



How to best energise SMEs participation in international trade

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The global business landscape is changing quite rapidly

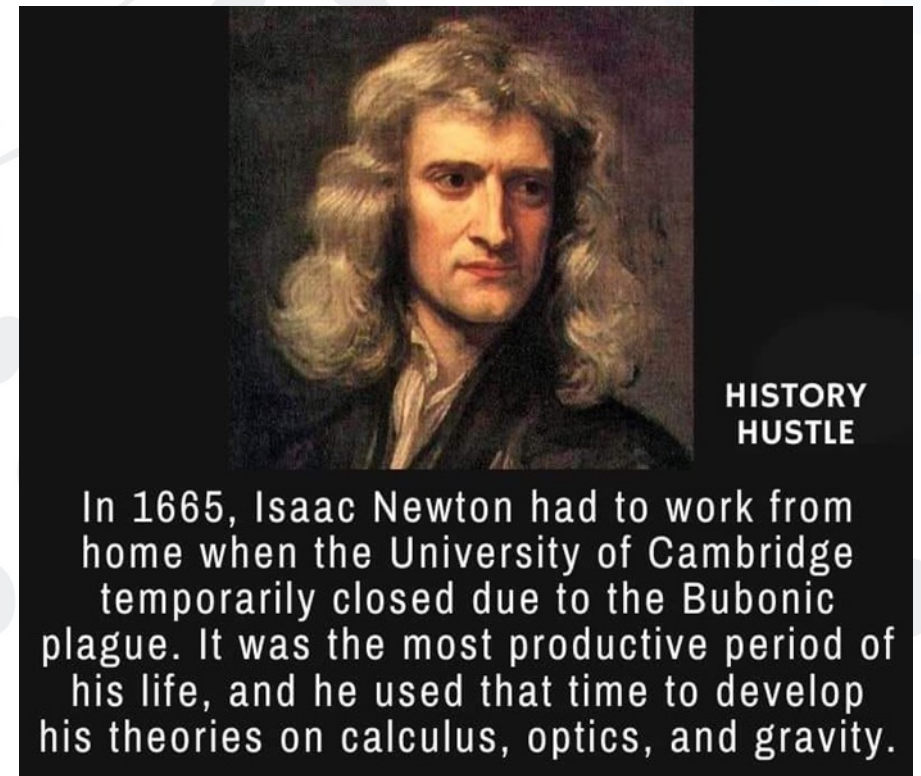
No one business, and certainly not SMEs, needs to navigate these rather stormy waters alone



危機

The Chinese word for crisis shares a character with the word for opportunity.

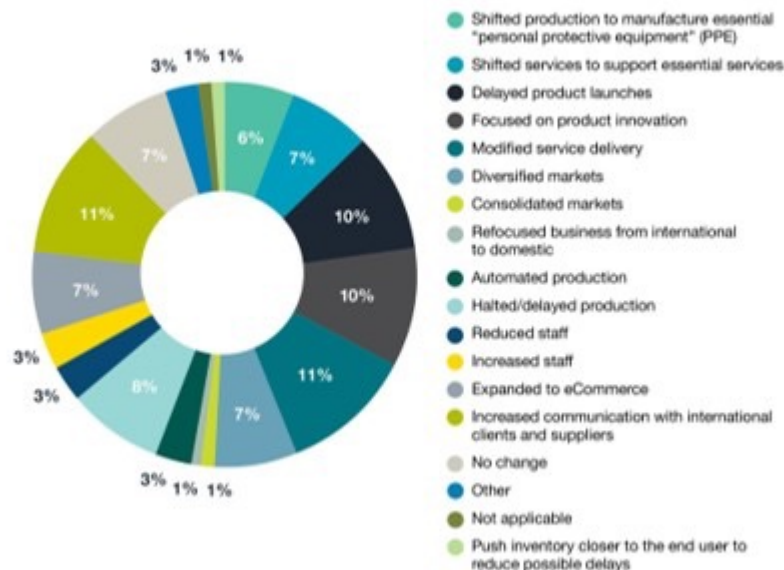
機會



Challenges facing SMEs



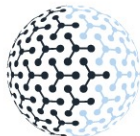
How has your business changed as a result of COVID19?



- SMEs we have surveyed play an important and varied role in cross-border supply chains/trade.

- Before COVID-19, most SMEs indicated that the primary challenges they faced when selling into global supply chains/trade were payment issues.

