

- **26 April**
- **27 June (MSME Day)**
- **28 June**
- **12 October**
- **7 December**

The regularly updated calendar is available [here](#)

Spring 2023 Newsletter

WTO MSME Group

MESSAGE FROM THE COORDINATOR



Dear MSME Friends,

As you may be aware since my announcement at the MSME Group's last open-ended meeting on 13 March, my time as Uruguay's ambassador at the Permanent Mission of Uruguay to the WTO is ending and I will have to step aside as Coordinator of the MSME Informal Working Group. It has been a true pleasure to help guide the work of this Group since 2018. During this time the MSME Group went through the Covid-19 pandemic, two postponements of MC12 and finally through the 2022 WTO Ministerial Conference. Despite the many geopolitical challenges, the MSME Group was the exception within the WTO, with concrete deliverables every year beginning with the [December 2020 Package](#), the [Trade4MSMEs](#) platform in 2021 and the Trade4MSMEs Network in 2022, among other work like the MSME Group's two databases on [MSME References in Trade Policy Reviews](#) and [Regional Trade Agreements](#).

I also felt the MSME Group was uniquely positioned to interact with, and represent, small business trade interests. Through the annual MSME dialogues and the MSME Group document symbol for private sector contributions (INF/MSME/P), I felt that the MSME Group was able to demonstrate a different way of working within the WTO given its freer position as an informal working group.

However, none of this would have been possible without the active participation of our MSME contacts and their representatives, so please let me thank you all for your continued support and engagement.

A new Coordinator is currently under selection and I wish this new individual, and the MSME Group, every success going forward. The challenges for small business and trade are too big to ignore and we must continue this important effort.

Wishing you all the very best,

Ambassador José Luis Cancela, Uruguay

UPCOMING MEETING WITH THE PRIVATE SECTOR 26 APRIL 2023

The next MSME Group meeting with the private sector will take place at 14:00 CET on **26 April** via Zoom ([register here](#)). You are welcome to submit a proposal or position paper in advance of this meeting. To do so, please contact the MSME Group Secretariat directly ([contact us here](#)).

2023 SMALL BUSINESS CHAMPIONS – CALL FOR SUBMISSIONS



Small Business Champions

2023: Helping smallholder farmers go global

The International Chamber of Commerce (ICC), the International Trade Centre (ITC), and the World Trade Organization's Informal Working Group on Micro, Small and Medium-Sized Enterprises (WTO MSME Group), with the sponsorship of Google, are calling for proposals to support smallholder farmers' participation in international trade.

International trade can provide opportunities and lead to innovation for businesses of every size. Smallholder farmers and rural micro, small and medium-sized enterprises (MSMEs) are an important demographic, comprising up to half of all MSMEs in some developing economies.

However, these businesses may face challenges in accessing information, logistics and financing, helping these businesses access international markets and supply chains therefore has important multiplying effects.

Goals of the Initiative

- Raise awareness among businesses and policymakers of the particular difficulties smallholder farmers encounter when it comes to international trade, from infrastructure to finance.
- Highlight best practices that are helping this demographic to internationalize.
- Support smallholder farmers' participation in international trade with a view towards business innovation and resilience.

Call for proposals

The World Trade Organization (WTO) Micro, Small and Medium-Sized Enterprise Informal Working Group (MSME Group), in partnership with the International Chamber of Commerce (ICC) and the International Trade Centre (ITC), is calling for proposals that help smallholder farmers to trade internationally. Small businesses, industry associations, chambers of commerce and non-governmental organizations are invited to submit proposals.

What kind of proposals are we looking for?

- Proposals can focus on awareness-raising campaigns, competitions, capacity building, training and mentoring programmes.
- Proposals should have an obvious international trade angle.

The 3rd edition of the ICC, ITC, WTO MSME Group Small Business Champions was launched on 16 March. This year's theme is "Helping smallholder farmers go global". Small businesses, industry associations, chambers of commerce and non-governmental organizations are invited to submit proposals on efforts to raise awareness, highlight good practices, and generally support smallholder farmers' international trade participation by **5 May 2023**. Winners will be announced at a virtual event on MSMEs Day, 27 June 2023. More information on submissions and the initiative can be found [here](#), including the [call for proposals](#).



