



## **Competition policy and Small Businesses: Show Casing the Smallness Strength.**

### **Reactivating the global economy, one MSMEs at a time - UN-wide system response towards post-COVID-19 Resurgence of the MSME Sector**

The Competition and Consumer Protection Policies Branch at UNCTAD in collaboration with the United Nations Regional Economic Commissions, has issued guidance to member States on re-activating their economies since March 2020. This has been done under the auspices of the Development Account project entitled “*Global Initiative towards post-COVID-19 resurgence of the Micro-, small and medium enterprises (MSME) sector*”, which aims to provide hands-on assistance to countries in need to quickly address specific challenges faced by MSMEs during the COVID-19 crisis.

MSMEs represent the backbone of economic activity involving about 90 per cent of businesses and more than 50 per cent of employment worldwide.<sup>1</sup> Among APEC economies, for example, MSMEs account for over 95 per cent of enterprises on average;<sup>2</sup> in Latin American region these firms are central actors in its development contributing to about employ 67 per cent of the workforce<sup>3</sup>; and in the Arab world, over 90 per cent of all businesses, and an important source of employment for women and the youth.<sup>4</sup>

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<sup>1</sup> UNCTAD (2020) *The International Day of Micro, Small and Medium Enterprises*

<https://unctad.org/en/pages/SGStatementDetails.aspx?OriginalVersionID=262> (accessed on 25 June 2020).

<sup>2</sup> APEC (2015) *SMEs, Competition law and Economic Growth* [online] <https://www.apec.org/Publications/2015/09/SMEs-Competition-Law-and-Economic-Growth> (accessed on 28 June 2020).

<sup>3</sup> European Commission (2014) [https://ec.europa.eu/international-partnerships/system/files/final-ad-aap-2014-alinvest-5-0\\_en.pdf](https://ec.europa.eu/international-partnerships/system/files/final-ad-aap-2014-alinvest-5-0_en.pdf).

<sup>4</sup> [IMF](#).

## **The Global Report.**

During Phase I (June – September 2020) of the project, UNCTAD commissioned a global report entitled, “*How COVID-19 affects MSME access to markets and competition: A review of key issues and recommendations for future action*”. The report provides a snapshot of the current challenges being faced by MSMEs around the world as they seek to deal with the impact of COVID-19 pandemic on their operations. Some of the key recommendations are centred around the levelling the playing field including; issuance of clear MSME guidance notes by competition agencies; permitting MSMEs to engage in collective bargaining; providing minimum thresholds/safe harbour guidelines/exemptions; digital market skills training; providing aid? Funds? to non-viable firms to transition out of the market, and new ones to enter.. The Global report provides its findings and an exhaustive list of recommendations.

## **Regional dialogues & National Studies**

The UNCTAD teamed up with UN Regional Economic Commissions in steering regional dialogue in carving up the way competition agencies shall contribute to addressing challenges faced by the MSMEs sector as a consequence of the knock-on effect of the slowdown economic activity following the COVID-19 pandemic.

The list of regional dialogues and the detailed information can be accessed in the reports below:

1. [“UNCTAD-ESCAP-ASEAN Regional Dialogue on MSMEs and Competition Policies”](#) - 2 March 2021 in 5 language channels (English, Thai, Burmese, Bahasa Indonesian, Bahasa Malay)
2. [“UNCTAD-ECA Regional Dialogue on MSMEs and Competition Policies”](#)- 11 March 2021 in 2 language channels (English, French)
3. [“UNCTAD-UNECE Regional Dialogue on MSMEs and Competition Policies”](#) 25 March 2021 in 2 language channels (English – Russian)
4. [“UNCTAD-ECLAC Regional Dialogue on MSMEs and Competition Policies”](#) 25 March 2021 in 3 language channels (English, Spanish, Portuguese)
5. [“UNCTAD-ESCWA Regional Dialogue on MSMEs and Competition Policies”](#) 8 April 2021 in 2 language channels (English – Arabic)

National country studies constituted the second stream? of UNCTAD’s intervention involved drafting of 3 national studies in Brazil, Thailand and South Africa. The national studies developed in partnership with Brazilian Micro and Small Business Support Service, Center for entrepreneurship (Thailand) and Center for Competition and Economic Regulation (South Africa) in order to get an inside view of domestic setting and to understand the challenges faced by MSMEs. in a. Brazil, Thailand and South Africa were selected based on an objective and inclusive criterion, covering different regions in order to attain alignment with the recommendations of the Global Report drafted in Phase.

## **Way forward**

UNCTAD is currently launching Phase III of the “*Global Initiative towards post-COVID-19 resurgence of the Micro-, small and medium enterprises (MSME) sector*”.

Phase III is expected to run until December 2021. [The launching ceremony will take place on June 18th, 14:00 CEST in Zoom](#) including a networking session, with simultaneous interpretation in all 6 UN languages.

The event will be attended by UNCTAD and Regional Economic Commissions' senior management, Member States' competition authority officials, MSMEs development agencies, Chambers Commerce and Trade Associations.