1. POSTPONEMENT OF MC12

The MSME Group finalized and approved an MC12 declaration at the end of September 2021 (WT/MIN(21)/1). The Declaration welcomes the work of the Group since Buenos Aires, including the package of recommendations and declarations adopted on 11 December 2020 (INF/MSME/4 and Rev.2); the launch of the Trade4MSMEs Platform (discussed below); and the establishment of the MSME Regional Trade Agreements and trade Policy Review databases that have highlighted MSME references in these two types of documents. The declaration also calls on the MSME Group to promote best practices and take MSME needs into consideration for trade, including by maintaining a dialogue with the private sector. It also recognizes the severe impacts of COVID-19 on MSMEs and the need to support open trade and access to information.

Over 100 WTO Members have joined the declaration and further outreach by the MSME Group continues. However, in light of the postponement of MC12, official endorsement of the text will wait until the 12th WTO Ministerial Conference is re-convened.
2. LAUNCH OF TRADE4MSMES

Trade4MSMEs, a web platform developed by the MSME Informal Working Group at the initiative of Mexico, was officially launched on 2 December. Trade4MSMEs is a resource for both micro-, small- and medium-sized enterprises (MSMEs) that are looking to trade internationally, as well as for policymakers seeking to help their national businesses to trade abroad. The platform contains both short guides on relevant topics for the users and separate resource libraries with curated information.

For MSMEs, the guides provide key information on the steps that companies need to follow before exporting or importing goods or services, such as how to assess the export potential of the markets they are targeting and their readiness to export. The guides include links to key trade documents and explanations for how small businesses can access trade finance, make the best use of digital tools, and deal with potential trade disputes.

Trade4MSMEs also provides information for policymakers, government officials and researchers, outlining important issues for MSMEs and highlighting best practices. The platform provides information on international and regional initiatives aimed at MSMEs and contains links to MSME trade data sources available for analytical purposes.

Funded by the United Kingdom’s Trade and Investment Advocacy Fund (TAF2+) and UKAid, future support for Trade4MSMEs has also been pledged by the Canadian government. Current partners include the Global Trade Helpdesk, the International Chamber of Commerce and its Centres for Entrepreneurship, the International Trade Centre and Google. Further partnerships will also be developed in the coming months.

Moving forward, Trade4MSMEs will be translated into both French and Spanish, with additional languages proposed by some MSME Group members. As a living site, the creators are interested in developing additional tools and features that could be beneficial and would welcome user feedback.

See the Trade4MSMEs web platform [here](#).

To provide Trade4MSMEs with suggested resources or modifications, please use this contact form.
3. DIGITAL CHAMPIONS FOR SMALL BUSINESS INITIATIVE

Covid-19 rushed forward the already increasing trend of business digitalization, with the share of e-commerce in global retail trade growing from 14% in 2019 to 17% in 2020 (How COVID-19 triggered the digital and e-commerce turning point). However, not all businesses have had equal access to the digital economy, whether because they lack know-how, access to resources or a number of other barriers. In recognition that bringing more MSMEs into the digital economy is not only instrumental to help them adjust to new consumer demands and enter international trade, but also to support general economic resilience, the MSME Informal Working Group, in partnership with the International Chamber of Commerce (ICC) and International Trade Centre (ITC), and with the sponsorship of Google and Zoom, launched the Digital Champions for Small Business Initiative on MSME Day 2021.

More than 100 industry associations, chambers of commerce and non-governmental organizations with a MSME and digitalization focus submitted proposals. Of these submissions, four winning proposals were selected, submitted by the Economic Chamber of North Macedonia, the Lima Chamber of Commerce, TAITRA from Chinese Taipei, and Tofara Online from Zimbabwe. These four organizations and their proposals are described in more detail below.

ECONOMIC CHAMBER OF NORTH MACEDONIA

About the Economic Chamber of North Macedonia

The Economic Chamber of North Macedonia is a business and professional association that has provided support and services to the North Macedonian business community and its member companies for the past 100 years. Over its history it has been the national coordinator and partner in several international projects including with the World Bank, EU Commission, Eurochambers and DIHK.

The project: Platform for the digitalization of processes and issuing e-documents

The Economic Chamber of North Macedonia is working to digitalize business processes and to issue certified, legally binding e-documents.
Video with Dr. Elena Milevska Shtrbevska.

