



**Asia-Pacific
Economic Cooperation**

2020/CTI/WKSP3/004

Trade Facilitation and the Role of Government in Digitization

Submitted by: Australia



**Workshop on Building Resilient Supply Chains in
APEC: Agility in Crisis
28 October 2020**

SME agility & Women and COVID-19 impact on inclusive growth

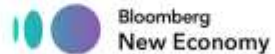


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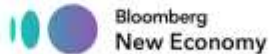
Global Trade Professionals Alliance
(GTPA)



PANEL MEMBERS

Ajay Sharma

Regional Head of Global Trade and Receivables Finance
HSBC Asia Pacific

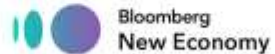


PANEL MEMBERS

Eunice Huang

Trade Policy Asia-Pacific

Google





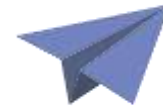
SMEs and the digital safety net

GTPA Workshop

28 Oct 2020

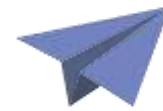


SMEs that Export...



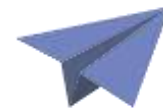
4X Revenue

vs non-exporting SMEs



\$1,700

more in individual monthly
worker wages



35M Jobs

could be added if the number
of exporting SMEs doubled

SMEs that use the Web...



4X Growth

rate vs offline SMEs



-82%

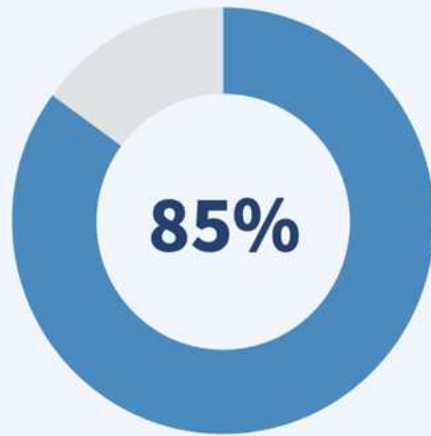
Reduction in export costs



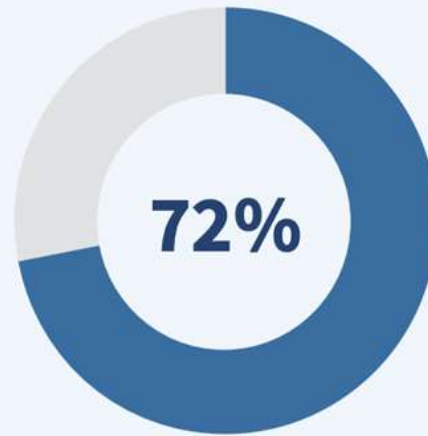
8X Job Growth

rate vs SMEs who have not adopted
advanced mobile technologies

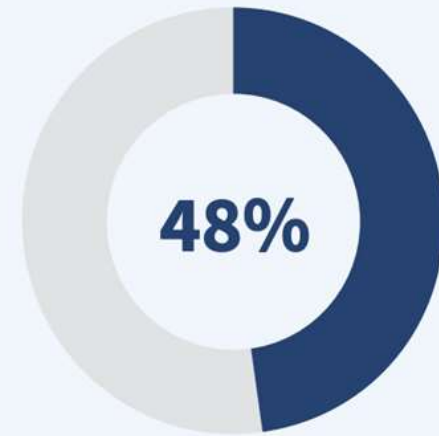
Digital tools became a priority during COVID-19



of SMBs say COVID-19 made them rethink their approach to digital tools



of SMBs increased use of digital tools during COVID-19



of SMBs deployed at least one new digital tool during COVID-19

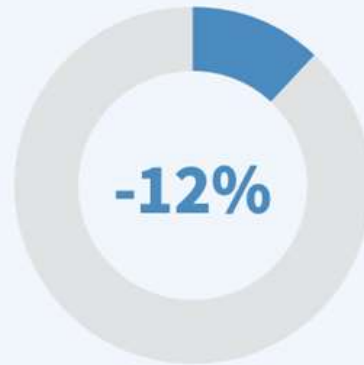
Source: [Digitally Driven report](#)

