



Fall 2018 Newsletter

Informal Working Group on MSMEs latest developments:

Meetings on Access to Information

On 27 March 2018, Switzerland hosted a meeting where the Members discussed the importance of adequate access to information to enable MSMEs' success in global markets. Deputy Director-General Allan Wolff addressed the Group and stressed the need to forge links with institutions attempting to address the same challenges. Ms Dorothy Tembo, Deputy Executive Director of the International Trade Center (ITC), stated that trade information is essential to the ways that businesses trade. Members were presented with an access to information platform called the Global Trade Helpdesk (www.helpmetrade.org) - a joint ITC-UNCTAD-WTO project. Discussions focused on the need for MSMEs to be informed in their own language and the importance of establishing national contact points to provide policy updates. Finally the Group acknowledged that Governments have a responsibility to inform MSMEs of such initiatives. For the summary and key takeaways of the meeting click [here](#).

Follow-up

A second session on Access to Information was hosted by Switzerland on 22 May 2018 to clarify details involving the Global Trade Helpdesk (GTH). Members received more in-depth details with regards to the development plan and the operations of the digital system. It was agreed that the ITC would develop a draft survey to map information sources for the GTH. The survey would then be sent to the Group for Members to complete. A follow-up meeting will be organized in the coming months to further discuss the question of the national contact points. The Chair invited Members to reflect on best practices and experiences and to reflect on other initiatives that the Group could take to improve access to information for MSMEs (see page 3 for a more detailed description of the GTH). For the summary and key takeaways click [here](#).

FORTHCOMING MSME EVENTS IN 2018:

- **Public Forum: Enabling Global MSMEs: How Technical assistance and capacity building initiatives could take into account the trade needs and challenges of MSMEs.** 3 Oct (8:30-10:00) Room: D.
- **Accessing Global Markets: The Internet as a Tool to Address Challenges for MSMEs in their Efforts to Reach Markets and Capitalize on International Opportunities.** 31 Oct 2018, hosted by Bahrain.
- **Follow-up Sessions on Trade Finance and Trade Facilitation.** 12 Nov 2018, hosted by: Côte d'Ivoire and Pakistan
- **Assessment Session and End of the Year Wrap-up and Way Forward.** 29 Nov 2018



Meeting on Access to Trade Finance

On 8 June 2018, Côte d'Ivoire hosted a meeting where Members discussed access to finance issues concerning MSMEs. Speakers included H.E. Mr Mohammad Qurban Haqjo, Ambassador of Afghanistan and Chair of the Working Group on Trade, Debt and Finance; Mr Yaya Ouattara from the ITC; Ms Hang Tran of the Enhanced Integrated Framework (EIF); and Mr Gerard Hartsink, Chairman of the Global Legal Entity Identifier Foundation (GLEIF). Several Members shared their national experiences on the issue. The MSME Group's membership identified that there is a need for more tools to assess the creditworthiness of MSMEs, as well as a need for enhanced access to information. Finally, Members also expressed a general interest in the GLEIF initiative and how it could be further integrated with the Working Group's objectives. There is an intended follow-up session at the technical level being planned for 12 November 2018. For the summary and key takeaways of the meeting click [here](#).

“your efforts here are capturing the imagination of many”
WTO DG Azevêdo at a Friends of MSMEs meeting on 30 January 2018.

MSME FACTS:

Firms with fewer than 250 employees account for 78% of exporters in developed countries but only 34% of exports, according to the 2016 WTO World Trade Report. In developing countries, MSMEs' exports amount to only 7.6% of total sales by the manufacturing sector, compared with 14.1% for large manufacturing enterprises.

Meeting on Reduction of Trade Costs and Trade Facilitation

On 27 June 2018, Pakistan hosted a meeting to discuss trade costs and trade facilitation issues affecting MSMEs. Director-General Roberto Azevêdo welcomed the Group's focus on trade facilitation and highlighted how the implementation of the WTO's Trade Facilitation Agreement can increase small business participation in global markets. Other speakers included Ms Isabelle Durant, Deputy Secretary-General of UNCTAD; Ms Marion Jansen, Chief Economist of the ITC; Mr Hans Kersten, Director-General of the International Federation of Freight Forwarders Associations (FIATA); Mr Ouyang Cheng, Executive Senior Expert at the Ali Baba Group; and Ms Lisa McAuley, CEO of the Global Trade Professionals Alliance. Members expressed interest in further examining how to standardize import and export documents, including certificates of origin. There was also interest in further studying the relationship between trade facilitation and logistics services. Finally, the issue of a De Minimis threshold under which imports would be exempt from customs duties was identified as another subject for further consideration. A follow-up session is planned for 12 November 2018. For the summary and key takeaways click [here](#).



MSME Informal Working Group Coordinator H.E. Mr José Luis Cancela of Uruguay

MESSAGE FROM THE GROUP COORDINATOR, H.E. MR CANCELA

We have come a long way since our initial efforts to put the spotlight on MSMEs here at the WTO.

