



Note

Issues discussed at the MSMEs Joint Statement: Meetings 2018-2019

By Katya Garcia-Israel

Summary

Since co-signing a joint statement in at the 11th WTO ministerial conference on establishing an Informal Work Programme for MSMEs, a group of 89 WTO members have started considering challenges faced by MSMEs through meetings since last year. The members will ultimately work towards establishing a formal work programme for MSMEs at the next Ministerial Conference. This note provides an overview of the group and the work undertaken so far, including on issues such as access to information and markets.

Introduction

The joint statement for MSMEs was created at the 11th Ministerial Conference in December 2017 and established an Informal Working Group on MSMEs, available to all WTO members. The group stated its intention to keep the larger membership informed of its progress in discussing MSME topics. The challenges for MSMEs that the group intended to consider include improving informational access for MSMEs, promoting a “predictable regulatory environment,” decreasing the costs of trade, increasing collaboration with “other multilateral institutions,” and promoting technical assistance and programs for capacity building. The members will ultimately work towards “establishing a formal work programme for MSMEs at the next Ministerial Conference,”¹ and welcoming other WTO members to join the group.

Group Composition and Structure

Group coordinator: H.E. Mr. José Luís Cancela Gómez (Uruguay)

Number of members: 88 at the beginning of the year 2018, 89 at the end with the addition of Armenia (referred to occasionally as “Friends of MSMEs”²)

Coordinating Committee members: (8) Bahrain, Côte d'Ivoire, El Salvador, Hong Kong, China, Nigeria, Pakistan, the Philippines, and Switzerland

LDC members: Afghanistan, Lao DPR, Myanmar

Number of Meetings: (8)

In 2018: 30 January, 28 February, 27 March, 22 May, 8 June, 27 June, 31 October, 30 November³

¹ Joint Ministerial Statement on MSMEs

² 2018 Annual Report, Document JOB/GC/207

³ The first two meetings discussed logistical information and plans for the year and the last meeting discussed

developments for 2019. As the documents did not describe discussions of specific issues, the first meetings and last meetings are not included in the table.

Table 1: Developing Countries and LDCs in the Informal Group for MSMEs (by region)⁴

Africa	Asia	Caribbean	Mexico and Central America	South America
Kenya	Afghanistan*	Dominica	Belize	Argentina
Nigeria	Bahrain	Dominican Republic	Costa Rica	Brazil
	Brunei Darussalam	Grenada	El Salvador	Chile
	China	Guyana	Guatemala	Colombia
	Hong Kong, China	Saint Kitts and Nevis	Honduras	Ecuador
	Israel	Saint Lucia	Mexico	Paraguay
	Lao PDR*	Saint Vincent and the Grenadines	Nicaragua	Peru
	Malaysia		Panama	Uruguay
	Myanmar*			
	Pakistan			
	Philippines			
	Qatar			
	Singapore			
	Turkey			
	Viet Nam			

Table 2: Least Developed Countries in the Informal Group for MSMEs

LDCs in Joint Statement for MSMEs
Afghanistan
Lao People's Democratic Republic
Myanmar

Table 3: Emerging Economies in the Informal Group on MSMEs⁵

Emerging Economies in MSMEs informal group
Argentina
Brazil
China
Mexico
Turkey

⁴ Using the United Nations classifications of developed countries and countries in transition http://www.un.org/en/development/desa/policy/wesp/wesp_current/2014wesp_country_classification.pdf

⁵ Proxy for “emerging economies” is the developing countries in the G20 (<http://g20.org.tr/about-g20/g20-members/>)

Table 4: Developed Countries and Economies in Transition not present in Informal Group on MSMEs⁶

Developed countries and economies in transition not present in the MSMEs informal group
Georgia
Tajikistan
Ukraine
United States

Patterns in Membership

Out of the developing countries, the region with the most representation in the Informal Group on MSMEs is Latin America (Mexico and Central America and South America combined), and the region with the least representation is Africa. In the developed nations group, the United States is the only WTO member that is not an “economy in transition”⁷ that is not a part of the MSMEs group. Argentina, Brazil, China, Mexico and Turkey are the five countries that are part of G20 that are also participating in the MSMEs group.

