



# MSME-RELATED PROVISIONS IN RTAS

24 June 2021, Kathryn Lundquist

# MSME-Related Language in Regional Trade Agreements – September 2019

Compendium of MSME-related provisions in RTAs:

“The compendium describes MSME-related provisions in RTAs. It comprises **15 sections corresponding to the 15 chapters with MSME-related provisions.**”

15 Chapters		
Cooperation	Customs Procedures	Transparency
Government Procurement	Intellectual Property	Environment
Investment	Administration of RTA	Competition
E-commerce	MSMEs	Trade in Goods
Trade in Services	Labour	Regulatory Coherence

Issues	Number of FTAs dealing with such issues	Text (In Original language only)
<b>Seven pillars of MSME development</b>		
MSME development through human resource development <b>(in orange)</b> , adoption of technology by MSMEs <b>(in green)</b> , investment facilitation <b>(in red)</b> , Business partnership facilitation <b>(in blue)</b> , the facilitation of access to regulatory and market information <b>(in purple)</b> , partnerships between relevant institutions <b>(in light blue)</b> and through an established committee <b>(in light orange)</b>	75 out of 88 RTAs (85%) <ul style="list-style-type: none"> <li>human resources development <b>(21%)</b></li> <li>adoption of technology by MSMEs <b>(10%)</b></li> <li>investment facilitation <b>(15%)</b></li> <li>Business partnership facilitation <b>(20%)</b></li> <li>the facilitation of access to regulatory and market information <b>(11%)</b></li> <li>partnerships between relevant institutions <b>(16%)</b></li> <li>establishment of a committee monitoring MSME-related issues <b>(7%)</b></li> </ul>	<p>"In order to further the objectives of this Agreement, the Member States shall, as appropriate, use their best endeavours to <b>encourage co-operation between, and co-ordination of activities of, the irrespective firms and industries.</b> To this end, the Member States <b>shall exchange information and consult together on developments in industry within the Area,</b> and may agree on, and implement, if consistent with their international obligations, special measures beneficial to the trade and development of a Member State. The Australian Government shall assist the Government of Papua New Guinea in the promotion and development of the small business sector in Papua New Guinea. Such assistance may include the <b>provision of initial professional and technical staff and various forms of training.</b> This assistance would be largely funded by AIDAB (Australian Investment.) and might include activities such as <b>fellowship and secondments for Papua New Guinean technical and managerial counterpart staff ; preparation of appropriate information packages for small business developments; preparation of training modules in basic accounting and other business skills; provision of advice and training to small-scale entrepreneurs and to those training entrepreneurs"</b> (Australia - Papua New Guinea, no chapter, art. 15)</p> <p>"Cooperation shall include, among other subjects: (a) the <b>designing and development of mechanisms to encourage partnership and productive chain linkage development;</b> (b) <b>development of human resources and management skills to increase the knowledge of the Peruvian and Chinese markets;</b> (c) <b>defining and developing methods and strategies for clusters development;</b> (d) <b>increasing access to information regarding mandatory procedures and any other relevant information for an SME exporter;</b> (e) <b>defining technological transference: programs oriented to transfer technological innovation to SME and to improve their productivity;</b> (f) <b>increasing access to information on technological promotion programs for SME and financial support and encouragement programs for SME;</b> (g) <b>supporting new exporting SME (sponsorship, credits and guarantees, seed capital);</b> and (h) <b>encouraging partnership and information exchange for SME financing institutions (credits, banks, guarantee organizations, seed capital firms).</b> Cooperation shall be developed, among other activities, through: (a) information exchange; (b) <b>conferences, seminars, experts dialogue and training programs with experts;</b> and (c) <b>promoting contacts between economic operators, encouraging opportunities for industrial and technical prospecting"</b> (Peru - China, Chapter 12, art.155)</p>

# “MSME language” from RTAs

Organized:

- By chapter
- With color-keys

## 3 Main Objectives of MSME language in RTAs



Drive economic growth and integration through greater MSME participation in regional and international markets.



Improve economic competitiveness.



