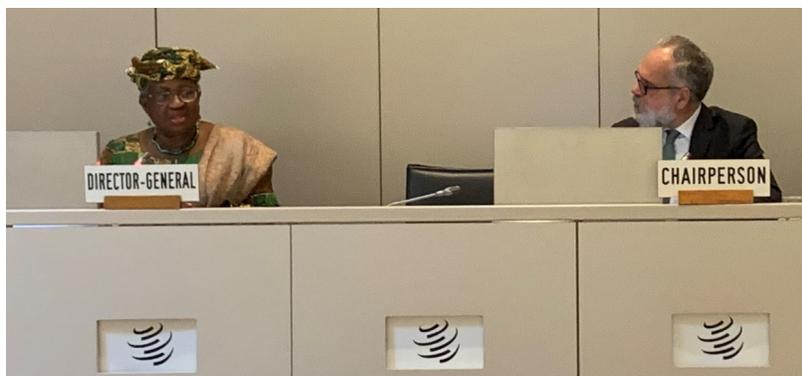


Summer 2021 Newsletter

WTO MSME Group



1. SECOND REGULAR MSME MEETING OF THE YEAR

In May, the MSME Group held its second meeting of 2021. Work is now entering into a new phase focused on: deliverables for the next WTO ministerial conference to be held from 30 November to 3 December (MC12); implementation of the December 2020 MSME package; and exploration of new topics to support MSME trade.

In anticipation of MC12, the MSME Group has started working on a declaration and work continues to move forward on the Group's Trade4MSMEs online platform. Mexico, the lead of the initiative, announced that the Trade4MSMEs Taskforce is moving into its third development phase of consolidation of resources; development of user interface graphics; and testing with select user groups. Work also continues on the development of the MSME, and policymaker, guides on identified MSME trade topics. Trade4MSMEs is expected to be one of the Group's concrete deliverables for MC12, with a soft launch expected on MSME Day and release of the completed platform at the ministerial conference in Geneva.

Regarding implementation of the package, the Chair informed the Group about progress made by the Secretariat in developing the database on MSME-related information in TPRs, as mandated in Annex 1 of the MSME package. Cote d'Ivoire updated the Group on the proposal it submitted to the Working Group on Trade, Debt and Finance (WGTDF), originating from Annex 6 of the MSME package ("Declaration on trade-related aspects of MSMEs' access to finance and cross-border payments").

Upcoming events

MSME Day 2021:

25 June 14:00 CEST –
Launch of the Small Business
Digital Champions Initiative –
[Register](#)

28 June 15:00 CEST –
MSMEs and Gender
Presentation by Canada; Co-
lombia; El Salvador; Uni-
ted Kingdom; and Uruguay –
[Register](#)



The Small Business Digital Champions Initiative is a joint initiative by the WTO MSME Group, the International Chamber of Commerce and the International Trade Center to help small businesses go digital. It will provide an opportunity for chambers of commerce, industry associations and NGOs from around the world to feature new initiatives and tools to bring MSMEs into the digital economy, support cyber security, improve digital infrastructure, and provide education tools. Six successful proposals, including one grand prize winner, will be recognized as 'MSME Digital Champions' at the next WTO ministerial conference to be held from 30 November to 3 December 2021.

For more information, please visit:

www.wto.org

Or email:

digitalchampions@wto.org



TRADE4MSMES

Trade4MSMEs is the MSME Group's online platform to be a gateway to trade information for MSMEs and policymakers. With introductory guides on trade topics, links to verified resources, reports and data sources, Trade4MSMEs aspires to be the first stop for anyone looking for MSME trade information.



WORLD TRADE
REPORT 2020

Government
policies to promote
innovation in the
digital age



Australian Government
Department of Home Affairs



**Australia's E-Commerce
experience**

Goods and Service Tax (GST) on low value
imported goods

The MSME Group also received two presentations related to Annex 6 of the MSME Package. First, following its November 2019 presentation to the MSME Group, the IFC returned to present further on the ways supply chain finance (SCF) can benefit small traders. This was followed by dLocal, a Uruguay e-payment company, that discussed the growing opportunities of digital payment technology for cross-border payments and the need to standardize these processes across borders.

