



Fall 2019 Newsletter

MSMEs at the Public Forum:

Trade Intelligence for MSMEs and the Global Trade Helpdesk (GTH)

During the WTO's Public Forum, the ITC and the Informal Working Group on MSMEs hosted a panel discussion titled "Trade Intelligence of MSMEs: Global Trade Helpdesk". The panel was comprised of Ambassador Mr Jose Luis Cancela of Uruguay as moderator, Ms Dorothy Tembo, the Deputy Executive Director of the ITC, Mr Marco Mtunga from the Tanzania Cotton Board, Ms Rupa Ganguli of InclusiveTrade.com, Ambassador Mr Didier Chambovey of Switzerland and Mr Mathieu Loridan of the ITC. The panel engaged entrepreneurs and policymakers to better understand market information needs and discuss the progress on creating a unique portal that provides trade intelligence from doorstep to destinations market.

The panel discussed the importance of access to comprehensive and timely market information for MSMEs to take advantage of business opportunities in the global marketplace. All speakers stressed the need for access to relevant and timely information for MSMEs regardless of economic status. Another factor discussed by all presenters was the need to ensure that the information was provided comprehensively and with the necessary assistance to ensure MSMEs could make the most of tools such as the helpdesk.

Attendees were provided a demonstration of the current capabilities of the helpdesk. The panel greatly appreciated the overwhelming enthusiasm for the helpdesk from the floor during the question period. Many members of the audience commented that they were looking forward to the official launch of the helpdesk at the coming Ministerial Conference.

For more information, see page 5.

FORTHCOMING MSME EVENTS IN 2019:

- 29 October 2019 — 3rd General Open-ended Meeting
- 27-28 November 2019 — 4th General Open-ended Meeting

DID YOU KNOW: “less than 1% of the tens of trillions of dollars that global asset managers have under management is currently invested in developing country SMEs”

-ITC SMALL AND MEDIUM-SIZED ENTERPRISES OUTLOOK 2019



VOICES ADVOCATING FOR MSMEs AT THE WTO

Since our last newsletter, three new reports have been published by private groups advocating for the WTO's MSME Informal Working Group. Readers are encouraged to read both reports. Likewise, if your organization is advocating for MSMEs at the WTO, please [contact us](#).

UK Federation of Small Businesses

The UK Federation of Small Businesses (FSB) launched its report at the WTO's Public Forum in Geneva. The report calls for all WTO members and the WTO as an institution to make the international trading system fit for small firms to help them achieve their international trade ambitions.

Amongst the report's recommendations is a call for the WTO members to **"join the MSME initiative in order to upgrade the work of the committee to a multilateral one."**

To read the full report, please follow [the link](#).

German Chamber of Commerce

Likewise, the German Chamber of Commerce (DIHK), also released a paper advocating for MSMEs. The document stressed the position that "it is necessary to make micro, small and medium-sized enterprises (MSMEs) a central aspect of the WTO agenda." The paper contains a checklist for the upcoming Ministerial Conference, including **"institutional consolidation through the creation of a WTO MSME Committee."**

To read the full report, please follow [the link](#).

International Chamber of Commerce

The International Chamber of Commerce (ICC) has also released its set of recommendations for the upcoming Ministerial Conference (to view the full list [click here](#)). Included in their list of recommendations is **"the expeditious completion of ongoing Joint Statement Initiatives on...small business – ideally at the WTO's 12th Ministerial Conference in June 2020."** the ICC and the B20 initiative also host a website called Trade Dialogues where readers may view the latest information on the MSME Joint Initiative. To see the full website, [click here](#).



MSME DAY MEETINGS

On 27 June, to celebrate the United Nations' Micro, Small and Medium Enterprise Day, the WTO's Informal Working Group on MSMEs hosted a series of events on addressing issues relevant to MSMEs in cooperation with various partners.

A workshop on trade facilitation took place in the morning, co-organized with the UK's Federation of Small Businesses (FSB) with Mr Mike Cherry, National Chairman of FSB, Mr Jalal Benhayoun, Director General of Portnet, Mr Andrew Staines, UK Ambassador and Deputy Permanent Representative to the UN and the WTO, and Mr James Sibley, Deputy Head of EU & International Affairs, UK FSB. Panellists discussed methods and recommendations to reduce administrative burdens, improve members' customs capacity, overhaul the procedure and system to certify origin, develop trusted trader schemes for MSMEs, and enhance access to information.