“With this project, [the Economic Chamber of North Macedonia is] helping businesses to go digital and assist them in coping with the difficulties imposed by Covid-19. Moreover, we are facilitating the export and international trade. Considering that next year we celebrate the 100th anniversary of the Chamber, this award is very important to us because it affirms our commitment to our members and even though we are an old, traditional organization it drives us to always keep up with the latest achievements in the business world, such as the processes of digitalization.”

- Dr. Elena Milevska Shtrbevska, Vice President, Economic Chamber of North Macedonia

for businesses in the Western Balkan region. It has already successfully launched a pilot project to digitalize issuing certificates of origin. The proposed comprehensive solution for the digital transformation of businesses processes will work to replace what are currently paper-based practices. Not only will the documents be made available online, but the platform will also distribute the documents to the correct recipients within the Chamber for approval and document creation; it will allow for digital signing, timestamping and sealing; it will permit online payment of fees by member companies; and will make online issuance of certificates or other documents to requesting parties possible. Users include exporters of goods that need a certificate of origin of goods issued by the Chamber; transporters that export goods for other companies; Chamber employees (users of the customer-facing processes and users of internal processes of the Chamber); members of the Chamber as well as any other Economic Chamber and its member companies.

From the pilot project, substantial benefits have already been recorded, including an 82% reduction in the time needed to process a single certificate of origin and an elimination of printing costs (previously €0.5 per document) and transportation costs.

Why it was selected

Trade facilitation and document digitization are both important considerations by the WTO MSME Group. The Economic Chamber of North Macedonia’s proposal clearly supports both objectives by making documents available online in one, easily accessible location for their members. The Economic Chamber of North Macedonia is also looking to scale up this project to be used throughout the Western Balkan region and wider.

Expected implementation

Full digitalization of document issuance and implementation of the proposal is expected within ten months, including analysis of the configuration requirements and creation of the templates; configuration of the user roles, QR codes, and testing; and final configuration of the production environment and system setup.

LIMA CHAMBER OF COMMERCE

About the Lima Chamber of Commerce

The Lima Chamber of Commerce is a non-profit organization with 133 years of experience and more than 15,000 registered companies from all sectors. It seeks to promote the sustainable development of micro-, small-, medium- and large-sized enterprises by respecting their legitimate rights, facilitating business opportunities, providing assistance and services and boosting their competitiveness, as well as promoting public-private synergies and international cooperation.
The project: 
Digital Chambers, The New Age

To support the development and connectivity of micro-, small- and medium-sized enterprises (MSMEs) in Peru, Digital Chambers, The New Age, proposes addressing a number of issues that the Lima Chamber of Commerce identified in a survey of their members, namely lack of technical personnel capable of designing, implementing and developing information technology applications; lack of awareness of what technology could offer businesses; and lack of understanding about how to use this technology. Through the Lima Chamber of Commerce's already-developed digital business services platforms, Digital Chambers, The New Age will convert all of the chamber's services from exclusively face-to-face interactions to virtual connections and grant its associated MSMEs with unlimited Zoom rooms to participate in their "Zoom office" for virtual interactions with consumers, potential clients or suppliers. Additionally, associated MSMEs will have access to trainings, advisory sessions, business meetings and virtual fairs for networking, also via Zoom. Lima Chamber of Commerce also promotes use of Gmail business among its members to create business profiles and contact details with commercial data. Finally, the Lima Chamber of Commerce will train its members on the use of Google Workspace to facilitate collaboration among its MSME users.

Why it was selected:

Access to training and information on digitalization are critical for MSMEs, especially given the impacts of Covid-19. Just like polls conducted by the ITC and others, the Lima Chamber of Commerce's survey findings show that MSMEs lack know-how and access to information. This project has clear aims and a broad impact on their 12,000 members including a Business Showcase platform that will bring 90 companies online per week; a digital magazine titled La Cámara with over 200,000 subscribers where Lima Chamber of Commerce's members can promote their products; provision of a networking platform that nearly half of Lima Chamber of Commerce members participate in; and training and guidance for implementation of business websites.

Expected implementation

The project, including all associated trainings and development of digital services, is expected to occur by early 2023.

