



WORLD ASSOCIATION FOR SMALL & MEDIUM ENTERPRISES

# WASME

## WORLD SME NEWS

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### WASME EDITORIAL

Overview of Global Trade  
during the Covid pandemic

Page 04

### FACE TO FACE

H.E. Mr. Hai Thanh Nguyen  
Ambassador of Viet Nam  
to India

Page 23

### ENTREPRENEUR OF THE MONTH

Neelam Singh

Page 26

# IN THIS ISSUE

03

## MESSAGE FROM SECRETARY GENERAL

04

## WASME EDITORIAL

Overview of Global Trade during the Covid pandemic

10

## GUEST ARTICLE

Need for an India-Viet Nam CEPA

15

## COUNTRY FOCUS

Viet Nam

19

## GLOBAL INDUSTRY

Emerging Tourism Sector Globally

23

## FACE TO FACE

H.E. Mr. Hai Thanh Nguyen  
Ambassador of Viet Nam to India

26

## ENTREPRENEUR OF THE MONTH

Neelam Singh Founder and CEO  
The Burger Company, India

29

## WASME CORNER

32

## UN SCAN

34

## ABOUT WASME

35

Membership Services

# READERS' REVIEW



“ WASME's “Decoding the Union Budget 2023-24” streamline the impact of guidelines on the SME sector in a concise, comprehensive and compartmentalized fashion. It gives a twin outlook on the macro impact and sector-wise analysis. Showing that there is always scope for advancement, WASME also provides the recommendations on the way forward. ”

**Koster Jibon, Brisbane, Australia**

“ Dr. Agarwal's Guest essay was packed with information and expertise on global trends in banking, geopolitics, the SME sector, and the Indian economy. Present trends are related to previous ones, adding richness and knowledge to the continuing global transformations. The piece appropriately strengthened the MSME sector. ”

**Athinie jim, Abuja, Nigeria**

“ Mauritius' allure is brilliantly expressed by its variety, history, and economics. Aside with emphasising the important difficulties faced by MSMEs in Mauritius, which will undoubtedly assist stakeholders in developing better and more focused policies, Country Focus also provides valuable tools for Mauritian SMEs. ”

**Narengiri Goswami, Rajkot, Gujarat**

“ CEO, Development Bank of Mauritius, Mr. J Pandoo, gave chief insights into the MSMEs importance and status quo in Mauritian economy. His analysis was given both as an observer and key player in the Mauritian economy. This interview will be highly beneficial for the MSME sector stakeholders and policy makers. The collaboration between WASME and MDB is the one to look out for. ”

**Md. Safwan Khan, Dhaka, Bangladesh**

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Dr. Gyan Prakash Agarwal

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# FROM THE DESK OF SECRETARY GENERAL



## Dr. Gyan Prakash Agarwal

We welcome our readers to March edition of WASME - World SME News!

First, I'd like to join our readers in congratulating H. E. Dr K C Jankee, Mauritius Ambassador in Russia and Honourable President, WASME, on being awarded with Grand Officer of the Order of the Star and Key of the Indian Ocean (GOSK) by the Honourable Prime Minister and President of the Republic of Mauritius. We would also like to welcome Mr. Vijay Kumar, an established and noteworthy expert in the MSME sector, as the new Director General of WASME.

WASME envisages a vibrant MSME sector as the prime driver of economic development and strives to promote the growth and development of the MSME sector across the globe. Our current issue focuses on a global overview of trade barriers and opportunities for MSMEs post pandemic vis-a-vis agreements and schemes. We also bring to you through an opinion piece by Dr. Prabir De, Professor and Coordinator, ASEAN-India Centre (AIC), RIS, New Delhi. He discusses the emerging need for an India-Viet Nam Comprehensive Economic Partnership Agreement.

This issue feature Face to Face with H.E. Mr. Nguyen Thanh Hai, Ambassador of Viet Nam to India, who talks about the bilateral relations between Viet Nam and India and the opportunities this relationship has opened up for the MSME sector. He also discusses the vision he has for a collaboration between The Embassy and WASME.

Our Entrepreneur of the Month is Ms. Neelam Singh of The Burger Company who gives us a close insight into her journey of owning a homegrown start-up in the Food and Beverages sector and provides a guide to women entrepreneurs on how to start their own business.

For this edition, we have mapped the contours of the economy of Viet Nam where we have explored the status of MSME in the country in Country Focus. The Global Industry Scan section tries to track the strides made in the tourism sector, the emerging trends in tourism witnessed globally and how the sector has done so far in adopting technology for their advancement as well as our regular sections including WASME Updates & UN Scan.

We hope that through this edition of the newsletter, the readers have substantial takeaways about critical developments in the MSME sector, update themselves and have a share in the knowledge pool.

Happy reading!

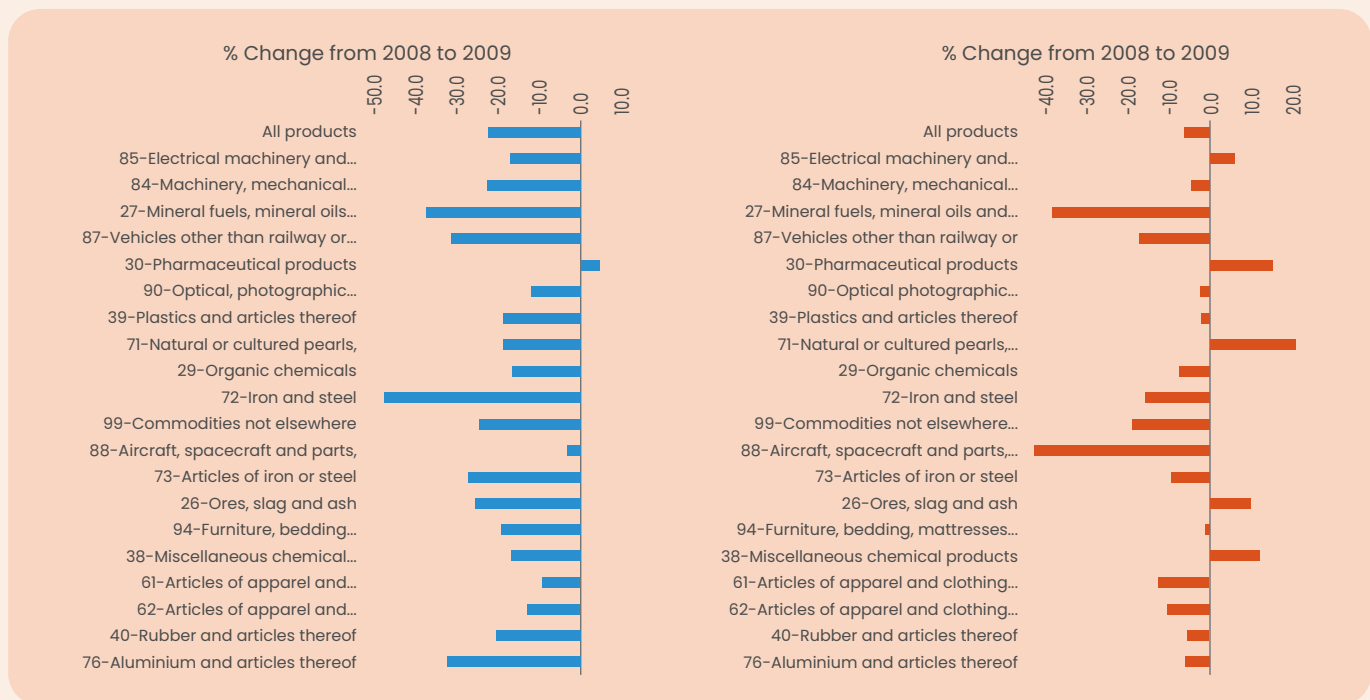
# WASME EDITORIAL

## Overview of GLOBAL TRADE during the Covid pandemic

Some of the greatest decreases in trade and output volumes since World War II were observed in the year 2020. In the first half of 2020, global industrial production and goods commerce both declined at

rates comparable to those seen at the height of the Global Financial Crisis (GFC). The trade sector grew rapidly in 2021, offsetting some but not all of the losses resulting from earlier sharp drops.

### Changes in trade of 20 most traded products



**Note:** The top-20 traded products ranking was established based on the value of trade (exports+ imports) in 2019 exports. The numbers in product descriptions are abbreviations of 2-digit Harmonised System codes of product classification.

**Source:** Arriola, Kowalski and van Tongeren (2021[1]).

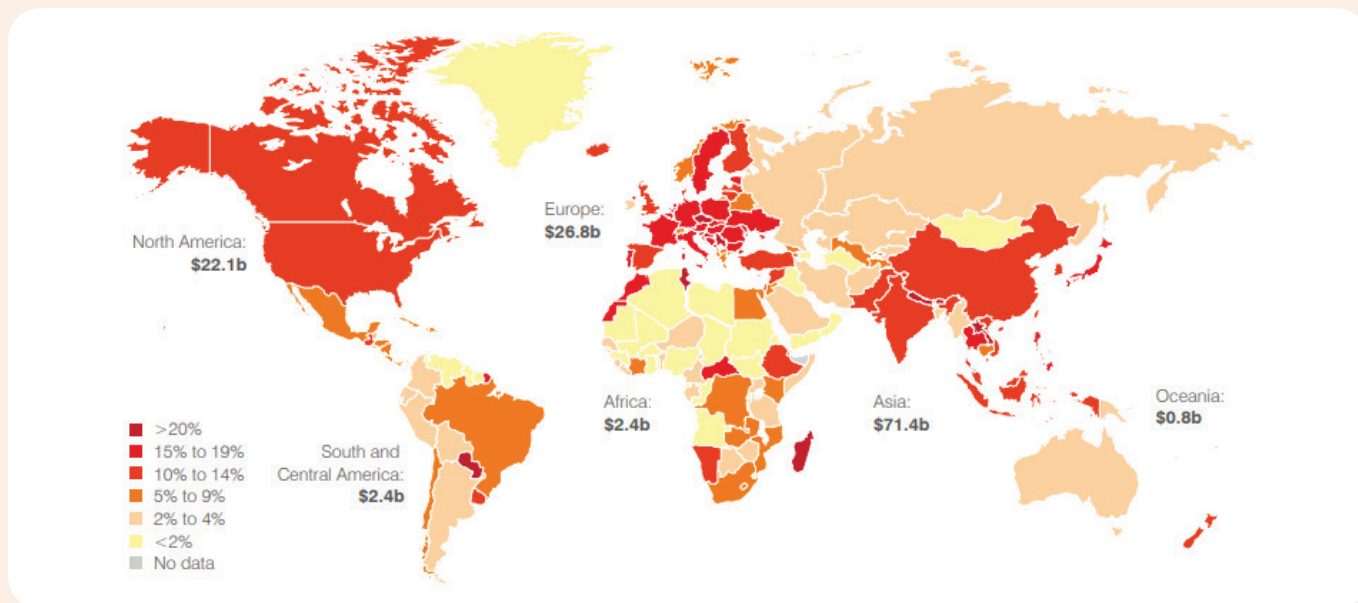
## Major challenges posed to the goods trade due to the global pandemic

### Supply chain disruptions

Global supply chains have been significantly impacted by the COVID-19 epidemic. The pandemic has disrupted supply chains in a number of ways,

according to a report by the United Nations Conference on Trade and Development (UNCTAD), including:

- 1. Production disruptions:** Factory closures and travel restrictions have caused output to be disrupted, especially in sectors that largely rely on global value chains.
- 2. Transport disruptions:** It has become challenging to move goods across borders and between regions as a result of border closures, flight cancellations, and reduced shipping capacity.
- 3. Demand disruptions:** The epidemic has reduced demand for several products and services, which has resulted in excess inventories and a halt in production.