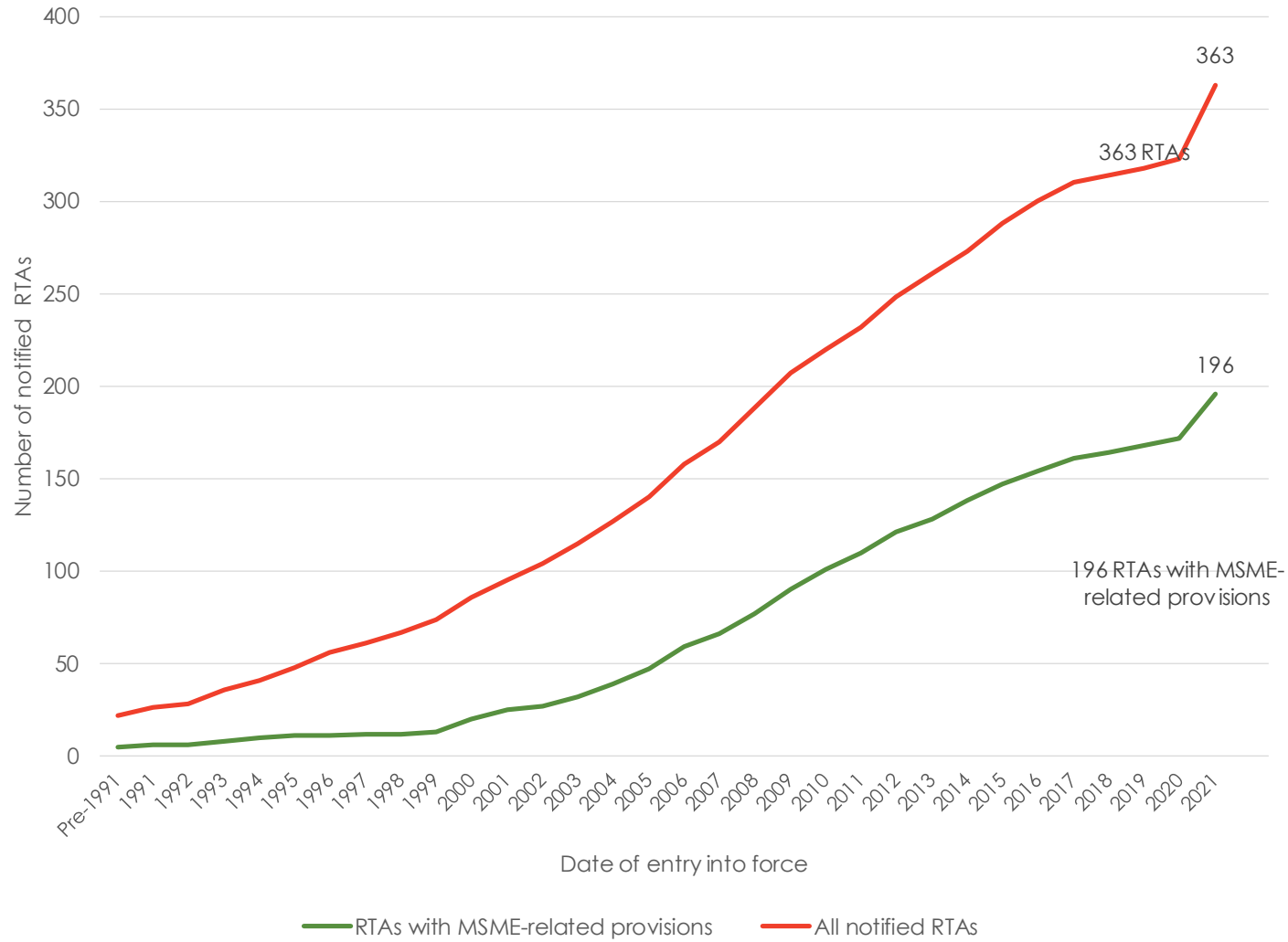
Achieve sustainable development.



