



## *Conference “Promoting Competition: Challenges and Ambition”*

# UNCTAD views on Competition Policy and Micro, Small and Medium sized Enterprises

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## UNCTAD's mandate on Competition law and policy



- ✓ **Focal point for Competition and Consumer Policies within the UN system**

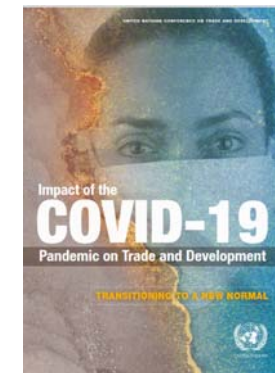
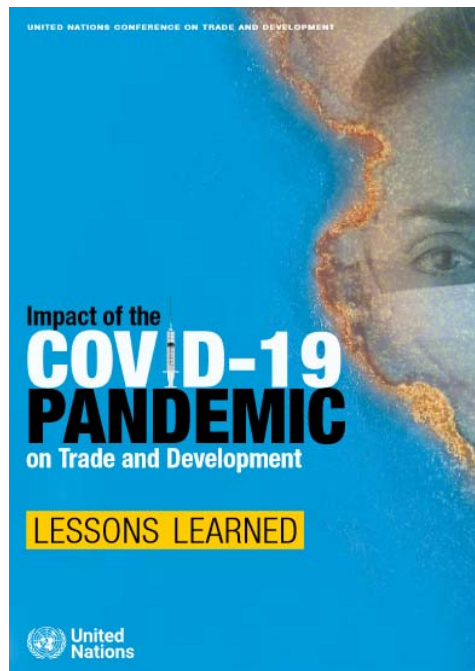
**The custodian of the UN Set of Principles and Rules on Competition (1980), the only internationally agreed instrument in the field of Competition**

**- UN General Assembly Resolution 35/63, 5 December 1980 -**

- **Recognition of the positive contribution of Competition law and policy to promote economic growth and inclusive sustainable development (greater efficiency and encouragement of innovation).**
- **“Development dimension”:** reference to the Preferential or Differential Treatment for developing countries - according to their special circumstances.
- **Framework for international cooperation and exchange of best practices.**

**- *Guiding Policies & Procedures (2020):* recommended steps to facilitate international cooperation to developing countries; enhanced role of UNCTAD as a facilitator.**

# COVID-19 pandemic impact on MSMEs



[https://unctad.org/system/files/official-document/osg2020d1\\_en.pdf](https://unctad.org/system/files/official-document/osg2020d1_en.pdf)

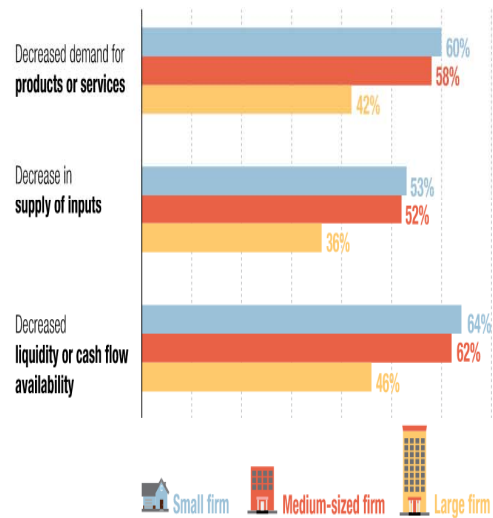
<https://unctad.org/programme/covid-19-response/impact-on-trade-and-development-2021>

<https://unctad.org/webflyer/impact-covid-19-pandemic-trade-and-development-lessons-learned>



Small and medium-sized enterprises

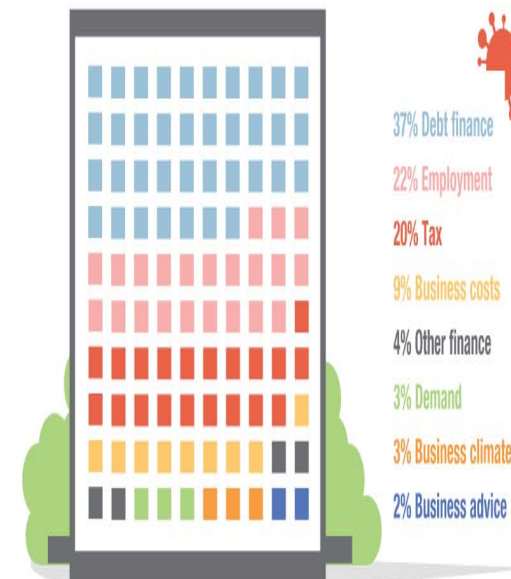
Impact of the pandemic on firms by size  
 (Percentage)