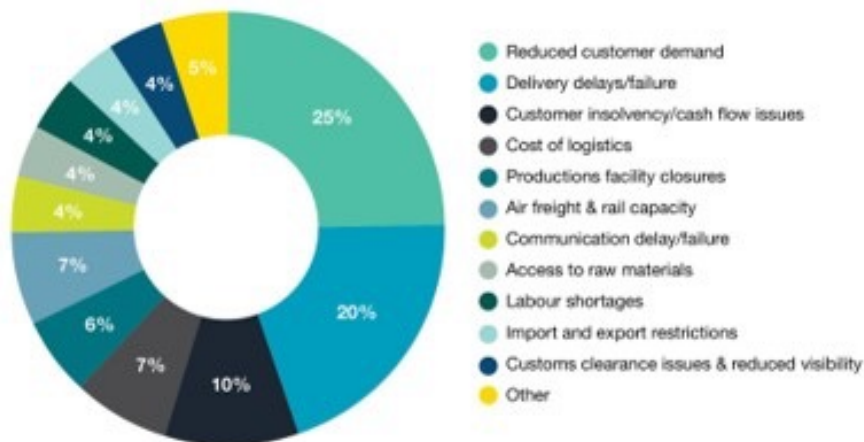
- As a result of COVID-19, the main challenges that SMEs have experienced include reduced customer demand and delivery delays/failures, followed by customer insolvency/cash flow issues, cost of logistics, and lack of air freight capacity.



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Challenges facing SMEs

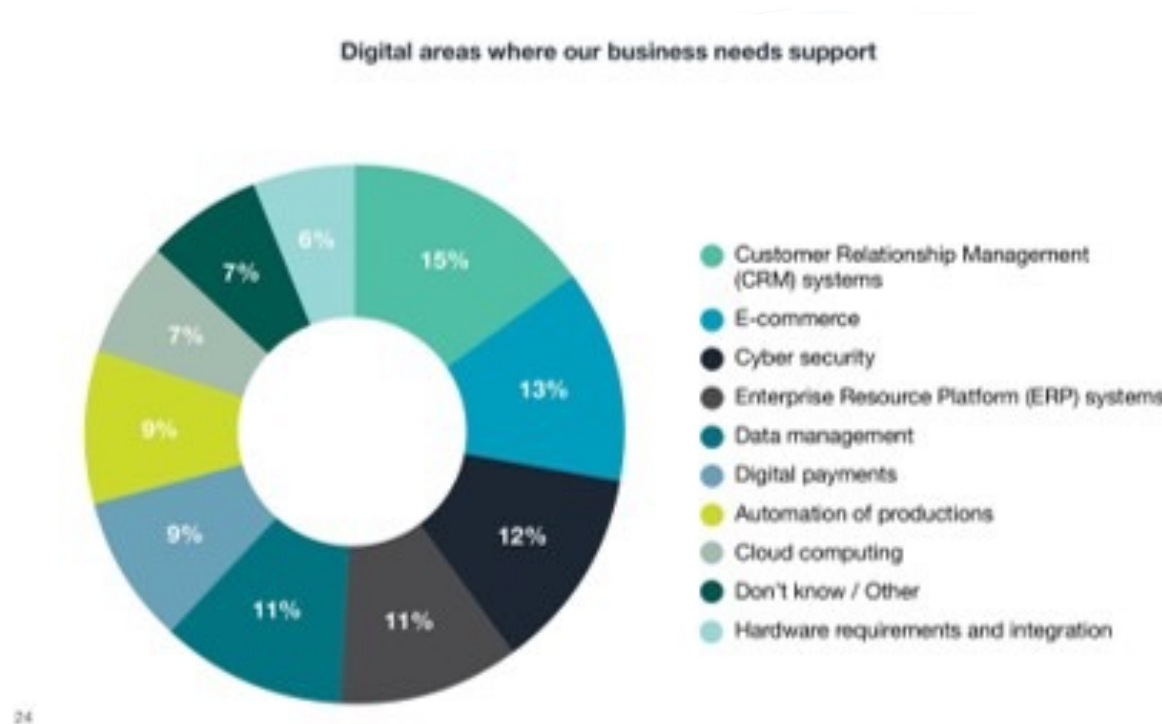
Disruptions as a result of COVID 19

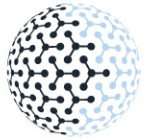


- Most SMEs are not planning to change their supply chains as a result of COVID-19.
- The biggest challenge by far in preventing SMEs from diversifying their supply chains is the cost involved.
- SMEs rely on governments to help to reduce complex trade regulations and barriers where possible.
- To grow their business within global trade SMEs require government support in specific areas.