Digital SMEs estimate 2x more revenue and sales

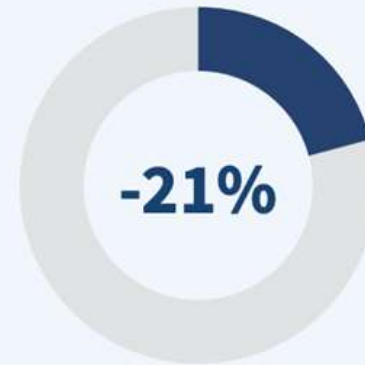
Had e-commerce pre-COVID-19

Did not have e-commerce pre-COVID-19

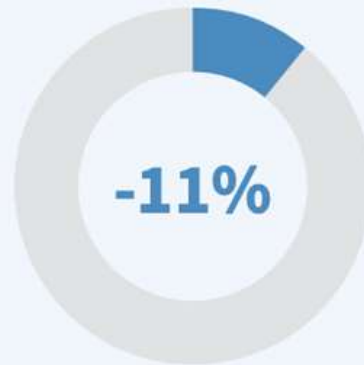
Reduction in
projected revenue



VS.



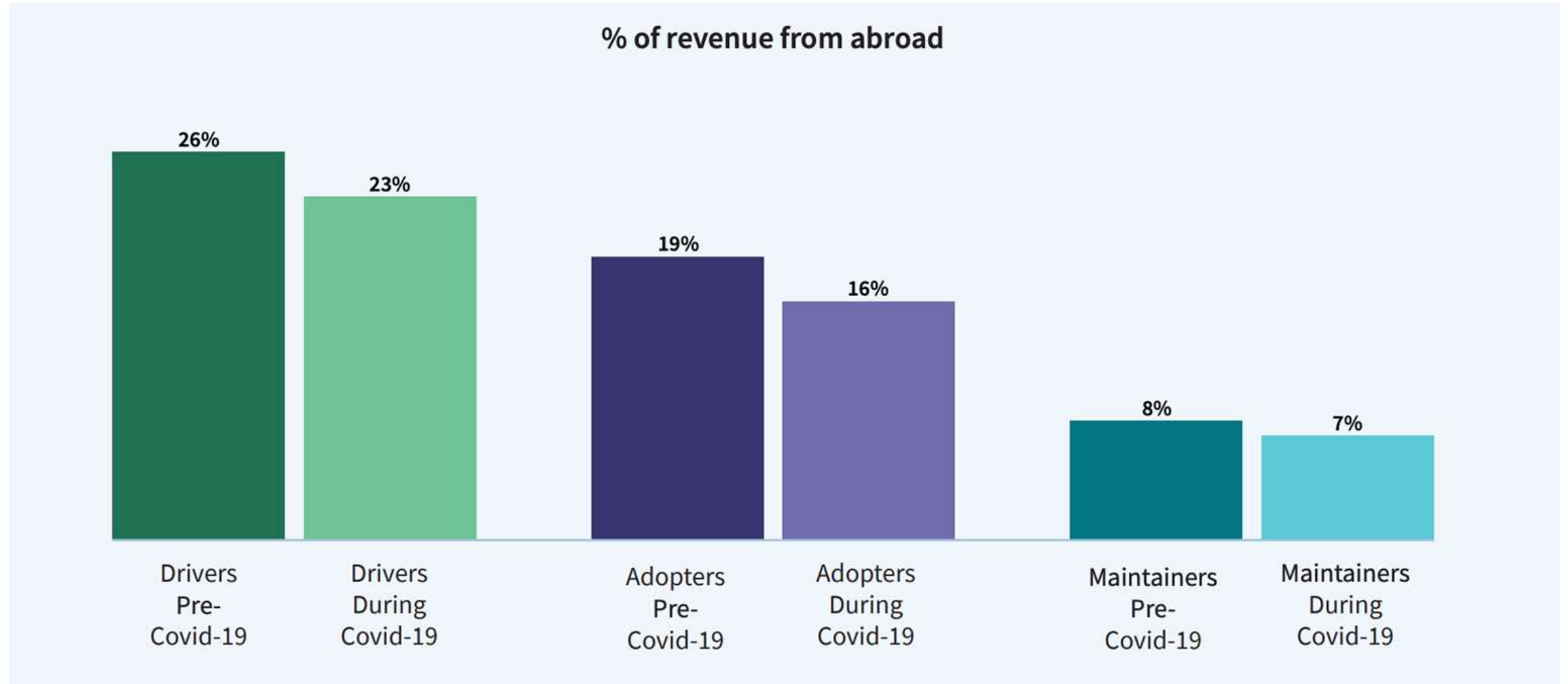
