



## UNLOCKING INCLUSION AND PARTNERSHIPS IN GLOBAL TRADE

Opinion of:

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As these lines are being written, micro, small and medium enterprises (MSMEs) around the world are closing their operations. No one business, and certainly no MSME, needs to navigate these rather stormy waters alone. While the global business landscape is changing quite rapidly, we are confident that the global business environment will eventually stabilise. In the meantime, businesses' capacity to survive will depend on their ability to innovate the ways in which they communicate, manage their business, and engage customers.

At the Global Trade Professionals Alliance (GTPA) we are offering support to MSMEs. In mid-March we launched our global community services campaign ***"Maintaining a healthy business in times of global crisis"***. Using our international network of global trade experts and our technology platform, we are delivering a series of discussion forums and educational webinars on topics such as our business health check, managing supply chain risks, and crisis recovery strategies for small business, amongst others. These online forums are allowing participants to meet other business operators virtually for expert-moderated interactive online discussions.

We are also planning to announce a series of free mentoring programmes. To help businesses around the world through this initiative we are mobilising our collective experience and expertise, and inviting experts and professionals interested in volunteering their time as presenters or facilitators to consider joining our coalition. As part of our contribution, the GTPA will provide them with a pathway to free assessment as a global trade professional under our ISO/IEC certification programme.

While we are providing immediate support, we are also looking into the future of MSMEs' recovery. Experts around the world have been stressing that global trade will fundamentally change. Yet, the nature and extent of that change is still unknown. Therefore, from both a commercial and policymaking perspective, it is crucial to identify accurately how businesses are currently coping, including present and future measures to build resilience and adaptability.

For that reason, with the collaboration of the Institute for International Trade of the University of Adelaide and the Supply Chain Resource Cooperative at North Carolina State University, and with the support of Bloomberg New Economy Solutions, GTPA is planning to deploy a global survey called ***"Building Resilience in Business in Global Value Chains 2020-21"***, covering multinational corporations, MSMEs, industry organisations, and government agencies. Given that the recovery of



the world economy will have to come fast, we must be fully prepared to offer MSMEs the support they will need in the years ahead.

The survey will have the particular advantage to map in a coordinated manner a series of areas of equal interest for multiple stakeholders such as businesses' resilience, trade leadership adaptability, and global value chains integrity. More importantly, it will offer a clear map to allocate resources – both human and economic – in a more efficient way. In that regard, we are currently seeking more collaborators to broaden the coalition working on the survey. Multinational corporations, MSMEs, international and academic organisations, NGOs, and think-tanks are welcome to join.

This survey is the quantitative component of a larger project that GTPA, in conjunction with the Institute for International Trade of The University of Adelaide and Bloomberg New Economy Solutions, is currently advancing: **“Building Integrity in Global Value Chains”**. **Integrity** is the capability of businesses to ensure **sustainability, ethical behaviour, security, and inclusion** throughout their entire operations across value chains. As consumers become more socially conscious and investors seek closer scrutiny of the integrity of value chains, a more recent category of risks has emerged in recent years: those associated with ensuring integrity standards.

Multinationals corporations are constantly searching for the best ways to de-risk their operations while maintaining value in their supply chains. A way to reduce those risks is to *diversify* them by sourcing from MSMEs from around the world. Now, while diversifying by sourcing from MSMEs can help reduce concentration risk and enhance innovation, MSMEs can create value chain risk due to their lack of processes to ensure minimum standards for integrity-related factors. MSMEs from least developed countries are also more likely to be considered a greater risk for sourcing, and therefore remain excluded from value chains.

The question is, thus: how to build a framework that reduces risks and costs of operation in value chains, increases value, and at the same time promotes diversity with the participation of MSMEs? The answer is: **through the development of an overarching standard to build integrity in value chains that would link, in a harmonised framework, a number of existing standards that already support specific integrity issues in global value chains**. Working on this solution is a long-term goal and the survey will be one of the key components. We will later move into organising a series of workshops and interviews and developing case studies from a qualitative point of view. Ensuring integrity in value chains has become imperative, and this is not likely to change after the pandemic. Building integrity in value chains will be thus crucial for the expansion of the global economy via reducing risks and promoting diversity.

A third key initiative that we are progressing in partnership with the Institute for International Trade of The University of Adelaide and the experiential learning company Practera is an **“Adaptive Trade Leadership Program”** for trade executives and managers and policy makers. Adaptive trade leadership is the combination of technical knowledge and adaptive thinking capabilities required to operate in volatile, uncertain, complex and ambiguous environments that host a series of risks and barriers. In an age of tightly interconnected global supply chains and unprecedented global trade disruption, it is critical that trade leaders and practitioners develop the capabilities required to think



strategically to counteract – or take advantage of – rapidly evolving trading scenarios. We expect to deliver soon the first part of the program through a virtual platform.

As a small organisation, we understand what MSMEs are going through. For that reason, at the GTPA we will continue developing projects and participating in domestic and global initiatives that offer support to MSMEs under the current context and beyond. We will also continue working alongside other SMEs, academia, international organisations, MNCs, and government agencies. Unlocking inclusion and partnerships in global trade is today more important than ever before.

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