# KEY FINDINGS

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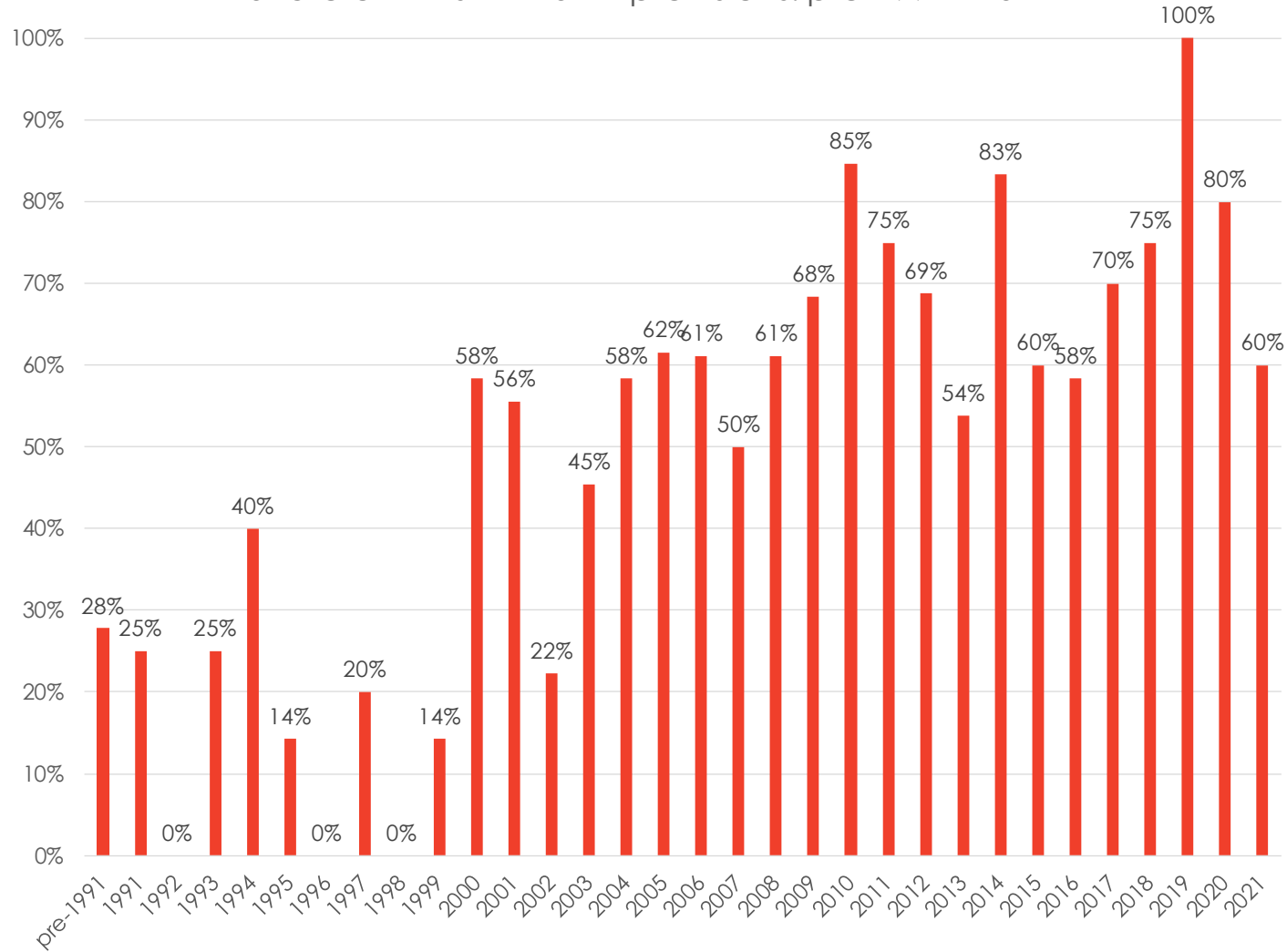
Evolution of the number of RTAs with MSME-related provisions



MSME references in RTAs:

pre-1991 to present

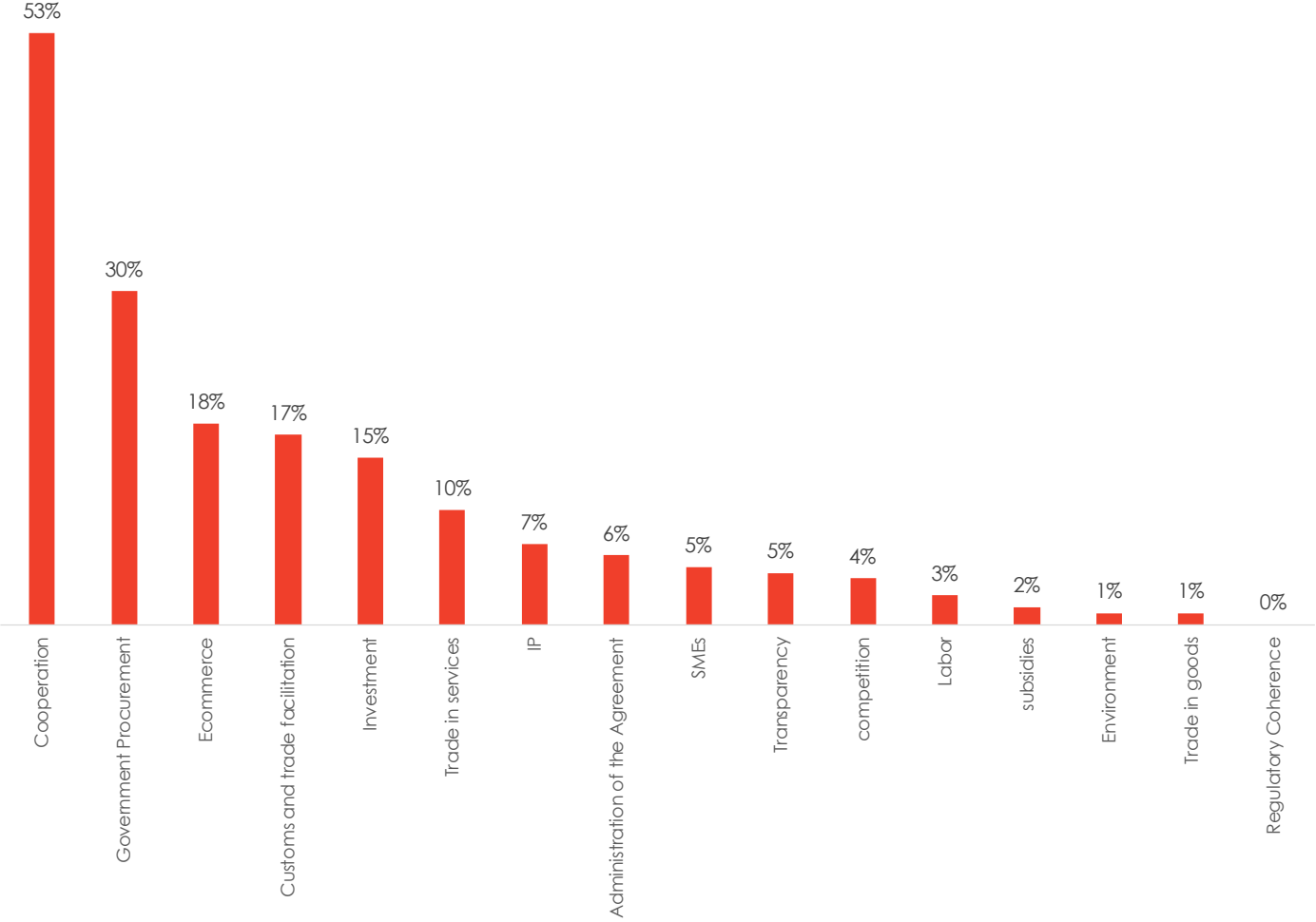
Share of RTAs with SME provisions: pre-1991 - 2021



Share of annually notified RTAs with MSME measures has increased

- Pre +1990s (0% -40%)
- Early 2000s (22% - 68%)
- 2010 – present (54%-100%)