Two new proposals were put forward by Ecuador and Brazil, the first on MSME innovation policies and the second on rural MSMEs. MSMEs face a number of barriers to innovation, which can be countered by government policies. In order to understand better what has been initiated in this regard, Ecuador has proposed issuing a questionnaire to MSME Group Members to identify best practices. The Group also received two presentations on this issue. The first, by UNCTAD, discussed main aspects to consider when setting innovation policies. The second, by the WTO, presented the key findings of the [2020 World Trade Report](#) on "Government policies to promote innovation in the digital age".

On rural MSMEs, Brazil proposed that the MSME Group could exchange best practices on rural MSME policies and hold a dialogue on trade facilitation and rural MSMEs in relation to Annex 3 of the package (the recommendation on trade facilitation and MSMEs). Rural MSMEs make up a significant portion of the economic participants in developing economies. Ensuring that they have access to international markets can benefit these actors by ensuring they have demand for their products and increasing efficiencies.

Members also heard two presentations on topics discussed at the February meeting. From last meeting's presentation on low-value shipments by the Global Express Association (GEA), Australia presented its own goods and services tax (GST) system and the way it can benefit small traders through trade facilitation at the border, which can lead to decreased trade costs. TechUK then presented on the cyber vulnerabilities MSMEs face and the ways that public private partnerships can support these firms, especially through awareness campaigns, to implement better cyber security.

2. PRESENTATIONS TO THE MSME INFORMAL WORKING GROUP

Australia Goods and Services Tax (GST)

Following the presentation by the GEA at the February MSME Group meeting where Australia's approach to imports was flagged, the Australian Government's Department of Home Affairs presented to the MSME Group on their national e-commerce experience given their goods and services tax (GST) on low-value imports. Australia has a de minimis threshold of AUD\$1,000 on customs duties, GST and reporting obligations, introduced in 2000 before the significant rise in e-commerce. The increase in e-commerce and a rise in cross-border low-value shipments meant a signifi-

cant GST revenue loss, which the government has tried to counter with a new GST on low-value goods, implemented on 1 July 2018. This new GST requires overseas businesses with a turnover greater than AUD\$75,000 to register with the Australian Taxation Authority. GST is then collected at the point-of-sale, while at the border the AUD\$1,000 de minimis level remains, thereby preventing double-taxation. Registration is simplified and traders using an e-commerce marketplace are not required to register separately, rather the e-commerce marketplace itself must register and follow the necessary requirements. All of these measures can assist MSME trade given the simplification of tariffs and the application to small shipments.

TechUK

TechUK is an industry association representing UK businesses on digital and cyber matters. It works directly with government and its MSME members to develop technology policy and create an environment conducive to technological change. One of the biggest concerns when it comes to MSMEs and technology is cyber security given that MSMEs are often the weakest link. Their lack of cyber-readiness can weigh heavily on their trade participation, especially with larger firms as partners in GVCs. Despite a growing cybersecurity sector in the UK, MSMEs face a number of challenges to access these services including the costs of these services; lack of skills and awareness of their business' cyber risks; and brain drain as employees with cyber security skills can gain higher compensation elsewhere. Actions the UK government has taken to protect MSME cyber security includes developing a National Cyber Security Strategy 2016-2021, creating specific cyber security advice for MSMEs, and creating a Cyber Essentials certification program. Businesses that sign up for Cyber Essentials can be reviewed for security defects and receive recommended actions to improve their digital security.