Reduction in
projected sales



VS.



They participate more in international trade, even during COVID



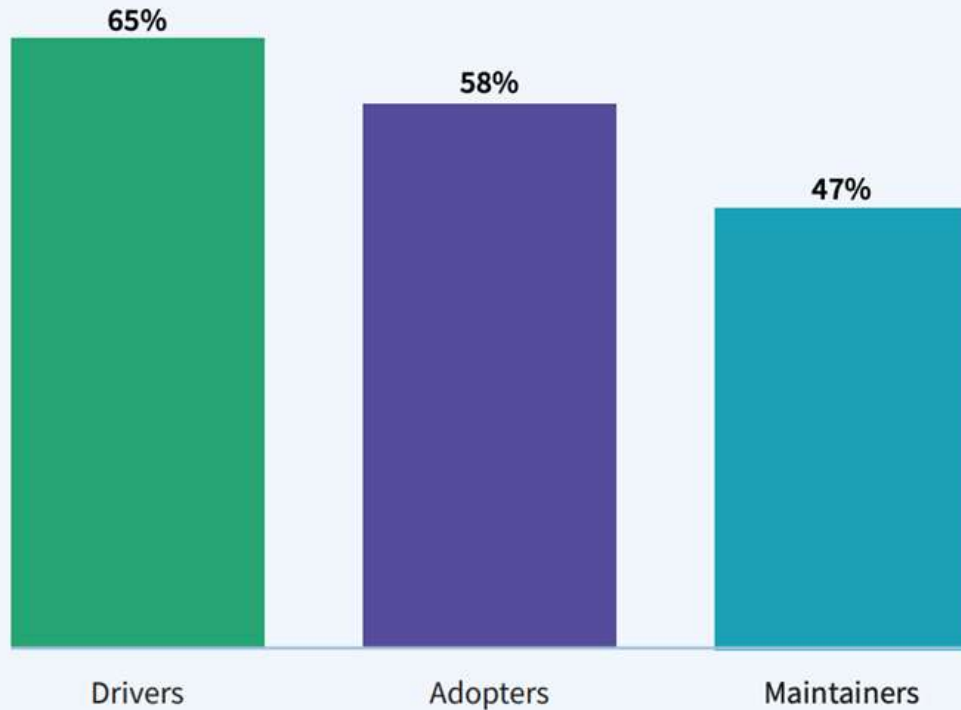
Women-led SMEs were less digitally prepared for COVID

Compared to men-led SMEs, women-led SMEs were...

