

**PRESS RELEASE****Small in size, but giants in economy:  
SMEs need a strong WTO**

SMEs need a strong WTO! This message was delivered today by EUROCHAMBRES and EuroCommerce at the public forum organised by the World Trade Organization (WTO) in Geneva.

In a panel with representatives from the business world and the European Commission, the umbrella organisations of industry and commerce in Europe – who jointly represent more than 20 million European SMEs – recalled the weight of small and medium-sized companies in world economy.

- In the **EU**, SMEs represent 99.8% of businesses; they provide 100m jobs (2/3 of all private sector jobs) and account for 57.4% of the total European value added.
- In the **US**, 99.7% of companies are SMEs, employing 50.3% of the workforce and accounting for 40% of total economic activity.
- In **Japan**, SMEs are 99% of total enterprises. They employ 72% of workers in the manufacturing sector and contribute to 52% of the manufacturing output.
- In **China**, 99% of companies are SMEs, representing 73% of the total workforce. They provide 60% of the industrial gross output.

Decision-makers in Geneva and in all WTO member states cannot ignore the enormous economic role SMEs play on the world stage, and must provide them with the best framework conditions to operate and prosper.

Ralph Kamphöner, Senior Trade Advisor at EuroCommerce said: *“Only the multilateral trading system can generate the economic growth, welfare gains and governance that SMEs need. Bilateral and regional free trade agreements (FTAs) can be helpful complements, but – by no means – a substitute.”*

Dirk Vantuyghem, Director of International Affairs at EUROCHAMBRES, continued: *“Contrary to a number of large companies, SMEs have neither the infrastructure nor the human capital to cope with an overly complex trading environment. They need a stable, simple, transparent, predictable and reliable framework governing their business. Therefore, a successful conclusion of the WTO Doha Round is particularly vital for SMEs.”*

**Opportunities and threats of the WTO for SMEs**

A strong WTO would bring substantial benefits for small and medium-sized companies:

- Dismantling trade barriers will enhance competitiveness across all regions, decrease the costs of living and increase consumer choice.

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EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 19 million enterprises in Europe through 46 members and a European network of 2000 regional and local Chambers.

- Simpler and harmonised customs procedures (“trade facilitation”) will enable economic operators worldwide, and SMEs in particular, to save some 300 billion Euros per year.
- Better market access for service providers will foster wealth and growth.
- Improved multilateral rules, e.g. on antidumping, will provide for more predictability and legal certainty.

On the other hand, in the unfortunate event of a failure of the WTO Doha Round, SMEs would face serious threats:

- Companies would have to face a ‘spaghetti bowl’ of FTAs, each with different rules of origin and individual customs procedures. In such an environment, SMEs would find it much more difficult to export and import – with obvious repercussions on earnings, job creation and the economy as a whole.
- SMEs could be obliged to manufacture different goods for different markets with a direct negative impact on their competitiveness – in the EU as well as in the developing countries.

EUROCHAMBRES and EuroCommerce urge the 151 WTO members to come to an agreement before external events, such as the 2008 US Presidential elections, freeze the whole DDA Round. Interests at stake are too high to afford a failure.

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**Note to the editor:**

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**EuroCommerce** – represents the retail, wholesale and international trade in 29 European countries. Commerce is the largest consumer-related market service. It generates 11% of EU GDP and 30 million jobs through 6 million companies, more than 95% of them SMEs.

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