## Currency fluctuations

- 1. Pricing:** Changes in exchange rates can increase or decrease the cost of goods and services for consumers in various nations. The average exchange rate between the US dollar and the euro in 2019 was 1.14, up from 1.12 in 2020, according to the World Bank.
- 2. Trade imbalances:** Currency changes can also cause trade imbalances between nations, with some importing more than they export while others exporting more than they import. China had a \$535 billion trade surplus in 2020, while the United States had a \$678 billion trade deficit, according to the International Monetary Fund.
- 3. Foreign investment:** As a result of currency swings, investors may be more or less inclined to make investments in nations with unstable currencies. According to the United Nations Conference on Trade and Development, currency volatility and other economic uncertainty contributed to a 42% decline in global foreign direct investment in 2020.
- 4. Debt:** Currency changes can also change the cost of repaying a country's or company's debt, depending on the value of the loan. China had the highest share of the developing world's \$8.5 trillion total external debt in 2019, according to the World Bank.

## Important trade agreements signed between countries across the globe

### Regional Comprehensive Economic Partnership (RCEP)

Six ASEAN nations—Brunei Darussalam, Cambodia, the Lao People's Democratic Republic, Singapore, Thailand, and Viet Nam—as well as four non-ASEAN

nations—Australia, China, Japan, and New Zealand—have ratified the Regional Comprehensive Economic Partnership (RCEP). The RCEP came into force in 2022, after ratification by member States. Lessons learned from the COVID-19 pandemic's supply-chain disruptions have called for more comprehensive and specialised trade agreements that could help to improve supply-chain and trade resilience on a variety of fronts during emergencies. Clauses relating to NTMs, trade facilitation, and intellectual property rights (IPRs), to name a few, could be especially crucial in maintaining necessary supplies.

### **Digital Economy Partnership Agreement**

A trade pact known as the Digital Economy Partnership Agreement (DEPA) was signed in 2020 by Singapore, Chile, and New Zealand. The pact aims to promote digital innovation and entrepreneurship while enabling digital trade.

### **EU-Japan Economic Partnership Agreement (EPA)**

The European Union (EU) and Japan signed the Economic Partnership Agreement (EPA), a free trade pact in 2019. With the removal of tariffs and the reduction of non-tariff obstacles, the agreement seeks to advance trade and investment between the two regions.

### **ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) Upgrade**

The ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA), which went into effect in 2010, is a free trade agreement between ASEAN, Australia, and New Zealand. An agreement to amend the AANZFTA, which intends to further liberalise trade and investment between the areas, was signed by the parties in August 2020.

### **Impact of the Covid pandemic on the MSME sector globally**

Small businesses are frequently more susceptible to an economic crisis, in part because they have

fewer resources at their disposal to adjust to a shifting environment. 4,467 businesses from 132 countries were examined as part of the ITC COVID-19 Business Impact Study to see how the pandemic affected them. Compared to roughly 40% of large organisations, nearly two-thirds of micro and small businesses said that the crisis had a significant impact on their business operations. Within three months, one-fifth of SMEs indicated they ran the risk of going out of business permanently.

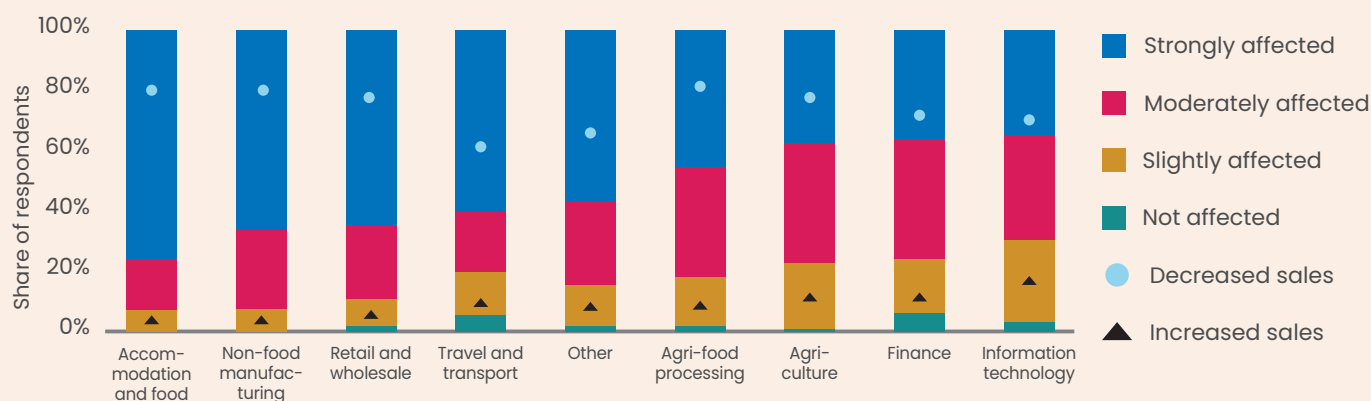
Many of the sectors most severely impacted by the crisis, including retail and wholesale, lodging and food, include businesses run by women. The inequalities still exist even after accounting for the distribution of gender across industries, with 64% of women-driven businesses claiming that their operations had been significantly impacted, as opposed to 52% of businesses led by males. Businesses run by young people indicated a significant probability of failure. When compared to non-youth-led enterprises, which reported a danger of permanent closure of 18%, about 26% of youth-led businesses claimed the same.

### **Significant agreements, schemes & initiatives to support SME ecosystem**

#### **World Trade Organization's Trade Facilitation Agreement (TFA)**

The Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO) intends to shorten and streamline trade processes, including customs processes, to lower trading costs and time. This has various advantages for SMEs:

- 1. Lower trade costs:** Lower trade costs: Due to their smaller scale and weaker negotiating position, SMEs can incur higher trade costs than larger companies. By streamlining and standardising customs processes, minimising the need for physical inspections, and enhancing the effectiveness of border crossings, the TFA can assist to lower trade costs.



**2. More openness:** Under the TFA, WTO members are required to disclose details on customs policies, levies, and assessments as well as to provide preliminary determinations regarding the classification and valuation of commodities. This can aid SMEs in better comprehending trade regulations and obligations.

**3. Information is easier to access:** The TFA mandates that WTO members create or maintain a single window system for trade-related paperwork and data. This can make it easier for SMEs to get the information they require to abide by trade laws and rules and to facilitate trading with other nations.

**4. Capacity building and technical support:** The TFA provides provisions for developing nations and SMEs in terms of capacity building and technical assistance. This can help them gain a better understanding of trade practices and regulations and increase their ability to follow them.

### The Asian Development Bank's (ADB) Trade Finance Program (TFP)

The Trade Finance Program (TFP) of the Asian Development Bank (ADB) is a regional effort with the goal of promoting trade in Asia by making it easier for firms, particularly SMEs, to access financing. In order to assist banks and other financial institutions in providing funding to companies engaged in cross-border trade, the programme offers guarantees and loans to them. Small and medium-

sized businesses frequently have trouble obtaining financing for international trade due to a lack of collateral, a spotty credit history, or trouble fulfilling the requirements of conventional trade finance products. By giving partner banks the security and liquidity they require to offer trade finance to SMEs, the TFP aids in overcoming these difficulties. The initiative helps to expand the accessibility and cost of trade finance by reducing the risks associated with cross-border trade.

### International Trade Centre's (ITC) SheTrades

The SheTrades programme of the International Trade Centre (ITC) aims to expand the involvement of women-owned small and medium-sized companies (SMEs) in international commerce on a global scale. The SheTrades programme has continued to assist MSMEs in a number of ways throughout and after the COVID-19 pandemic. A few of these are:

**1. Offering training and capacity-building programmes:** The SheTrades initiative provides online training and capacity-building programmes to assist women entrepreneurs in acquiring the skills and knowledge they need to compete in global marketplaces.

**2. Fostering networking possibilities:** The SheTrades project gives female entrepreneurs access to a worldwide network of companies, customers, and investors. As a result of the

epidemic, many SMEs have had to adapt to new markets or look for new alliances in order to survive.

3. **Offering market intelligence:** To assist female entrepreneurs in understanding market trends and possibilities, the SheTrades initiative provides market intelligence services. This knowledge has been especially helpful during the epidemic, when SMEs have had to modify their plans in response to shifting market conditions.
4. **Providing business support services:** The SheTrades project offers a variety of business support services to women entrepreneurs, including coaching, mentorship, and legal and financial assistance. These services can aid SMEs in overcoming the obstacles they encounter.

### African Continental Free Trade Area (AfCFTA)

AfCFTA is a free trade agreement that 54 African nations have ratified. With the intention of increasing intra-African commerce, the pact seeks to establish a single market for products and services. The AfCFTA's rules on customs processes, trade facilitation, and investment promotion are advantageous to SMEs.

1. **Increased market access:** 90% of goods moved within the continent will no longer be subject to tariffs thanks to the AfCFTA, which can lower the cost of trade for SMEs and give them greater access to new markets. This can aid SMEs in expanding their operations and strengthening their competitiveness.
2. **Simplified trade processes:** The AfCFTA aspires to streamline trade processes, such as customs procedures and rules of origin, in order to cut down on trading time and costs. By lessening their administrative burden and

enabling them to concentrate on their primary business operations, this can help SMEs.

3. **Increased access to finance:** The AfCFTA includes provisions for financial support for SMEs, including a trade finance facility and a pan-African guarantee programme for SME financing. This can make it easier for SMEs to get the funding they require to expand their companies and engage in international trade.

### International Chamber of Commerce's (ICC) Small Business Champions initiative

A global movement to advance the interests of small and medium-sized firms (SMEs) in international trade policy is the Small Business Champions programme of the International Chamber of Commerce (ICC). The programme promotes policies that help SMEs, including those that lower trade barriers, advance e-commerce, and improve access to financing.

The Small Business Champions initiative has continued to assist Businesses in a number of ways both during and after the COVID-19 pandemic. A few of these are:

1. **Promoting policies that assist SMEs:** Both during and after the pandemic, the Small Business





Champions initiative has persisted in promoting policies that benefit SMEs. The effort, for instance, has urged the elimination of trade restrictions that prevent SMEs from accessing global markets and the promotion of e-commerce as a way to increase their reach.

- 2. Offering information and resources:** The Small Business Champions programme offers SMEs information and resources to assist them in navigating intricate trade restrictions and gaining access to global markets. Due to the pandemic, many SMEs had to refocus on new markets or look for new alliances in order to survive. This information has therefore become very relevant.
- 3. Supporting networking & collaborations:** The Small Business Champions initiative supports collaborations and networking between SMEs and other stakeholders, including policymakers, multilateral organisations, and other SMEs. This has grown in significance throughout the epidemic as Businesses have been forced to look for fresh opportunities and collaborations in order to survive.
- 4. Encouraging access to financing:** The Small Business Champions project promotes policies that make it simpler for SMEs to get loans and other financial services. This enhances SMEs' access to finance. This is crucial now more than ever because the epidemic has caused tighter loan markets and cash flow issues for many Companies.

## Conclusion

Global governance issues can be addressed during the post-pandemic reconstruction period. Building up the world's resistance to major crises is a part of this. The new normal could emphasise adaptability to change and unforeseen shocks, embrace the possibilities offered by digitalization, prioritise inclusiveness, and promote sustainable growth

if the world takes advantage of the opportunities presented by this crisis to address fundamental issues in the global economy.

As nations hastened to support their small businesses in the early stages of the epidemic, they learned an important lesson. It became obvious that building company resilience in prosperous times would aid organisations in surviving crises, lower the risk of bankruptcy, and enhance the health of the economy. Increased SME resilience can be attained by diversification, communication with business support organisations, and the creation of financial reserves. The durability of their connections to customers and suppliers will be crucial for small enterprises involved in global supply chains.

The development of digital technology was booming before the epidemic. Whole regions of the world's economies migrated to digital platforms during lockdowns. In many parts of the world in the first half of 2020, teleworking, remote learning, teleconferencing, online health services, e-commerce, and digital payments were indeed the centre of the universe. Digital facilities won't be optional in the coming months and years. Customers, clients, business partners, and employees will start to take them for granted. To make sure that it is inclusive and egalitarian, the transition to digital technologies must be accompanied by technical support, skill development, and infrastructure support.