2. TRADE4MSMEs WEBSITE UPDATES

There have been a series of developments for the Trade4MSMEs website since the last edition of the newsletter. First, new funding has been secured, first from the [Institute of Export and International Trade \(IOE&IT\)](#) for development and second from Canada for hosting and maintenance over the next three years. Thanks to IOE&IT's very generous support as a strategic partner, a new IT developer was hired, and an overhaul of the website is underway to help with search and navigation. Review of the guides themselves is also under way to identify improvements (suggestions by users are also always welcome to help with content).

Beyond improvements to the original Trade4MSMEs website, the Trade4MSMEs team has also been working to develop country pages. These pages will include information for a single economy, such as the National MSME Agency or Intellectual Property (IP) authority for policymakers, and important business information like the national language, time zones, enquiry points and whether there is a national tariff finder for business users.

Stay tuned for the updated version of Trade4MSMEs, which will be released on MSME Day 2023!

3. WORKING PAPERS ON REGIONAL TRADE AGREEMENTS – CALL FOR SUBMISSIONS

There has been a growing interest by the WTO MSME Group in the impacts of MSME-specific provisions and chapters in regional trade agreements (RTAs). Work by the WTO Secretariat to develop a [database](#) of, and a [report](#) on, such provisions has shown that this type of language is included more and more in new agreements. However, there is little evidence on the impact of RTAs for MSME trade, much less on the impact of specific MSME-related RTA language.

Given this gap in the literature, the MSME Group is looking for research in this area to identify effective practices for incorporating MSMEs into trade through RTA provisions. Selected papers will be presented to WTO Members at a conference to take place at the end of 2023. The papers and/or their key findings will also be consolidated in a publication.

Authors are invited to submit final papers **before 1 August 2023** for consideration in this project. Papers should deal with the topic "MSME Provisions in Regional Trade Agreements: Objectives and Observed Outcomes".

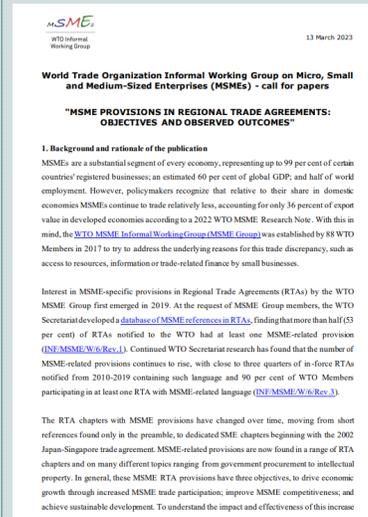
More information is available [here](#).

4. WAY FORWARD FOR THE MSME GROUP

At the March 13 MSME Group meeting, the Coordinator proposed a new structure for the Group's work consisting of five pillars: 1) promoting MSMEs' access to information; 2) building capacity to promote MSME trade inclusion; 3) providing policy guidance; 4) implementing the December 2020 MSME package; and 5) strengthening engagement with the private sector and other stakeholders. Members were supportive of this proposed Work Programme.

In the first pillar, work will focus on developing the Trade4MSMEs platform and to supporting the Global Trade Helpdesk. In addition to these tools, it was also suggested that the MSME Group should support ePing and its MSME accessibility.

For the second pillar, concrete deliverables were proposed in the form of Handbooks to compile the Trade4MSMEs Guides. Further, a compendium of good practices related to MSME integration in national AEO programs, combined with an experience sharing session was proposed for July.



TRADE MADE SIMPLER
OPEN WEBINAR

27 APRIL
09:00-10:15 AM (CET)

SIGN UP TODAY

GLEIF Building global identity Accelerating digital trust
Global Trade Helpdesk

In relation to the third pillar, the MSME Group will continue exploring MSME trade issues with a view, where relevant, to developing policy guidance, in the form of recommendations. Suggested topics included those previously raised at MSME Group meetings like MSME provisions in RTAs; digitalization; low-value shipments; sustainability; rural MSMEs; and informality. Additionally, one member suggested that the MSME Group should consider artificial intelligence and how this technology could benefit MSME access to information and trade participation. Members were encouraged to submit discussion papers on topics of interest in order to direct discussions at the Group's next meeting.

