRIPS Council were also invited to brief the Group on MSME-related discussions across WTO bodies. Other MSME-related discussions under initiatives such as Aid for Trade, the Enhanced Integrated Framework and the Standards and Trade Development Facility were also brought to the Group's attention.

Since this first open-ended meeting of the year, interested Members have met in an informal format to discuss the TPR proposal raised by Canada and the MSMEs platform proposal co-sponsored by Mexico, Uruguay and Guatemala.

For the summary of discussions, click here.
WORKSHOP ON DEMYSTIFYING THE MSME AGENDA BY SAANA CONSULTING

On 7 March 2019, Saana consulting organized a workshop for members of the Informal Working Group as well as non-members at the Beau-Rivage Hotel Geneva on various MSME topics and their relationship with the WTO, titled "Demystifying the MSME Agenda: Road to Recommendations". Representatives of Members from various WTO Work Programmes, as well as representatives from public and private sectors were invited to discuss MSMEs obstacles and their linkage with Small, Vulnerable Economies trade facilitation and e-commerce at the WTO. Representatives from the ITC, UNCTAD and the World SME Forum described their work progress and programmes for MSMEs. Speakers from Inclusive Trade, Business Mauritius & the Asian Trade Centre shared perspectives from the private sector by highlighting key challenges and proposing recommendations to policy makers which generated active discussions from Members.

For more information, click here.

WORKSHOP ON CYBER SECURITY WITH THE CYBER READINESS INSTITUTE

On 27 March 2019, the Group hosted a workshop on cyber security readiness and invited Ms Jennifer Brant, Director of The Cyber Readiness Institute to present a free online tool they developed to make MSMEs more “cyber ready”. According to the institute's survey, around 60 per cent of MSMEs suffers from cyber-attacks due to lack of technology capacity and awareness. Their initiative, which started 18 months ago by a group of CEOs and cyber experts, offers free cyber readiness technology solutions and training programmes for MSMEs to secure their businesses and improve competitiveness in global value chains. Positive evaluations have been recorded from pilot MSMEs, and the Institute aims to reach out to 1 million MSMEs by the end of 2019. Members expressed strong interest in the initiative and were encouraged to create a global network for MSME's cyber security through collaboration and partnerships.

The WTO Informal Working Group on MSMEs encourages national authorities and chambers of commerce to spread the word, and SMEs to take the cyber readiness online course. For more information, click here.

DO YOU KNOW?

According to the Verizon 2018 Data Breach Investigations Report, 58 per cent of data breach victims globally are small businesses. However, many SMEs struggle to protect themselves because of lack of required resources, capabilities, and knowledge.
On 16 May 2019, the Romanian delegation hosted a workshop on the topic of "SMEs digitalization and global e-commerce." Deputy Director-General Yi Xiaozhun and Romania Secretary of State Ms Voicilă opened the event by highlighting the importance of MSMEs and the impact of digitalization on the global economy. The workshop touched on several topics related to MSMEs and e-commerce. Speakers from both public and private sectors were invited to share their views.

H.E. Mr Marc Vanheukelen, EU Ambassador to the WTO, H.E. Mr José Luis Cancela, Ambassador of Uruguay, H.E. Ms Frances Lisson, Australian ambassador to the WTO, and Ms Dorothy Ng’ambi Tembo, ITC Deputy Executive Director, spoke on the linkage of MSMEs and digitalization and their ongoing work on MSMEs and e-commerce. Ms Lucia Cusmano from the OECD and Mr Vijay Raju of the World Economic Forum discussed digital changes to the economy and their implications, both challenges and opportunities, for MSMEs. Mr Oleg Roibu, from eMag, and Ms Magdalena Piech, from Allegro, shared views from the private sector by describing their e-commerce platforms and the services that they provide to MSMEs, such as payment systems and delivery options.
A meeting was held on the sidelines of the 2019 World Chambers Congress with representatives of the WTO MSME Joint Initiative and business representatives. Topics discussed included access to information; trade finance; reduction of trade costs and trade facilitation; access to skills and capacity building; and new technologies. The purpose of the event was to brief private sector representatives on work ongoing at the WTO and hear their views about concrete measures that Members could take at the WTO to support MSMEs.

“I welcome the discussions we had with chambers of commerce on 11 June on the fringes of the World Chambers Congress and hope that it is the beginning of an open, long-term, and fruitful dialogue. The MSME Ideas Exchange platform offers us a wonderful opportunity to make it happen.”

