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INFORMAL WORKING GROUP ON MSMEs*

ORGANIZATION OF MSME-RELATED INFORMATION IN WTO TPR GOVERNMENT REPORTS

Communication from Brazil, Canada, Argentina, Uruguay and Russian Federation

*Revision***

The following communication, dated 22 February 2019, is being circulated at the request of the delegations of Brazil, Canada, Argentina and Uruguay.

1.1. Over the course of 2018, the trade policies of eleven members of the Informal Working Group on Micro, Small and Medium Sized Enterprises (MSMEs) were examined by WTO Members via the Trade Policy Review (TPR) Mechanism. The government reports provided by each member varied considerably in the amount of information and detail provided on the situation of MSMEs within each of their economies. Some highlighted MSMEs in specific sections of the government report, others incorporated references to MSMEs within broader sections devoted to other domestic policy initiatives, while a couple only included a sentence or two on the topic.

1.2. In reference to the MSME Working Group Chair's list of possible actions for 2019 as circulated in advance of our year-end meeting on November 30, Item 9 sought views on TPRs and (i) how to proceed to ensure that MSME-related issues are examined in TPRs as well as (ii) how to maintain a database that provides an overview of MSME-related information in TPRs. We also note the WTO Secretariat's work to examine the inclusion of information on MSMEs in Secretariat TPR Reports over the past decade.

1.3. In this context, the co-sponsors would like to propose that one action that Working Group members could implement in 2019 and going forward is to encourage the inclusion of MSME consideration and information in each TPR government report. In doing so, it would be useful to have guidance at a macro level, with the objective of supporting efforts to maintain a database that collects TPR-related information on MSMEs.

1.4. As an initial suggestion, we would appreciate comments from the working group on using a twofold approach as set out below to incorporating MSME considerations and information in TPR government reports, while recognizing not all information will be available in all situations.

- 1) A dedicated section on MSMEs in each TPR government report, organized where relevant in the following way¹:
 - a) Background Information – e.g. any definitions used to classify MSMEs; available statistical information on the role of MSMEs in the national economy, their

* This document was originally circulated as JOB/GC/212/Rev.2 dated 26 February 2019.

** This revision is to add the Russian Federation as a co-sponsor to the submission.

¹ A suggested checklist to help guide WTO Members in preparing the SME section of their WTO Trade Policy Review Government Report has been attached as an annex. Additional suggestions welcome.

participation in international trade (i.e. exporting), and MSME ownership by diversity group (i.e. % of women-led MSME); historical trends in that data;

- b) Marketplace Framework – e.g. information on initiatives and policies designed to address MSME-related considerations when drafting new regulations or legislation; any efforts to mitigate effects of regulatory action on MSMEs; and
- c) Government Programs and Policies – e.g. information on MSME-targeted programs, policies, or initiatives that promote the participation of MSMEs in the domestic economy and that support their participation in international trade and investment; any evaluations on the results of such efforts.

- 2) In addition to including a dedicated MSME section in each TPR government report, and recognizing that MSME-related issues are often integrated across government programs and policies, the co-sponsors encourage Working Group members to include relevant MSME-related information throughout the drafting of the entire TPR government report, where relevant and appropriate. For instance, MSMEs may be provided special access or treatment under broader government programs and policies which may be worth noting outside of the dedicated MSME section. Reference to MSMEs outside of the dedicated MSME section should complement that section, and not duplicate it.

1.5. Canada's TPR is the first this year for those in our MSME group (June 2019). We note that among the others in the MSME group, the FYRM, Costa Rica, Peru and the Lao PDR follow Canada in the 2019 TPR queue.

ANNEX**CHECKLIST OF POSSIBLE MSME-RELATED INFORMATION TO PROVIDE
IN WTO TPR GOVERNMENT REPORTS****Background information**

| | | |
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| 1. | How MSMEs are defined for the purposes of statistical and policy analysis. | |
| 2. | Available statistics on the role of MSMEs in the economy and their participation in international trade; any identifiable trends. | |
| 3. | Available statistics on MSME ownership by diverse groups (e.g., women, youth, minority populations, etc.). | |

Marketplace Framework

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| 1. | Specific references, if any, to MSMEs in the domestic marketplace framework (i.e., legislative and regulatory regime). | |
| 2. | Consultation mechanisms, if any, for MSMEs to provide feedback on new or revised legislation and regulations. | |
| 3. | Processes implemented, if any, to review new legislation or regulations in relation to their effects on MSMEs. | |
| 4. | Procedures, if any, to support MSMEs' compliance with new regulatory or legislative requirements. | |

Government Programs and Policies

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| 1. | Targeted support programs and/or policies, if any, to help MSMEs grow domestically and/or export internationally. This could include supports for SMEs to increase their competitiveness, innovation or digital capabilities. | |
| 2. | General programs, if any, that provide financial support to scale-up or export and are accessible by MSMEs. | |
| 3. | Free trade agreements, if any, to support MSMEs in cross-border trade. | |
| 4. | Collaborative engagement with other countries that support MSMEs, e.g. international cooperation efforts on standardization to reduce regulatory burden across jurisdictions. | |