The fourth pillar continues the MSME Group's implementation of the December 2020 Package. At this most recent meeting, three members reported on their inclusion of MSME information in their TPRs and one member reported on their plans to do so later in 2023. In the context of this discussion and related to the second recommendation of the December 2020 Package, representatives from the ITC provided a presentation of their updates, outreach and plan of work for the Global Trade Helpdesk. MSME Group Members were again encouraged to review their information on the Global Trade Helpdesk to ensure its relevance. An update was also provided on the Trade4MSMEs platform including its new developer, the revamp and the additions of country-specific information.

In the fifth pillar, the Coordinator noted the need to continue the Group's discussions with the private sector through this Newsletter and annual meetings with the private sector, as well as the Trade4MSMEs Network with other international organizations and development banks.



5. PRESENTATIONS TO THE MSME GROUP

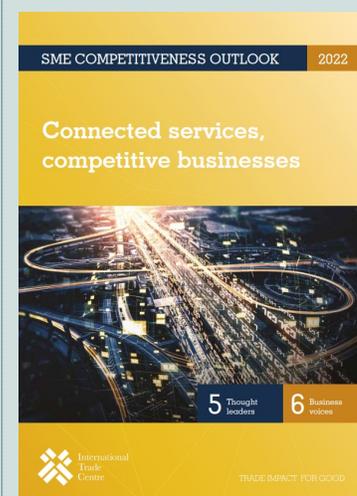
The MSME Group has continued to receive a number of presentations from international and business support organizations on topics including trade facilitation, paperless trade and e-payments. Below are summaries of these various presentations, which are now also accessible on the [WTO MSME Group web page](#).

International Trade Centre (ITC) – Knowledge Partner to India's G20 Presidency

In its role as the 2023 G20 president, India invited the ITC as a knowledge partner given India's interest of focusing on MSME inclusion in international trade. The ITC noted that MSME issues are not new for the G20, having first been introduced in 2015 in the Turkish agenda linked to inclusive growth. MSMEs were also considered under China's G20 presidency in 2016 to integrate MSMEs in GVCs and Saudi Arabia's G20 presidency in 2020. In 2021, the Italian G20 presidency also issued its non-binding toolkit to support MSMEs Born Green via Digital. In 2023, the ITC has been working with India to develop research notes looking at three key challenges for MSMEs: access to information; access to finance; and access to markets. The G20 will discuss actions to be taken during their first Trade and Investment Working Group (TIWG) meeting at the end of March 2023 and the ITC will report back to the MSME Group.

International Trade Centre (ITC) – 2022 SME competitiveness Report

The ITC presented its annual flagship report from 2022 titled "[Connected services, competitive businesses](#)". This study observes that countries are facing a growing challenge of reigniting economic growth in the face of multiple catastrophes, but services are an exception, driving 80 per cent of growth in developing economies. The ITC chose to focus on a subset of tradeable, highly productive and "connected" services including transport and logistics; financial; information; and communication. These services are considered connected because they bring firms together within value chains. Overall, the ITC found that services are critical for MSMEs in terms of increasing efficiency, thereby providing more opportunity for growth. They provide more value-added to exports than manufacturing (5 per cent compared to 3.7 per cent) and show a much higher increase in employment (8 per cent compared to 4 per cent for manufacturing). The report concludes with various recommendations for policymakers to support connected services development, including building networks; promoting innovation; deepening skills; and leveraging finance.





International Chamber of Commerce (ICC)

The ICC presented [The Climate Impact of SMEs report](#), which was launched at COP27 with their partner Sage. This report seeks to promote a global approach to climate regulation and put a renewed emphasis on MSMEs as key stakeholders for decarbonization. The report surveyed more than 4,000 SMEs in the United Kingdom and South Africa about their views on sustainability and how they apply to their businesses. Overall, the study found that MSMEs are eager to take climate and environmental action, however this action is often limited due to financial constraints. That is, MSMEs will tend to take action on "low-hanging" fruit when it comes to decarbonization and 16 per cent even report that switching to more environmental practices can attract new customers. However, MSMEs face significant hurdles when it comes to more substantial environmental changes. Overall, the report identifies 11 policy recommendations to help MSMEs transition to more sustainable business practices, including adapting standards and reporting requirements; providing tailored guidance and training; fostering the use of digital technologies; and addressing trade barriers.