International Finance Corporation (IFC)

The IFC gave a presentation to the MSME Group on supply chain finance (SCF), its importance for MSMEs, and the role of public entities and industry associations to promote SCF. SCF allows for frequently smaller, sub-suppliers or buyers, to access finance based on the reputation of a larger, anchor, company and the contracts it has made with the supplying or buying company. In order for SCF to function optimally, it requires visibility of the entire underlying trade flow, which new digital technologies have made increasingly possible. Public institutes and industry associations have an important role to bring awareness to SCF as a finance tool for MSMEs and to push for an appropriate legal and regulatory framework. Governments also need to support digital infrastructure and technological capacity to build up SCF programs and increase local bank interest in SCF for MSMEs, potentially through risk-



techUK
FOR WHAT COMES NEXT



**National Supply Chain Finance
Initiatives and Platforms**



IFC International
Finance Corporation
Международная
финансовая корпорация

Presentation at the WTO Member Meeting
Aksinya Sorokina
MAY 4th, 2021



assumption. Ms. Sorokina laid out a number of different, specific, approaches that Governments can take to support SCF, from an "enabling framework provider approach" that lays out an appropriate regulatory environment for SCF to a "financing approach" where public institutions can provide SCF directly at preferred rates. Ultimately, there is no "one-size-fits-all" for SCF, but it can be a powerful tool to bring MSMEs into trade.

dLocal

dLocal, a Uruguay e-payment company, presented on the current state of e-commerce and payments. Currently, there is a lot of innovation and change occurring in this field and no clear winning process has emerged. What is clear, is that e-commerce is hindered by a number of regulatory frictions, both in terms of the movement of goods but also for payments. There is a need for governments both to protect small e-payment innovators that may be able to bring new solutions to the market, as well as facilitate the integration and interoperability of these new technologies for cross-border transactions.



3. AID-FOR-TRADE STOCKTAKING EVENT 23-25 MARCH 2021

Several sessions related to MSMEs were held at the biannual Aid-for-Trade Stocktaking event from 23-25 March 2021. Below are summaries of the three most relevant webinars on the ways aid-for-trade mobilized MSME trade-related resources during Covid-19.

A full summary will be available in document WT/COMTD/AFT/W/86

A4T Session 12: Covid-Related MSME Aid for Trade

Organized by Uruguay in its position as the Coordinator of the WTO MSME Informal Working Group, the session focused on initiatives undertaken by international organizations over the past year of the Covid-19 pandemic to support international trade by MSMEs. Presentations included discussions

As international organizations move to support MSME recovery and resilience going forward, efforts to support MSME trade will remain a crucial component. To prepare for future crises, it was noted that efforts like the WTO MSME Informal Working Group's were exactly in the right direction.

by the International Trade Centre; the European Bank for Reconstruction and Development; the Organization for Economic Co-operation and Development; the World Bank; and the UK Mission to the WTO.

MSMEs have been severely impacted from the economic fallout of the pandemic, more so than large firms. However, from this session, new evidence revealed that those businesses engaged in exports and able to pivot digitally suffered relatively less. As international organizations move to support MSME recovery and resilience going forward, efforts to support MSME trade will remain a crucial component. To prepare for future crises, it was

Covid-related MSME Aid for Trade
23 March 2021, 17:00-18:30 CET



noted that efforts like the WTO MSME Informal Working Group's were exactly in the right direction. More communication among multilateral organizations as well as digitalization and access to information were also underscored as essential to support MSME trade.

A4T Session 21: MSMEs Promoting Economic Recovery in a Post-COVID-19 World: A Trade Facilitation Approach

Organized by El Salvador, the session focused on the ways trade facilitation can promote economic recovery following the Covid-19 pandemic, especially through supporting MSMEs. Presentations included a discussion by El Salvador's minister of Economy, Maria Luis Hayem, on ways the country has facilitated trade; a discussion by Low Yen Ling, Minister of State in the Ministry of Trade and Industry and Ministry for Culture Community and Youth in the Republic of Singapore on the Singapore economy's digitalization focus; the OECD Director of The Trade and Agriculture Directorate, Marion Jansen, on why it is important to support MSMEs and the role of trade facilitation; and Bill Gain, Global Product Specialist for Trade Facilitation and Border Management at the World Bank, on ways the pandemic highlighted the need for trade facilitation, especially for perishable goods.

Trade facilitation measures can also be tailored to MSME needs and it is important for best practices to be shared in order to guide countries on ways to implement the agreement in their economies.