Mr Jalal Benhayoun, Director General of PORTNET Public Limited Company, the company administering Morocco's single window, discussed the role of single windows in helping SMEs expand internationally. He presented the key features of the Portnet system, including its multi-channel payments solution and a partnership with Poste Maroc to help MSMEs to export.

During the afternoon session, the ITC launched the SME Competitiveness Outlook 2019: Big Money for Small Business, Financing the Sustainable Development Goals. The main factors holding back financiers investing into MSMEs include a lack of scalable investment projects, non-transparent investment processes, misguided perceptions of the risks and a lack of knowledge about enterprise capacities.

ITC SMALL AND MEDIUM-SIZED ENTERPRISES OUTLOOK 2019:

Big money for small business

International Trade Centre's flagship report, Small and Medium-Sized Enterprises Outlook (SMECO) 2019 was formally launched at the World Trade Organisation coinciding with the Micro, Small and Medium-Sized Enterprises Day (MSME) on 27 June, 2019. The third edition of the report emphasizes the need of annually investing \$1 trillion to unlock the development power of small businesses. [Click here for more information.](#)



“The trade policy community has a crucial role in investment facilitation for MSMEs and an improvement in conditions can ensure that finance reaches the bottom of the pyramid”.

Ms Arancha Gonzalez,
Executive Director of the
ITC

MSME 28 JUNE MEETING

The Informal Working Group on MSMEs held a regular meeting on 28 June 2019. Various proposals were discussed, including:

- a proposal by Canada, co-sponsored by Argentina, Brazil, the Russian Federation and Uruguay, to improve the collection of MSME-related information in Trade Policy Reviews. The proposal includes a suggestion for the development of a searchable database of MSME references in TPRs. Since June, Chile, Colombia, New Zealand and Switzerland have joined this proposal as co-sponsors. For the text, [click here](#),
- a proposal by Mexico, co-sponsored by Guatemala and Uruguay, to create an online platform that would provide information and links to useful resources to help MSMEs participate in international trade. The platform would include one section for MSMEs and another section for policy makers with information on good practices, national support programs, and MSME-related databases from various sources. For the text, [click here](#). For more information, see page 5.

The Group also heard presentations on MSME-related work and discussions in other WTO committees and working groups. The Secretary of the Working Group on Trade, Debt and Finance (WGTDF) briefed the Group on work ongoing with multilateral development banks to help reduce the trade finance gap for MSMEs. The Chair of the Government Procurement (GPA) Committee, Mr Carlos Vanderloo of Canada, presented the Committee's work programme on MSMEs, which looks to support MSME tenders for government procurement by reducing document complexity or qualification requirements and making information available online, and the Technical Barriers to Trade (TBT) Committee shared updates on transparency discussions in the Committee, as well as efforts to alert sectoral associations of upcoming TBT changes to make business, including SMEs, aware of potential impacts.

The OECD presented the key findings of a new report titled "Helping SMEs internationalise through trade facilitation" to the Group whose findings show that trade facilitation would benefit SMEs twice as much as larger firms. For more information, [click here](#).

The International Telecommunication Union (ITU) briefed the Group on their SME programme and Telecom World event, and the Global Trade Professionals Alliance (GTPA) presented the concept note of their white paper on capacity building and standards development for inclusive trade in which good practices from several countries were mapped. For more information, [click here](#).

GLOBAL TRADE HELPDESK UPDATE: Status and update

The ITC, UNCTAD and the WTO are pleased to announce that the Global Trade Helpdesk has a new online location:

www.globaltradehelpdesk.org.

PLEASE HELP US IMPROVE THE GLOBAL TRADE HELPDESK BY COMPLETING THE SURVEY

The Global Trade Helpdesk (GTH) aims to provide complete and accessible information for companies across the globe to help inform their business decisions. Please take the time to complete their survey by following the link to the survey [here](#).

A video demonstrating the GTH can be found [here](#).

The GTH development team thanks you in advance for your time and cooperation.