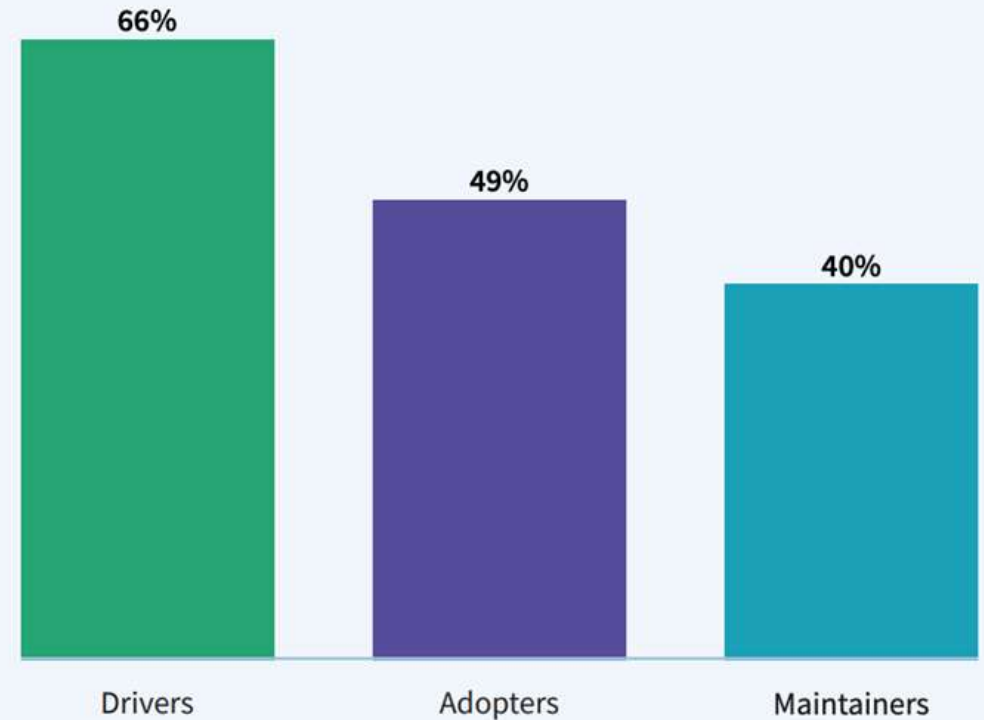
- **10%** less comfortable with digital before COVID-19
 - Project **6%** less revenue for 2020
- **15%** more likely to not be a digital frontrunner SME
- **11%** less increase in use of digital during COVID-19
 - **8%** more reported closing physical locations
- **9%** more reported temporarily closing business
- **5%** more reported reduced customer demand

Digitization of SMEs will continue after COVID-19

Interested to learn more about digital tools for their business



% planning to use tools more after COVID-19



Growing digital SMEs...

- Scale solutions to digital access and education
- Increase funding streams, including trade finance
- Enable SME access to low cost and free digital services
- Proactively reduce digital trade barriers and foster interoperability

