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INTERNATIONAL TRADE FOR SMALL AND MEDIUM ENTERPRISES: LEBANON CASES

The definition of SMEs differs about what «small-sized enterprises» are, their nature and their distribution, but at the same time all studies agree on the importance of the role of these institutions in general.

SMEs represent nearly 95 % of businesses in Lebanon and employ about 50 % of the labor force, which constitutes a pillar of the economy and an economic engine to promote economic growth and job creation. International trade is a system based on rules and standards agreed among states for the exchange of goods and services within the agreement's programs, and is an important incentive for SMEs which provides opportunities to strengthen the productive sectors of the economy as a whole. Does Lebanon need such agreements to support SMEs in expanding their activities? Can International Trade be a major factor in economic development and growth?

In this case, SMEs benefit from developing and expanding their production processes, increasing their profits and improving their competitiveness in domestic and foreign markets, in addition to benefiting from reducing customs duties on their exports, if they are mentioned in the agreement.

In Lebanon, the governments and ministries of economy in each government coordinate with the Bank of Lebanon to support small and medium-sized companies because they are the main pillar of the Lebanese economy, but the rest of their financial resources are limited, in addition to the negative effects that have occurred in Lebanon and the economic and financial crisis at the beginning of 2020, and the instability of the exchange rate of the dollar against the Lebanese pound, which has become 4.5 times that of the previous year, and importing raw materials became very difficult, in addition to price inflation and weak purchasing power.

We can only mention the negative effects of Coronavirus on small and medium-sized companies due to their disproportionate presence in economic sectors affected by social measures and transport strikes, in addition to the service sector such as hotels, restaurants and food services. If these conditions persist, they could disrupt the supply chain to existential risks of importers and exporters, or to demand shocks.

Supporting SMEs through transparency mechanisms to facilitate trade, open new agreements and continue efforts, enhancing SMEs ' free access to finance, harnessing open procurement and supporting commercial digitalization efforts, including the development of e-commerce rules [1–4].

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