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

During the World Chambers Congress on 12-14 June 2019 in Brazil, several sessions discussed the importance and ongoing initiatives of MSMEs across the globe. One of the sessions, entitled "SMEs to the world: chambers as facilitators and partners," discussed innovative projects led by chambers and other bodies that help SMEs grow and connect to international markets. Presenters included Ms Emmanuelle Ganne of the WTO Secretariat; Mr Loridan Mathieu of the ITC; and Dr Treier Volker of DIHK.

Other sessions related to MSME topics included "The e-commerce revolution: making digital trade work for small business," which explored the benefits and challenges for SMEs in e-commerce revolution. Presenters from this session included an African entrepreneur, representatives from chambers of commerce and the Center for International Private Enterprise (CIPE). A competition session was also organized to reward chamber initiatives that are either helping SMEs and entrepreneurs to innovate and develop their business or are strengthening job creation in their respective communities.

For more information, click here.
GLOBAL TRADE HELPDESK: updates and development of a new beta version

The World Intellectual Property Organization (WIPO) and the International Chamber of Commerce (ICC) have joined the network of international, regional and horizontal partners of the Global Trade Helpdesk (GTH), a joint ITC-UNCTAD-WTO online platform aimed at facilitating MSMEs’ access to trade-related information.

A memorandum of understanding was signed with Paraguay regarding the collecting of information, making Paraguay the first pilot country under the initiative. Further pilot countries are now being identified together with a more improved and user-friendly version of the GTH Portal. The beta version of the GTH Portal was showcased in Rio de Janeiro at the World Chambers Congress (WCC) of the ICC on June 12-14 at the invitation of the ICC. The tool was also displayed at the WCC exhibition through the ITC booth and the ICC booth.

For more information, click here.

WTO REGIONAL TRADE AGREEMENTS DATABASE
RTA search tool now covering SMEs

Base on the analysis on MSME-related languages done by the WTO Secretariat MSME team at the request of the Group, the WTO Regional Trade Agreements Database now covered MSME in its search criteria option. Researchers can now extract MSME-related information in the database by selecting “Small and Medium-Sized Enterprises (SMEs)” in the “Main Topics covered” column.

For the WTO RTA Database link, click here.
The Global Value Chain Development Report 2019, co-published by the WTO; the World Bank Group; the OECD; the Institute of Developing Economies (IDE-JETRO); the Research Center of Global Value Chains of the University of International Business and Economics (UIBE); and the China Development Research Foundation, examines the impact of technological progress on GVCs, finding that digital technologies can help to increase the participation in GVCs by bridging distances and reducing trade costs. With a particular focus on SMEs, Chapter 6 of the report identifies evidence of SME participation in international trade and production networks and looks at how the digitalization of our economies is already affecting, or could affect future, SME contributions to GVCs. Various opportunities that the digital economy opens for SMEs are reviewed together with policy measures that could be taken to promote SME participation in GVCs, including investment in ICT infrastructure and human capital and measures to improve the business environment, access to finance and logistics, and to promote innovation and R&D.

For the full context of Chapter 6, click here.
The WTO Informal Working Group on MSMEs believes that direct interaction with MSMEs will enrich discussions and help the Group identify issues that deserve consideration at the WTO. To pursue this objective, we are introducing a new feature to the Newsletter, namely interviews with MSME-related individuals or Groups that we have met in our meetings and workshops.

Klemens Kober of DIHK and Rupa Ganguli of inclusivetrade.com were invited to be our first MSME interviewees. Please read further to see their insights and experiences on MSMEs.

People who are interested in being featured are most welcomed to contact us.

KLEMENS KOBER OF DIHK

_A few words about yourself and your interest in the MSME cause:_

Growing up, the entrepreneurial spirit of small and hidden champions influenced me early on. German Mittelstand is the backbone of our economy, providing most jobs, shouldering the vocational education system and driving innovation on all fronts. Our chamber network’s key role both in Germany and abroad is to help all companies, including MSMEs, to stay competitive and expand their business beyond borders. The multilateral rules-based system and transparent regulatory frameworks are key to this. A recent personal highlight was witnessing the creation of the informal MSME working group at MC11.