Between the December 2017 Joint Statement and the end of 2018, Côte d’Ivoire, Guyana, Nigeria, and Armenia joined the informal group.

Timeline and Themes of Meetings

2019 Meetings

- 22 February 2019—open-ended meeting

2018 Meetings⁸

- 30 January and 28 February (logistics and planning for future meetings)
- 27 March—access to information discussion
- 22 May—follow-up on access to information discussion
- 8 June—access to trade finance
- 27 June—trade facilitation
- 31 October—internet as a tool for MSMEs
- 30 November (wrap-up session)

Other events

- 3 October—a public WTO session on helping MSMEs was held, focusing on the topics of technical assistance and capacity building. The missions of the Philippines and El Salvador organized this session

⁶ Using the United Nations classifications of developed countries and countries in transition
http://www.un.org/en/development/desa/policy/wesp/wesp_current/2014wesp_country_classification.pdf

⁷Ibid

⁸ 2018 Annual Report, Document JOB/GC/207

Issues discussed at 2018 meetings

The main categories of issues discussed were Access to Information, Access to Trade Finance, and Access to Markets, which are subdivided into further issues.⁹

Access to Information

● *General Access to Information discussions*

27 March: (i) Regional and national information portals give only limited information for international markets, and MSMEs could benefit from “multilateral initiatives” in spreading information (discussed by the delegate from the Philippines)¹⁰; (ii) Solutions: connect with national legislators, small business committees, social media, the press; (iii) Global Trade Helpdesk (GTH) platform was introduced as the main platform to be used for information dissemination¹¹

22 May: (i) “a one-stop shop”¹² is the best approach; members want to put all necessary information into GTH; (ii) Technical assistance and training are needed for spreading information (discussion of some LDC pilot countries); (iii) Governments should notify MSMEs about technical assistance initiatives; (iv) Crucial information for GTH to provide: MFN tariffs, NTMs, rules of origin, import licensing requirements, relevant documents, trade statistics, customs costs, logistics services, distribution channels¹³

● *Collaborating with national contacts*

27 March: (i) Connect with organizations that set standards; (ii) National contact points must be established for updates on policy and information gathering; (iii) Possibility of national exchange of best practices and a process in which MSMEs can “convey their concerns to national authorities”¹⁴; (iv) Establishment of national contact points and utilization of existing ones; (v) Members suggested mapping information sources and national points of contact to support GTH.

● *Language of Information*

27 March: Communications should be in MSMEs’ own language

22 May: (i) Governments can help translate the information into local languages; (ii) GTH update: ongoing fundraising and user-friendly improvements (translation into 6 UN languages is anticipated within three years, local language is translation the next step)¹⁵

● *Logistics of Information Dissemination*

27 March: Global Trade Helpdesk (GTH) was introduced by the ITC

22 May: (i) GTH should be “smartphone friendly” as many people running MSMEs rely mainly on mobile technology; (ii) GTH should have import/export forms on their platform; (iii) Create manuals and videos describing import/export processes.

⁹ Document JOB/GC/205

¹⁰ Document JOB/GC/207

¹¹ An ITC-UNCTAD-WTO collaborative project

¹² Document JOB/GC/183.Rev1

¹³ JOB/GC/183.Rev1

¹⁴ JOB/GC/183.Rev1

¹⁵ Document JOB/GC/191

► *Improvements in Notification Processes at the WTO*

22 May: (i) ePing SPS/TBT notification alert system was presented, and optimizing notifications of members was discussed; (ii) there is need for members to improve their fulfilment of notification requirements.