“Digital Chambers, the New Age, is an innovative project that will help our small-sized enterprises to break down technological barriers and have easier access to them. The Lima Chamber of Commerce is very grateful for this competition because it has been a great opportunity to share our proposal in order to benefit a greater number of small businesses through their digital transformation.”

-Monica Chavez Camacho
About TAITRA

TAITRA is a nonprofit trade promoting organization located in Chinese Taipei. Sponsored by the government and industry organizations, TAITRA assists enterprises to expand their global reach. With a team of 1,300 specialists, 5 local offices and more than 60 branches worldwide, TAITRA’s mission is to assist businesses from Chinese Taipei to develop international market share; provide business consultation services; and assume the role of “Smart Integrator” by complementing government policy and facilitating industry needs to capitalize on new business opportunities around the world.

The project: Digital trade platform for facilitating the "MSMEs x startup ecosystem"

TAITRA’s Digital trade platform for facilitating the "MSMEs x startup ecosystem" will include digital trade capacity building, especially training in virtual showrooms and how to display goods online. The goals of the project are to assist MSMEs in utilizing e-commerce and start-up technologies for cost-effective digital content production; to accelerate the digital transformation of MSMEs for global digital marketing and promotion; and to increase content optimization and MSME work with cross-border e-commerce marketplaces. Focused on e-commerce, the program will provide training on virtual showrooms, how to present product details and product views and digital content optimization including AI film production and professional commercial photography. The proposal also includes establishing a Digital Trade Academy to partner with e-commerce leaders to provide courses on Digital Transformation, Digital Business, Digital Marketing, and Cross-border E-commerce. Finally, online courses will be provided on topics including commercial photography, video marketing, and cross-border e-commerce.

Why it was selected

TAITRA’s proposal has a large project scope with the potential to reach 4,000 MSMEs. The topic of digital display and e-commerce presentation is also timely given the increase in online sales resulting from the Covid pandemic. The proposed trainings are a very focused topic concerning online presentation and display, both of which are important skills to attract customers. Overall, these skills can make the difference between a successful online business that is ready to appeal to international customers and one that is not.
Expected implementation

Implementation of the proposed project and the trainings is expected to take place within ten months, beginning with promotion of the project and designing the four theme courses. TAITRA intends to discuss with MSMEs to confirm their needs and prepare materials for the training. Ultimately the project hopes to achieve international exposure for targeted MSMEs through digital content production and marketing.

TOFARAONLINE

About TofaraOnline:

TofaraOnline was established in 2017 and is a Digital Marketing and Innovation Consulting Trust based in Zimbabwe. The trust's main objective is to empower women and young people to incorporate digital marketing and emerging technologies in their business growth. This objective is achieved through education on digital marketing through formats including in-person training, online workshops and even via WhatsApp.

The project: Tech-Driven Entrepreneur

Given the high level of unemployment in Africa as well as significant gender inequality, TofaraOnline will provide digital marketing training to increase participants' skills that might increase their hiring potential or allow them to go into freelance e-commerce work. Trainings and workshops will be designed for those who want to understand the key elements of building an effective digital marketing campaign. Online tools and materials will be highlighted in eight topics including an introduction to digital marketing; content creation and management; social media marketing; WhatsApp and email marketing; digital marketing strategy and innovation; website/blog marketing; affiliate marketing; and search engine optimization. The courses will consist of three weeks of online training and one physical workshop per month for selected participants.

Why it was selected

The Tech-Driven Entrepreneur proposal is a clear project with sound goals. Through a targeted and well-put-together proposal, TofaraOnline made it clear that the organization understands marketing and its importance for businesses today as many MSMEs move online and try to navigate the digital economy and ways to increase their businesses' online visibility.

Expected implementation

The training course is expected to begin in January 2022 and proceed monthly over the first half of the year.
4. PRESENTATIONS TO THE MSME INFORMAL WORKING GROUP

The MSME Group received a number of presentations from international organizations, government officials and business support organizations. Below are summaries of these various presentations, which are now also accessible on the WTO MSME Group web page.