As is typical during crises, COVID-19 has drawn attention to individuals who are socially and economically marginalised, including those who work in the unorganised sector, migrants, and those who own small businesses. Globalization's inclusiveness was a problem even before the pandemic. We have a rare chance to reconstruct the international order together, without leaving anyone behind. To retain public support for open economies, it will be essential to make sure that the recovery phase lifts all boats.

# GUEST ARTICLE

## Need for an India-Viet Nam CEPA



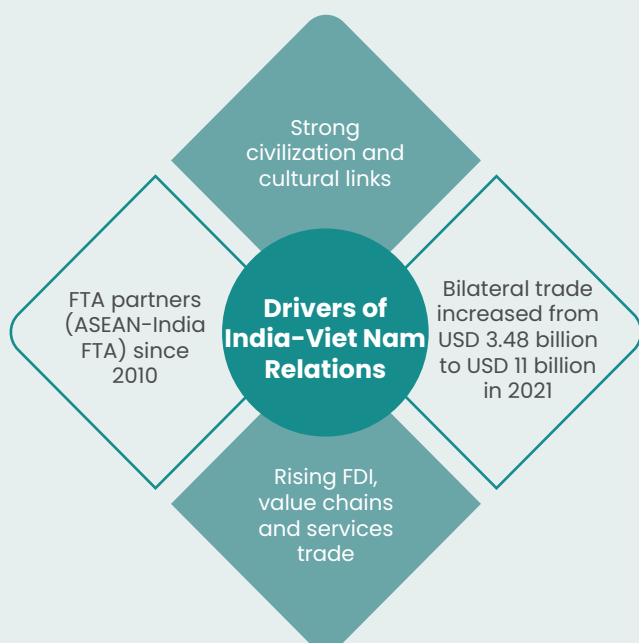
**Dr. Prabir De**  
Professor at the  
Research & Information  
System for Developing  
Countries (RIS)

Dr. De is also the Coordinator of ASEAN-India Centre (AIC) at RIS and works in the field of international economics and has research interests in international trade and development

He has been conducting policy research for the Government of India and several national and international organisations including several UN agencies and multilateral development organisations.

### Introduction

India and Viet Nam share deep civilizational linkages. In the contemporary world, both the countries have strong cultural, economic and political ties. They are comprehensive strategic partners, and both have



strong tactical vision and complement each other regionally and globally.

Viet Nam has been regarded as a cornerstone of India’s Act East Policy (AEP). India and Viet Nam have multiple engagements at global, regional and bilateral levels. India and Viet Nam are partners in ASEAN-India, East Asia Summit, Mekong-Ganga Cooperation among others. The relations have been driven primarily by trade, investment, and culture (Figure 1). In the words of India’s External Affairs Minister: “India-Viet Nam partnership will be a significant stabilising factor in the Indo-Pacific”.

**Table 1: India’s Merchandise Trade with Viet Nam**

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
<b>Export</b>	7.81	6.51	5.06	5.00	6.70
<b>Import</b>	5.02	7.19	7.28	6.12	7.44
<b>Total</b>	12.83	13.70	12.34	11.12	14.14
<b>BOT</b>	2.79	-0.68	-2.22	-1.12	-0.74

**Source:** EXIM Data Bank, Ministry of Commerce and Industry, New Delhi

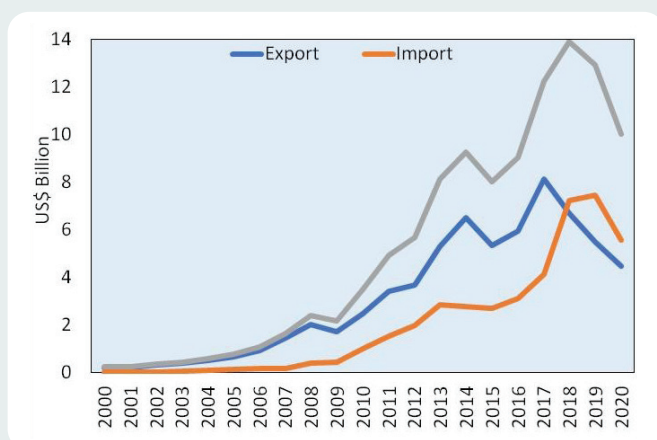
India-Viet Nam trade has crossed the US\$ 14 billion mark in 2021-22, which is the highest in the bilateral trade history (Table 1). Viet Nam is part of the ASEAN and therefore an integral member of the ASEAN-India Fair Trade Agreement in goods. Investment flow has taken an upward trend as has

the production linkages between them. India and Viet Nam have undertaken several connectivity projects in recent past, particularly in the areas of maritime and air connectivity. India has always stood for the prosperity of Viet Nam, and is also a long standing and trusted development partner of Viet Nam. India-Viet Nam relations is in its best phase currently.

## Trade

The India-Viet Nam economic relations have made substantial progress in the last one decade. With subsiding pandemic effects, the trade and investment flow between Viet Nam and India have started growing. Trade between Viet Nam and India has taken a new momentum. Both India and Viet Nam have strongly returned to the growth path. In 2021-22, India's global merchandise exports increased to a record US\$ 418 billion. Bilateral trade too has expanded exponentially in the last decade, more due to the ASEAN-India FTA in goods and some other initiatives such as Agreement for Services Trade and Investment. Bilateral trade between India and Viet Nam has expanded to US\$ 14 billion in 2021-22, which is expected to even cross US\$ 15 billion by 2022-23. Viet Nam has gained higher market access in India, having trade surplus with changing trade composition

**Figure 1:** Trends of India's Trade with Viet Nam (2000-2020)



Source: Author's own based on IMF DOTS

**Table 2 (a): India's Top Three Exports to Viet Nam (US\$ million)**

Product Description	2010	Product Description	2020
Oil-cake and other solid residues	412	Flat-rolled products of iron or non	993
Light-vessels, fire-floats, dredger	397	Meat of bovine animals, frozen.	400
Meat of bovine animals, frozen	242	Parts and accessories of the motor vehicles	198

**Table 2(b): India's Top Five Imports from Viet Nam (US\$ million)**

Product Description	2010	Product Description	2020
Transmission apparatus for radio-telephony	291	Transmission apparatus for radio-telephony	1229
Natural rubber, balata, gutta-perch	59	Electrical apparatus for line telephone	879
Coal; briquettes, ovoid and similar	57	Reception apparatus for television	288
Natural calcium phosphates	39	Automatic data processing machines	149
Coffee, whether or not roasted or decaffeinated	37	Machine tools, Parts suitable for tool holders etc.	101

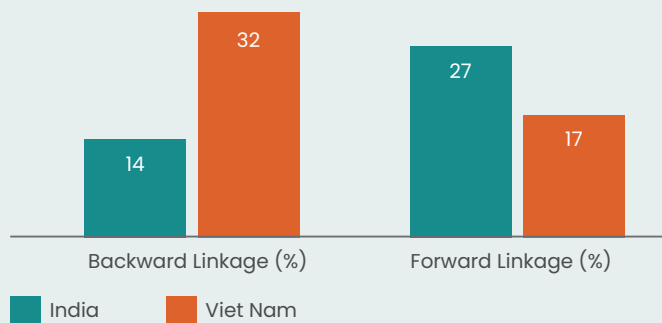
India's major exports to Viet Nam are concentrated on three items: iron and steel products, bovine meat and parts and components of motor vehicles (Table 2(a)). On the other, Viet Nam's exports to India are relatively diversified. India's major imports from Viet Nam are telecom and electrical apparatus, mobile phones, machine tools, etc. (refer Table 2(b)).

## Investment and Value Chains

The Foreign Direct Investment flow between India and Viet Nam has also increased. India's

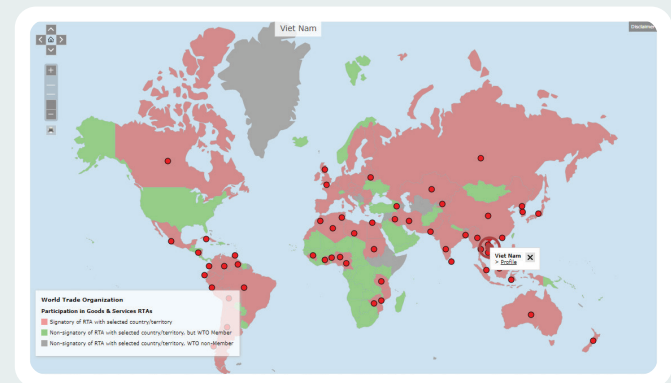
investment in Viet Nam is estimated at around US\$ 1.9 billion in 2021 including investments routed through third countries. Indian investments in Viet Nam have gone mainly to the sectors like energy, mineral exploration, agro-processing, sugar, tea, coffee manufacturing, agro-chemicals, IT and auto components. With trade and investment rising, there is enough scope to augment the value chains between India and Viet Nam in electronics and office equipment, pharmaceuticals, agro and processed food, etc. While Viet Nam has higher backward linkages, India gains in forward linkages (Figure 3). With higher trade and investment, value chains are getting stronger between India and Viet Nam. Backward linkages with Viet Nam are growing up in transport equipment, electronics, mobile phone, machineries, automobiles, etc., whereas the forward linkages with Viet Nam are rising in pharma, automobiles, etc.

**Figure 2: Forward and Backward Participation Rates in 2018**



Driven by Multi National Enterprises, the Global Value Chain networks at India and Viet Nam are set to rise. Both India and Viet Nam are open to FTAs, encourage FDI and promote rules-based business practices. Both have succeeded getting attention of development and developing economies in building free trade regime. Illustrated in Figure 4, Viet Nam is becoming a hub of FTAs viz. Comprehensive and Progressive Agreement for Trans-Pacific Partnership, Regional Comprehensive Economic Partnership, US-Viet Nam, EU-Viet Nam, etc., which all provide further scope to scale up the India-Viet Nam bilateral trade, investment and value chains.

**Figure 3: Viet Nam becoming the Hub of Economic Partnerships**



Several Indian companies including Tata, RPG, Bank of India, ONGC Videsh, Godrej, HCL, Wipro, Marico, Mahindra, etc. have invested in Viet Nam. Many Indian start-ups such as car rental company Zoomcar and online higher education company UpGrad, etc. have entered into the Viet Nam market.

India-Viet Nam partnership is the building block to Indo-Pacific. India-Viet Nam bilateral FTA will help India to scale up market access.

### Trade Barriers

India continues to face trade barriers in ASEAN market including Viet Nam. While India offers a single market (after introduction of Goods and Services Tax) to all trade partners including ASEAN, India has to face 10 different economies in ASEAN and 10 different trade regimes. ASEAN is yet to become a single market. This has caused substantial economic losses for India and perhaps could be the proximate reason for India's rising trade deficit with ASEAN and also Viet Nam. A large part of the trade potential between India and ASEAN is remained unlocked.

### Maritime Connectivity

India and Viet Nam face similar challenges in maritime front: long coastline, dotted with many ports, but mostly feeder ports, and they are prone to natural disasters and siltation. Viet Nam and India have limited direct calls. However, both of

them have allowed many operators to run their port terminals. India-Viet Nam maritime trade has been routed through Singapore, Colombo and Port Klang. Both have high potentials in maritime front, but few engagements between them.

Adani Group and Anh Phat Investment Construction & Trading JSC of Viet Nam have formed a joint venture to study the development of a major seaport in the central city Lien Chieu. Adani group is considering to invest in Viet Nam's Lien Chieu port. Lien Chieu Port will be capable of handling 3.5 – 5 million tonnes of cargo annually in the first phase. It can accommodate vessels of up to 100,000 tonnes and container ships of up to 8,000 TEU. India and Viet Nam started a direct shipping in May 2022: Kolkata – Da Nang by the VIMC. The transportation time is likely to reduce to 14-15 days as compared to 21-22 days for other routes.