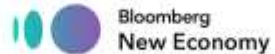
PANEL MEMBERS

Emmanuel A. SAN ANDRES

Analyst

Policy Support Unit

APEC Secretariat





Asia-Pacific
Economic Cooperation

COVID-19, 4IR, and the Future of Work

Emmanuel A. San Andres
Analyst
APEC Policy Support Unit

Workshop on
Building Resilient Supply
Chains in APEC
28 October 2020

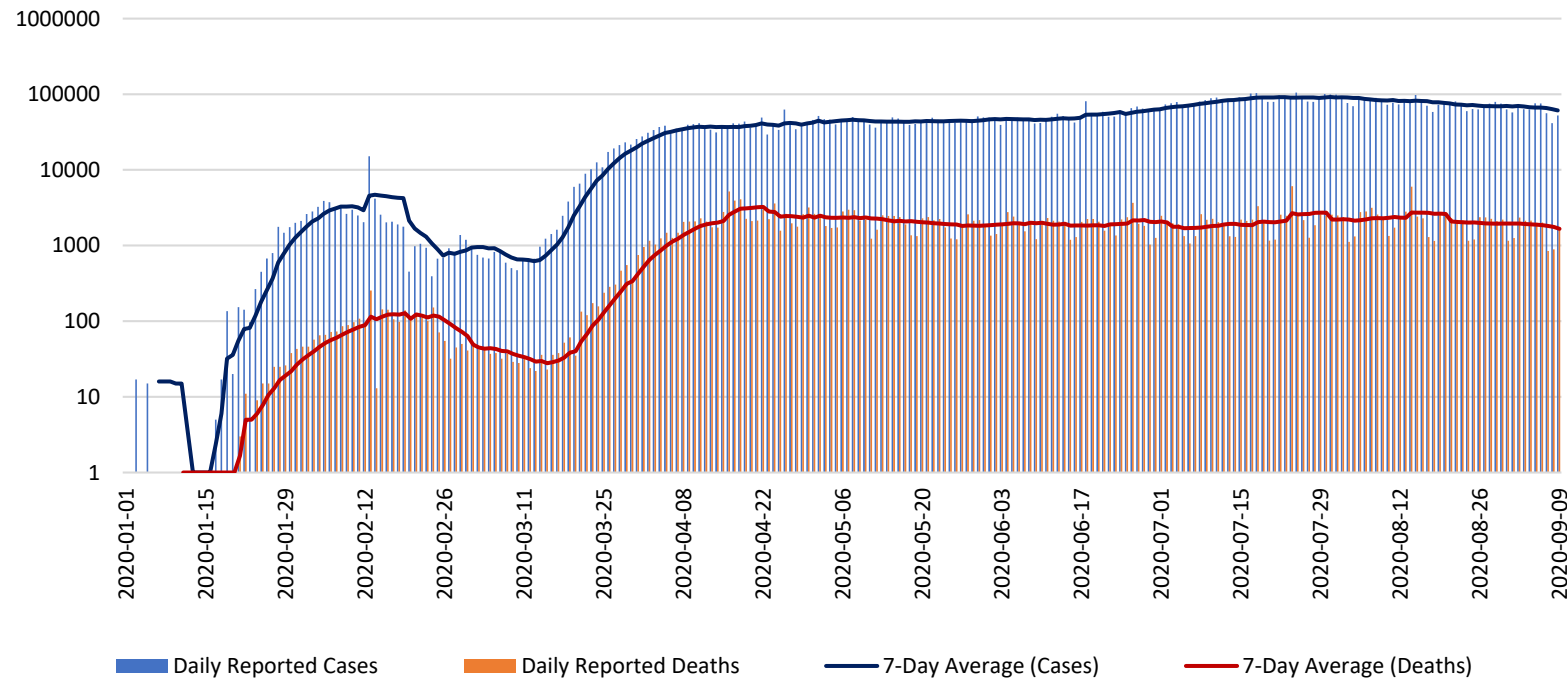
Advancing Free Trade
for Asia-Pacific **Prosperity**

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COVID-19 is a human, health, and economic crisis

- APEC-wide daily reported cases and deaths have not slowed down as of September 2020
- A deep economic contraction in 2020 due to the negative impacts of COVID-19
- Containing the pandemic is a prerequisite for economic recovery and resilience



4IR has been underway; COVID-19 can hasten it

Before the pandemic,
firms adopt automation to:



Lower labour costs

Savings from capital investment outweigh labour costs.



Keep up with market innovation
4IR technologies are developing rapidly.



Speed up routine tasks

Automation of repetitive processes found in blue- and white-collar jobs.

After the pandemic,
firms may speed up automation to:



Reduce risks

Protection from liability to workers.



Observe new guidelines

Social distancing is now required.



Cushion financial impact

Automation as a cost-saving measure.



