**OPPORTUNITIES FOR MSMES - STATEMENT BY THE UNITED STATES**

* The intention of the U.S. publication of *The Trade Facilitation Agreement: A World of Opportunities for MSMEs,* drafted by USAID,is intended to raise awareness among policymakers, the private sector, and other stakeholders about the importance of the TFA to the MSME community. Hopefully this publication can contribute additional knowledge to the national dialogues taking place about the TFA’s implementation and to encourage stakeholders to recognize the value of the TFA’s implementation in a timely and comprehensive fashion.
* MSMEs represent about 95 percent of all businesses globally and are the backbone of most economies. They are important contributors to innovation, job creation, and economic development.
* Our research shows that firms, including small businesses, that export are generally more financially stable, able to expand faster, create more jobs with higher wages, and are usually more resilient than firms that do not trade.
* And as economies re-open from the Covid-19 pandemic, we should also be taking steps to help businesses to recover.
* MSMEs tend to incur higher costs and spend more time in getting market, regulatory, and other commercial information compared to larger firms which often have resources dedicated to trade-related tasks.
* Investing in making trade predictable, accountable, and cooperative is the key to expanding trade benefits for MSMEs: reducing red tape, simplifying procedures and making information more accessible reduces costs.
* Many of the provisions in the TFA have the potential to benefit MSMEs by lowering the time and cost of doing business, like: Information on rules and procedures; Release and clearance of goods: Fees and penalties; Consultations and appeals; Harmonization Across Borders; and the use of Electronic Systems.
* But beyond these provisions, the TFA has much broader aims: it aspires to mainstream trade facilitation. Trade has linkages to almost all sectors of an economy. Mainstreaming trade facilitation acknowledges trade as an engine for growth and poverty reduction, contributes to an improved business environment, and thereby increases opportunities for MSMEs.
* While the TFA’s primary beneficiaries are traders, it also has collateral benefits. These include business formalization, improved accountability, legal reform, modernization, and sustainable development. It has been suggested that the TFA will have a greater impact on reducing trade costs than eliminating all remaining tariffs. Perhaps more importantly, proper TFA implementation will improve the experience of society as a whole: more openness and transparency are powerful engines of growth and development.
* We hope this new document is useful in your discussions back home in Capital, we hope it creates a sense of momentum when talking internally and with private sector actors, and we hope it adds richness to your discussions about why TFA implementation is important and should be accelerated especially during the COVID-19 pandemic.