## New Areas of Cooperation: Digital Economy

India is a global digital powerhouse. With a shift in the global economic landscape brought by the digital revolution, India and Viet Nam together have to explore new sources of growth and avenues to strengthen the partnership. In terms of digital technology, online transactions in India in 2020 appeared to be one of the highest during the Covid-19 pandemic across the world. India is expected to touch US\$ 1 trillion digital payments in 2026 as compared to US\$ 300 billion in 2021. In case of FinTech solutions, the Unified Payment Interface is something in which India has been a pioneer. In UPI, India has about 3.5 billion transactions every month. Some of the countries that have recognized India's UPI are Nepal, Bhutan, the UAE, France, the UK, Oman, Singapore, etc., which have also partnered with India on the digital payments through UPI and RuPay card. Opportunities for Indian Start-ups are plenty and this is an area where Viet Nam (and all other ASEAN countries) should leverage India's digital strength.

## Connectivity

Increased connectivity between India and Viet Nam will boost the economies of both countries. Physical connectivity between India and Viet Nam has taken a new shape. India and Viet Nam have direct air connectivity for both cargo and passenger movement (e.g. Indigo, VietJet). India is investing in ports in Viet Nam (e.g. Adani Group). In the past, India supplied railway rolling stocks to Viet Nam. Viet Nam has recently opened a shipping route between the central region of Viet Nam and Kolkata (e.g. Viet Nam Maritime Corporation). India and Viet Nam may work together to strengthen the air and maritime connectivity between them as well as ASEAN countries.

## Development Partnership

India has a very effective development partnership with Viet Nam. India's development partnership has made positive contributions towards capacity building, heritage conservation, education, etc. India may consider extending technical assistance to Viet Nam in strengthening Viet Nam's digital connectivity.

## Indo-Pacific Partnership

While ASEAN and India together are engaged in shaping the Indo-Pacific architecture, Viet Nam is one of the key pillars in implementing the ASEAN Economic Outlook on the Indo-Pacific (AOIP). The AOIP envisages ASEAN Centrality as the underlying principle for promoting cooperation in the Indo-Pacific region. At the recently held ASEAN Summit in Cambodia, ASEAN has announced the ASEAN Leaders' Declaration on Mainstreaming Four Priority Areas of the AOIP within ASEAN-led mechanisms. India's Indo-Pacific Oceans Initiative (IPOI) promotes rules-based international order and respect of sovereignty. Political peace is very important for economic prosperity. Here, India-Viet Nam comprehensive strategic partnership may lead to strengthen Indo-Pacific economic relations. Therefore, economic engagement with Viet Nam has been, and will remain, a critical element of India's 'Act East' policy and 'Indo-Pacific' initiative.

## Global Economic Reforms

Apart from bilateral and regional initiatives, India and Viet Nam should work together not only to strengthen and protect multilateralism and reform the multilateral system but also to promote a more inclusive, responsive and participatory international governance architecture.

## Next Phase

While prospects for India's trade with Viet Nam have grown rapidly, challenges too have multiplied. With Viet Nam and India working towards establishing the Indo-Pacific integration, their cooperation will be the key to economic stability, competitiveness, growth and integration in the region. The bilateral relationship is set to deepen as Viet Nam and India step up their collaboration across a range of economic and strategic issues, including trade and connectivity, people-to-people links, maritime security, among others. In view of the Plan of Action for the period 2021-23 to implement the India-Viet Nam Joint Vision, some of the suggested projects could be: (i) signing Viet Nam-India economic and technology cooperation agreement (ii) digital technology and cooperation (iii) climate change and adaptation to new technology (iii) science and technology cooperation (iv) supporting the MSMEs to do business with Viet Nam (v) training and capacity building, to mention a few.

## Need for India-Viet Nam CEPA

India-Viet Nam CEPA may facilitate India's export to Viet Nam and vice versa. It may strengthen the GVCs, bring down barriers to trade, encourage investment, improve the rules affecting issues such as intellectual property, e-commerce and government procurement and also improve the trade facilitation.

## Phasing out NTMs

In Viet Nam, India's exporters face several barriers. Indian processing units are not listed

with government, which hinders India's exports. Circumvention issues: third country trade. Whenever Indian exporters of marine products face trouble in exporting to ASEAN countries, Viet Nam buys from Indian exporters and then exports to China because China imposes a zero tariff on these imports from Viet Nam.

**Strengthening digital linkages:** Both the countries should encourage Fintech, digital payments, interoperability, etc. Besides, financial cooperation between central banks and other EXIM banks, etc.

**Strengthening maritime connectivity:** Direct shipping links between India (Jawaharlal Nehru, Chennai, Cochin, Mundra) and Viet Nam (Hai Phong, Da Nang, Qui Nhon and Ho Chi Minh City). Besides, partnering Japan in building maritime connectivity will add immense value.

**Maritime digital linkages:** Digital payments, interoperability of gateways and interfaces, logistics service providers, etc.

**Trade facilitation:** Customs cooperation, single window, standards accreditation, MRAs, etc.

**B2B linkages, think-tanks, etc.:** Setting up India-Viet Nam Centre, setting up India-Viet Nam B2B portal on trade and investment, maritime linkages, Doing feasibility for India-Viet Nam bilateral CEPA.

**Cooperation between shipping associations and chambers:** Memorandum of Understanding between Viet Nam Shipowners' Association, Viet Nam Shippers' Council, Viet Nam Seaports Association with Indian National Shipowners' Association, etc.

Way forward for India-Viet Nam relations is deeper trade and investment, stronger value chain networks, all-weather connectivity and digital integration, which can take the partnership to a higher level, thereby strengthening the Indo-Pacific partnership.

# COUNTRY FOCUS

## Viet Nam

### Population

99,667,742 (2023) with 40.77% urban population

### Ethnic groups

Kinh 85.32%, Tay 1.92%, Thái 1.89%, Mùng 1.51%, Hmong 1.45%, Khmer 1.37%, Nùng 1.13%, Dao 0.93%, Hoa 0.78% (2019)

### Youth unemployment rate (ages 15–24)

Total: 7.2%, Male: 7.1%, Female : 7.7% (2022)

### GDP – composition, by sector of origin

Agriculture: 12.56%, Industry: 37.58%, Services: 41.21% (2021)

### Industries

Large state-owned industries like those in textile, food, furniture, plastics, chemicals, pharmaceuticals, manufacturing machinery, paper, tourism, and telecommunications are the foundation of Viet Nam's economy.

### Overview of Viet Nam

Viet Nam, a nation in Southeast Asia, is renowned for its breath-taking natural beauty, extensive history, and vibrant culture. Although Ho Chi Minh City is the country's largest metropolis, Hanoi is its capital (formerly known as Saigon). Hue, Hai Phong, and Da Nang are a few of Viet Nam's other significant cities.

Viet Nam has a lengthy and complicated history that includes periods of foreign domination. The nation ultimately gained its independence from France in 1954, and ever since its reunification in 1975, it has been a socialist republic.

The nation has advanced significantly in terms of human development in recent years. Moreover, Viet Nam has a well-developed infrastructure, which

includes a system of roads, railroads, and airports. The Port of Ho Chi Minh City, which handles around 60% of the nation's imports and exports, is the largest port in Viet Nam. It serves as a significant regional hub, linking Viet Nam to other countries in Southeast Asia and beyond. Electronics, textiles, and food products are only a few of the many things handled by the port.

### Defining Viet Nam's MSME sector

According to the 2018 SME law, SMEs are classified as micro, small, and medium-sized businesses (MSMEs) with less than 200 employees who are registered with the state social insurance programme annually and who meet one of the following two requirements:

- ◆ Total capital must not exceed 100 billion dong (about USD 4.4 million)
- ◆ Total income for the prior year must not exceed 300 billion dong (around USD13.2 million).

In 2020, there were a total of 804,073 MSMEs functioning in all economic sectors in Viet Nam, according to the General Statistical Office of Viet Nam. A whopping 96.7% of all MSMEs in Viet Nam are micro-enterprises, making up the majority of these MSMEs. The term "micro-enterprises" refers to businesses with fewer than 10 employees and yearly revenue under VND 3 billion (approximately USD 129,000). About 3.2% of MSMEs in Viet Nam are small businesses. A small business is one that employs fewer than 100 people and generates less than VND 50 billion in revenue annually (approximately USD 2.15 million)

	MICRO-ENTERPRISE	SMALL-ENTERPRISE		MEDIUM-ENTERPRISE	
	Number of employees (Person)	Total capital (VND billion)	Number of employees (Person)	Total capital (VND billion)	Number of employees (Person)
Agriculture, forestry, & fisheries	No more than 10	No more than 20	From more than 10 to 200	From more than 20 to 100	From more than 200 to 300
Industry & construction	No more than 10	No more than 20	From more than 10 to 200	From more than 20 to 100	From more than 200 to 300
Trade and service	No more than 10	No more than 20	From more than 10 to 50	From more than 10 to 500	From more than 50 to 100

## Gendered distribution of MSMEs in Viet Nam

95,906 or around 21% of formal businesses in Viet Nam are owned by women; the majority, or 55,049, are microenterprises, followed by SMEs at 42% or 44,003, and large businesses at 1% or 854. The average size and annual revenue of women-owned businesses are comparable to those of males (the 2015 Enterprise Census revealed an average annual revenue of USD 548,000 for small women-owned businesses compared to USD 543,000 for men). Compared to 47% of male business owners, 37% of women-owned SMEs have accessed bank loans in the last two years. Even when female business owners are approved for a bank loan, they frequently receive less money than they requested and less money overall than men. Current estimates place the financing gap for women-owned small and medium-sized businesses at USD 1.19 billion (as opposed to USD 5.76 million for medium-sized businesses controlled by men).

## MSME sectoral contributions in Viet Nam's economy

SMEs made up over 98.1% of all active firms in Viet Nam between 2010 and 2017, and they had a substantial impact on the economy of that nation by producing over 5 million employment, 31% of the state budget revenue, and 45% of its GDP. The majority of SMEs in Viet Nam were located in the Southeast, where they made up 40.9% of all SMEs in the nation in 2019. In 2018,

household companies contributed 12% to Viet Nam's GDP and 30% to MSME contribution. About three-quarters of the population in Viet Nam is employed by MSMEs, which also produce 20% of the nation's exports.

## Challenges faced by MSMEs in Viet Nam

MSMEs continue to confront numerous challenges to growth despite playing a crucial role in the Viet Namese economy, including limited access to financial services. The entire credit gap for Viet Nam's formal MSMEs is estimated by the International Finance Corporation (IFC) to be close to US\$11.4 billion.

### Limited access to finance

About 30% of Viet Nameese SMEs had access to institutional finance, according to a 2020 survey by the Viet Nam Chamber of Commerce and Industry (VCCI), with the remaining 70% depending on personal savings or unofficial sources of credit including family and friends. The report also noted that significant obstacles to obtaining formal funding were a lack of collateral, high interest rates, and difficult loan application processes.

Accessing financing presents additional difficulties for female business owners in Viet Nam. According to a 2017 report by the Asian Development Bank, women-led Businesses have less access to conventional finance and are frequently compelled to use unofficial sources of funding because they lack adequate collateral and financial awareness. The difficulties SMEs in Viet Nam experience in obtaining financing are further exacerbated by the restricted availability of accounting records and financial statements, as lenders and investors frequently need these data to determine a company's creditworthiness.

### Regulatory red-tapism

Viet Nam is ranked 70th out of 190 nations in terms of how easy it is to start a business, according to the World Bank's Ease of Doing Business report 2020. It can be very difficult for SMEs to launch a firm in Viet Nam because it requires a number of bureaucratic steps



and takes an average of 17 days. 56.8% of SMEs in Viet Nam believe that administrative rules and regulations are a significant obstacle to their business opera

### Tax compliance

Viet Nam's ease of paying taxes placed it 109th out of 190 economies in the World Bank's Doing Business 2021 report. The study also discovered that Viet Nameese companies spend much more time on tax compliance than the average for East Asia and the Pacific economies, which is 191 hours annually. Viet Nameese enterprises spend an average of 498 hours annually on tax compliance.