Brazil Global Trade Hub

The Global Trade Hub is a public private partnership supported by the UK and Brazilian governments to create a digital marketplace for trade services. Global Trade Hub, a UK-funded project in partnership with the Brazilian government, aims to create a digital solution to help Brazilian MSMEs internationalize. The initiative is based on UN/CEFACT's Integrated Services for MSMEs in International Trade (ISMIT) concept to bring e-commerce trade services together in a platform for easier MSME access and trade in services. The Global Trade Hub will bring together private sector service providers, Brazilian federal government agencies and national business associations to create "The Amazon of export services" for Brazilian businesses looking to internationalize. The Global Trade Hub was implemented in September 2021 and intends to be operational by 2022.

Canada Low-Value Shipments Policy

Canada's low-value shipment policy regarding the application of customs duties can simplify tariffs and duties at the border. Canada has both a low-value threshold of CAD 3,300 and a renewed de minimis for courier remission orders (CIROs). Canada applies different categories of CIRO and postal import remission order (PIRO) de minimis thresholds for imports depending on their origin with exceptions for certain imports such as alcohol and tobacco which remain dutiable. Canada also applies the Generic Harmonized System (GHS) for qualified postal and courier shipments, which is a simplified classification process that allows imports to be categorized in one of three generic MFN tariff rates, provided the value of the shipment is CAD 500 or less. Goods also need to be imported for personal or household use and certain goods, including alcohol and tobacco, are ineligible for this exemption. Overall, Canada has found that GHS has a minimal impact on tariff revenue, no impact on sales tax revenue, and it facilitates the processing of low-value shipments.

Coalition to Reduce Cyber Risk (CR2)

CR2 presented to the Group on the importance of cybersecurity for digital trade. Currently there are more than 80 different national strategies for critical infrastructure in place that define what critical infrastructure is in scope, but which do not specify ex ante security requirements or a process and timeline for incident reporting. Importantly, the digital ecosystem is reliant on trust, and cyber-attacks compromise that trust, meaning companies need to be able to take an integrated, risk-based approach to cybersecurity. However, many prescriptive policies prevent firms from doing so. There is also a need by governments to follow international standards and best practices because divergent laws can act as non-tariff barriers requiring companies to duplicate their cybersecurity efforts, or even exit a market.
out of fear of legal repercussions. A consistent use of standards can reduce complexity and compliance costs, thereby increasing MSME participation in international trade. Alignment with international standards can also increase security outcomes thereby protecting MSMEs which are the most vulnerable to cyber-attacks. Cybersecurity language is already noted in various trade agreements including CPTPP, the G20 Finance Ministers Declaration, RCEP and the Australia-Singapore DEA.

**Enhanced Integrated Framework (EIF)**

The Enhanced Integrated Framework (EIF) briefed the Group on its ASYCUDA-CDS Communication Platform Project in Vanuatu, developed in partnership with the United Nations Conference on Trade and Development (UNCTAD) and the Universal Postal Union (UPU). As e-commerce continues to grow, the volume of small packages being sent across borders has also increased, sometimes overwhelming national postal systems. Given these changes, it has been recognized that national postal services and customs administrations need new methods to facilitate this trade, which is often conducted by MSMEs. Keeping this in mind, the EIF, UNCTAD and UPU cooperation launched a project in Vanuatu to facilitate clearance by exchanging pre-arrival/pre-departure information among agencies and to automate customs clearance processes. The UPU and UNCTAD have identified 23 LDCs where an interface between the UPU's customs declaration system (CDS) and UNCTAD’s ASYCUDA could also be established and interested MSME Group members were invited to reach out to learn more.

**Global Trade Helpdesk**

Updates to the Global Trade Helpdesk continue to be made. Most recently with the collaboration of the Brazilian Trade and Investment Promotion Agency (Apex-Brasil), Portuguese was added to the available translations, which already include French, Spanish, Russian and Arabic. Data for export potential estimates, tariffs and Rules of origin have also been updated. The number of users continues to increase, reaching more than 70,000 in 197 countries as of September 2021. There is growing interest, not just among users but also partners like the World Trade Centers Association, Santander and IATA. The Global Trade Helpdesk is also partnered with the MSME Group's Trade4MSMEs web platform. Looking to future development, the Global Trade Helpdesk will include navigational videos and a webinar page, will work with IATA to provide new data on logistics and will explore the possibilities of AI enhanced HS code search technology in collaboration with ICC-Brazil.