Overall, the session highlighted that more technology and infrastructure are needed to facilitate trade for MSMEs, especially as they relate to automating procedures. Trade facilitation measures can also be tailored to MSME needs and it is important for best practices to be shared in order to guide countries on ways to implement the agreement in their economies. For a full and effective implementation of trade facilitation, a national, regional and global approach is needed. And finally digital connectivity is essential at every level of the economy, with many opportunities for MSMEs to benefit from digitized trade facilitation measures.

A4T Session 31: Trade Intelligence for an Inclusive Recovery: Global Trade

Organized by Switzerland, this session looked at the tools and strategies available to ensure that MSMEs are not left behind in the global recovery from the economic fallout of the Covid-19 pandemic. Speakers included Isabelle Durant, Acting Secretary-General, UNCTAD; Pamela Coke-Hamilton, Executive Director, ITC; John W.H. Denton, Secretary General, ICC; Eunice Huang, Trade Policy Manager, Google; Sandra Uwera, Chief executive Officer, COMESA Business Council; and Monica Rubiolo, Head of Trade Promotion, SECO (Switzerland's state secretariat for economic affairs);

Trade Intelligence for
an Inclusive Recovery

To move forward from the Covid-19 recession, trade needs to rebound, mobility needs to be facilitated, and access to capital ensured.

To move forward from the Covid-19 recession, trade needs to rebound, mobility needs to be facilitated, and access to capital ensured. MSMEs have also been disproportionately affected by trade restraints and they need certainty to ensure their recovery as well as access to reliable and timely information. Finally, Covid-19 has shown just how interconnected the global economy is. Making the recovery work for those at the base of the pyramid means focusing on MSMEs.

4. BLOCKCHAIN FORUM

On 30 March 2021, a second Global Blockchain Forum was held at the WTO to look at ways new digital ledger technology (DLT) can strengthen global supply chains and support the international trade participation of MSMEs. Presenters included policymakers, trade officials and business representatives and presentations touched on topics ranging from trade digitalization and finance to digital identities. Below is a brief summary of the most relevant information. Video recordings of the full event can be found [here](#).

One of the advantages of DLT that was highlighted by the forum as it concerns MSMEs is the way it can provide alternative means of assessing credit-worthiness and facilitate accessing finance to MSMEs. Idowu Akinde, founder of Boolean Labs, noted new approaches like those offered by AFEX,

“...improved digital identity systems are key for helping MSMEs. Setting up the identity of new business customers is a hidden cost in all transactions that can take a significant amount of time and resources, and there is no international standard for this process.”

Pngme, and Carmachain among others allow a person's payment record to be looked at rather than traditional assets and liabilities. Vinay Mendonca, Managing Director, Global Head Product, Propositions & Structuring Trade Receivables Finance at HSBC also remarked that digitization of documents, especially letters of credit, is important to increase trade finance accessibility, in particular for small businesses. DLT can support this transition and make it easier for banks to see a real-time feed of MSME credit information.

About the MLETR:

The UNCITRAL MLETR provides an international framework to align national laws and enable the legal use of electronic documents of title, such as bills of lading, both domestically and across borders.

Presenters underscored the need for a solid legal framework to digitalize trade and, through it, facilitate MSMEs' participation in international trade. Transposing UNCITRAL's Model Law on Electronic Transferable Records (MLETR) into national legislation is critical for trade digitalization, the speakers noted.

DLT also has the capability to create trusted global digital identities for companies. Nadia Hewett from the World Economic Forum stressed that improved digital identity systems are key for helping MSMEs. Setting up the identity of new business customers is a hidden cost in all transactions that can take a significant amount of time and resources, and there is no international standard for this process. With a verified digital identity and digital

signature, the resource requirements can be reduced and, with a standard international identity, this information is transferable.

During the forum, a new online training course on Blockchain for Trade, developed jointly by the ITC and the WTO, was released and will be available via the ITC and WTO e-learning platforms. Students will learn to distinguish between cryptocurrency, blockchain, DLT features and functions as well as other parallel technologies. Besides a practical understanding for technical and non-technical participants alike, the course will also touch on the implementation side of DLT and the importance of standards, including the scalability challenge for broad international implementation. The online course will be available for self-study at any time by the WTO or offered a few times a year with an instructor by the ITC, to be finished within two weeks. The course consists of four modules, each requiring 4-6 hours to complete.