MSME-related provisions per chapter over total RTAs with MSME-related provisions



MSME provisions are found most frequently in chapters on **Cooperation**



# MSME DEVELOPMENT

Productive and export capabilities as well as competitiveness

Human resource development

Technology adoption

Partnerships between MSMEs and other firms

Facilitation of access to capital and financial services

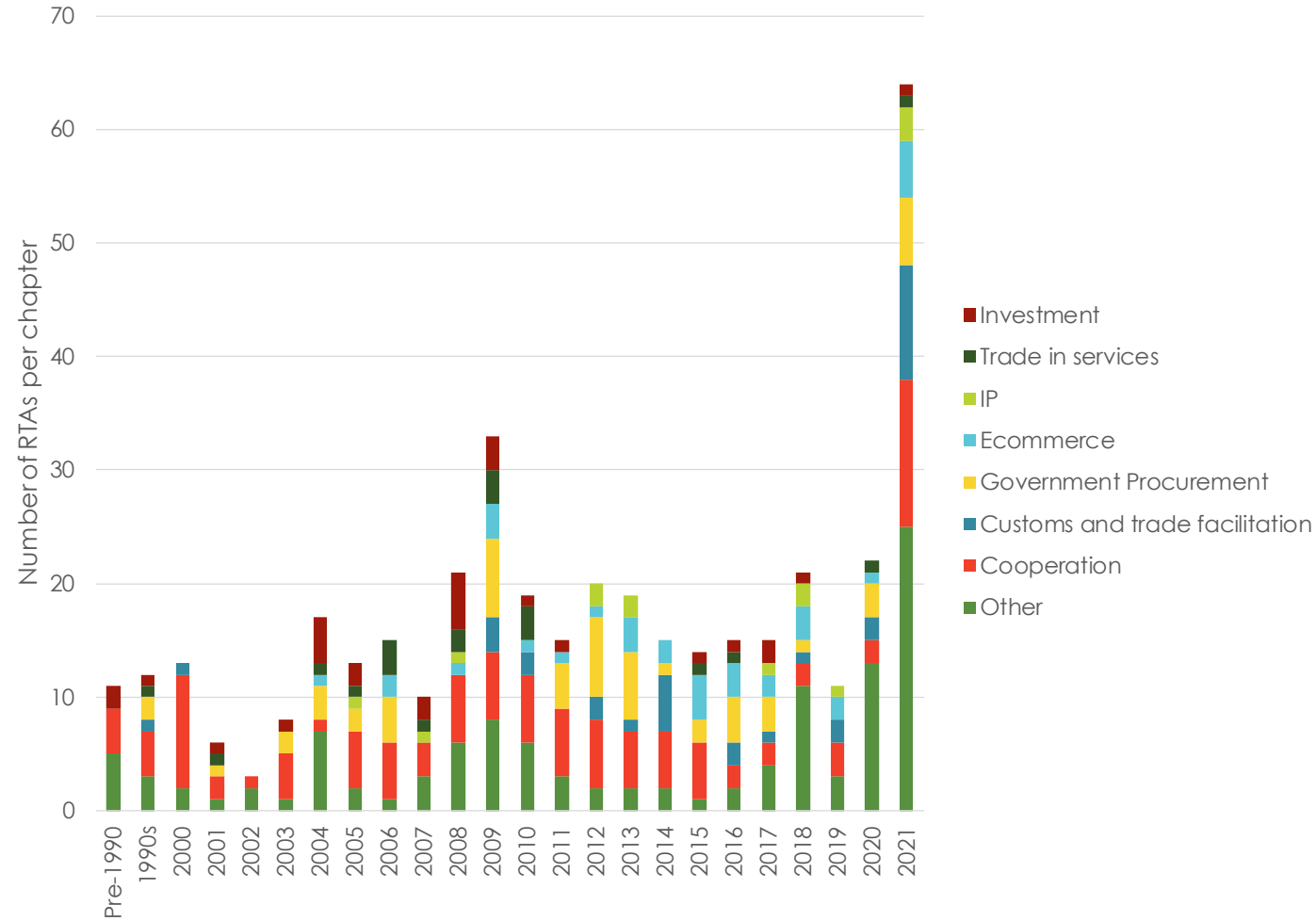
Access to regulatory and market information

Partnerships between (i) government agencies, (ii) MSME supporting intermediaries, and (iii) public-private partnerships

