Overview on Trade Inclusion of MSMEs via the Posts

Houssem GHARBI,
SME growth and trade expert, Universal Postal Union

WTO INFORMAL WORKING GROUP ON MSMES
Geneva, 19 March 2024
Direct postal contribution to GDP

Note: each point represents 1% of GDP and the postal sector contribution is highlighted by red point(s) (median country, historical values)

1%

700,000 post offices
6 million postal employees
500 billion deliveries
2.4 billion postal accounts
USD 1 trillion in revenues

80% of the world’s citizens and SME have mail delivered directly to them
Direct+indirect contribution to GDP

7%

- Powerful network effects
- Multifaceted services
- Essential infrastructure
- Globally connected since 1874
- Data driven

Note: each point represents 1% of GDP and the postal sector contribution is highlighted by red point(s) (median country, 2022)
Parcellation of trade and the role of posts in cross-border ecommerce

Postal and ecommerce trends

E-commerce has disaggregated trade flows

- **Bulk**
- **Postal channel**
- **Producers to Customers**

Parcellation of Trade

Multiplication of customs processing operations
Postal and ecommerce trends

- 84% of cross-border goods bought online are small packets weighing up to 2kgs
- Currently, The postal network handle 2/3 of cross-border deliveries of parcel items (WBG)

Source: IPC Cross-border e-commerce shopper survey 2018
Challenges faced by MSMEs

- Complex export, import and transit procedures
- High export costs
- Access to financing
- Lack of training
- Lack of information on import costs and procedures in destination country
- Problems hosting products on international platforms (amazon, ebay...)
- Problems with international payment (exchange regulations),
- High transaction costs
- Lack of trust on the part of customers to pay online without touching the product
- Need for a trusted label or partner
Trade inclusion of SME

The implementation of inclusive measures to promote SMEs remains low

State of implementation of trade facilitation for SMEs measures globally
2022 UPU Trade facilitation survey - 80.7% of UPU responding members countries agreed that postal infrastructure can facilitate trade for MSMEs and under-included communities.

83.3% have implemented national initiatives to promote trade inclusion of MSMEs.

68% Postal Dos have also integrated trade facilitation for MSMEs in their corporate vision.

In Brazil, more than 10,000 SME that had never previously exported were able to do so between 2002 and 2008 through Exporta Fácil (Easy Export).
Trade policy implications (1)

**Areas of improvement:**

- logistics and transport services to MSMEs
- insurance services
- dedicated payment services for MSMEs
- packaging services for MSMEs
- development of postal access point for trade/export information
- training workforce on services targeting MSMEs
- enhance the brand of postal services targeting
Key objective: The postal network as a key enabler for

✓ Social inclusion (e-gov services, social assistance...)

✓ Financial inclusion (Digital Wallet, e-payment, saving

Focus

✓ Digital inclusion (connectivity, customized SME card...)

✓ Trade inclusion (TradePost, customized assistance to SMEs...
The TradePost project aims to develop a simplified and harmonized export, import and transit process for MSMEs and women in trade using the postal infrastructure as a one-stop shop for all trade formalities.

TradePost projects are now in the test phase in Morocco and will be implemented in Cote d’Ivoire and Nigeria in 2024.
**Project objective**

To develop a simplified and harmonized export and import process for MSMEs using the postal network.

**Expected Results**

- Increase the number of exporting/importing MSMEs
- Create a simplified and accessible export and import process for MSMEs and women in trade
- Create a corridor for the exchange of TradePost shipments at regional level and continental level
- Optimize the international trade process through the postal channel with the institutions involved in the project
- Diversify the range of exported products and increase the number of destination countries
- Enhance the contribution of the postal sector in the national and regional trade policies
Financial Inclusion Technical Assistance Facility

Technical assistance for payment regulatory framework

Connect.post

Technical assistance for digital readiness for e-commerce DRE
Some success stories

National Postal platforms for MSME

- Logistics, Payments, Business support
- Marketplace, Cyber presence & Cyber protection
DIGITAL SOLUTIONS CAN FAST TRACK TRADE INTEGRATION

Use of ICT Tools

- Information Available Through Internet
- Pre-arrival Processing
- Single Window
- Acceptance of Copies
- Electronic Payment
- Customs Cooperation – Provision of Information
TradePost Awards
Objectives of the Award

To advocate, towards policy makers and development partners, the key role that the UPU and its member can play in achieving trade inclusion goals, particularly for MSMEs, women and underrepresented communities.
**Success stories**

**Rwanda**

**Rwandamart**

An user-friendly e-commerce platforms that allow businesses to set up online stores, list products, manage inventory, and process orders.

**Spain**

**Correos Market**

More than 2500 national businesses have joined Correos Market as sellers

150,635 monthly average of users

**Programa Pymes**

Supports the trade inclusion of MSMEs and women through various logistic service from Correos de Costa Rica (easy export, home collection, Pymexpress, Self-service mailbox ...)

20,200 SMEs registered in 2023.

70% leaded by Women

25 000 jobs created
2024 TradePost Awards
Proposed submission categories

Public initiative (Government+Posts) for trade inclusion through the Post

Private sector initiative for trade inclusion

Gender initiative for trade inclusion

UPU-GATF Trade facilitation Award
WTO- UPU cooperation fields

- Improve MSMEs and Women trade inclusion through postal network
- Monitor and where possible contribute to the WTO’s discussions on MSMEs inclusion
- Seek synergies within TF programmes (target same countries, sub-regions, resources mobilizations)
  - Aid for trade
  - Other donors