5. APEC, BUILDING RESILIENT SUPPLY CHAINS 2020: SURVEY AND ANALYSIS

Following the economic shock of the initial Covid-19 crisis with its closures and travel restrictions beginning in early 2020, the Global Trade Professionals Alliance (GTPA), supported by the Australian Government and on behalf of the Asia-Pacific Economic Co-operation, launched a business survey to evaluate the crisis' effects on supply chains in August 2020. Survey participants included large firms, SMEs and industry and government organizations. The summary report is available [here](#).

A number of important findings were made concerning MSME resiliency and participation in global value chains. Whereas payment issues were noted as the largest problem prior to the pandemic, more basic problems concerning reduced demand and customer insolvency were noted as problems following the start of the pandemic. Of those surveyed, most MSMEs were connected to at least one large business in addition to having other transactions with smaller firms, but only half of them possessed

Related to ways that governments could best support MSMEs, respondents noted that simplification of trade regulations and reduction of trade barriers were especially important. In fact, one third of MSME respondents noted that their main challenge to conducting business in global supply chains is navigating government organizations and regulations.

any recognized certifications or standards related to supply chain management. Despite the border disruptions that resulted from the pandemic and input sourcing challenges created by temporary business closures, most MSMEs responded that they were not planning to change their supply chains as a result of Covid-19. However, the various pandemic disruptions did reveal possible supply chain weaknesses and MSME respondents noted they were looking to diversify supply sources, including through offshore production. Still, very few MSMEs noted they had any long-term strategic planning to confront "new normal" conditions that may emerge because of the pandemic.



The urgency of moving digital was also underscored and it was recommended that governments should not only support training on cross-border trade generally, but also help MSMEs to leverage e-commerce capabilities. Cybersecurity was highlighted as the most important policy consideration for MSMEs moving forward. Online crisis management and recovery trainings were also suggested as important ways that governments could support MSMEs.

“The disruptions caused by the Covid-19 Pandemic have created many challenges in global trade and global supply chains. A recent survey into global supply chains has helped to better understand the needs of business, industry and government.”

[Download the Report Here](#)



Lisa McCauley is the CEO of the Global Trade Professionals Alliance and has worked directly to support MSMEs to expand globally for over 15 years. Lisa has led the development of ground-breaking new global standards to facilitate global trade as well as the development of innovative online solutions that build capacity for MSMEs to trade globally.

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Overall, the report describes the fragility of MSME resiliency in the face of a global disruption. Even in the best of times, MSMEs benefit from common standards, access to information, trade facilitation, and capacity building (especially related to digital technologies), all of which were highlighted as the Covid-19 pandemic unfolded.

6. INTERVIEW WITH LISA MCCAULEY, CEO, GLOBAL TRADE PROFESSIONALS ALLIANCE (GTPA)

In a few words, what has the GTPA been focused on recently.

The GTPA has been focused on the ‘Building Resilient Supply Chains 2020: Survey and Analysis’, a global study seeking to identify and analyse the nature and extent of this rapid transformation of GVCs in the APEC region, with a particular emphasis on business’ resilience, SMEs’ participation, women-owned/led SMEs, and digital readiness. The survey was conducted between 25 July and 30 November 2020. A total of 1511 responses were received and will be launched in the coming weeks.

How has Covid-19 changed trade transactions in the global markets

Today, more than two-thirds of world trade occurs through GVCs. With the world economy facing multiple disruptions, including slow economic growth, climate change, and more recently the pandemic of COVID-19, GVCs have been transforming rapidly, even more so now than at the beginning of 2020. While past decades fostered an expansion and enlargement of GVCs, more recently some have also shortened and become more localised, a trend which is likely to increase in the coming years as MNCs and SMEs reconfigure their operations due to the pandemic and the eager adoption of digital technologies.

What advice would you give to national policymakers wishing to support MSMEs' resilience and participation in international trade?

