



Guidelines for Promoting Effective Participation of MSMEs in International Trade

Micro, small and medium enterprises (MSMEs) have become a power engine of the global economy. They stimulate employment and promote economic activity, contribute towards economic growth and stability in countries all over the World, including BRICS countries. Nevertheless, MSMEs' participation in international trade is still very limited. MSMEs are more prone to be affected by cumbersome regulations and border procedures, restricted access to finance and lack of transparency.

Nowadays, the special situation of MSMEs is widely acknowledged. International organizations, including G20, ITC and the WTO, have undertaken extensive work aimed at examining and addressing MSMEs needs and problems, aiming to promote their more effective participation in international trade. The UN also recognizes the important contribution of MSMEs to fulfilling its' 2030 Agenda for sustainable development and achieving Sustainable Development Goals, calling for action to improve their access to finance, value chains and markets.

Over the past years, BRICS agenda has also progressively expanded to include MSMEs. Since 2015 a Round Table on MSME Promotion and Support has been organized every year within the BRICS with the purpose of enhancing MSME cooperation. The BRICS MSME Cooperation Framework has been established in 2016. In 2018, BRICS decided to hold special CGETI sessions dedicated to MSMEs. In 2019, BRICS countries reviewed issues regarding access to finance and formalization of MSMEs during the annual Round Table and discussed its results during the first CGETI dedicated session on MSMEs. BRICS Leaders and trade ministers continuously agree to enhance joint efforts on MSMEs, to work

for greater integration of MSMEs in regional and global value chains, as well as to foster cooperation and facilitate exchange of experiences between BRICS countries on MSMEs.

Nevertheless, MSMEs in BRICS countries face a number of problems, which effectively prevent them from flourishing and participating in global value chains. MSMEs frequently have insufficient opportunities for participation in global trade because of cumbersome rules and procedures, unpredictable regulatory environment, lack of transparent or easily accessible information and financing.

In order to address these challenges and to facilitate BRICS' MSMEs integration into the international trade the BRICS agree on the following:

1. The BRICS Members will continue working together to build an open and transparent business environment while ensuring regulatory flexibility with a view to facilitate trade for MSMEs.
2. The BRICS Members will exchange views and best practices on the definition of MSMEs and measures, implemented in accordance with national laws and the WTO Agreement on Trade Facilitation, aimed at improving transparency for MSMEs, streamlining trade procedures and facilitating trade at borders, including goods in transit.
3. The BRICS Members will exchange views and consider further possible steps to improve transparency of the international trade and investment environment, specifically with reference to exchange of regulatory information and dissemination of data without creating undue burden.
4. Recognizing that regulatory changes in the area of trade may be particularly burdensome for MSMEs, BRICS Members will exchange views on good regulatory practices and explore ways to facilitate trade for MSMEs. In this regard, BRICS Members agree that MSMEs should be provided with adequate opportunities to discuss and reasonable time to adapt to the new regulatory requirements. To that end, the BRICS countries, within their respective jurisdictions as well as with their institutional and implementation capacities, are encouraged to establish regulatory

practices that would include, among others, consultation procedures that are easily accessible and open to the public in the process of developing new regulations related to trade, publication of drafts of such regulations before their adoption, as well as due consideration of the special needs of MSMEs in the development of such drafts.

5. The BRICS Members agree to exchange views and share best practices on measures and approaches to integrating MSMEs in the mainstream economy and in international trade, noting the respective ongoing work in the relevant international fora.
6. The BRICS Members agree to the formulation and adoption of these guidelines giving effect to the agreed principles and undertakings as reflected in the BRICS SME Cooperation Framework.