### Licensing and certification

In Viet Nam, obtaining a construction permit takes an average of 95 days, longer than the average time for East Asia and the Pacific, which is 162.3 days, according to the World Bank's Ease of Doing Business report 2020. Similar to how it takes longer than the regional average of 21.8 days, getting a business licence in Viet Nam takes an average of 34 days.

### Technological capacity

SMEs currently import the majority of their secondhand machinery from foreign nations for their production lines. Several businesses have invested in advanced machinery, but they lack the capacity to operate it effectively, which leads to low efficiency. Viet Nam lacks the contemporary technological foundation necessary to save raw materials and energy to the required levels.

### Business registration

Businesses continue to struggle with bureaucratic processes, with the business registration process ranking first (69.27%), followed by the fire safety certificate procedure (27.84%) and the social insurance procedure (23.87%). The waiting time for business registration in Lam Dong province is the longest with the average of roundly 23.77 days, while Ho Chi Minh, Ha Noi and Ha Tay respectively take 23.17, 22.71 and 21.28 days, higher than the common average level (23.17 days).

### Dispute resolution

A third of all cases at the Hanoi Law Court and a quarter at the Ho Chi Minh City Law Court in Viet Nam's capital, are instances involving commercial disputes, according to figures from the Hanoi People's Court (NCREIF, 2015). However, when Viet Nameese SMEs enter overseas markets, they regularly deal with commercial disputes, lawsuits, or losing brand copyrights; they are also taken to court and subjected to anti-dumping regulations. Due to a lack of information about international partners and their agents, these businesses frequently face frauds in information evaluation, legal status, and financial status. This affects their ability to join new markets, their reputation, and their ability to compete.

## Government initiatives aimed at strengthening the MSME ecosystem

### Consulting support for SMEs

The Ministry of Planning and Investment's Circular 6 provides guidelines and instructions on the laws governing the network of consultants offering help and advice to SMEs. These SMEs can receive the following subsidies:

**Micro businesses** are eligible for a 100% subsidy up to US\$128 (3 million VND) each year

**Small businesses** are eligible for a subsidy of 30% of the consulting contract value, up to a maximum of US\$213 (5 million VND) every year

**Medium-sized businesses** are eligible for a subsidy of 10% of the contract value, up to a maximum of US\$426 (10 million VND) per year

### Training incentives for women-owned SMEs

The government will provide subsidies for Human Resources of SMEs owned by women. The government will cover all costs associated with training in entrepreneurship, business administration, and advanced business administration for women working at women-owned SMEs. When SMEs want to enrol in online training courses, the government will open accounts for them.

### The SME Development Fund (SMEDF)

The SMEDF was created in 2013 and started operations in 2016. The initial capitalization was VND 2 trillion from the state budget. The implementation of it is the responsibility of the Ministry of Planning and Investment (MPI). With the SMEDF providing 80% of the loan amount (up to VND 30 billion per project) and the company being required to contribute at least 20% of the project cost in equity, the Viet Nam Development Bank (VDB), a public development bank, and four partner commercial banks have been given permission by the SMEDF to deliver the loans.

### The Credit Guarantee Fund

Two channels are used to manage the Credit Guarantee Funds (CGFs): the VDB, which receives funds from the state budget, and the Local Guarantee Funds (LGFs), which are managed by local and municipal governments and receive funding from local budgets.

### Supporting Industry Programme

According to the law, domestic SMEs working in high-tech or industrial parks are entitled to discounted land rates. The Plan on the Development of Supporting Industry (2017) aims to promote the development of supporting industries (textiles and apparel, leather and footwear, electronics, automotive, metal products, and high-tech).

### National E-Commerce Development Programme

The programme has sought to create an online sales solution to help SMEs implement e-commerce

strategies and to support the participation of Viet Nameese businesses in significant e-commerce platforms. This is in addition to putting in place the legislation and mechanisms to facilitate the development of e-commerce (such as national e-commerce payment system, digital signatures for ensuring the security of e-commerce transactions, and popularising the use of credit cards).

### Conclusion

Being a participant in multiple free trade agreements (FTAs), Viet Nam, whose economy is quickly growing, has been able to expand its foreign trade. Trade in a variety of forms with Viet Nam may be advantageous for India. Viet Nam has a highly developed manufacturing industry and is a significant manufacturer of goods including electronics, textiles, and footwear. Importing these goods from Viet Nam, which are frequently reasonably priced and of great quality, can help the rest of the world. Viet Nam is a significant exporter of fruits, seafood, rice, coffee, and other agricultural and fishery products. Since there is a significant market for these goods worldwide, Viet Nam's agricultural sector has a big opportunity to boost exports. The tourist, education, and healthcare sectors in Viet Nam are all expanding quickly and there is a lot of room for India to gain from these services as well. Viet Nam is making significant investments in renewable energy, such as wind and solar electricity. Importing these goods from Viet Nam can assist India and lessen its reliance on fossil fuels.

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# GLOBAL INDUSTRY SECTOR

## Emerging Tourism Sector Globally

### Pre-pandemic status of the tourism sector

The direct GDP from tourism in 2019 was USD 3.5 trillion, or 4% of global GDP. Worldwide, there were 1.5 billion overnight visitors from other countries in 2019. With export sales from the travel and hospitality industry exceeding USD 1.7 trillion in 2019, or 28% of all global trade in services and 7% of all exports of goods and services, tourism also emerged as one of the world's major trade categories.

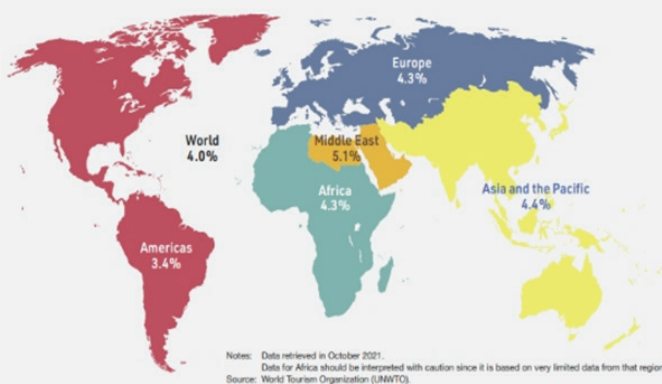
Prior to 2019, tourism continued to grow and diversify, becoming one of the biggest and fastest-growing economic sectors in the world. An essentially robust global economy, growing middle classes, more market openness, rapid

urbanisation in emerging economies, as well as reasonably priced air travel and easier visa procedures, all contributed to growth. Technology advancements and novel business strategies, particularly those utilising the Internet and mobile devices, also had a role in this increase in travel. With a USD 598 billion tourism economy in 2019, the United States of America (USA) was by far the leader. Germany (\$131 billion), Italy (\$108 billion), and Mexico (\$106 billion) are the next three nations with the greatest TDGDP in US dollars, all of which are above USD 100 billion.

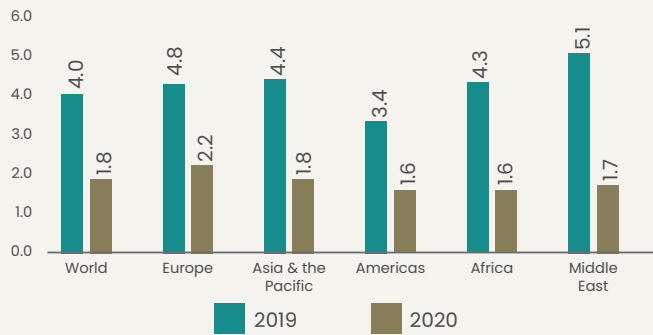
### State of the tourism sector during the Covid pandemic

A fall of more than 50% in nominal terms from 2019 was brought on by the COVID-19 pandemic, which resulted in an economic loss of around USD 2.0 trillion as measured by the tourism direct gross domestic product (TDGDP). In 2020, there were 73% fewer international tourist arrivals (overnight visitors) as a result of widespread travel restrictions, a global lockdown, and a sharp decline in demand. Compared to 2019, there were almost 1 billion fewer international arrivals that year. With an 84% decrease in arrivals, Asia and the Pacific witnessed the biggest decline among the continents—roughly 300 million less than in 2019.

Figure 1.1 Tourism direct GDP by regions, 2019 (%)



## Tourism direct gross domestic product (TDGDP), percentage of GDP



**Note:** Data as of October 2021  
**Source:** World Tourism Organization (UNWTO).

This indicates that the COVID-19 epidemic, which cost the globe USD 2.8 trillion in lost GDP in 2020, was mostly to blame. As a result, the number of telecommunications companies in the world has increased. The decrease of 2.2 percentage points (pp) is by far the biggest one yet.

## Post pandemic status of the tourism sector

Domestic travel increased significantly in 2021, driven by high pent-up demand, a preference for shorter journeys and nearby locations (typically in rural and coastal areas), as well as the continued restrictions on foreign travel. This minor rise, together with greater average spending per trip, is explained by a modest rebound in foreign travel during the northern hemisphere summer season and the revival of domestic tourism in some areas. Because of its size and quicker recovery, domestic travel was more of a factor. Domestic travel outweighs international travel in terms of trips taken, and in many areas, domestic travel spending outpaces inbound travel revenue.

After a robust recovery in 2022, high pent-up demand and the restoration of travel patterns in most regions of the world, including the reopening of major destinations and source markets in Asia, particularly China, should propel international tourism close to pre-pandemic levels in 2023. Several areas of the world, notably Europe and

the Middle East, which regained around 80% of their foreign visitors in 2022, may return to pre-pandemic levels in 2023. Whilst 72% anticipate stronger tourism performance in 2023 than in 2022, the majority of UNWTO Panel Experts (65%) estimate that worldwide arrivals will not return to pre-pandemic levels in 2024 or later.

## Recent global trends in the tourism sector

### Sustainable Tourism

The climate crisis poses a greater threat than COVID, according to the UNWTO Secretary-general. When more and more international travellers become aware of this situation, they start to believe that in order to rescue the planet and save it for future generations, action must be taken immediately. Through initiatives like the International Year for Sustainable Tourism for Development in 2017, the United Nations World Tourism Organization highlighted these practices by promoting sustainable tourism as a component of the Sustainable Development Goals. Sustainable tourism and several of the 17 Sustainable Development Goals are closely related (SDGs). SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), and SDG 14 (Life Below the Line) hold the tourism sector responsible for creating a sustainable economy.

### Wellness Travel

The Global Wellness Institute estimates that the wellness tourism market was worth \$639 billion in 2017 and will be worth \$919 billion by 2022. According to another survey by the Institute, North America has the greatest market for wellness travel, followed by Europe and Asia-Pacific.

### Examples of wellness-related travel include:

**Spa vacations:** These trips generally include massages, body cleanses, and other spa services to help visitors unwind.

**Yoga retreats:** Yoga retreats consist of yoga, meditation, and other mindfulness exercises to help lower stress and enhance physical and mental health.

**Fitness retreats:** These retreats put a strong emphasis on physical fitness and may include group exercise classes, hiking, and biking.

Other forms of tourism include agritourism, wildlife tourism, cultural tourism and educational tourism.

## Emerging role of technology in tourism sector

### Automation Digitisation

Online reservations have increased as a result of this technology. Due to the simplicity, it provides, clients not only like and increasingly prefer it, but it has also made advertising for travel agencies less expensive. Companies offering tours and activities have also gradually embraced technology and online reservations. In 2019, 71% of operators questioned said they used reservation technology in their operations, up significantly from just 25% in 2010. Furthermore, these businesses saw both quicker growth and greater profitability.

### Tech-Empowered Travel

In the post-pandemic era, where international visitors had to provide Digital COVID Certificates or complete travel papers, technologies proved to be essential. Furthermore, while travelling, people require immediate access to information and assistance. The emerging technologies in this arena include:

- ◆ Mobile applications that provide on-trip notifications and alerts
- ◆ Self-service check-in
- ◆ Contactless mobile payments, e.g., Apple Pay
- ◆ Automated and flexible cancellation policies
- ◆ Mobile boarding

Technology not only assisted people on their travel but also enabled creative solutions. As a result of

technological innovation, several enterprises were able to withstand the crisis. Virtual tours, experiences, and classes significantly increased in popularity during the lockdowns.