The pandemic has affected the business community and significantly reduced market demand for the products and services of microenterprises and small and medium-sized enterprises (SMEs). A significant proportion of such enterprises have experienced heavy losses in revenue and many are out of operation due to confinement measures and other measures taken by authorities. Apart from sectoral characteristics, several factors help explain the vulnerability of microenterprises and SMEs. Small businesses have fewer resources and less capacity to cope with abrupt economic shocks. They normally do not have diversified businesses, markets, suppliers or external support that may be leveraged during a crisis. The results of an enterprise survey in 40 countries show that a greater share of SMEs, compared with large enterprises, experienced year-on-year decreases in demand for products or services, the supply of inputs and liquidity or cash flow availability after the start of the pandemic.

Source: UNCTAD calculations, based on [www.enterprisesurveys.org](http://www.enterprisesurveys.org).  
 Note: Data were obtained from probit regressions on a sample of 35,490 formal enterprises in 40 countries surveyed by the World Bank, updated in March 2021.

Pandemic-related policy measures supporting small and medium-sized enterprises, as at March 2021  
 (Percentage)



Supporting microenterprises and SMEs is an important part of the pandemic-related relief packages of Governments. A mapping of support measures implemented worldwide shows that debt finance (loans and guarantees), employment support and tax relief are the policy measures that are used the most. It is important to continue and further strengthen support measures for microenterprises and SMEs, to help alleviate the impacts of the pandemic.

Source: UNCTAD calculations, based on <https://www.worldbank.org/en/data/interactive/2020/04/14/map-of-sme-support-measures-in-response-to-covid-19>.

# Competition law and policy in support of SMEs during the COVID-19 pandemic and in its aftermath



# UN Development Account Technical cooperation project on *Resurgence of Micro, Small and Medium Enterprises* (2020-2022)



**MSMEs are the engine of development in developing countries and consequently public policies should focus on their rapid recovery, support for innovation and the fight against the forces that impede their development.**

UNCTAD-CCPB component on Competition policy and SMEs, seeking to improve cooperation between Competition authorities and SME agencies at local, regional and international levels.

In close collaboration with the 5 UN Regional Economic Commissions

Activities and products include:

- a **Report on the interlinkage between Competition and SMEs policies;**
- **3 national studies** on the impact in MSMEs in **Brazil, South Africa and Thailand;**
- 5 regional webinars to discuss recommendation to support the recovery of MSMEs, bringing together policymakers, Competition authorities and SMEs officials;
- 1 **global dialogue on the digitalization of SMEs, access to finance and government, and interagency coordination between SME and Competition Authorities;**
- **1 online course on Competition Policy and SMEs;**
- **A set of recommended practices to improve MSMEs access to digital platforms.**

