Services and trade policies from MSME perspective:
What we learned from ITC technical assistance in services trade?

by

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Services and trade policies from MSME perspective

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Outline

• ITC’s support to MSMEs trading in services
• What we have learned on the policy side?
• How we address policy issues through technical assistance?
ITC helps MSMEs export services

Tourism
• Strategic partnership between ITC and UNWTO
• Tourism projects in Myanmar and Gambia improve livelihood along the value chain

IT and IT-enabled services
• NTFIII project helped over 100 IT and ITeS companies in Bangladesh, Kenya and Uganda connect to global market

E-commerce
• “e-solutions” and “Virtual Market Places” projects take MSMEs in Jordan, Morocco, Rwanda, Senegal, Tunisia by hand and guide them through the e-commerce process chain
What we have learned on the policy side?

**Tourism**
- Infrastructure, visa openness and open sky agreements, travel facilitation, investment policies for hotels and resorts, regulations for tour operators, etc.

**IT and IT-enabled services**
- Temporary movement of professionals, recognition of education and qualifications, data regulations, privacy and cybersecurity

**E-commerce**
- A comprehensive framework and checklists to analyse e-commerce policy issues
- SME E-commerce Survey to gather first-hand information on the challenges for SMEs and link them to policy discussions
E-commerce process chain

Establishing online business
- Device to connect to Internet
- Technical knowledge and skills
- Business knowledge and skills
- Language skills
- Certifications
- Encryption solution

International e-payment
- Bank account and online banking
- Ability to use online payment methods
- Compliance with data security standard in storing or processing payment information

Cross-border delivery
- Effective warehouse organization
- Secure packaging for delivery of goods
- Capacity to handle surges in sales during peak periods

After-sales
- Effective customer feedback mechanism
- Effective customer relation management
- Easy return or cancellation policies
- Provision of sufficient information to enable consumers to make informed choices
- Adherence to national/international standards on consumer protection

Firm level capabilities

Immediate business environment
- Affordable access to Internet
- Affordable encryption solutions
- Access to registration as vendors on online e-commerce platform
- Access to skilled labour market
- Validation of compliance to payment security standard performed by external party
- Availability of third-party e-payment services provider and affordability of their services
- Links between third-party e-payment services provider and local banks to enable local withdrawals
- Access to reliable and efficient postal and express delivery services with tracking ability
- Access to warehouses and delivery services at destination
- Access to high technology/ high internet bandwidth to deliver services e.g. movies
- Availability of dispute settlement procedure at e-commerce platforms
- Mechanism recognizing validity of any online information exchanged as evidence in legal proceedings

National environment
- Simple business registration procedure
- Easy IP registration
- Policies addressing IP infringement
- Solid ICT and electricity infrastructure
- Cybercrime law
- Data protection
- Functional financial market in line with international standards
- Foreign exchange system allowing free convertibility of currency and regulations on the free flow of currency (current account)
- Increased transparency on cross-border e-commerce-related customs procedures and rules (including duties and taxes)
- Simplified customs procedures for small parcels
- De minimis threshold/duty exemption
- Consumer protection and consumer rights enforcement
- Elimination of duties on returned products
- National initiatives for developing effective online dispute settlement schemes

ITC

TRADE IMPACT FOR GOOD
SME e-commerce survey

• Cost of **logistics** in the final price of e-traded goods: as twice high in developing than in developed countries
• Lack of access to **international e-payment** solutions
• Difficulty to predict whether and which duties will be applied on **returned products**
• Lack of technical knowledge, **language skills** & weaknesses to raise **visibility** of their offering for consumers abroad
• **Female** owned companies getting stuck earlier in the process
How we address policy issues through technical assistance

• **Trade Intelligence:** trade map, investment map, services snapshots, firm-level competitiveness survey

• **National Export Strategies:** blueprints for actionable measures on services policies

• **Building knowledge and negotiation capacity** for policy makers: e-learning courses on services trade, e-commerce, ICT and digital trade, seminars on LDC services waiver negotiation

• **Strengthening capacity of TISIs:** help Coalitions of Services Industries conduct industry mapping and organize public-private dialogues

• **Targeted technical assistance for MSMEs** in Tourism, IT & e-comm.

• **Bridging gender digital gap:** She Trades initiative connects one million women entrepreneurs to market by 2020 !!
Global partnership

- WTO OMC on Trade Rules
- United Nations UNCTAD on Regulatory Reforms
- International Trade Centre

for businesses and exporters

- OECD promote policies
- G20 Germany 2017 Hamburg global governance
- Private sector alliances
Thank you!
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