



**Harnessing Digital
Trade to curb COVID19
impacts on MSMEs: A
gender and sector
discourse**

Mauritius

Introduction

Through its Chairs Programme, the World Trade Organization (WTO) is fostering research, training and outreach activities of relevance to governmental policy makers and other stakeholders at universities in developing countries and least developing countries (LDCs).

In 2021, a special call was made to the Chairs of the 1st and 2nd phases inviting them to submit research proposals for projects focused on the following themes:

- COVID -19 and Global Value Chains: Keeping Global Markets Open
- Promoting Economic Recovery through Trade in a post COVID-19 World
- Towards a Sustainable and Greener Trade: Trade Environment, Fisheries and Aquaculture in the context of the Blue Economy, Trade and Climate Change
- E-Commerce and the Digital Economy
- Inclusive Trade: Micro, Small, Medium-Sized Enterprises (MSMEs), Women and Trade

With support from the WCP donors, 12 Chairs from universities in Argentina, Brazil, Barbados, Chile, China, Indonesia, Jordan, Kenya, Mauritius, Mexico, Morocco and Turkey received funding.

Project Background

Micro, Small and Medium-Sized Enterprises (MSMEs) play a major role in most economies contributing significantly to socio-economic development. According to the WTO, MSMEs represent **95%** of companies across the globe and account for **60%** of the world's total employment. In Mauritius they make up **99%** of all enterprises and account for **12%** of total exports.

With advancements in technology, the SME sector is seen to hold the key to promote trade, investment, and sustainable recovery in the midst of the COVID-19 pandemic.¹

The COVID-19 pandemic has had a significant impact on operations of MSMEs and on Mauritius economic growth. As a major employer of women and young people, supporting MSMEs is vital in achieving sustainable economic recovery.

“ MSMEs are the backbone of many economies, WTO Members need to foster a transparent, inclusive, non-discriminatory, and predictable global trade environment that supports and enhances MSMEs involvement international trade.”

- **Deputy Director General Xiangchen Zhang, World Trade Organization**

¹ WTO Mauritius Chair. wtochairs.org, <https://wtochairs.org/research>

Project Objectives

The Mauritius Chair implemented a project focused on:

- Analyzing the effects of COVID -19 on Mauritian MSMEs including women and blue entrepreneurs.
- Investigating the factors that prevent women micro-entrepreneurs from shifting to digital trade.
- Empowering MSMEs with the capacity to adopt electronic commerce practices and expand their market base and visibility in the online trading environment.

Project Activities



Research

A series of research activities were conducted analyzing the impact of COVID-19 on MSMEs and Blue Entrepreneurs.

380

MSMEs were surveyed from September to December 2021

5

focus group discussions were conducted with women and blue entrepreneurs

125

face-to-face interviews were conducted with women and blue entrepreneurs



Outreach Activities

Two round table discussions were held by the Chair:

The Impact of COVID-19 on MSMEs in Mauritius

This virtual round table was attended by **120** participants including representatives from the Economic Development Board and Association des Femmes Entrepreneurs.

MSMEs and COVID-19: Impacts, Challenges and Opportunities` with a special theme, `COVID-19 and the Sustainability of Blue Entrepreneurship

This conference provided a forum for academics, policy makers, civil societies, business partners and experts working on issues relating to the impact of COVID-19 on MSMEs, and the recovery measures adopted to mitigate its effects, to submit research papers on the topic. 40 abstracts were received from: South Africa, India, Geneva, Kenya, Zimbabwe, Cameroon, Ethiopia, Democratic Republic of Congo, Mauritius and non-academic Mauritian private and public bodies.

“ MSMEs in all sectors have been severely affected by the pandemic and as in other countries, women entrepreneurs have been more severely affected as their businesses are often quite small with few financial reserves - even in pre-COVID times. They are quite dependent on a steady cash flow to make ends meet. Two complete lockdowns and the long closure of the hospitality and tourism sectors resulted in no income for women engaged in these sectors. ”

- Representative of the Association des Femmes Entrepreneurs

Actual and Expected Impact from the Project



Production of Research Papers

Three papers were produced from the research activities which took place. From the findings, the WTO Mauritius Chair proposed the implementation of the following strategies to enhance the operations of MSMEs:

- The clustering of MSMEs by sector of activity to strengthen their capacity to trade
- Encouraging larger firms who are already in export to source certain products or services from local MSMEs, enabling their participation in trade
- Provide support to mitigate the impact of the pandemic MSME exports

Access some of the papers [here](#).



Policy Influence

The results of the survey of MSMEs in Mauritius and the policy recommendations of this research and outreach project were discussed at a cabinet meeting of the Government of Mauritius considering implementation.



Production of Current Data on Trade

The project is providing a real assessment of the impact of the pandemic on MSMEs in Mauritius and enhancing their capacity to shift to digital trade.

Information gained from the research papers will also provide insight for trade policies being developed.



Training of Entrepreneurs

COVID-19 has initiated a shift to the online ecosystem which represents a challenge for MSMEs and blue entrepreneurs who lack the skills to fully utilize the e-commerce environment. A training kit is being developed by a multi-disciplinary team at the University of Mauritius for entrepreneurs to introduce and train them on the components of e-commerce.

The WTO 12th Ministerial Conference (MC12)

The WTO 12th Ministerial Conference delivered a historical package - The `Geneva Package` of outcomes on topics which are important to the multilateral trading system.

The “Geneva package” adopted by members includes:

- a Ministerial Declaration on the Emergency Response to Food Insecurity
- a Ministerial Decision on World Food Programme (WFP) Food Purchases Exemptions from Export Prohibitions or Restrictions
- a Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics
- a Ministerial Decision on the Agreement on Trade-related Aspects of Intellectual Property Rights
- a Decision on the E-commerce Moratorium and Work Programme
- an Agreement on Fisheries Subsidies

In addition, ministers adopted two decisions - on the Work Programme on Small Economies and on the TRIPS non-violation and situation complaints — and a Sanitary and Phytosanitary Declaration for the Twelfth WTO Ministerial Conference: Responding to Modern SPS Challenges.²

For more information on the MC12 visit [WTO.org](https://www.wto.org).

Micro, Small and Medium-Sized Enterprises

During the 11th WTO Ministerial Conference, a Joint Ministerial Statement was issued declaring the establishment of a WTO informal work programme for MSMEs. In the joint statement the Group committed to identify solutions that would help companies, and particularly MSMEs, increase their participation in world trade, while taking into account the specific needs of developing countries.³

Women's economic empowerment and the contributions of MSMEs to inclusive and sustainable economic growth were recognized in the MC12 outcome document.⁴

The Sustainable Development Goals

This project addresses the following Sustainable Development Goals (SDGs):



Additional Documents

- [Trade and gender co-chairs affirm commitment to gender equality in trade at MC12](#)
- [Women and Trade](#)
- [WTO launches new database compiling over 100 studies on gender equality in trade](#)

² Ministerial Conferences. *WTO.org*, https://www.wto.org/english/thewto_e/minist_e/minist_e.htm

³ Informal Working Group on Micro, Small and Medium-sized Enterprises (MSMEs). *WTO.org*, https://www.wto.org/english/tratop_e/msmes_e/msmes_e.htm

⁴ Ministerial Conferences. *WTO.org*, https://www.wto.org/english/thewto_e/minist_e/minist_e.htm