



The novel coronavirus (**COVID-19**) is an unprecedented health and economic crisis, affecting the lives and livelihoods of workers, as well as the continued operations of businesses globally. By its nature the disease knows no national borders, and in an era of globally integrated supply chains and capital markets, actions to combat COVID-19 by one national government affect many others.

As the institutional representative of more than 45 million companies in over 100 countries, the International Chamber of Commerce (**ICC**) is witnessing, first-hand, the severe impacts of COVID-19 on business and people worldwide. Micro-, small- and medium-sized enterprises (**MSMEs**) and their workers, as well as entrepreneurs and the self-employed are among the hardest hit.

To combat the economic repercussions of this pandemic, ICC believes that urgent and decisive action by all stakeholders is needed. We call on everyone, including governments, international organisations, multilateral development banks, business organisations, and multi-national corporations, to cooperate and coordinate their actions to “Save Our SMEs”. The immediate objective of all stimulus efforts should be to ensure that money flows rapidly into the real economy—and, in particular, to those most vulnerable to the economic disruptions caused by COVID-19—as well as ensuring that developing countries receive adequate assistance.

The imperative to Save Our SMEs cannot be understated: this agenda is of paramount importance to safeguard the current and future functioning of the global economy and the livelihoods of billions of workers throughout the world.

In this connection, ICC calls on governments to ensure their policy responses to the pandemic include the following actions:

## **1. Provide direct and immediate support to small businesses to ensure their continued operation**

MSMEs—which form the backbone of the world economy, and their workers, who account for upwards of 80% of employment in many countries—are hard hit by the economic impacts of COVID-19. Urgent stimulus and safeguard measures are needed to support MSMEs in order to preserve business continuity and mitigate the negative effects of COVID-19 on livelihoods and the global economy.

Given the cross-border nature of supply chains, such stimulus and safeguard measures should be taken in a coordinated manner at both the national and international levels. The focus of such measures should be on preserving jobs and activity within the real economy, including measures to provide no- or low-interest bridging loans; trade finance; working capital loans with flexible and deferred terms; tax relief; loan payment relief; rent/lease relief; grants; and wage subsidies for MSMEs to help keep their workers on the payroll.

Measures could also include a coordinated partnership between government and MSMEs to transform production lines and operations to support health relief efforts.

In addition, governments can assist MSMEs by ensuring that access to justice is maintained. Implementing remote-court solutions and encouraging the use of alternative means of dispute resolution, where possible, are two concrete examples of how this can be achieved.

## **2. Provide direct and immediate support to workers and those most vulnerable—both at home and abroad**

MSME workers, especially those in the Global South and informal sectors, are among the most vulnerable to the health, social and economic effects of COVID-19. A failure to protect MSME workers risks compounding the spread of the virus, weakening global supply chains and, in turn, further straining the global economy, potentially leading to social and political unrest.

To avert worst-case scenarios, governments should enact the following targeted measures:

- > Extend and increase social protection for all those without coverage, or with inadequate coverage, including: paid sick leave; basic income in the case of unemployment; pensions; affordable access to essential health care; childcare support for frontline workers; child protection; and increased funding for community support services such as shelters and foodbanks;
- > Provide emergency income support and temporary direct cash payments to all vulnerable households to ensure dignified living conditions (e.g. housing, food, essential items);
- > Provide temporary relief from mortgage/rent payments, personal and household loans, and tax payments; and
- > Ensure tailored support for the most marginalized workers including women, migrant workers and refugees.

### **3. Ensure support reaches MSMEs and their workers quickly**

For many MSMEs and their workers, survival will depend on getting access to government support and information rapidly. Every day matters in preserving the viability of MSMEs.

It is critically important to provide immediate, reliable and up to date access to information as well as access to benefits and support to ensure that those that need assistance receive it in a timely manner.

Governments can increase reception of information and support by delivering it through the channels most used by MSMEs and their workers, such as digital platforms, mobile phone payment tools, applications and mobile communication.

Business organisations, chambers of commerce, and other business stakeholder bodies can also serve as hubs for disseminating important information and aggregating critical needs and concerns to inform government action.

### **4. Adapt existing government-led social programmes**

While the above measures are needed to shore up the economy and protect businesses and workers in the short-term, existing social protection schemes serve as an important secondary layer of social protection, and funding of government-led social programmes should be maintained and expanded wherever possible.

Strengthening universal social protection systems will help to ensure a meaningful economic recovery, increased resilience and rebuild trust.

### **5. Ensure open trade and the expedited flow of essential goods across borders**

States must keep global supply chains fluid and trade lines open and free of encumbrances. A disruption in one part of the supply chain puts the whole supply chain at risk. ICC calls on governments to:

- > Reverse and ban all tariffs, quotas and other non-tariff measures that affect the deployment of medical equipment, medicines and other essential goods and services—including foodstuffs;
- > Avoid or unravel unnecessary trade barriers in key supply chains and ensure the adequate supply of trade finance; and
- > Take immediate steps to legally recognise the use of electronic trading documentation in lieu of paper-based documentation to ensure the continued shipment and release of goods.

## **6. Implement formal and informal channels for dialogue between government, employers, workers and communities**

Effective responses to the health and economic effects of the COVID-19 pandemic will require whole-of-government, whole-of-society approaches. Now, more than ever, we need to ensure governments maintain regular, substantive engagement with all stakeholders, including between government, employers' organisations, workers' organisations and the communities in which business operates.

As the institutional representative of more than 45 million businesses worldwide, ICC is ready to make available all necessary resources to serve as the natural partner for private sector engagement on the many actions needed ahead, from public health responses to the economic recovery.

We stand ready to provide on-the-ground assistance through our network of national offices in over 100 countries and our collaboration with key intergovernmental organisations, including the World Health Organization, to ensure that urgent information and support reaches those who need it most.