PROPOSED MSME ONLINE PLATFORM

Guatemala, Mexico, and Uruguay have sponsored a proposed online Platform with the goal of gathering the wide variety of MSME information and useful resources into a single place. The platform will support the participation of MSMEs into international trade and promote their economic growth. It will provide policymakers with ideas and examples of best practices like provisions included in Regional Trade Agreements to serve as a guide for governments interested in supporting their MSMEs. It is also meant to help future delegates access the information already generated and inform future discussions on MSMEs in the different WTO bodies.

Since information on MSMEs tends to be dispersed, this platform would concentrate information and guide MSMEs to different helpful sources in a single platform. The global visibility of the WTO, both public and private, would enable this information to reach a larger number of MSMEs throughout many countries. This platform will not duplicate existing sources of information and tools on more useful platforms such as the Global Trade Helpdesk. Instead, the platform would complement them and promote them with direct links.



GLOBAL TRADE HELPDESK

The Global Trade Helpdesk 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 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](#).

LISA MCAULEY, CEO OF GTPA

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

My background working with MSMEs over the years has been on the ground engagement to work with businesses to build their capacity to engage overseas as well as a voice for MSMEs in international trade policy settings. I believe that MSMEs are the backbone of most economies. I particularly have a focus on how eCommerce, digitisation of trade facilitation, the development of global standards and sustainable supply chains can not only empower MSMEs but also serve to drive inclusive trade opportunities for women, young entrepreneurs, indigenous populations and diaspora.

Top challenges that MSMEs face when accessing global markets:

The challenges that MSMEs face when accessing global markets are:

- A lack of awareness of information about the international opportunities available to them;
- A lack of capability and capacity to engage in international trade;
- A lack of information on trade requirements, regulations and markets;
- Relatively higher costs of complying with regulation—not just those imposed by overseas governments but also regulations in their own country;
- Relatively higher transaction costs for doing business internationally; and
- Inadequate access to financing, including trade finance, for international opportunities.

Tips for MSMEs wishing to access global markets?

1. Build your capability & capacity! Acquire a thorough knowledge of how to export, including procedures, documentation and terminology; get your domestic business ready for export; and get your product/service ready for export
2. Do your homework! Develop an export plan; thoroughly research your target market; and Be realistic about your expectations
3. Get help! Access mentoring support; and leverage assistance programmes

There are new technology solutions available that can assist MSMEs. The Global Trade Accelerator programme being one such example.

One example of a successful initiative that supports MSMEs' participation in international trade:

The Global Trade Accelerator is a digitally-enabled experiential learning program matching multinational University student teams with SME exporters to complete international market research projects. Within 9 months of launch, 710 students from 5 Universities and 70 exporters participated, with 96% exporter and 85% student satisfaction. The online program is expanding within Australia and can be rolled out in any jurisdiction globally.



MSME VOICES

Lisa McAuley 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.

Advice to national policy makers to support MSMEs' participation in international trade:

Policy makers can help provide a clear pathway for MSMEs allowing them to better leverage resources and expertise from the public and private sectors. Of importance for policy makers is to ensure emerging businesses benefit from domestic policies and programmes that enable them to be internationally competitive to grow and attain long-term sustainability through effective engagement in global supply chains.

How can the WTO Informal Working Group on MSMEs help firms access international markets?

Initiatives on trade facilitation, digital trade and e-commerce, trade finance, and global supply chain support greater inclusive trade for MSMEs. This can include support for:

- Promoting training programmes that assist MSMEs to expand into international markets;
- Supporting the development of a global mentoring network to support MSMEs;
- Raise awareness of WTO members for an enabling environments supportive of MSMEs; and
- Building global networks underpinned by trusted suppliers backed by international standards such as ISO/IEC 17065.

Global Trade Professionals Alliance

The Global Trade Professionals Alliance (GTPA) is a global trade organisation dedicated to the development of international standards to harmonise and facilitate inclusive and trusted trade.

