

## **The Philippines' MSME Advocacy**

At the outset, allow me to make an observation that will most likely hold true for your countries . that is, a vast majority of registered business are micro, small and medium enterprises (MSMEs). In our experience, MSMEs would account for anywhere from 95-98% of registrations, and they comprise 62-65% of total employment.

With this <sup>^</sup>^ public forum theme *trade truly* we have an opportunity to explore how trade can work not only for the 5% of all firms . the large ones . but more importantly for the 95% that make up the MSMEs.

The Philippines advocates that if we are to make trade truly inclusive, we should have more conversations on the challenges and opportunities for MSMEs, particularly MICRO enterprises.

We organized a working session with the theme *Towards a MSME Marketplace, Growing Global MSMEs for Inclusive* last Tuesday (27 September) which discussed four (4) areas or pillars that would benefit from international cooperation and discussion:

- 1<sup>st</sup> was the need to further improve MSMEs access to information;
- 2<sup>nd</sup>, the need to improve MSMEs absorptive capacity by building linkages and expanding knowledge;
- 3<sup>rd</sup>, the development of global MSMEs, and
- 4<sup>th</sup>, the facilitation of cross-border access for MSMEs

Across these 4 pillars - from transparency to crossing borders - STANDARDS is an area that is invariably challenging for MSMEs. At the same time, this is an area where plenty of opportunities for further improvement and cooperation activities lie, which in turn can make a lot of difference for MSMEs .

## **The Philippine Context - Standards and Regulations**

In the Philippines, we recently

such basic requirements or find some informal way to surmount them should simply not be in the business of exporting.

This is a very significant finding because we need the vigilance and cooperation of the stakeholders to be able to actively monitor standards and regulations that may have significant impact on Philippine exports and consequently industrial development. This may also explain why there has been sparse comments on

First, I believe that there must be continuous dialogue. We need to learn from each other's experiences and national initiatives as well as consider best practices of government programs for MSMEs. A topic for discussion would be national certification systems as a tool for internationalization of the business and to identify which assistance is needed to let them compete in international trade.

Second, I am convinced that a strong and conscious effort to involve MSMEs in standard setting is necessary. ISO and ITC have jointly developed a number of publications aimed specifically at SMEs. The ISO 9001 and ISO 14001 Guides for SMEs (ISO, ITC, UNIDO, 2015) help small businesses understand and implement the requirements for quality management and environmental systems.

The Philippine government engages MSMEs and encourages them to participate in technical committees for standards development. A discussion on how to integrate MSMEs in international standard setting activities should merit further discussion.

Third, we must further facilitate the provision of information to MSMEs. It is important for information to be made available immediately and in a manner that is understandable and usable for MSMEs. More specifically:

- We need to improve the organization of information (i.

Cooperation between agencies is something that can be deepened. Can we ask the ITC, UNCTAD, World Bank, regional development banks and others to sit down and develop a methodology to be employed by MSMEs so that any standard or technical regulation can be assessed for technical and financial implications.

In closing, I would like to emphasize that standards are a truly a promising area for discussion, for which practical tools would make a difference for microa