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MSME Associations Reject MSMEs Work Program and E-commerce Rules in WTO

BUENOS AIRES, ARGENTINA---When MSME associations from around the globe were asked if they support an MSME work program at the WTO, they rejected it for the reasons below:

Mrs Ruth Abraham Agbo – National Women’s Leader, MSMEs in National Association of Nigerian Traders (NANTS), **Nigeria**

‘We, the over 4 million MSMEs in Nigeria under the National Association of Nigerian Traders (NANTS) fully support and stand by the G90 (of developing countries and least developed countries) proposal which has Special and Differential Treatment provisions that would genuinely help our growth and development. We are totally opposed to the other proposals that are Trojan horse and back doors for rules (e-commerce et al) that would harm our livelihoods and sustenance’

Mohan Gurnani, Chairman, Chamber of Associations of Maharashtra Industry and Trade (CAMIT) representing thousands of Indian MSMEs, **India**

‘We reject the proposal at WTO to bring in more liberalisation in the name of MSMEs. Small enterprises are already suffering from such liberalisation and this move is nothing but a disguised attempt to bring in new issues including investment facilitation and ecommerce which does not help small enterprises but consolidates the powers of the big companies.’

Marcelo Fernandez, General Business Confederation of the Argentine Republic (CGERA) representing 40 sectoral chambers of Argentine MSMEs, **Argentina**

‘We, as part of the CGERA, express our concerns regarding the negotiations being held at the WTO since we don’t have any information of any impact studies that have been made. Particularly we think that to open the market through e-commerce will make us compete in the internal and external market against big transnational corporations, jeopardizing our production, our labor and our MSMEs specially in the industrial manufacturing sector.’

Mr. Ssali Godfrey, Advocacy officer, Uganda Manufacturers Association (UMA) which has 250 MSME members, **Uganda**

‘The World Trade Organization (WTO) should focus on the issues at hand rather than expending time on new issues. New issues like MSMEs should be kept out of the agenda as they will curtail Uganda's much needed policy space. Moreover, Uganda is still suffering from the highest mortality rate of MSMEs which don't see their 5th birthday, thus subjecting them to strong, liberal and binding WTO rules will mean a complete wipe out of the MSMEs”.

Ms. Veronica Namwanje, Acting Executive Director, Uganda Small Scale Industries Association (USSIA)- USSIA's membership are small scale industrialists (SSI) and its current active membership is approximately 4500 MSME members, **Uganda**

'Merging MSMEs into the WTO list of issues and negotiations might not be in the best interest of the MSMEs as it might lead to blanket policy for MSME member nations in general and Uganda in particular, at a time when the domestic MSME structure needs a tailored policy approach'.

Some of the MSME associations concerned about ecommerce rules include:

- The hawkers and street vendors' association of India representing millions of MSMEs has strongly protested against ecommerce rules being included in the WTO according to a civil society meeting on the sidelines of the RCEP negotiations in Hyderabad, India, July, 2017.
- Even in India, one of the largest developing countries with a relatively better-developed digital economy, the apex association of small traders and manufactures – with 1700 member associations representing millions of MSMEs – say global e-commerce companies are already putting locals at a big disadvantage.¹
- Companies who actually sell on ecommerce sites have formed an association to ask for more regulation of online marketplaces, because of the problems they are already facing with online marketplaces.²
- A new association of Indian digital companies seeks domestic industry policy support against the predatory pricing by global ecommerce companies who find it easier to raise capital than Indian companies because they have profitable markets elsewhere, so it's an unfair playing field for Indian startups.³
- Indian ecommerce companies such as Flipkart (the Indian version of Amazon.com) which is valued at \$7.9billion,⁴ and Ola (the Indian version of Uber) valued at about \$7billion,⁵ are already finding it difficult to compete with global ecommerce rivals, before any new WTO ecommerce rules are agreed. The proposed new ecommerce rules at the WTO would increase the power of Google, Amazon etc⁶ and so make it even more difficult even for companies as big as Ola to compete.

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Contact information for these and other OWINFS civil society experts can be found at:
www.ourworldisnotforsale.net.

¹ <http://m.thehindubusinessline.com/economy/policy/wto-meet-civil-society-urges-govt-to-protect-farmers-fishers-traders/article9972405.ece>

² <http://indianexpress.com/article/business/companies/e-commerce-payment-disputes-commerce-ministry-tells-sellers-group-to-approach-consumer-affairs-ministry-for-resolution-4572399/>

³ <https://www.vccircle.com/flipkart-ola-others-launch-lobby-group-for-indian-e-commerce-firms/>

⁴ <http://www.livemint.com/Companies/EJw97b4x13Yd1D0hBw52NN/Valic-trims-Flipkart-valuation-to-79-billion.html>

⁵ <https://www.cnbc.com/2017/10/11/ola-tencent-softbank-funding-7-billion-valuation.html>

⁶ Eg see http://ourworldisnotforsale.net/2017/Hill_MSMEs_E-commerce.pdf