Digital transformation and the rise of e-Commerce

Support SMEs to participate in e-Commerce and global supply chains through direct engagement that lead to embracing new opportunities created by the digital economy.



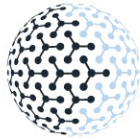


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Policy ideas



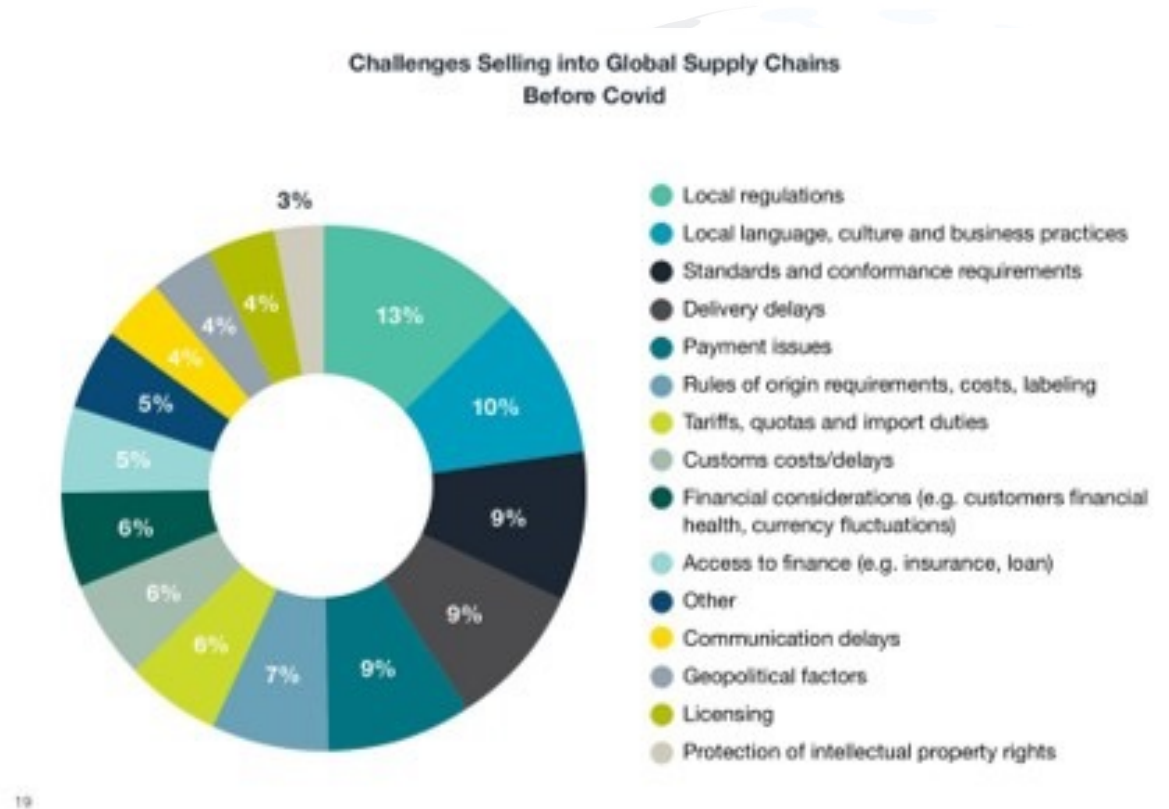
- Support training on cross- border trade generally with a focus on e-Commerce and digital services.
- Leverage existing tools available to help SMEs develop improved e-Commerce capabilities.
- Develop trade facilitation policies to foster eCommerce, such as tailored AEO schemes that address the particularities of e-Commerce.
- Focus on the regulation and acceptance of digital trade/e-Commerce documentation,
- Support emerging standards for chain of custody to reduce red tape for import and export documentation.
- Support training to assist SMEs to understand and mitigate Cybersecurity risks.
- Support training to assist SMEs in understanding the impact of new technologies such as Artificial Intelligence, as well as Industry 4.0 and automation.

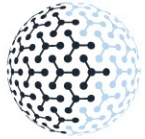


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Global Supply Chains and SMEs

Support SMEs to become integrated into global supply chains and promoting access to information regarding trade opportunities and regulatory requirements through helpdesks, intensive workshops, direct peer to peer introductions, and access to resources.



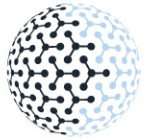


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- Help provide SMEs with information on opportunities in global supply chains including education toolkits.
- Collaborate with industry and the private sector on establishing centres of excellence for global supply chains.
- Work with industry to develop standards to build integrity in global supply chains, including the leverage of existing standards.
- Simplify Rules of Origin for SMEs.
- Support a study to focus on to research origin data standards including the documentation, evidence and data required to properly establish and prove origin.