Access to Trade Finance

► *Access to Trade Finance Strategies and Discussions*

8 June: (i) ITC presentation about supply and demand-side trade finance for MSMEs; (ii) Legal Entity Identifier (LEI), 20-digit alpha-numeric code for identifying businesses in their international financial transactions; (iii) Participants discussed the option of mapping regional and national programmes that support MSMEs' trade finance access.

Access to Markets/Trade Facilitation

► *Market Access Policies and Discussion*

27 June: (i) Discussion of import/export document standardization (certificates of origin); (ii) Possibility of a *de minimis* threshold for exemption from customs duties

3 October: (i) El Salvador's national commission for MSMEs¹⁶ spoke about how government actions can promote success of MSMEs. Examples included their One Village One Product, Female Entrepreneurship, Artisan development, supplier development, and business growth ; (ii) "Psychological barriers"

such as distrust, that prevent MSMEs from utilizing available support and capacity-building resources were discussed¹⁷

31 October: (i) Internet as a trade facilitation tool was the theme of the meeting; (ii) Suggestions to map the existing programmes for facilitating trade access; (iii) Members called for "concrete proposals with regards to the internet as a tool for MSMEs"¹⁸

► *Research and presentations regarding access to markets*

27 June: Members expressed interest in researching the intersection of trade facilitation and logistics services.

3 October:¹⁹ Sidley's Emerging Enterprises and Fair Trade International presented the technical assistance strategies they offer, as part of a discussion on how the private non-profit sector can help MSMEs²⁰

31 October: (i) Presentations of the World Trade Report 2018 regarding internet as a tool; (ii) Rapid eTrade Readiness Assessment of Least developed countries (eT Ready) was presented ; (iii) The WEF presented their work on e-commerce.

Additional Activities

- A members-only MSME webpage was created, containing documents and powerpoint presentations
- A quarterly newsletter was established, beginning in October 2018, to keep stakeholders informed

¹⁶ Comisión Nacional de la Micro y Pequeña Empresa de El Salvador (CONAMYPE)

¹⁷ Document JOB/GC/205

¹⁸ Document JOB/GC/207

¹⁹ The public WTO forum on MSMEs

²⁰ Document JOB/GC/205

- H.E. Cancela Gómez, Group Coordinator, received an invitation to participate in the “WTO trade dialogues with senior business representatives”²¹ that discuss MSMEs

Issues mentioned in Trade Policy Review Reports (between 2006-2018)²²

On 6 February 2019, the Informal Working Group’s general coordinator shared the results of a study conducted by the WTO Secretariat’s research division, about the mentions of MSMEs in Trade Policy Review (TPR) reports from 2006 to 2018.

The study found the most mentions of the following issues:²³

- Access to finance and trade finance (this issue appeared most frequently in all the TPRs reviewed)
- Taxation and Customs fees
- Government Procurement
- Legal and Regulatory Changes
- Business development and export promotion
- Access to Technology and research and development
- Informal economy
- Trade facilitation
- Access to information

- Intellectual property
- Sector-specific concerns: Agriculture, fisheries, mining, manufacturing

The 2018 meetings of the Informal Working Group on MSMEs focused most on Access to information, trade facilitation, and access to finance. While access to finance was the most commonly discussed in the TPRs, the other two broad issues were not discussed frequently.

Following the circulation of this communication, a communication from 22 February 2019 from the delegations of Canada, Brazil, Argentina, Uruguay, and the Russian Federation proposed to members that they add a section on MSMEs to their Trade Policy Review Reports, and mention MSMEs-specific issues throughout the report, where relevant.²⁴

²¹ Document JOB/GC/207

²² Document JOB/GC/213

²³ As listed in Document JOB/GC/213

²⁴ Document JOB/GC/212.Rev2



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37-39, Rue de Vermont, 1202 Geneva, Switzerland

geneva@cuts.org • www.cuts-geneva.org

Ph: +41 (0) 22 734 60 80 | Fax:+41 (0) 22 734 39 14 | Skype: cuts.grc