_Top challenges that MSMEs face when accessing global markets:_

I would single out customs complexity. A great number of different rules of origin and corresponding documentation and verification requirements are a reality that is hindering potential traders. In connection with this, we observe an increasing shortage of skilled workers, especially customs and export control experts, who also need continuous training.

_Tips for MSMEs wishing to access global markets?_

First, focus on your strengths to fit niches and swiftly adapt to global changes. MSMEs often maintain a competitive edge through specific know-how and a great degree of flexibility. Tapping this potential requires proper strategic planning to identify worthwhile markets and targeted capacity building (export processes, cultural skills and legal expertise). Second is seek support. Tapping into networks like chambers of commerce or trade fairs offers invaluable personal contacts and matchmaking opportunities.

_One example of a successful initiative that support MSMEs' participation in international trade:_

This year, the global network of Bilateral German Chambers abroad celebrates its 125th anniversary. It has supported German and foreign companies in over 90 countries to trade globally ever since.
Advices to national policy makers to support MSMEs' participation in international trade:

National policy makers can play an important role in helping MSMEs better integrate into global value chains – as importers, exporters, or both. Successful promotion of greater internationalisation of companies hinges on a transparent and predictable regulatory framework. Ideally, all trade-related national regulations are up to date, complete, accurate and easy to find on an easy-to-use and free website. This can be coupled with the establishment of dedicated national SME contact points.

How can the WTO Informal Working Group on MSMEs help firms access international markets?

Making MSME internationalisation a central aspect of the WTO agenda is a much-needed step to raise public awareness. Looking at MC12, it would be important to advance with a roadmap following the leitmotif "Think Small First." A commitment to make headway on issues such as the harmonisation of rules of origin and consistent efforts in digitalization of customs would be of concrete value for business.

“Looking at MC12, it would be important to advance with a roadmap following the leitmotif: Think Small First.”

- Klemens Kober, Director of trade policy, EU customs & Transatlantic relations of DIHK

RUPA GANGULI OF INCLUSIVETRADE.COM

A few words about yourself and your interest in the MSME cause:

As a young university student/entrepreneur in Mumbai, I set up a small business creating and selling contemporary fashion pieces made from leftover fabric prints that I sourced from small local traders. What started as a hobby, soon became profitable and all traders in my transactions benefitted. This experience laid the foundation of my lifelong interest in connecting micro and small businesses to global markets, working with artisans, driving sustainability in supply chains and working on the ground to make international trade and development a reality.

Top challenges that MSMEs face when accessing global markets:

Access to information and skills (local markets and complex trade rules require expertise), affordable finance (SME finance options are limited, and interest rates can be too high), logistics and shipping (the cost of shipping small consignments can be unaffordable), customs and trade facilitation (proper trade documentation can be a significant challenge given rules of origin and duty preferences), and tariffs and thresholds (destination country import duties are not always easily accessible).
Tips for MSMEs wishing to access global markets:

Study MSME supporting initiatives available within the targeted country/local area. These could be grants, projects, free workspaces, legal and tax advice, business consulting groups and others. Also, harness the power of online tools with offline efforts. The internet offers several tools, such as websites, to get businesses recognised. If interested in taking payments online, understand if payment systems are integrated by your website provider and what the transaction costs are. For marketing, test interest with offline/pop-up activities where you can have customer interactions to get views and inputs. Finally, find collaborators. Being verbal and visible is very important.

One example of a successful initiative that support MSMEs’ participation in international trade:

Having worked with projects through SPINNA Circle, I can clearly say it is a proven initiative. SPINNA Circle has focused on connecting women entrepreneurs, who are mostly artisans and MSMEs, with each other and projects - including with academia, big and small businesses and international organisations. Inclusivetrade.com is also bringing this same concept, which started as a development initiative, to the business world through an online sales platform, turning trade for MSMEs into a successful sustainable global reality.

“Make MSME trade-related information available to the public in a simpler, more easily accessible way. This could be a well-designed web page with useful links and recommendations provided by other MSME businesses.”

- Rupa Ganguli, Founder & CEO of Inclusivetrade.com

Advices to national policy makers to support MSMEs’ participation in international trade:

First, consider MSMEs separately from multinationals when deliberating certain policy regulations e.g., data localisation or laws like GDPR. While privacy and data are extremely important and should be treated with care, the discussion must involve tiers / levels of requirements based on risk. Also, thresholds are very important for MSMEs and their small package businesses. Clarifications of these rules should be made in clear and simple language. Engage directly with MSMEs and explore mechanisms to stay connected with them.