“MSMEs are the backbone of most economies”

- Lisa McAuley, CEO of GTPA

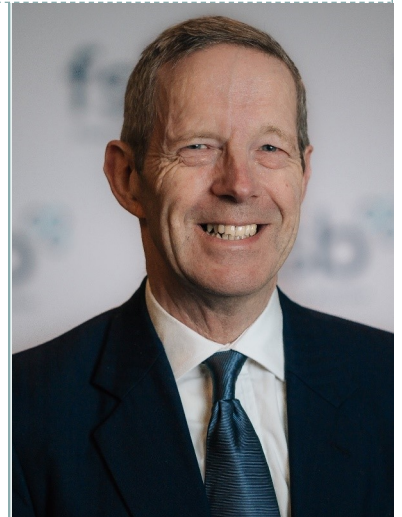
MIKE CHERRY, NATIONAL CHAIRMAN OF FSB

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

As a small business owner and exporter, not to mention in my role as National Chairman of FSB, one of my utmost passions is encouraging and supporting more small businesses to start exporting as a great way to grow their business. I firmly believe that international trade not only supports global prosperity, but that it is one of the most exciting and fulfilling activities that you can do as a small business owner.

Top challenges that MSMEs face when accessing global markets:

The challenges that our members most frequently report when starting their export journey include acquiring market knowledge, complying with local regulations and standards, dealing with currency fluctuations, and knowing where to go to access the right information and support. This is on top of the typical everyday business challenges of finding new customers, effectively marketing your product, and contending with the overall challenge of running a company.



MSME VOICES

Mike Cherry was elected National Chairman of FSB in March 2016. In this role he works to ensure that the voice of small firms is heard at the highest levels, both at home and abroad. For more than 40 years, he has run a successful timber and manufacturing business in Burton-On-Trent.

Federation of Small Business (FSB)

Established in 1974, FSB is the UK's largest national association for small business owners, and the self-employed. FSB is non-profit making and non-party political organisation that's led by our members, for our members.

Tips for MSMEs wishing to access global markets:

Most of all, I would say do not be afraid of exporting. The majority of our members start the exporting journey as a reaction to an enquiry from a potential customer overseas. Small business owners should have the confidence to pursue every lead. The second tip is to make use of the support that's out there, whether that be from local government, national government, international bodies, or private business associations such as FSB.

One example of a successful initiative that supports MSMEs' participation in international trade:

In my experience, the best driver of MSME involvement in international trade is the entrepreneurial nature of small business owners across the world. However, this spirit needs to be coupled with the right export support and the right information when the business needs it. An initiative that we are monitoring closely is the development of the Global Trade Helpdesk. Providing a single point for a small business owner to access the information they need would be a huge step in facilitating their journey to becoming an exporter.

"I firmly believe that international trade not only supports global prosperity, but that it is one of the most exciting and fulfilling activities that you can do as a small business owner."

- Mike Cherry, National Chairman of FSB

Advice to national policy makers to support MSMEs' participation in international trade:

I would urge all policy makers to "think small first" when designing policy – whether that be domestic regulation or international trade agreements – so that they truly reflect the needs of small businesses. Small businesses lack the financial and human resources of large companies to contend with overly complex and prescriptive regulation. Good policy is policy designed from the outset with the smallest of businesses in mind.

How can the WTO Informal Working Group on MSMEs help firms access international markets?

I think that the existence of the WTO Informal Working Group on MSMEs is a very powerful thing, and the group is well placed to shape international trade policy in a way that benefits small businesses everywhere. Too often, the rules of international trade are written without small businesses in mind. The Informal Working Group has the opportunity to play a key role in not only changing this reality, but identifying and communicating the best MSME-friendly policy to the WTO and its members.

WHY AN INFORMAL WORKING GROUP FOR MSMEs?

The MSME Informal Working Group is a coalition of 90 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 joint initiative on supporting MSMEs, which was launched in Buenos Aires last year...continues with real energy and enthusiasm behind it.”

- WTO Director-General Roberto Azevêdo, 27 June 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](#)).



“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
WTO Informal
Working Group on
MSMEs*

WHAT IS THE MSME INFORMAL WORKING GROUP?

In their December 2017 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.

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; Panama; Paraguay; Peru; Philippines; Qatar; Russian Federation; Saint Kitts and Nevis; Saint Lucia; Saint Vincent and the Grenadines; Singapore; Switzerland; Chinese Taipei; Turkey; Uruguay and Viet Nam.

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