



United Nations

Department of
Economic and
Social Affairs

Division for Sustainable Development Goals

Webinar: Exploring the Impact of the COVID-19 Pandemic on Micro, Small and Medium Enterprises

Wednesday, 20 May 2020, 9:00 – 10:15 a.m. (EST)

The COVID-19 pandemic has caused unprecedented health, social and economic crisis with devastating global effects. According to the United Nations report on *World Economic Situation and Prospects as of mid-2020*, the global economy is projected to contract sharply by 3.2 per cent this year, and only a modest rebound is expected for 2021. Due to the pandemic, the projected cumulative output losses during the next two years will amount to \$8.5 trillion, wiping out nearly all output gains of the previous four years. World trade is forecast to drop by nearly 15 per cent in 2020 amid sharply reduced global demand and disruptions in global supply chains.

The pandemic is taking a heavy toll on jobs and income worldwide and is exacerbating poverty and inequalities within and between countries. Sweeping lockdown measures have hit jobs in transportation, travel, tourism, retail and hospitality sectors the hardest, as these jobs typically require close physical proximity with clients and fellow workers. The COVID-19 outbreak has disproportionately hurt low-skilled, low-wage workers, pushing an additional 34.3 million people into extreme poverty, with African countries accounting for 56 per cent of the increase.

While the pandemic represents an unprecedented crisis of global dimensions, developing countries, especially those dependent on tourism and commodity exports, face heightened economic risks. The least developed countries, land-locked developing countries, small island developing States and sub-Saharan Africa are likely to suffer huge economic losses. Not only are their health systems less developed, but in most cases, they are particularly vulnerable to external shocks, such as the current. Most developing countries are saddled with chronic fiscal deficits and high levels of public debt, constraining their ability to implement stimulus measures. Falling exports and growth are rapidly undermining their debt sustainability, against the backdrop of reduced trade, tourism and remittance flows, decreased foreign direct investment and tightened credit terms. The pandemic has also exerted a blow on the food systems, with particular risks for food-importing developing countries.

Micro, small and medium enterprises (MSMEs) are important engines for progress towards the Sustainable Development Goals (SDGs) globally. They represent majority of business entities, contributing to a significant share of employment and GDP. MSMEs in developing countries are frequently concentrated in the manufacturing, service and tourism sectors which are highly susceptible to the COVID-19 outbreak. The drastic drop in international tourism and travel has put many MSMEs at high risk, rendering millions jobless in many tourism-dependent economies. Unlike



bigger enterprises, MSMEs lack sufficient cash reserves to weather external shocks and they are less able to tap emergency credit.

Moreover, informal and unregistered enterprises, which represent the majority of MSMEs in developing countries, are left with few avenues to access support. Without policy measures to improve their resilience, MSME survival may be jeopardized and their contributions to achieving the SDGs will be seriously constrained.

This webinar aims to explore the impacts of the COVID-19 crisis on MSMEs and identify gaps and assess progress made in policy measures adopted by countries to support MSMEs in response to the pandemic. Discussions at the webinar would inform policy options for enhancing MSME resilience towards external shocks, such as COVID-19, in the medium and long terms.

Programme

Moderator: Mr. Amson Sibanda, Chief, National Strategies and Capacity Building Branch, Division for Sustainable Development Goals, DESA	
9:00 – 9:10	Opening statement: Mr. Alexander Trepelkov, Officer-in-Charge, Division for Sustainable Development Goals, DESA
9:10 – 9:20	Mr. Ayman El Tarabishy, Professor, Department of Management, George Washington University and Executive Director of the International Council for Small Business (ICSB)
9:20 – 9:30	Ms. Asteria Caberte, Regional Director, Department of Trade and Industry, Central Visayas, Philippines
9:30 – 9:40	Mr. Dragan Radic, Head, Small and Medium Enterprise Unit, International Labour Organization (ILO)
9:40 – 9:50	Ms. Majda Dabaghi, Director of Green and Inclusive Growth, International Chamber of Commerce (ICC)
9:50 – 10:15	Q & A