### Voice Search & Voice Control

As far as travel industry technology trends are concerned, smartphones, smart speakers, and AI assistants have all contributed to the increased relevance of voice search. To find and reserve airline tickets, hotel rooms, and travel experiences in particular, an increasing number of consumers use voice search. Voice control is also becoming more prevalent in actual travel experiences, on top of all that. Voice-activated gadgets in hotel rooms can be used to adjust the lighting and heating in the room or to get tourist information without speaking to a staff member.

### Augmented Reality and Virtual Reality

The travel business is undergoing a revolutionary change never before seen thanks to interactive advertisements with interesting content. The potential for incorporating additional interactive aspects into the search results on travellers' mobile phones is limitless thanks to these AR, VR, and travel tech advances.

### Internet of Things

The main advantage of including IOTs in tourism is that it benefits the travel sector by lowering energy costs and improving customer experience. Some examples of IoT items include wireless inventory trackers, wearable technology, connected guest room appliances, and biometric cyber security scanners.

### Cyber Security Practices

The hospitality and tourism sectors have been a target for hackers and invaders for many years. Hackers use false emails, website links, phone calls, and text messages to send fraudulent communications to corporations and high-profile organisations. They can take private information

such as login credentials, bank account information, credit card numbers, and other company data. To secure themselves against this, the tourism sector is increasingly equipping itself with cyber security measures.

### Contactless Payment Options

The need for contactless payment options has increased recently because of the Covid-19 virus and its ever-evolving versions. It is becoming more and more common to take and process credit card payments in a safe, quick, and hygienic way. It is essential to choose a payment method that is incredibly convenient, quick, and secure given the current state of world health.

### Interoperability of Digital Health Passes

The travel and tourism industry faced enormous hurdles as a result of the rise of many nations requiring travellers to provide proof of immunisation or a clean medical test result in order to travel. As a result, WTTC created guidelines for the use of Digital Health Passes that were scalable as traveller volumes increased and interoperable globally. The adoption of one of the four Digital Health Passes solutions that are widely supported internationally was suggested as a short-term idea that could be put into action right away. The global complexity of certificate types would be significantly reduced as a result, and as all four systems used the same digital security architecture, all COVID-19 certificates could be electronically verified as authentic.

### Virtual tours

Universities, sports arenas, real estate, and the hospitality industry all frequently use virtual tours. An online user may view a setting through virtual tours. These days, a wide range of industries employ such technologies to promote their goods and services. The quality and usability of virtual tours have significantly increased over the past few years, and some websites now let visitors explore the tours by clicking on integrated floor plans or maps.

### Dynamic scheduling systems

These three elements must be taken into account by contemporary dynamic scheduling systems:

- ◆ System for optimising schedules is an automated system developed by a group of skilled programmers that analyses operational data and pinpoints the range of potential routing and schedule modifications. They ought to be operationally and financially viable. Such a system operates using all conceivable configurations of doable schedule modifications. Then it groups them based on how profitable they are.
- ◆ Access to reliable market data regarding the popularity and profitability of the route is used by a dynamic scheduling system. An internal Revenue Management system is the greatest source for booking and revenue data because flight scheduling operations have a relatively limited time horizon.
- ◆ Understanding potential operational limitations is very crucial. The operational viability of a particular route is determined by a variety of factors. Airport upkeep expenses, gate accessibility, and various restrictions relating to particular aircraft are a few of them. A dynamic scheduling system can only produce beneficial outcomes if all of them are understood.

A significant increase in tourism-related spending in 2022 led to a return of several destinations' income to pre-pandemic levels. In 2022, international travel reached pre-pandemic levels to a degree of 63%, with Europe and the Middle East leading the way. In 2022, over 900 million people travelled abroad, which is more than twice the number from 2021 but still 37% less than in 2019.

# Face *to* Face

## H.E. Mr. Hai Thanh Nguyen

Ambassador of Viet Nam to India



Ambassador Extraordinary and Plenipotentiary of the Socialist Republic of Viet Nam to the Republic of India, concurrently accredited to the Federal Democratic Republic of Nepal, and the Kingdom of Bhutan (2022). H.E. completed his education in public policy. From 1999 to 2005 he worked in the State Committee for Viet Nameese Overseas, Ministry of Foreign Affairs. He was the Assistant Director General of the Department of Policy Planning, Ministry of Foreign Affairs from 2007 to 2009. He was promoted to Deputy Director General of the department in 2009 and again in 2015. He was appointed as the Acting Director General for 2020-2021. In 2021, he was appointed as the Director General of the Department of Policy Planning, Ministry of Foreign Affairs.

### **His Excellency thank you so much for speaking to WASME. To start with, could you share your vision for India-Viet Nam bilateral relationship?**

It is really my privilege and honor to serve as Ambassador of Viet Nam to India. I have previously worked in various posts dealing with bilateral and multilateral affairs as well as policy planning. Being appointed as Ambassador of Viet Nam to this great country is, on the one hand, really a whole new and exciting experience. However, there are challenges to meet high expectations of the peoples of both

countries to deepen our cooperation but that is what makes this appointment so rewarding. Built on a long history of cultural ties and people-to-people exchanges spanning thousands of years, along with great achievements over more than 50 years of diplomatic relations, the Viet Nam – India Comprehensive Strategic Partnership is becoming increasingly profound, substantive and effective.

The Embassy of Viet Nam in India and I will make every effort to contribute to promoting the Viet Nam – India Comprehensive Strategic Partnership to a new height, meeting the interests and aspirations of the peoples of the two countries, contributing to peace, cooperation and development in the region and the world over.

### **His Excellency, what are your views towards potential bilateral cooperation in the upcoming years, especially with respect to economic cooperation between Viet Nam and India?**

India and Viet Nam have enjoyed a very cordial relationship. There is a great history between our



**Mera naam, Tera naam,  
Hamara naam, Viet Nam!**



two countries. We were shoulder to shoulder in the struggle for independence in the past century. We can never forget the sentiments Indians gave to Viet Nam as they chanted: “Mera naam, Tera naam, Hamara naam, Viet Nam!” (My name, your name, our name: Viet Nam!) in support of our fight for freedom. The relationship between the two countries has been nurtured by our leaders and peoples, which creates strong foundation for us to further our bilateral cooperation.

In new geo-political landscape, Viet Nam and India share the interest of contributing to peace, security and prosperity in the region and in the world. The two countries have high level of trust in each other that is crucial to strengthen our comprehensive strategic partnership. The potential to deepen our cooperation is huge.

Firstly, both **Viet Nam and India** enjoy strong economic growth at

**7-8%**

in the year 2022.

The two countries set ambitious goal of becoming a developed countries in the middle of the fourth decade of this century. Secondly, the business communities on both sides look to each other’s market to expand. More and more Indian people look to Viet Nam as a promising destination for tourism, trade and investment, especially with the introduction of about 50 direct flights / a week between our two countries. The Viet Nameese people also find India as an interesting destination for tourism and a large market with great opportunities. Thirdly, there is ample room for cooperation. Last year, trade between our two countries reached 15 billion USD, but the number is just a small percentage in Viet Nam’s and India’s total trade with the world. We look forward to translating good, cordial political relationship between our two countries into effective, mutually beneficial economic relationship.

## What do you think are the key areas in the MSME sector where Viet Nam and India can closely work and benefit from each other?

For bilateral cooperation to be effective, MSMEs of both countries should explore the areas of our strengths which can meet demands from the other side. Viet Nam would need India’s cooperation in the areas of infrastructure, pharmaceutical, information technology, automobile, electronic, just to name a few.

India should take advantage of the wide network of 15 Free Trade Agreements that Viet Nam has with more than 60 countries both bilaterally and multilaterally. When Indian companies set foot in Viet Nam, they will have great access to many major economies in the world. Indian MSMEs are made assured that the government of Viet Nam is very supportive of foreign enterprises as they do business with Viet Nam. The procedure for investment licenses is quick with single window and there are a lot of incentives for investing in Viet Nam. Indian MSMEs can also invest in more than 400 industrial parks and more than 40 economic zones throughout Viet Nam with great ease of doing business and tax incentives.

## There could be multiple facets of deepening Viet Nam – India cooperation, such as political, security, defence, economic and trade. Where do you see the role of the MSME sector in strengthening this partnership?

Excellent political, defence and security cooperation between our two countries is a great advantage, which creates favourable environment for our two countries to deepen our partnership in economic and trade areas. After the 50th anniversary of diplomatic relations between Viet Nam and India, the two countries are looking at bold measures to strengthen further our partnership. The exchange



of visits by the leaders of the two countries will play a pivotal role in guiding this partnership going forward. Economic partnership is a priority for both sides. The embassy is working closely with businesses, including MSMEs, of both Viet Nam and India in order to understand their interests and find the best possible ways to support them.

### **If we look more specifically at the tourism sector, how can MSMEs come together and further strengthen this?**

Having direct flights between our two countries is really a game changer. We have witnessed so many Indian tourists flock to Viet Nam for new experience, for leisure, for wedding, for golf, and for MICE. I have heard from many Indian friends that Viet Nam has now become a hot destination for Indians. The reasons for that are: Viet Nam is a novel destination to many Indians and has many attractions to offer Indian tourists. The direct flights at affordable price are even more conducive for travelling to Viet Nam. In the last few months, there has been an increasing number of Indian businessmen exploring to open Indian restaurants in Viet Nam.

Vice versa, we also see many Viet Nameese people flock to India, not only for spiritual pilgrimages and visits to Buddhist sites but also to explore incredible India. India is a great civilization that offers very unique experiences to Viet Nameese tourists.

Seeing is believing. When more people of our two countries visit each other country, more business opportunities will arise. I encourage MSMEs of both sides to travel to the other side, to feel the country, to see the beauty and development of each country. Opportunities will arise accordingly. The Embassy of Viet Nam in India is happy to facilitate business to business connection between MSMEs of both countries.

### **To achieve the vision we discussed, what kind of a journey do you envisage for WASME and Viet Nam Embassy, such that bilateral MSME collaboration is strengthened?**

Economic Diplomacy is a priority for the Embassy of Viet Nam. We look forward to working with WASME for the interest of the Viet Nameese and Indian MSMEs and for the benefits of our two peoples. The areas of cooperation could be the following:

We should have more interaction to understand the needs of the MSMEs from both sides. Roundtable discussion with the engagement from MSMEs, economist, experts to explore the areas of cooperation as well as find ways to facilitate the ease of doing business for MSMEs from both sides. The Embassy will also support WASME to build relationships with Viet Nam's association of SMEs and Viet Nam Chamber of Commerce and Industry so that WASME can develop business with Viet Nam and from there makes its presence felt more strongly in the region.

We will assist MSMEs to organize visits Viet Nam to explore the opportunities. When we have business delegations from Viet Nam, we would work with WASME to create a platform for business interaction. I am confident that the future is bright for economic cooperation between Viet Nam and India. With the proactive involvement of WASME and the Viet Nam Embassy, I look forward to seeing further fruitful interactions between the business communities in general, and between MSMEs of both countries in particular.



# ENTREPRENEUR OF THE MONTH



## Neelam Singh

Founder and CEO  
The Burger Company,  
India

While pursuing her MBA and dreaming of launching her own business, Neelam Singh set her sights on the QSR (Quick Service Restaurant) industry. Neelam gained practically all of her knowledge about branding, marketing, including roles in the kitchen and the backend from an internship at a restaurant in Gurugram. She eventually opened her own restaurant franchise in 2018. At the age of 29, Neelam opened the first The Burger Company (TBC) outlet in Gurugram. TBC has since grown into a Rs 40 crore turnover 100-outlet burger chain with locations in many states in just four years.

