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Foreword by the WTO Director-General

Trade

(including the Agreement on Technical Barriers to Trade and the Agreement on the Application of Sanitary and Phytosanitary Measures), technical regulations and other standards would impose higher costs on firms to the detriment of SMEs. This is at least in part because it is easier and cheaper for large and potentially more efficient firms to comply with $\pounds \mathfrak{H}$

Executive summary

A. Introduction

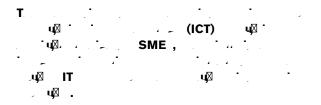
In the majority of countries, small and medium-sized

C. Dynamics of SME internationalization

the World Bank and the OECD-WTO have all conducted a number of surveys that allow firms to be distinguished by their size. These surveys show that poor access to information, costly requirements, burdensome customs procedures and lack of trade finance are major barriers to international trade for SMEs.

T, 037U,以以,T02MEEF67290209222.1F,F60290⊠02197F6606298025 0020⊠BDC()TEMC(()-3.1()-0.7()-7.7()-9.5()-15.4()-5()-2.6(1)-6(. 図BD√7.7437⊠BDC ∞9(()⊁3)9.22.4()6420∞(()⊁4 (92025)-802)5)(023 56) Available empirical evidence suggests that, in spite of some sectoral variation, service SMEs generally lean towards "soft" forms of trade, exporting mainly via cross-border trade and movement of contractual service suppliers unlinked to commercial presence. Barriers to these modes of supply, such as requirements to establish a commercial presence when supplying services across borders, or quotas on the movement of independent professionals, are therefore likely to be especially burdensome for service SMEs.

Measures affecting service firms' ability to enter a foreign market or establish therein usually involve fixed costs. Accordingly, they can also be expected to impose a relatively heavier burden on service SMEs relative to measures affecting their operations, as these are much more likely to imply variable costs only.



Recent research has shown that e-commerce reduces the costs associated with physical distance between sellers and consumers by providing both trust and information at a very low cost. Commercial platforms eliminate the need for a firm to buy its own e-commerce hardware and software. Consequently, firms conducting business on platforms such as eBay are smaller on average than traditional offline firms. E-commerce offers growth opportunities, especially to SMEs in developing countries.

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The Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement appears to give members greater leeway to promote the technological development of their SMEs through, among many other initiatives, lower patent filing fees and intellectual property-related consulting services.

The Government Procurement Agreement (GPA) encourages SME participation in international procurement in several ways. It improves procurement legislation and systems relating to transparency, integrity and competition, provides flexibility to implement measures relating to procurement practices that facilitate SME participation, and allows preferential measures to help SMEs obtain privileged access to procurement contracts.

The WTO work programmes on e-commerce and small economies have prominent SME components which involve, among other things, analytical work examining how SMEs might better take advantage of e-cosimile have