6. WTO DIRECTOR GENERAL DIALOGUE WITH MSMEs

WTO Director General Dr. Ngozi Okonjo-Iweala held a roundtable discussion with a handful of MSME traders from around the world on 10 March 2023. Discussions focused on the importance of trade to these firms; the trade challenges encountered; the impacts of digital trade and the digital economy; and ways that the WTO could help MSMEs to trade.

Please see the end of the following [MSME Group news item](#) for more information.

7. MSME VOICES

The WTO Informal Working Group on MSMEs believes that direct interaction with MSMEs and organizations focused on MSME support will enrich discussions and help the Group identify issues that deserve consideration at the WTO.

For more information, [contact us here](#).

Carlos Grau Tanner, Director General of the Global Express Association.

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

As a rule of thumb, one-half to two-thirds of express delivery clients in any country are micro, small and medium sized enterprises. They are a dynamic force and have an immense opportunity to grow through exports thanks to e-commerce. Our members try to assist them to reach those goals. Their success is our success. And it can have a positive effect on development.

What, in your view, are the top two or three challenges that MSMEs face when accessing global markets?

I would focus on one: the complexity of import regimes. MSMEs do not have the resources to navigate complex trade rules that were designed for larger, more sophisticated traders. In an era where a lot of trade moves in small parcels rather than big containers, rules must adapt to facilitate such trade while making sure every player's legitimate interests are met. We suggest starting by simplifying import duties and taxes for low value shipments. It's a central issue. Many governments see e-commerce imports as a revenue leak.

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

Trade is a two-way street by definition. It might sound counterintuitive, but if you want to support your country's small exporters, you have to make it easy for foreign MSMEs to trade with you, too. The WTO is ideally placed to discuss multilateral policies in this area. If WTO members adopt similar policies that make it easy to import low value shipments (typical of e-commerce), based on similar principles and methods, they will be supporting their MSMEs exports at the same time, while making sure they collect revenue from imports.

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

GEA is promoting the simplification of duty and tax collection on low value shipments because it believes it will help boost MSME exports through e-commerce. We have seen good practices around the world, and our proposal is based on them (see the [GEA website](#)). But if a government unilaterally decides to simplify those rules, it will help with its revenue



A Spanish lawyer by training, Carlos holds an M.A. in Law and Diplomacy from The Fletcher School (USA). He started his career at the Council of Europe in Strasbourg, and later worked for Swissair and IATA.

The Global Express Association (GEA) represents the three leading express delivery carriers (DHL, FedEx and UPS) on global policy issues, including multilateral trade.

“In an era where a lot of trade moves in small parcels rather than big containers, rules must adapt to facilitate such trade while making sure every player's legitimate interests are met. We suggest starting by simplifying import duties and taxes for low value shipments. It's a central issue.”

collection. To help with exports, their trading partners must adopt similar policies. That's where the WTO comes in.

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

By getting this discussion started. By laying down such a policy in 'trade language', which could be presented to MC13, for instance, to inspire further work in the WTO and perhaps with other organisations like the WCO and the OECD further down the road. It all starts with a trade policy discussion. Agree on the principles first, move together, and leave space for countries to decide on their individual regimes (provided they are simple). Geneva is arguably the best place to coordinate these policies, and the MSME group is best placed for it.

WHY AN INFORMAL WORKING GROUP FOR MSMEs?

The MSME Informal Working Group is a coalition of 94 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 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.



"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



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; Bahrain, Kingdom of; Barbados; Belize; Brazil; Brunei Darussalam; Canada; Chile; China; Colombia; Costa Rica; Côte d'Ivoire; Dominica; the Dominican Republic; Ecuador; El Salvador; European Union; The Gambia; Georgia; Grenada; Guatemala; Guyana; Honduras; Hong Kong, China; Iceland; Israel; Japan; Kazakhstan; Kenya; the Republic of Korea; Kyrgyz Republic; Lao PDR; Liechtenstein; Macao, China; Malaysia; Mexico; 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; Tajikistan; Türkiye; Ukraine; United Arab Emirates; United Kingdom; United States of America; Uruguay and Viet Nam.

You can subscribe to this Newsletter by sending an email to email-ersd@wto.org.

MSMEs

WTO Informal
Working Group



WELCOME TO BARBADOS,
UNITED STATES AND
UNITED ARAB EMIRATES !

Barbados, United States and United Arab Emirates became the most recent MSME Group members in December 2022 and March 2023.