



**Asia-Pacific
Economic Cooperation**

2019/SMEWG48/020

Agenda Item: 11.3

Survey on MSMEs/MSMEs-Related Provisions in APEC Economies' FTAs/RTAs - Presentation

Purpose: Information
Submitted by: Philippines



**48th Small and Medium Enterprises Working Group
Meeting
Qingdao, China
30-31 May 2019**



Survey on MSME/MSME-related Provisions in APEC Economies' FTAs/RTAs

Committee on Trade and Investment (CTI) – the Philippines

48th Small and Medium Enterprises Working Group (SMEWG) Meeting

Qingdao, China

30-31 May 2019

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Outline

-  **Background**
-  **General Observations**
-  **Specific Areas**
-  **Summary/Conclusion**

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Background

- 🌐 At the Second Senior Officials' Meeting (SOM2) held in Viña del Mar, Chile, Senior Officials recommended that APEC Ministers note the survey report
- 🌐 FTAAP MSME Work Programme (Philippines & Malaysia)
- 🌐 Stocktake of MSME/MSME-related provisions: 33 RTAs/FTAs

03

General Observations

- Reference to SMEs, including micro businesses, is often **direct/explicit**
- Chapter on cooperation: contain **broad commitment** to promote a favorable environment for MSMEs development
- Scope of the MSME-cooperation provisions **vary**
- Do not provide further elaboration and only list MSMEs as a general **area of cooperation**
- Others specify forms of **cooperation activities** related to SMEs
- Others have cooperation provisions or clauses in a **specific** context
- Some provisions only refer to MSMEs that are limited to one **sector**

03

Specific Areas

1

GOVERNMENT PROCUREMENT

2

E-COMMERCE

3

TRADE FACILITATION

4

INVESTMENT

5

INTELLECTUAL PROPERTY

03

Specific Areas



United States-Chile FTA
maximizing access to government procurement opportunities for small business suppliers



Peru-Australia FTA
exchanging experiences and information [...] and developing and expanding the use of electronic means in government procurement systems



Singapore-Costa Rica FTA
promoting industry development including measures to assist SMEs to gain access to the government procurement market



CPTPP; Additional Protocol of the Pacific Alliance (PA)
recognizing “[...] the importance of facilitating the participation of SMEs in government procurement”



EAEU-Viet Nam FTA
“facilitating participation of suppliers in government procurement”



Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU
specific committee to discuss promotion of joint activities to facilitate access for suppliers to GP opportunities

1

**GOVERNMENT
PROCUREMENT**

Facilitating access of MSMEs

Establishing an institutional body

03

Specific Areas

Canada-South Korea FTA



“working together to facilitate the use of electronic commerce of micro, small and medium sized enterprises”

Japan-Australia EPA, the Turkey-Singapore FTA, and the United States-Chile FTA



Cooperate in overcoming obstacles faced by SMEs in the use of e-commerce

AANZFTA; Viet Nam- Korea FTA



cooperation through research and training activities; to share information and experiences on laws and regulations relating to electronic commerce

ASEAN-Hong Kong, China FTA (ECOTECH Work Programme)



Details indicative activities on e-commerce cooperation

2

E-COMMERCE

Explicitly recognize or affirm importance of SMEs

03

Specific Areas



European Union and Fiji (Papua New Guinea)

right of appeal against customs [...] affecting imports, exports or goods in transit shall be easily accessible, including to SMEs



Turkey-Singapore FTA

customs procedures [...] should be clear and transparent, and should take into account the specific needs of SMEs



China-Chile FTA

knowledge and good practices sharing;
partnership & productive chain linkage development; training programs;
promoting contacts between economic operators



CPTPP (Competitiveness and Business Facilitation chapter)

advice and recommendations aimed at enhancing SME participation in regional supply chains; seminars, workshops, capacity building activities



AHKFTA (ROO Chapter)

development of SMEs and narrow development gaps, make it responsive to dynamic change to facilitate trade and investment among Parties, and promote a regional production network

3

TRADE FACILITATION

Taking into account interest of SMEs

Cooperation efforts

03

Specific Areas



Thailand-New Zealand FTA

endeavor to strengthen and develop cooperation efforts in investment including for SMEs, particularly through capacity building



Japan-Malaysia FTA; Japan-Mexico FTA

include investment under its bilateral cooperation chapter



CETA between Canada and the EU

encourage preferable treatment of SMEs during disputes between investors and states;
consultations between disputing Parties via videoconference, sympathetic consideration [...] and reducing financial burden on SME claimants

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INVESTMENT

Cooperation efforts

Dispute settlement

03

Specific Areas



Thailand-Australia FTA

encourage the creation and development of intellectual property by inventors, creators, including SMEs



Peru-Australia FTA

make information available online as regards regulations and procedures concerning intellectual property rights

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INTELLECTUAL
PROPERTY

Relating to cooperation

04

Summary/Conclusion

- Commonly housed in chapters on cooperation (have explicit provisions in dedicated articles or in chapters on SMEs)
 - Do not follow a specific format or structure
 - Best endeavor approach, but recent mega trade agreements provide for newer ways of thinking
 - Focus on improving the capacity of MSMEs to trade
- A range of options exist for policymakers and trade negotiators to incorporate MSME-related provisions in FTAs/RTAs
 - Provisions address a host of members' objectives for their MSMEs
 - Useful follow-up: study the effectiveness of the MSME provisions and to identify what provisions are most effective in addressing members' particular objectives

Thank you.