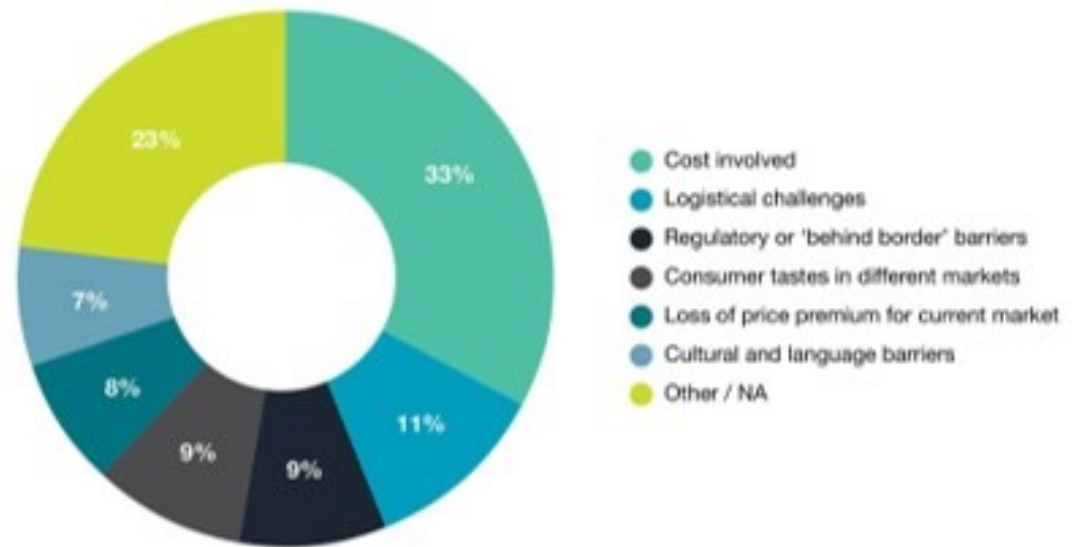


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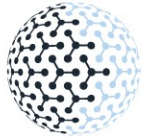
Trade facilitation and the role of government in digitization

Develop common standards for AEO programs across APEC members is needed to harmonize regulations and procedures to support SMEs

Reasons preventing you from diversifying sourcing of input services



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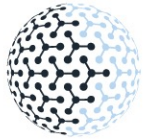


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- Commitment to the harmonisation of APEC standards for AEO programs and the adoption of Mutual Recognition Agreements among APEC members is important to ensure mutual recognition of AEO programs.
- Governments should promote Single Window interoperability across APEC since Trade Electronic Single Windows (ESW) facilitate, streamline and increase transparency in trade documentation.
- Support the development of capacity building programmes to build leadership across APEC members in global trade and global supply chain policy expertise.