How can the WTO Informal Working Group on MSMEs help firms access international markets?

It would be useful for the informal group to make MSME trade-related information available to the public in a simpler, more easily accessible way. This could be a well-designed web page with useful links and recommendations provided by other MSME businesses. In addition, having discussion forums connected globally through a centralised hub and spoke approach could work well. This is a model we have successfully used with SPINNA Circle.
WHY AN INFORMAL WORKING GROUP FOR MSMEs?

The MSME Informal Working Group is a coalition of 90 WTO Members of varied levels of development and all regions of the world that share an interest in improving access to global markets for Micro, Small and Medium-Sized enterprises (MSMEs). Today, 95 per cent of companies across the globe are MSMEs. Although MSMEs account for 60 per cent of the world's total employment and comprise anywhere from 80-99 per cent of a country’s registered firms, they remain underrepresented, and face a large 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. The MSME Informal Working Group aspires to ensure that the multilateral system enables these economic benefits through better inclusion of MSMEs in global commerce.

“O novo âmbito criado para discutir MSMEs, que foi inaugurado em Buenos Aires…” continua com grande energia e entusiasmo. - WTO Director-General Roberto Azevêdo, 27 June 2018.

THE ROAD TO BUENOS AIRES 2017

The Informal Working Group on MSMEs was created at the 2017 Buenos Aires Ministerial Conference by a Joint Statement. The road to the Buenos Aires Joint Statement began with a proposal by the Philippines in 2015, which identified MSMEs as a dynamic sector and suggested that “the General Council shall consider the most appropriate arrangement to facilitate discussions”.

In July 2016, Brunei Darussalam, Lao PDR, Malaysia, the Philippines, Singapore and Thailand reported on a workshop held in June that year titled “Enhancing the Participation of Micro, Small and Medium Enterprises (MSMEs)” that aimed at enhancing awareness of the role that MSMEs have in international trade.

In May 2017 at the General Council, a group of 47 Members (counting EU member states individually) effectively launched an Informal Dialogue on MSMEs chaired by H.E. Mr Héctor Casanueva of Chile.

In June 2017, Argentina, Brazil, Paraguay and Uruguay submitted a proposal for the development of a work programme that would cover areas such as information and transparency, trade facilitation, e-commerce and trade finance.

Several workshops were organized in the run-up to MC11 to emphasize to Members the importance of having a specific forum to discuss MSMEs at the WTO, including a workshop on regional and national experiences in October 2017.

A draft ministerial declaration was circulated prior to MC11 (click here).
WHAT IS THE MSME INFORMAL WORKING GROUP?

In their December 2017 Joint Statement, the Group committed to discuss and identify “horizontal and non-discriminatory solutions” to improve the participation of MSMEs in international trade. The Group seeks to develop solutions that would apply to all companies (but would benefit MSMEs the most) while taking into account the specific needs of developing countries.

**Coordinator:** H.E. Mr José Luis Cancela of Uruguay (Since January 2018)

**Previous Chair:** H.E. Mr Hector Casanueva of Chile (June 2017-January 2018)

**Membership of the Informal Working Group:** Afghanistan; Albania; Antigua and Barbuda; Argentina; Armenia; Australia; the Kingdom of Bahrain; Belize; Brazil; Brunei Darussalam; Canada; Chile; China; Colombia; Costa Rica; Côte d’Ivoire; Dominica; the Dominican Republic; Ecuador; El Salvador; European Union; Grenada; Guatemala; Guyana; Honduras; Hong Kong, China; Iceland; Israel; Japan; Kazakhstan; Kenya; the Republic of Korea; Kyrgyz Republic; Lao PDR; Liechtenstein; Malaysia; Mexico; Mongolia; the Republic of Moldova; Montenegro; Myanmar; New Zealand; Nicaragua; Nigeria; North Macedonia; Norway; Pakistan; Panama; Paraguay; Peru; Philippines; Qatar; Russian Federation; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Singapore; Switzerland; Chinese Taipei; Turkey; Uruguay and Viet Nam.

You can subscribe to this Newsletter by sending an email to email-ersd@wto.org.

"MSMEs are fundamental to our economies – a win-win for everybody and employment, and we are working to develop the potential of MSMEs in international trade."

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