In both ordinary and extraordinary circumstances, it is crucial from a policy and commercial perspective to understand the operation and transformation of global supply chains, as well as the challenges and opportunities they present to large and small businesses. Of importance moving forward would be to ensure that some of the recommendations from the research are implemented to support MSMEs. The development of capacity building initiatives and practical solutions will deliver the most long-term sustainable impact for the business community.

If you had to mention one example of a successful program or initiative to support MSMEs' in international trade in the pandemic, what would it be?

The various business funding initiatives that governments have implemented to help support businesses to survive.

How, in your view, can the WTO Informal Working Group on MSMEs best help firms access international markets in the Covid-19 economy?

Support SMEs to become integrated into global supply chains and promoting access to information regarding trade opportunities and regulatory requirements through help desks, intensive workshops, direct peer-to-peer introductions, and access to resources, so continue the work already being undertaken by the Working Group. Continue and renew efforts to facilitate trade, connect business with potential international business opportunities and reduce barriers to trade. Including through the participation in the respective work at the WTO.

7. MSME VOICES

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 interviewing MSME experts or Groups who have participated in our meetings and workshops.

People who are interested in being featured are most welcomed to [contact us](#).



Josefina grew up Mexico and has over 18 years of experience in finance, entrepreneurship, and philanthropy. She started her career in Finance working at JPMorgan's Investment Bank and holds an MS from the School of Foreign Service at Georgetown University and a BS from Anahuac Mayab.



About Cielo hammocks
(www.cielohammocks.com)

We are a Social Impact business working with a network of ~900 artisans handweaving hammocks. We export to over 110 countries to both wholesale and retail customers. Our work directly impacts thousands of low-income individuals. Fair Trade Federation member and B Corp Certified.

JOSEFINA URZAIZ, CO-FOUNDER, CIELO HAMMOCKS

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

I am a female social impact entrepreneur co-owner of a small business. I am very interested in any policies, transfer of funds, international trade regulations, duties, etc. that could impact our mostly exporting business (80% of total sales). Our main stakeholders are our artisan network, who for the most part come from low-income communities. Thus, keeping our business afloat is not just doing good business, for us, it is a means of supporting the livelihood of over 35 villages.

How has Covid-19 changed your transactions with global markets

COVID-19 impacted our business in two key ways. 1) Our supply chain was disrupted due to our inability to access our artisans and sourcing raw materials. And most importantly, 2), our sales were disrupted by the shutdown of retailers and delays in transportation services. As a result, we purposely found new avenues to continue to do business. We opened new digital distribution channels and shifted our ratio from wholesale into digital retail. We became creative and adapted to our new reality of doing business.

What two or three tips would you give to MSMEs wishing to access global markets at this time?

I would say it has never been easier to access global markets. Technology has democratized market access. Between social media tools, direct sales, whether on proprietary online platforms or marketplaces, access is open to anyone wishing to sell a product, service or an idea. To all aspiring MSMEs I always say, don't limit your vision of where you can sell. The whole world is your market.

What advice would you give to national policy makers wishing to support MSMEs' resilience and participation in international trade?

We have been in business for over a decade. Sadly, the exporting paperwork and costs, instead of becoming simplified and decreasing, have gone the exact opposite direction.

The international transfer of funds, in spite of the money transfer apps and technological advancements, have also not been translated into lower banking fees and easier payment acceptance or transfers from our clients around the world.

In Mexico there are set, flat fees for basic notarized paperwork that unless you are selling high priced products or services, become almost prohibitory

for exports. E.g., in Mexico the exporting permit for the USA is US\$74 and \$92 for the rest of the world. If my product retails for \$200 it makes no financial sense to pay almost 50% in paperwork.

As a result of the Pandemic, we are experiencing higher than ever YOY increments in cost of goods sold. From raw material to shipping charges, 2021 thus far has resulted in an overall 15% pure cost increase for our goods.

Lastly, Nationalistic political campaigns in nations across the world pose a threat to the international markets and the international exchange of goods & services. We should be in the business of signing more trade agreements or eliminating borders, but sometimes it seems the opposite is happening.

If you had to mention one example of a successful program or initiative to support MSMEs' in international trade in the pandemic, what would it be?