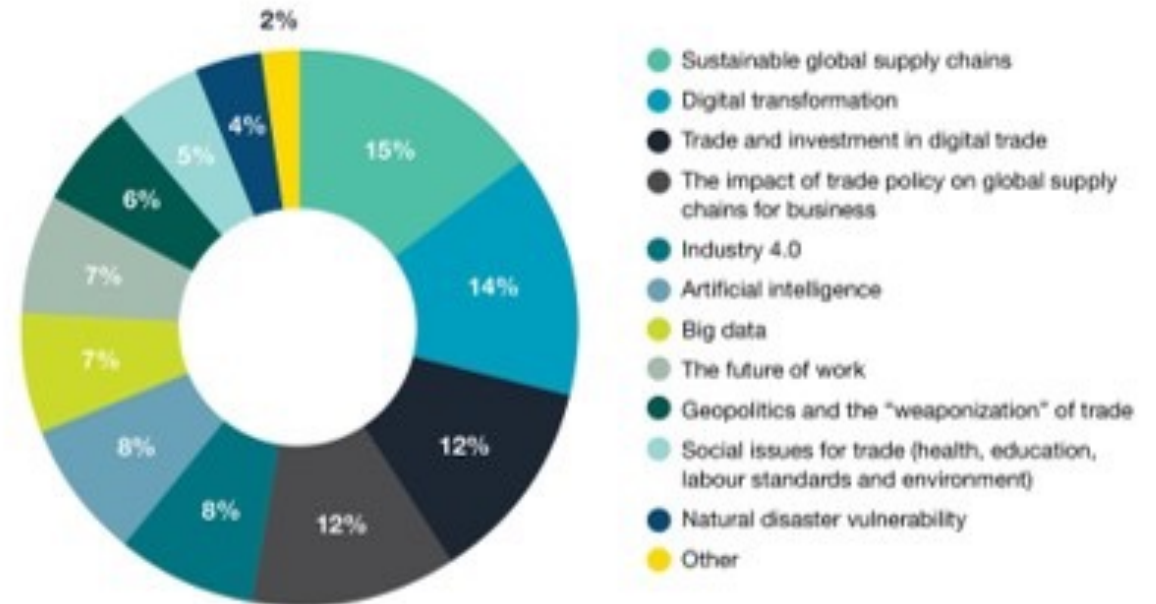


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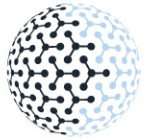
SME agility during the COVID-19 response

**Structural policies
and targeted
projects to support
SMEs' access to
finance,
technology, and
training to facilitate
export.**

Areas for Future Skills Development



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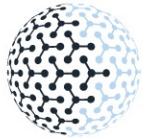
- Create a champion of trade mentoring programme to connect SMEs to mentors.



- Expand the “MondeB2B” platform to include certified service providers and consultants for SMEs to access competent service providers.



- Online training programme that can support SMEs to better prepare their business operations in crisis management and recovery, including adaptive leadership, agile thinking and business and market diversification.

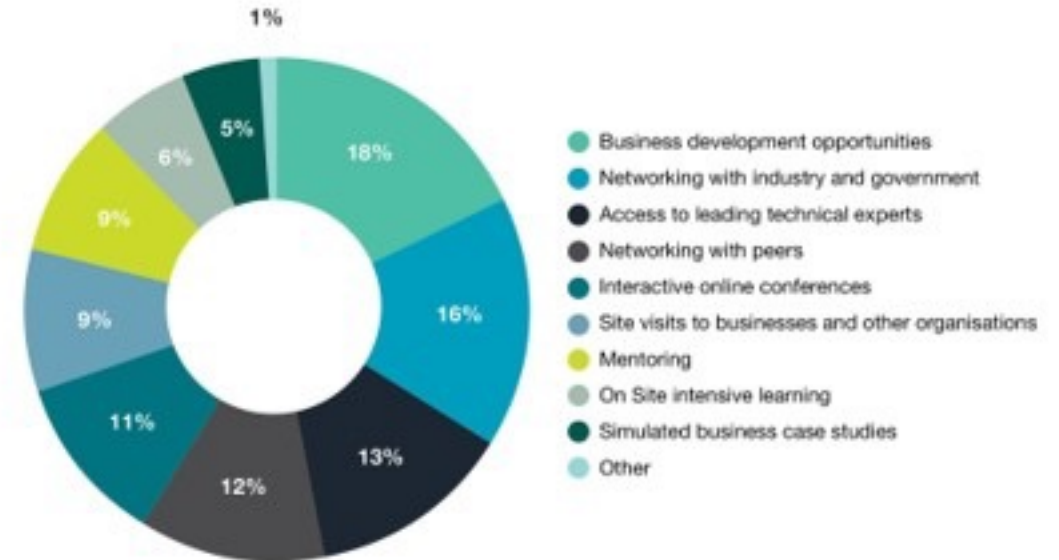


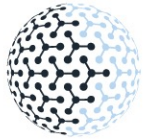
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Women and COVID-19 impact on inclusive growth

Provide capability and capacity building programmes, specifically geared towards women and the unique challenges they face in global business.

Most effective delivery mechanisms to build capabilities





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- Support networks for women business owners to facilitate one-on-one mentoring, discussion, and problem-solving.
- Development of novel finance tools to give women equal access – or even preferential access - to business finance.



Top tips for SMEs



- Identify and understand your market by doing thorough research
- Understand finance and compliance regulations – in your own market and your chosen market
- Communicate – make the effort to understand the culture, buying behaviour, etc of your chosen market
- Prepare your product/s or services
- Plan a proper market penetration strategy
- Empower your team to act internationally
- Understand the competition
- Identify potential partners
- Put the customer at the forefront of everything you do

- Global Business Diagnostic Tool



- e-Commerce Diagnostic Tool

- e-Commerce training solutions: including an export game



- Experimental learning solutions to advance internal capability and capacity

- Online business mentoring programme



- Certification of Global Trading business under ISO/IEC 17065

- Adaptive Trade Leadership in a Globalised World



- Global Value Chain online data tool
- Global Value Chain toolkit



- Rules of Origin Calculator
- Global standard frameworks to support SMEs into MNC global value chains





Thank you

Stay safe