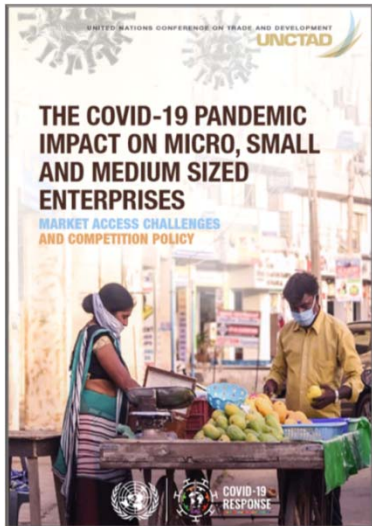


# UN Development Account Technical cooperation project on *Resurgence of Micro, Small and Medium Enterprises –*

## *Outcomes of the Competition policy and SMEs component*

### Key issues of the REPORT on “THE COVID-19 PANDEMIC IMPACT ON MICRO, SMALL AND MEDIUM SIZED ENTERPRISES”, 2022

- **Recommendations to multilateral bodies:** provide platforms for dialogue between SMEs and regulatory agencies with special reference to emerging digital market structures that may hurt SMEs
- **Recommendations to National Competition and MSME agencies:**
  - Encourage SMEs to grow through Competition law enforcement;
  - Organize training programs on SMEs and Competition policy and guidance;
  - Establish MSME consultative committees within regulatory bodies;
  - Allow collective bargaining, minimum thresholds/safe harbour guidelines/exemptions for MSMEs agreements and conducts;
  - Provide digital market skills training for MSMEs and focus on facilitating their market entry and exit from digital marketplaces.



# UN Development Account Technical cooperation project on *Resurgence of Micro, Small and Medium Enterprises –*



## *Outcomes of the Competition policy and SMEs component*

**2. NATIONAL MARKET STUDIES FOR BRAZIL, SOUTH AFRICA AND THAILAND:** to show case the interface between Competition policy and the promotion of MSMEs accessing new markets

**Cross-cutting issues from the studies:**

- **Market access facilitation by government;**
- **Coordination between Competition and SME agencies;**
- **Access to finance;**
- **Digital access gaps and online transition by MSMEs; market exit by MSMEs due to pandemic.**

**3. REGIONAL DIALOGUES WITH UN REGIONAL ECONOMIC COMMISSIONS (RECs) across the world.**



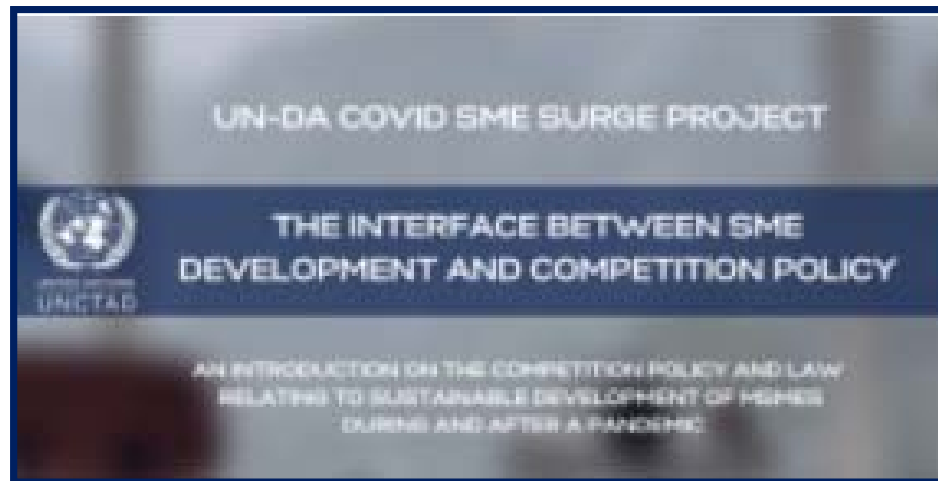


# UN Development Account Technical cooperation project on *Resurgence of Micro, Small and Medium Enterprises –*



## *Outcomes of the Competition policy and SMEs component*

### 4. THAILAND GUIDANCE DOCUMENT TO IMPLEMENT SOME RECOMMENDATIONS.



5. **ONLINE COURSE ON COMPETITION LAW AND MSMES** (launched in June 2022 in Bangkok): from November to end of December 2022. Over 100 participants from Competition and SMEs agencies, Government Ministries, private sector, academia, among other institutions.



# International cooperation as the way forward



# Concluding remarks

- The crises have underlined the need for joining efforts, new partnerships and coordinating actions across the world: this is especially important for developing countries and least-developed countries
- **Competition Authorities and SMEs agencies need to further promote synergies, explore collaboration and improve cooperation within each jurisdiction to support micro and SMEs increased market access and opportunities**
- Exchange of information and knowledge, joint initiatives, the development of best practices between advanced and less experienced Competition Authorities and between SMEs bodies will establish channels for collaboration
- **International and regional cooperation can broaden the dialogues – “network the networks” - and assist the small and less equipped in an inclusive manner.**

# Thank you!

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<https://unctad.org/Topic/Competition-and-Consumer-Protection>