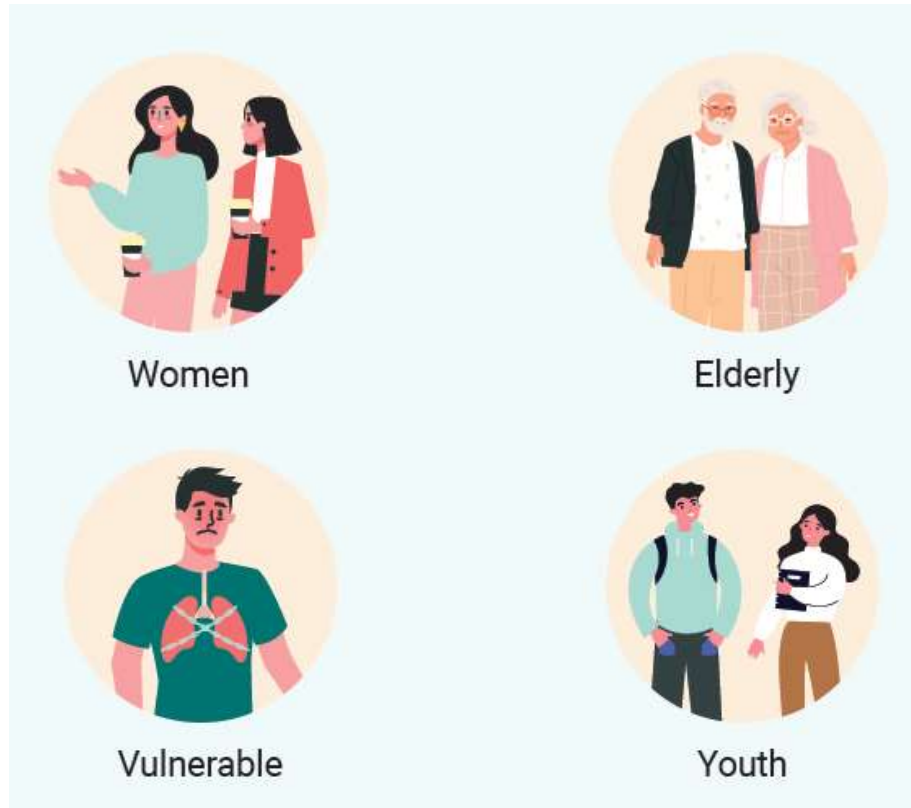
Asia
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Cooperation

COVID-19 and 4IR impacts are not equal



Even well-meaning policies can have unintended consequences



Low interest rates intended to encourage bank lending and keep firms operating could also encourage them to invest in automation.



Support packages for MSMEs could encourage business' adoption of digital solutions.



Immunity passports could constrain labour supply and increase uncertainty.



Restrictions on labour mobility can discourage the hiring of workers.

Need to promote innovation while addressing social impacts



Expand social safety nets
Protect workers' livelihoods and ensure their basic needs are met.



Support upskilling and retraining
Adapt skills training programmes to the needs of the post-pandemic digital economy.



Monitor automation trends
Work closely with the private sector for a deeper analysis of 4IR issues.



Humanise 4IR ecosystems
Put people first in digital economy policy.

Find out more

APEC Online and Social Media



COVID-19, 4IR and the Future of Work

<https://www.apec.org/Publications/2020/06/COVID-19-4IR-and-the-Future-of-Work>

APEC Regional Trends Analysis

<https://www.apec.org/Publications?Category=&Keyword=APEC+Regional+Trends+Analysis>

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**Asia-Pacific
Economic Cooperation**

SMEs vary in terms of size and revenue between them and across regions. Yet, overall, SMEs find more obstacles to participate fully in global supply chains.

Do the current transformations in supply chains under the COVID-19 pandemic offer new opportunities for SMEs in global supply chains? If yes, how can they better seize those opportunities?



What is “agility” and how can SMEs use it in their favour?



**What are some of the best practices
from which SMEs can learn from other
more agile and resilient SMEs during the
COVID-19 pandemic?**

What makes an SME resilient and agile?



How can governments and industry organizations support SMEs from a policy and commercial point of view to successfully participate in global supply chains, while building resilience and agility?



Given the substantial weight of SMEs in the creation of jobs worldwide, the speed of their recovery will have a big impact in the recovery of the global economy after the pandemic.

What incentives and policies for SMEs can support the creation of jobs and their engagement with global supply chains?



How have SMEs owned/by women have been impacted differently to bigger companies and businesses owned or run by men during the COVID-19 pandemic?



What obstacles do SMEs owned/run by women usually face when participating in global trade and supply chains, especially in LDCs and rural areas?



What specific policies and incentives could facilitate the successful participation of women in supply chains?



What are the implications of a regression in gender equality, including economic equality, as a result of the current COVID-19 pandemic, for the legitimacy and future of global trade?



Global trade was not inclusive before the COVID-19 pandemic. As a result, the most vulnerable groups, including women, have been badly affected. What can businesses and governments do differently in a post-pandemic context to make trade more inclusive and resilient?



With the support of project partners