At the peak of the Pandemic, due to the closure of government offices, México eliminated the requirement of a physical paper copy of the Certificate of Origin for certain markets. Instead, since last year, for example, to export to the European Union and Japan, we can simply go online and print and sign the Certificate of Origin EUR1 that includes our signature, our registered exporter number and a simple legend that reads the products were made in Mexico.

How, in your view, can the WTO Informal Working Group on MSMEs help firms access international markets?

I think the biggest challenge for all small businesses engaging in international commerce comes down to legal/paperwork and transfer of funds. From the challenge of understanding what is taxed or duty-free, to the high cost of customs agencies etc., one consideration would be to set up a cap for companies with sales under \$5 million to bypass some of these high-cost exporting government fees, thereby simplifying the paperwork process by requiring online forms accessible and downloadable to anyone, and reducing the paperwork required to export.

JAKE COLVIN, EXECUTIVE DIRECTOR OF THE GLOBAL INNOVATION FORUM

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

Over the past decade, I have had the privilege to work with MSMEs to elevate the opportunities and challenges they face going global and to



Jake Colvin is Executive Director of the Global Innovation Forum, where he works with a global network of small businesses and government officials. He also serves as Vice President for Global Trade and Innovation at the National Foreign Trade Council, where he leads engagement with the WTO and APEC.

build policy capacity among governments to help. Many micro and small businesses don't know what they don't know, and it is fulfilling to provide training and connections that can help fill those knowledge gaps around digital tools and global markets.

How has Covid-19 changed your transactions with global markets

It's been a challenge to adapt our workshops because physical convenings at places like the WTO and UNCTAD are important for developing trust. But we have grown our network exponentially by going digital and now our workshops reach capital-based officials worldwide.

More broadly, the pandemic has underscored for me the extent to which every small business – even fundamentally local businesses like restaurants and mom-and-pop retail shops – utilize global digital tools to run their business.



About the Global Innovation Forum

The Global Innovation Forum engages a global network of small businesses, non-profits, corporations and governments to explore the role of technology and trade policies and programs in fostering resilience and inclusive growth.

What two or three tips would you give to MSMEs wishing to access global markets at this time?

First, find opportunities to learn from peers who have trod similar paths. Groups like Vital Voices and Endeavor elevate amazing entrepreneurs and can provide opportunities to learn.

Second, leverage technology platforms. We have relied on Wordpress to build a website, Canva for design tools, Google Workspace and Dropbox for productivity, PayPal for international payments, and Facebook and LinkedIn to create global communities, just to name a few tools.

Third, leverage government trade promotion programs and embassies abroad for advice.

What advice would you give to national policymakers wishing to support MSMEs' resilience and participation in international trade?

Policymakers must ensure small businesses are able to access to the global productivity, social, payment and logistics tools that enable them to succeed locally and internationally. Accelerating implementation of trade facilitation commitments and ensuring services market access and non-discriminatory rules for digital trade are critical.

Governments must also do more to maximize the ability of women and minority-owned businesses to benefit from trade, for example by developing initiatives to expand access to capital, networking and public-private partnerships among like-minded countries.

If you had to mention one example of a successful program or initiative to support MSMEs' in international trade in the pandemic, what would it be?

I have been grateful to help build out [Startup Global](#), a partnership between the Global Innovation Forum and U.S. Commerce Department to improve the digital skills of entrepreneurs looking to go global, digitally during the pandemic. We recently hosted a program specifically focused on the opportunities and challenges women entrepreneurs face going global.

We have been exploring how to take best practices from our U.S.-focused Startup Global Initiative to establish multi-country frameworks for digital skills training and workforce development.

How, in your view, can the WTO Informal Working Group on MSMEs help firms access international markets?

The WTO MSME Working Group seems particularly well-suited to sharing best practices and, potentially, to building out a facility to foster networking and information-sharing among small businesses and government officials.

Could the MSME Working Group serve as channel to share best practices for trade promotion programs and connect national small business communities?

“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 Group

WHY AN INFORMAL WORKING GROUP FOR MSMEs?

The MSME Informal Working Group is a coalition of 91 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



WTO Informal Working Group

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 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; 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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