**UN Global Compact**

The UN Global Compact gave a presentation on its new strategy to engage
with businesses of all sizes. Given the importance of MSMEs to the global economy, the UN Global Compact has recognized that the only way to fulfill the Sustainable Development Goals (SDGs) is to bring these firms on board with the Compact's ten principles focused on human rights, labor, the environment and anti-corruption. Recognizing the resource challenges and everyday business realities of MSMEs, UN Global Compact has implemented digital onboarding and benchmarking for MSMEs including an onboarding readiness tool along with tailored programming tools like playbooks, accelerators, and peer learning groups. The UN Global Compact has also recently developed an Africa strategy focused on SMEs in the region. These strategies will focus on local resources through the UN Global Compact's Local Networks to increase SME engagement and provide on-the-ground support for sustainable development.

**UNCITRAL**

The United Nations Commission for International Trade Law (UNCITRAL) gave a presentation on the legislative guides on business registration and limited liability enterprises, both of which have important implications for MSMEs. These legislative guides join a host of UNCITRAL texts that apply to the whole of a MSME lifecycle, including UNCITRAL arbitration rules, technical notes on online dispute resolution and UNCITRAL Model Law on Secured Transactions. The new legislative guides came from work by UNCITRAL's Working Group I, which was established in 2013 to work on reducing legal obstacles throughout the lifecycle of MSMEs. Key features of the new legislative guide on key principles of a business registry are easy access to information, such as making registration information easily and publicly accessible (including across borders); creating a fully electronic process with all information located in one online location; providing guidance on the registration process as well as preservation of records for future access; and finally an improved registry system with regularly updated information and unique identifiers for users. For the legislative guide on limited liability enterprises, legislators sought to create a flexible business form that could be tailored to MSMEs and that could be supported by stand-alone national legislation. Ultimately, these guidelines look to benefit start-ups and informal MSMEs who are looking to join the formal economy.

**WIPO**

WIPO's Director General Daren Tang presented to the MSME Group in July 2021. MSMEs do not always know how to make the best use of IP or its potential benefits to increase competitiveness and visibility as well as to avoid the risk of unknowingly infringing on proprietary content, which WIPO is actively working to remedy. DG Tang briefed the Group on WIPO's work to develop intellectual property tools to support MSME Growth and innovation, such as the IP Diagnostic Tool and Inventor Assistance Program to match developing economy inventors and MSMEs with
patent attorneys. DG Tang also suggested various ways the MSME Group could incorporate IP into the 2020 package of recommendations lastly invited members of the Group to share information on WIPO's tools with their constituents.

The Group also received a follow-up presentation by WIPO's Assistant Director General, Marco Aleman in November 2021 regarding the tools and supports the organization is developing for MSME IP by WIPO's IP Business Division. These include an IP diagnostic tool, IP for business guides (this includes guides currently in development on IP and technologies like artificial intelligence and Big Data), a list of intermediaries and IP support offices that MSMEs can contact, IP management support, and information on IP and finance such as IP-backed finance. The WIPO IP Business Division is also currently supporting a number of projects and activities for MSMEs in the economies of many MSME Group members.

WIPO works to provide training and support services through the development of business support units in national IP offices, mapping of MSME intermediary institutions and their services, the Investor Assistance Program (IAP) and patent drafting programs. ADG Aleman noted WIPO's interest in providing regular updates to the MSME Group to maintain open communication channels and keep the Group apprised of WIPO's efforts.

WHY AN INFORMAL WORKING GROUP FOR MSMEs?

The MSME Informal Working Group is a coalition of 93 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.

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 con-
sider 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 2017 Joint Statement establishing the Group, Members 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. Members of the Group exchange information on a voluntarily basis, which benefit both MSMEs and policymakers.

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; The Gambia; Georgia; 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; Mongolia; Montenegro; Myanmar; New Zealand; Nicaragua; Nigeria; North Macedonia; Norway; Pakistan; Paraguay; Peru; Philippines; Qatar; Russian Federation; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Saudi Arabia, Kingdom of; Singapore; Switzerland; Chinese Taipei; Turkey; Ukraine; Uruguay; United Kingdom and Viet Nam.

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