Talking about her company's vision, Neelam stated that the gap between metropolitan cities and small cities weighed on her. She realised that she needed to be primarily base her operations and outlet in these small cities. There are several advantages of operating in a small city according to Neelam, such as less competition compared to metropolitan cities where there are more options and stiff competition. This gives her start-up an edge as the small cities haven't been tapped in by multinational corporations. The goal of her company is to reduce exclusion of youth belonging to small cities in terms of dining experience and lifestyle which the metropolitan youth enjoy every day. She says that the love that she has received from the small cities has been immense. Her café outlets in small cities such as Deogarh (Jharkhand), Jamui (Bihar) and Amroha (Uttar Pradesh) have been faring better than the ones in metropolitan cities. In Amroha, TBC is the sole café providing dining experience. The impact thus, shows in the growth of the company.



## Right approach towards opening your own brand

During the whole ideation process for her start-up, she focused on the 4Ps of marketing. When narrowing down the choice of product, she decided on burgers as it didn't require a chef dependent mode. As she was planning to expand her business, she required a model which was easily scalable, easily replicable, process based and assembly based. She says that one doesn't witness a lot of Indian experimenting with their food in small cities. Thus, she wanted to offer food which are flavourful, comfortable to place an order for, easily made, easily served, easy to carry. Her choice of food in the menu also resonated with the taste trends of her target customers – the youth.

Talking about the things to consider when deciding on the location of your start-up, she says that the location should have a good parking space as the clients will be spending at least 20-30 mins on their meal. The location must complement the accessibility of the customers. It should be a place where outlets for food, gaming, shopping, etc. exists, where the target customers generally come. This increases the chances of organic footfall where the client is not especially coming for you. This means that less money will be spent on marketing.

The price of your product should fit the paying capacity of your target customers. This requires analysing and making a list on the paying capacity of the customers. She says that one needs to provide the right experience, service and product to justify why you are charging comparatively higher than other competitors. Fixed and variable expenses should be accounted for.

In terms of marketing of your product, conducting a survey to map the sentiments of the client is a must. Marketing of your company can be done in two ways – in-store marketing and out-store marketing. In-store marketing involves product use for marketing. In-store marketing triggers impulse buying. Hence, there should be enough information to guide the customer to the products but it should be ensured that there is no information overload. For this, pictorial representation works the best. It saves time and overcomes limitations due to language barrier. The employees should also be trained to communicate the products better. Out-store marketing is done to bring in new customers. For this, social media platforms work the best. Social media provides platform to tap into the target customers based on their demographics. For this, preparing content which are interactive is the key. TBC regularly posts videos of its products review by customers, explanation of the products, etc. The idea behind this is to help the customers relate to your brand, develop attachment and resonate with what your brand stands for. There should be a sync between the needs of your customers and the products and services that you are offering.

### Experience of owning and running a company in a niche' sector dominated by men

Working in Food and Beverages industry is uncomfortable for women. 95% of the people engaged in this sector are men. This includes owners, vendors and employees. Neelam had to wait for three years till she could encounter a female vendor. According to her, men in the industry do not take women-led businesses seriously. Men perceive women participation in this sector as mere hobby done out of boredom with investment put in by their husbands. Neelam encountered such patriarchal notions herself when she started working on her idea. Male counterparts are not interested in association with women owned businesses as they don't see a long term association panning out. The reason for perception lies in the belief that women will abandon their businesses. According to Neelam

perseverance is the key to surviving and sustaining in this challenging industry. Once women's businesses achieve some level of success, men engaged in various aspects of the industry approach women for collaboration.

### Navigating a homegrown start-up in an industry saturated with multinational corporations and franchises

Understanding the weaknesses of the MNCs and strengths of your company is vital to the existence of local start-ups. The MNCs provide a healthy competition which leads you to push your business towards adopting innovation. Though they have a lot of resources, it takes them some considerable amount of time to understand the customer behaviour pattern, their taste and preferences. A native local start-up, inherently has information on these, including the existing problems. QSR has certain perks such as quick service, low price but it also has various prominent problems such as uncomfortable sitting, cheap interior, etc. Whereas, casual dining though it provides better experience, the food is really expensive. TBC created a new category in QSR. The hybrid model infused QSR and casual dining. They provide ambience, vibe, comfortable sitting arrangements, music, presentable food, customised food items and beverages and plethora of options at a cheaper price. The MNC are unable to tap into small cities as they are process driven, not flexible, they cannot afford elaborate local theme/flavoured food items as they cannot have multiple vendors as their supplies are streamlined. They cannot go into the remote



areas of the country. This provides opportunity to local companies as they have the space to be flexible with their menu and location and vendors. The MNCs do disrupt the pricing in the market as they can afford low price margins and also the volume of the raw materials they purchase also lowers the price of the product. In such a case, the only way to survive is to innovate your products. The key is to offer products that they are not offering and to offer more localised products, if competing over the same category of products. Women owners of homegrown start-ups have an upper hand in this regard, as they are able to connect with their customers better and build a community leading to increase in loyal customers.

### Experiences of operating during the Covid pandemic

From 2018 to 2020, the company had only one successful shop. However, when the COVID-19 epidemic struck India in March 2020, all efforts were halted. As a result, while the store was closed. Prior to this the company was gaining popularity and was making profits. Neelam adds, she used the time to expand the business and began responding to various questions about the franchising idea. She started evaluating the situation, she realised that many people had lost job due to pandemic due to which they were looking for opportunities to make money. They also realised that having alternate source of income was very important. The expansion of her company depended on the franchise model, where people could open their own restaurants and generate secondary income. The cost of real estate was also cheaper at the time due to pandemic due to uncertainty of lockdowns. Hence, rentals were low which provided impetus to people to open their restaurant under the label of TBC. Once the limits were eased in June and July, they resumed operations. In the aftermath of Covid, people were apprehensive about eating street food as they were now considered “unhygienic” in the new context. Thus, TBC leveraged on this opportunity to provide food cooked in hygienic kitchen. It also reduced sharing of profits with competitors such as street vendors. This led to an increase in the sales and profit of the start-up.

### Role of technology and innovation in the success of a start-up

Technology enabled TBC to reach out to people interested in opening their restaurants as it became the sole source of getting leads through social media as trade fairs, etc. were not happening. Social media also provided platform to connect with their customers. It also provided mechanisms to receive feedbacks from the customers. This helped them improve the experience for customers. Applications such as Google review, Zomato review, etc helped in collating the feedback. Technology provides support to logistics and supply chains. IT portals and platforms for placing order, timely tracking of orders and day to day operations helps streamline backend work. According to Neelam it is very important to upgrade ourselves with the latest technology.

### Start-up’s path towards achieving gender and regional equality

TBC has opened outlets all over India with a special focus on Tier 2 and 3 cities. The company tries to keep the employee’s ratio in all the outlets and corporate office at 50-50 (M/F). The hiring is based on the qualifications of individuals. They hire freshers and train them, especially females, to provide opportunities for income. Women possess the kind of skill sets that is required in an industry like FnB.

### Efforts to increase visibility of women in Food and Beverages sector

Women’s participation in this industry is less due to the way the industry operates. It requires a lot of time and efforts at odd hours. High sales happen during festivals and every day during evening and night. This means a lot of family time sacrifice for a female as women handle family responsibilities. Lack of security, uncomfortable interactions with customers, etc. limit women’s participation. There is a need to establish processes which enables one to run business remotely without physical presence. This could be achieved through adopting automation and AI. Women must persevere and overcome their fear in order to create a space for themselves.

# WASME CORNER



## *Congratulations!*

**H.E. Prof (Dr) K. C.  
Jankee, (GOSK)  
Ambassador of  
Mauritius in Russia &  
President, WASME**

**Your Excellency,**

On behalf of the World Association for Small and Medium Enterprises (WASME), I extend my heartiest congratulations to you on your well-deserved achievement of being awarded the Grand Officer of the Order of the Star and Key of the Indian Ocean (GOSK) by Honourable Prime Minister and the President of the Republic of Mauritius.

Your dedication, hard work, and outstanding achievements have earned you this prestigious honor, which is a reflection and testament of your commitment to excellence and your unwavering spirit.

I am confident that you will continue to inspire others with your leadership, professionalism, and dedication, and that you will continue to make a significant contribution to your country's growth as well as development of SMEs across the world through spearheading the international cooperation and policy deliberation.

Once again, congratulations on your achievement, and I wish you all the best for your future endeavours.

Sincerely,

Dr. Gyan Prakash Agarwal  
Secretary General, WASME



**WASME welcomes  
the new Director  
General  
Mr. Vijay Kumar**

WASME family is honoured to welcome Mr. Vijay Kumar as its new Director General. He has been the Officer on Special Duty (OSD)/Adviser in Delhi State Industrial and Infrastructure Development Corporation Ltd (Govt. of NCT of Delhi), New Delhi, since 1st September 2020 to 31st March, 2023 for promotion and Development of MSMEs. He joined Ministry of MSME, Govt. of India as the Development Commissioner (MSME) in 1988. He has worked in close coordination with National Manufacturing Competitiveness Council (NMCC), an autonomous body of Ministry of Commerce, government of India, where he formulated schemes and their guidelines in the areas of manufacturing, Quality Control, Testing, Marketing, Export Promotion, Innovation, IPR and Skill Development. He has developed guidelines on various schemes dealing with Procurement and Marketing Support, Cluster Development and Industrial Infrastructure Development, setting up of mini tool rooms, Export Promotion (International Cooperation Scheme) Public Procurement Policy, setting up of Business Incubators in Technical Institutes/Universities, Enterprise Development Centre in colleges, Universities, ITIs and Technical Training programmes, Quality Control, Testing of Products. He has helped Implemented Innovations, Entrepreneurship and Emerging Technologies schemes in Mechanical Sector. He has assisted in setting up of Business Incubators and Enterprise Development Centre (EDC) in universities, colleges including associations. Entrepreneurship and Research Innovation through Incubators.

## WASME Hosted Women Achievers Award & urged the women entrepreneurs to leverage on the technology for their fast growth.

### Hosted by WASME & SCIENXT in partnership with SIDBI & Godrej Capital

On March 17, 2023, WASME (World Association for Small and Medium Enterprises) and SCIENXT hosted a celebration of International Women's Day, with a focus on "Leveraging on Innovation and Technology for Gender Equality". The event recognized and celebrated women and girls who are championing the advancement of transformative technology and digital education.

Dr. Sampa Banerjee, Executive Director, WASME welcomed all dignitaries, guests and participants and mentioned that this year's theme is particularly relevant, as bringing women and other marginalised groups into technology results in more creative solutions and has greater potential for innovations that meet women's needs and promote gender equality.

A keynote address was given by the chief guest, Smt. Vimala Batham, Chairperson, U.P. State Women Commission, who encouraged women business owners to utilise the several government programmes offered to SMEs, particularly women business owners, during her speech. She also emphasised the crucial role that financial security plays in empowering women. Guest of Honour Mr. Shakti Mohan Awasthi and Smt. Vidhushi Upadhyay Sharma, while recognising the importance of women's contributions and courage on a daily basis, congratulated all winners of the Women Achievers Award.

Following the address, a panel discussion on "Leveraging on Innovation and Technology for Gender Equality" took place. The panellists included Ms. Neelam Singh from The Burger Company, Dr. Nancy Juneja from MENTORX Women, Dr. Sampa Banerjee from WASME, Ms Archana Sharma, Director Planning and Development, WASME and Ms. Amele Hailejiokpn from Ethiopia who talked about the role of innovation and technological change, and education in the digital age for achieving gender equality and the empowerment

of all women. The open discussion allowed audience members to ask questions and provide their opinions.

The event also featured a curtain raiser for the International Conference on Environment, Climate Change and Renewable Energy (ICECR). Ms. Anitha Pannir Selvam and Dr. Priyadarshini presented a brief overview of the conference.

