



The Contribution of Competition Policy to the Resurgence of MSMEs post-COVID-19

**27 – 28 June 2022
Bangkok, Thailand & Hybrid**

Concept note

1. Background

As part of its COVID-19 Response project funded by the UN-DESA Development Account named “Global Initiative towards post-Covid-19 resurgence of the MSME sector,” the Competition and Consumer Policies Branch (CCPB) of UNCTAD has been engaged in discussing with representatives from Competition Authorities and SME agencies how competition policies can support the resurgence of MSMEs post COVID-19 crisis.

Since 2020, the UNCTAD Competition Policy Team has carried out several activities together with the five United Nations Regional Economic Commissions (UN-ECLAC, UN-ESCAP, UN-ECA, UN-ECE, UN-ESCWA). These included a global report on the interlinkage between competition and MSME policies, 3 national studies on the impact of COVID-19 on specific SME sectors in Brazil, Thailand, and South Africa, and 5 regional webinars on how recommendations from the global report and the three national studies can support the recovery of MSMEs.

For the last Phase of the project, UNCTAD CCPB prepared various outputs: (i) “Harnessing the Interaction between Digital Platforms and MSMEs: Behavioural recommendations for Digital Platforms (BRDP)”, (ii) Online course on SME and Competition Policy (SME-COMP); (iii) targeted technical assistance with specific guidance documents and activities for MSME and Competition bodies in Brazil, South Africa, and Thailand, among others.

2. “Harnessing the Interaction between Digital Platforms and MSMEs: Behavioural recommendations for Digital Platforms (BRDP)”

The overarching objective of the UNCTAD BRDP is to facilitate economic recovery post COVID-19 through fostering of participation of MSMEs in the online marketplace. MSMEs constitute the cornerstone of economic activity throughout the world, contributing significantly to the GDP and employment. Their continued digitalization, during the pandemic and in the future, remains a challenge and an opportunity for the acceleration of the achievement of the United Nations Sustainable Development Goals. By supporting their access to online distribution channels, eliminating entry barriers, and reducing the uncertainty that these businesses face in dealing with online platforms, these recommendations would help MSMEs to be better placed to secure vital financing to grow their operations successfully and innovate. Consequently, this will lead to higher levels of economic growth, better outcomes for consumers that benefit from increased competition, wider choice, lower market prices and greater opportunities for business owners and employees to succeed.

3. Online course on SME and Competition Policy (SME-COMP)

The course is aimed at training officials from SME and competition agencies on the interface between SMEs and Competition Policy, particularly in the post-COVID-19 environment. The course is structured around the following modules based on reports and studies undertaken under this project¹:

- Interlinkage between Competition Policy and MSMEs
- MSME challenges, Market access and Market Positioning
- MSMEs and Access to Finance
- MSMEs and E-commerce/Digitalisation
- Inter-agency/Institutional Collaboration

Trainers of each module are experts in competition and SME policies and span across five continents.

The objectives of the course are to equip competition authorities, other relevant sector regulators and SME development agencies and government policy makers in developing countries with the requisite practical knowledge to assist the resurgence of the MSMEs in the post-COVID-19 era.

4. Guidance document for Thai Competition and SME institutions

Under the DA Project, the CCPB of UNCTAD has engaged with Competition Authorities and SME agencies to understand how competition policies can support the resurgence of MSMEs in the aftermath of the pandemic. The UNCTAD CCPB Team commissioned a national study on MSMEs in Thailand in specific sectors and how competition policy can support their economic recovery. The study was presented as part of a formal consultation with relevant competition and MSME agencies in Thailand.

A The Formal Consultation was held on 12 October 2021 between UNCTAD and Trade Competition Commission of Thailand (TCCT), Office of SMEs Promotion (OSMEP), Institute for Small and Medium Enterprise Development (ISMED), Small and Medium Enterprise Development Bank of Thailand (SME Development Bank), Office of the National Economic and Social Development Council (NESDC), and SME Development Bank (“Consultation Participants”). The participants identified the following key issues and challenges faced by the MSMEs in Thailand:

- (1) informality of MSMEs
- (2) digitization of MSMEs
- (3) greening of MSMEs
- (4) scope extended to trade and services
- (5) access to MSME-specific financing
- (6) advocacy of competition policy to MSME
- (7) anti-competitive behaviours in pharmaceutical sector
- (8) access of MSMEs to digital platforms/digital ecosystem

As a result of the consultation, TCCT requested the preparation of a Guidance document for Thai Competition and SME institutions to highlight strategies which would help to address challenges faced by TCCT and Thai SME agencies on competition issues that emerged during the COVID-19 crisis. Considering the rapid rate of MSME disappearance and the potential benefits of Thailand’s opening again its borders to MSMEs, it is crucial for TCCT and MSME agencies to support MSMEs going back to business and tackle the middle income trapped Thai MSMEs are currently facing.

¹ With Reference to various studies including the UNCTAD *Global Report: “How COVID-19 affects MSME access to markets and competition: A review of key issues and recommendations for future action”* (2020). ECLAC *Second Regional Dialogue on policies for MMSMEs and competition to face the crisis and promote economic reactivation* 25 March 2021; CCRED, *Analysis of the impact of COVID-19 on micro, small and medium-sized enterprises in South Africa*, May 2021; Fernando Furlan, *Competition and Market Access Policies in the Resurgence of MMSMEs in Post- COVID 19 in Brazil*, 2021; CECIDA/CCABES *Analysis of the impact of COVID-19 on micro, small and medium-sized enterprises (MMSMEs) in Thailand from competition policy and market access perspectives*, 2021; ESCAP, *MICRO, SMALL AND MEDIUM ENTERPRISES (MMSMES) AND THE DIGITAL ECONOMY*, December 2020

5. Target participants

Member States' Government representatives from institutions focused on MSMEs, competition authorities, representatives of chambers of commerce and other civil society institutions concerned with MSMEs, and MSME representatives will be invited to participate in person, particularly representatives of ESCAP member States, as well as virtually. The events will be held at expert level with invitations sent to relevant institutions and stakeholders.

6. Envisaged main outcome

UNCTAD will work closely with UN RECs and member States interested in the application of the behavioural remedies on digital platforms on a request basis.

It is envisaged that member States will be able to join the online training course at the UNCTAD Moodle platform between August-December 2022.

The results of the Guidance document for Thailand will be presented to other member States. Other member States may wish to adopt the Guidance document and conduct online workshops to adapt it to their national context. Regional and/or national workshops may be envisaged if member states show interest.

7. Proposed agenda

The international conference will be the occasion to present and discuss the three closing products of the UNCTAD-CCPB led project stream on Competition Policy and SME Resurgence. The presentation of the three products will be held in person in Bangkok on 27 and 28 June 2022. The event will be conducted in English and Thai language for local participation. For those meeting participants joining online, ESCAP/UNCTAD will provide the Zoom platform accordingly and simultaneous interpretation in English, Thai, Arabic, and Spanish.

- Harnessing the Interaction between Digital Platforms and MSMEs: Recommended Practices for Digital Platforms (RDP) – **27 June 2022** (Morning and Afternoon sessions)
- Guidance document for Thai Competition and SME institutions – **28 June 2022** (Morning session)
- Online course on SME and Competition Policy – **28 June 2022** (Afternoon session)