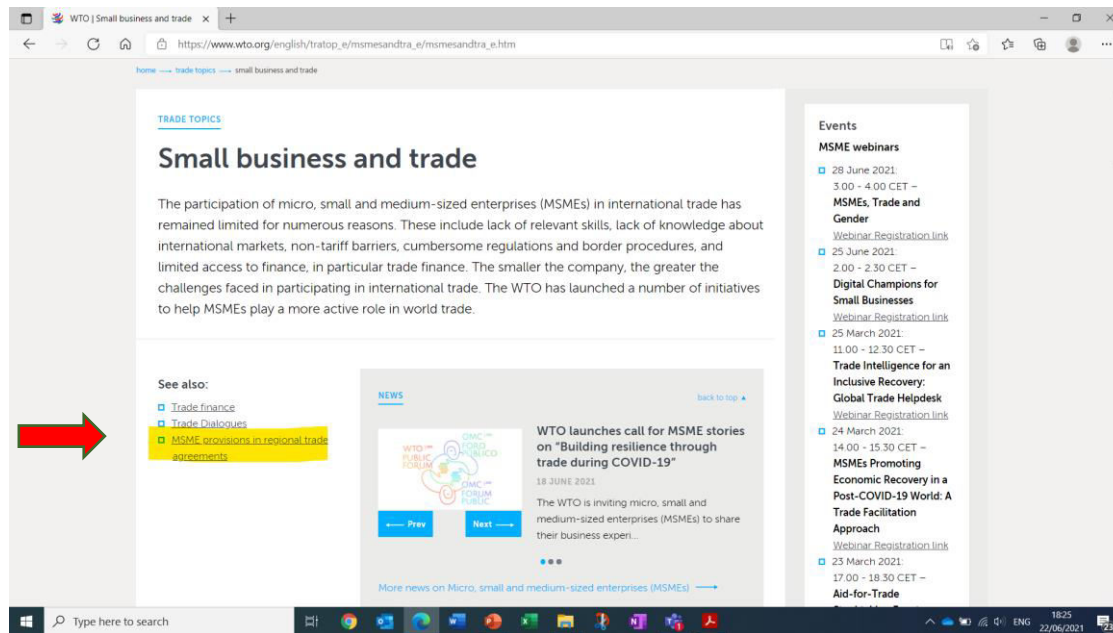
Establishment of a committee in charge of monitoring and evaluating cooperation programmes

7 Pillars of MSME Cooperation in RTAs

RTA Chapters with at least one article referencing SMEs, by year



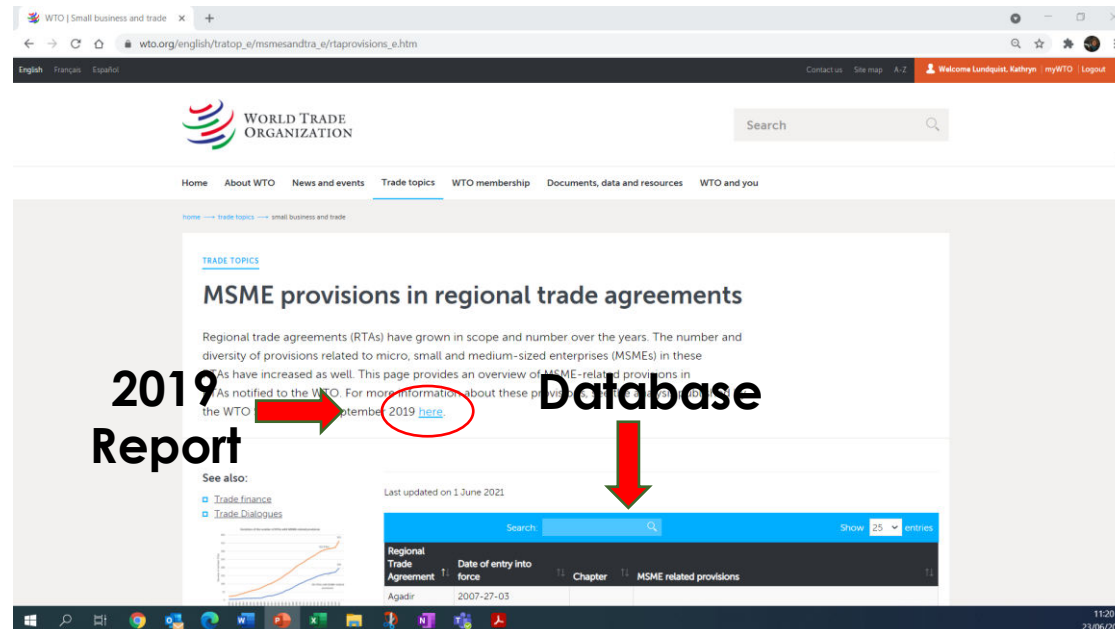
In the past two years, “other” chapters like Good Regulatory Practices or Rules of Origin have entered, which combined as have outpaced Cooperation.



## How to Access the report and Database:

1. From the WTO Small business and trade webpage access the MSME provisions in regional trade agreements.
2. From the MSME provisions in regional trade agreements page, the report, database, and updated graphics are available.

[https://www.wto.org/english/tratop\\_e/msmesandtra\\_e/rtaprovisions\\_e.htm](https://www.wto.org/english/tratop_e/msmesandtra_e/rtaprovisions_e.htm)





THANK YOU