One of the highlights of the event was the presentation of awards to women who had demonstrated excellence in promoting gender equality using innovation and technology. The event concluded with an awards ceremony that recognized women achievers from various backgrounds and institutions. 16 national and worldwide women entrepreneurs received the Women Achievers Award from WASME in recognition of their efforts and excellence in advancing women's empowerment, gender equality, social development, business, and skill development through innovation and technology. The prize recipients were chosen after a thorough screening process by a distinguished and knowledgeable jury including Dr. Sampa Bennerjee, ED WASME, Ms. Chandrima Chatterjee, Secretary General of Confederation of Indian Textile Industry (CITI), New Delhi, Ms. Arundhati Mukherjee, Co-Founder, Aaroh Consulting, Ms. Usha Rao, Vice chairman, MASME chamber of commerce

The gathering included many senior officials from the Indian government, banks, institutions, and social workers to delve deeper into the fundamental



problems affecting women-owned SMEs in India, Ethiopia, Sudan, the United Arab Emirates, the Middle East, and Tajikistan, among other countries. Over 100 women industry leaders, entrepreneurs, academics, and officials were also present.

The event concluded with a vote of thanks by Dr Megha Chadha, Deputy Director, WASME and a networking dinner, where guests had a chance to mingle and share inspiring stories of women gathered there.



## WASME partnered in Net Zero Energy Leadership Summit 2023 – New Delhi.



The Net-Zero Energy Leadership Summit was a gathering of Energy Leaders and Consumers with a goal to define the future of the energy system by mapping out net zero business and governance pathways and exploring the leading technologies and solutions to access and accelerate the energy transition.

The energy sector now accounts for around three-quarters of greenhouse gas emissions and has the key to mitigating the worst consequences of climate change. Countries, towns, corporations, and other organisations are joining together to achieve net-zero emissions. More than 70 nations have established a

net-zero objective, accounting for approximately 76% of world emissions, and have pledged to take tough, immediate action to cut global emissions in half by 2030. India stated its Net Zero objective of 2070 at COP26 in 2021, and it filed its Long-Term Plan for Low Carbon Development at COP27.

In line with this global agenda, Net Zero Energy Leadership Summit 2023 was organised in which Dr. Sanjiv Layek Executive Secretary, WASME was one of the esteemed panellists and joined by other eminent speakers from IFC, Invest India, Mahindra and other reputed organizations

The Summit was held on 01 March, Pride Plaza, Aerocity New Delhi and presented awards to some successful Startups in the Energy sector as well in the forum.



# UN SCAN



## UNCDF

### **UN-Habitat, UNCDF, and Ellaimpacta Alliance Announce Women-led Cities, to Accelerate Gender Equality and Increase Opportunities for Women Across Cities**

The United Nations Human Settlements Program (UN-Habitat) and the United Nations Capital Investment Fund (UNCDF), in partnership with Ellaimpacta Alliance, a consortium of women-led companies and philanthropies, announced the launch of Women-led Cities (WLC). This joint initiative aims to create cities that foster inclusivity, enabling women to live, work, and prosper with dignity and equality. WLC is affiliated with UN-Habitat's global flagship initiative SDG Cities, and UNCDF's IncluCity project.

Achieving gender equality in political and public life is not only essential for upholding women's human rights, but also plays a pivotal role in realizing the Sustainable Development Goals (SDGs). This highlights the crucial importance of promoting women's equal participation and leadership in these areas. However, women continue to face unequal representation in public and political life. While more than 50% of the world population is women, only 5% of the world's cities are led by women. WLC is the first initiative of its kind, as it brings together women business leaders and women political leaders to accelerate progress towards gender equality – a goal which is not estimated to be achieved for 265 years at the current trajectory. WLC seeks to create a network of women business and political leaders to promote and develop partnerships that will empower women and serve cities.

<https://www.uncdf.org/article/8178/un-habitat-uncdf-and-ellaimpacta-alliance-announce-women-led-cities-a-global-initiative-to-accelerate-gender-equality-and-increase-opportunities-for-women-across-cities>

## UNESCAP

### **Promoting and upscaling digital solutions for enhancing women enterprise growth and resilience**

Through the Women Enterprise Recovery Fund, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) has supported innovative business models and digital solutions that address the challenges faced by women-owned businesses in South and South-East Asia and the Pacific. ESCAP is launching the Women Entrepreneur Growth Fund in Mongolia in partnership with the International Women's Federation of Commerce and Industry in Mongolia (IWFCI Mongolia) and the Ministry of Foreign Affairs of Mongolia.

To date, ESCAP Challenge Funds for women entrepreneurs have provided grants to promote the development of digital and innovative projects and solutions aimed at women-owned businesses in Bangladesh, Cambodia, Fiji, Nepal, Samoa and Viet Nam that have suffered significantly from the economic shocks related to the COVID-19 pandemic.

"It is clear that women entrepreneurs are a driving force for post-pandemic recovery. That is why ESCAP – over the past few years – has been implementing our Catalysing Women's Entrepreneurship programme, which – to date – has directly supported over 100,000 women entrepreneurs and has unlocked over 60 million dollars of capital for women entrepreneurs," said Armida Saliah Alisjahbana, United Nations Under Secretary-General and Executive Secretary of ESCAP.

IWFCI Mongolia has been chosen as a National Focal Point to implement the program and the Ministry of



Foreign Affairs has been one of the supporting pillars for the implementation process.

Proposed solutions under the fund must target women's businesses in order to aid in their recovery, growth and resilience. The winners of the fund, businesses who provided the best digital solutions within the program's criteria, will be awarded grants of up to US\$10,000. Grant amounts for each project may differ depending on the type of the digital solution, the size of the project, and the required amount of investment.

<https://www.unescap.org/news/promoting-and-upscaling-digital-solutions-enhancing-women-enterprise-growth-and-resilience>

## ITC

### **ITC and UN WFP sign agreement to promote development and strengthening entrepreneurship**

The United Nations World Food Programme (WFP) and the International Trade Centre (ITC) signed an agreement on 6 March 2023 to collaborate on improving the efficiency and competitiveness of Micro, Small and Medium-sized Enterprises (MSMEs) in Iraq.

The partnership will leverage the technical support of ITC and community level presence and operational capacity of WFP to equip small holder farmers with climate adaptation tools to build competitiveness, develop agribusiness alliances for selected value chains and strengthen food systems in the country.

Increased local production and value addition activities will improve farmers' incomes and will create new jobs, promoting sustainable economic growth and helping Iraq achieve zero hunger goal for all.

"Our partnership underscores the importance of promoting private sector development, particularly that of micro small and medium-sized enterprises and developing agriculture value chains to end hunger and achieve food security. These efforts are crucial in our collective quest to eradicate poverty

and achieve sustained, inclusive, and sustainable economic growth in Iraq," said Eric Buchot, ITC Representative, Head of Country Programme, Iraq.

"This agreement will allow WFP to further help young Iraqi entrepreneurs and business owners, who brave the odds and choose to pursue their own livelihoods with perseverance. We at WFP have strong faith in the future of private, small economies and the impact that they will have on diversifying the economy of Iraq," said WFP Iraq Representative, Mr. Ally Raza Qureshi. "With the expertise of our colleagues at ITC, we are confident that we'll be able to contribute greatly to strengthening the growing private sector of Iraq."

WFP is invested in promoting gender mainstreaming in collaboration with the Government of Iraq and key implementing partners. This is evident in the work done to support evidence-building and capacity strengthening the policies required to best support vulnerable women and their families and to help mitigate and adapt to climate change, as women and children are facing the main brunt of its perceivable impact.

ITC is creating agribusiness alliances between farmers and major agri-food companies through the European Union funded Strengthening the Agriculture and Agri-food Value Chain and Improving Trade Policy (SAAVI) programme. Agribusiness alliances are strengthened with technical assistance, providing farmers with emphasis on women and youth, with support in adopting less resource-intensive agriculture, enhanced post-harvest practices, quality improvement and food safety standards in alignment with buyers' requirements. The five-year SAAVI project seeks to enhance competitiveness of agriculture and agri-food value chains and improve trade policy in Iraq. SAAVI is in close collaboration with the Government of Iraq, NRC, and other implementing partners.

<https://intracen.org/news-and-events/news/itc-and-un-wfp-sign-agreement-to-promote-development-and-strengthening>

# ABOUT WASME

WASME is an International Non-Governmental Organization that has observer and consultative status with many UN agencies, such as UNIDO, UNCTAD, UNICITRAL, WIPO, ILO, ECOSOC, UNESCAP, ITC, and UNESCO. Additionally, WASME has several inter-governmental and international organization affiliations. It has been striving to stimulate, foster, promote, and coordinate international cooperation for the growth & development of MSMEs.

WASME was founded in 1980 with the goal of supporting MSMEs in member countries. We have achieved this through our strong association with local government bodies, regional authorities, international linkages, civil societies, SMEs, etc. We are continuously working to improve our innovative and sustainable framework so that we can better serve MSMEs around the world.

WASME's vision is further realized and advanced with the consistent support of its large base of member representatives in over 100 countries.



WASME's focus is on MSMEs by providing technology transfer and trade promotion through international/regional conferences/workshops/seminars. WASME also organizes programs on various important issues for the growth of MSMEs such as IPRs, Skill Development, Certification & Accreditation, ICT, Marketing, Global Supply Chain, Technology Transfer, Entrepreneurship development, quality control, AI, Machine learning, robotics, etc.

WASME also publishes monthly "World SME News" which features developments in the MSME sector from around the world, as well as a fortnightly e-newsletter called the "SME e-Bulletin". These two organs act as a way to disseminate information among members and advocate for sustainable and regenerative MSME development and growth.

## CORE ACTIVITIES



Articulating concerns and interests of MSMEs at various national and international level.



Developing relationship between MSMEs in developed and developing countries by encouraging enterprise-to-enterprise cooperation in the area of skill development, technology transfer and export;



International cooperation by networking with MSME promotion organisation at national and international level.



Enlarging collaboration with UN agencies and international organisations.



Capacity building of MSMEs through seminar, EDP and skill development programmes.



Information dissemination on technology, export, marketing, match making etc. in MSME sector.



Carrying out research and studies on national/international issues confronting MSMEs.

# MEMBERSHIP SERVICES

Since its inception, WASME has been rendering quality services to its members. Our membership offers access to all facilities of WASME including right to participate, access to circulars, literature, documents etc.

Our members support WASME's mission to advance, promote and support SMEs in their respective countries through association and collaboration mechanism with local government bodies, regional authorities, international linkages, civil societies and SMEs.

## General Members

Any Government Organizations, Small Business Authorities, Authorities bodies, Financial Institutions, Chambers of Commerce and Industry, SME Associations, Training Institutes, Consultancy Organisations, Technology Providers etc.

## Branding Opportunity

Any General member of Associate Member who contributes to the funds of the Organization.

## Associate Members

Any Individuals, Enterprises, Corporations, Stakeholders, Research Institutions, Large Enterprises, Academicians, Consultants etc. engaged in SME sector.

## Associate Membership-Indian Chapter

Indian MSMEs, Entrepreneurs, Corporates, SME Associations, Universities, Training Institute and Individuals who are interested in the growth of SMEs.

### Information Assistance

Basic business related laws, business legislation, trade regulation, Public policy, Taxation, Available MSME support by different stakeholders.

### Benefits Enterprise Support

Expert guidance and assistance for starting new business, improving existing business, Skill development and empowerment, Business matching, International experts search.

### Business Support

Tender information, potential buyer & seller, Marketing linkages, import/export facilitations, financial assistance technology transfer, branding and promotions etc.

### Exposure Visit to Global members

Facilitate exposure visit at National & International Organizations, Institutes, Research Centres etc

### Participation & Knowledge Support

Participation of WASME National/International conferences and seminars, workshops, training and programmes etc

### Branding Opportunity

Sponsorship and volunteering, advertising and programs, newsletters, website, e-bulletins, publications etc.

For more information visit our

**Website:** [www.wasmeinfo.org](http://www.wasmeinfo.org)

**Contact:** [membership@wasmeinfo.org](mailto:membership@wasmeinfo.org)

## WARNING

We don't entertain cash for any membership activity / event / sponsorship / Exhibitions or other related activities. Cheque in favour of "World Association for Small and Medium Enterprises" payable at Noida / Delhi or NEFT/RTGS.

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