Today, I celebrate the release of this first edition of the MSMEs newsletter as I believe this vehicle of communication will support and enhance the work of our informal group. This newsletter will not only reflect our constant work over the past months, but will also lead to a fluid communication with the private sector and other stakeholders relevant to our objectives and interests.

Global and regional indicators underscore the importance of MSMEs to economic development and job creation. Still MSMEs are not free from challenges. We need to keep exploring ways of facilitating their performance and their integration into world markets. In that regard, all Members interested in our initiative should feel free to join us or simply attend our meetings. The informal working group is committed to openly and transparently working in a fully inclusive manner.

Last but not least, I would like to express our gratitude for the hard work and insight of those who implemented this project.

TRADE DIALOGUES

Senior business representatives met at the WTO Headquarters on 7 June 2018 to discuss how the WTO could help them address the challenges facing global trade. They sent a strong message of support for the WTO and the rules-based multilateral trading system, stressing its role in creating economic stability and supporting growth, development and job creation. Many of the speakers cited the important role that small and medium-sized enterprises play in international trade and economic development. The links between e-commerce and MSMEs were openly discussed. A follow-up session will take place during the 2-4 October Public Forum, during which businesses will present concrete ideas of action (see next page). For the complete Trade Dialogues report click [here](#) and for more information on Trade Dialogues click [here](#).

GLOBAL TRADE HELPDESK

The Global Trade Helpdesk (www.helpmetrade.org) is an online joint initiative of the ITC, UNCTAD and the WTO meant to improve the quality and transparency of trade-related information, and strengthen public-private dialogue. Building on existing ITC, UNCTAD and WTO services as well as partner organisations' information, the Global Trade Helpdesk aims to support economic actors by:

- providing a unique entry point to existing trade-related information;
- translating trade-related information into trade intelligence;
- raising awareness and capacity of MSMEs on the use of trade information.

The beta version was launched at the 11th WTO Ministerial Conference as a concrete deliverable for MSMEs.

MSME-RELATED ACTIVITIES AT THE WTO PUBLIC FORUM

TRADE IN 2030

2- 4 OCTOBER 2018

At this year's Public Forum, there will be several sessions discussing MSMEs, including one hosted by the Informal Working Group as well as the follow up session to the Trade Dialogues from June 2018.

Date, Time and Place	Event Title	Organizer
2 Oct, 11.30-13.00, Room :W	Trade Dialogues	International Chamber of Commerce
2 Oct, 14.00-15.30, Room: D	E-commerce 2030: enabling an inclusive future for e-commerce	WTI, WEF, eWTP
2 Oct, 17.00-18.30, Room: S1	Towards an Inclusive Trading System: Integrating Smaller Developing and least developed countries	Permanent Mission of the FDR of Nepal to the WTO and Consumer Unity & Trust Society International (CUTS), Geneva
3 Oct, 8.30-10.00, Room: S3	How E-commerce could drive inclusivity and become a profitable reality for SMEs & MSMEs by 2030 - Exploring digital de-colonisation for social benefit and successful cross-border trade globally	SPINNA Circle Ltd.
3 Oct, 8.30-10.00, Room: D	Enabling Global MSMEs: How Technical assistance and capacity building initiatives could take into account the trade needs and challenges of MSMEs	Informal Working Group of MSMEs
3 Oct, 15.30-17.00, Room: D	How to harness the industrialization opportunities of the African Continental Free Trade Area in the digital age	United Nations Economic Commission for Africa (UNECA)
4 Oct, 14.00-15.30, Room: S2	#Leave No Women Behind -Furthering gender equality in the Digital economy	Development Alternatives with Women for a New Era network (DAWN) and Federacion Argentina de Empleadís de Comercio y Servicios (FAECYS)

WHY AN INFORMAL WORKING GROUP FOR MSMEs

The MSME Informal Working Group is a coalition of 88 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% of companies across the globe are MSMEs. Although MSMEs account for 60% 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 joint initiative on supporting MSMEs, which was launched in Buenos Aires last year...continues with real energy and enthusiasm behind it.” WTO DG Azevêdo, [June 27 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 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.

General Coordinator: H.E Ambassador Jose Luis Cancela of Uruguay (Since January 2018).

Coordinating Committee: Bahrain; Cote D'Ivoire; El Salvador; Hong-Kong, China; Nigeria; Pakistan; the Philippines; Switzerland; and Uruguay.

Membership of the Informal Working Group: Afghanistan; Albania; Antigua and Barbuda; Argentina; 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; the Republic of Moldova; Montenegro; Myanmar; New Zealand; Nicaragua; Nigeria; Norway; Pakistan; Panama; Paraguay; Peru; Philippines; Qatar; Russian Federation; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Singapore; Switzerland; The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; the former Yugoslav Republic of Macedonia; Turkey; Uruguay and Viet Nam.

