

Concept Note: Creation of the “**BRICS MSME FORUM**”

Micro, small and medium enterprises (MSMEs) are a cornerstone of the BRICS economies, contributing significantly to job creation, economic growth, and poverty reduction. According to the World Bank, MSMEs account for approximately 90% of formal businesses and around 50% of employment worldwide¹, a trend mirrored within the BRICS nations. These enterprises are significant sources of creativity, innovation and solutions particularly in digital technologies and play a crucial role in driving inclusivity by addressing socio-economic disparities within and across regions. MSMEs are integral components of both domestic and global value chains, serving as specialized suppliers, distributors, and service providers. Their agility and local market expertise enhance the competitiveness strategies of larger corporations by providing flexible production capacity, specialized capabilities, and deep regional market knowledge. Furthermore, MSMEs have the potential to play a pivotal role in advancing digital transformation and strengthening their position in global value chains, as digital tools and artificial intelligence (AI) enable them to optimize operations, improve supply chain visibility, and connect directly with international markets.

BACKGROUND AND CONTEXT

Efforts to enhance discussions on MSMEs within BRICS have been ongoing for over a decade. The document [*Strategy for BRICS Economic Partnership 2025*](#) underscores the importance of collaboration to unlock the full potential of MSMEs within the BRICS bloc, promoting trade and integration into both regional and global value chains. The Strategy highlights the critical role of digital tools in enabling MSME participation in digital trade and improving their access to global markets. Updating this Strategy is one of the priorities of Brazil’s Presidency to be discussed by the BRICS Contact Group on Economic and Trade Issues (CGETI).

The CGETI has laid the groundwork for collaboration on MSMEs through pivotal documents such as the *Final BRICS MSMEs Cooperation Framework*, established during South Africa's 2023 presidency and further developed by Russia's 2024 SME review, providing a robust foundation for sustained collaboration aimed at fostering SME integration. Additionally, the BRICS Forum on Partnership on New Industrial Revolution (PartNIR), which serves as a guiding platform for BRICS cooperation within the framework of the New Industrial Revolution, during the Russian presidency (2024) created seven working groups, including one dedicated to MSME discussions, set to be structured in 2025.

Each BRICS nation has implemented distinct approaches to supporting small businesses, including legislation to classify and categorize small businesses in their countries, programs to enhance access to credit, simplified taxation policies, and digitalization initiatives. All BRICS countries, including the new members, have been working on specific policies and legislation to support SMEs and have agencies dedicated to the development of the sector. These efforts also

¹ <https://www.worldbank.org/en/topic/sme/finance>

reflect a broader acknowledgment of the importance of MSMEs in the digital transformation era, particularly in leveraging Artificial Intelligence (AI) for modernization.

However, disparities exist within the BRICS in terms of institutional maturity, policy implementation, program scope, and resource availability for MSME support.

PROPOSAL: ESTABLISHMENT OF THE “BRICS MSME FORUM”

In response to these challenges, the Brazilian Presidency proposes the creation of a permanent mechanism dedicated to MSME discussions: the **BRICS MSME Forum**. This forum will bring together MSME stakeholders from all BRICS members to foster dialogue, enhance the best practices of policy design and promote effective and meaningful cooperation, and is intended to:

- gather MSME stakeholders from all BRICS nations annually;
- address key challenges and share success stories;
- develop joint initiatives and collaboration opportunities.

The agenda shall focus on issues such as:

1. *Convene the inaugural BRICS MSME Forum to address the key challenges and opportunities outlined in this document, to serve as a permanent body for policy coordination and strategic guidance, and create an MSME network, comprising MSME Ministries and Agencies from member nations, to foster collaboration and knowledge-sharing.*
2. *Develop joint institutional benchmarking initiatives and capacity-building programs to strengthen MSME ecosystems.*
3. *Introduce climate transition support programs to help MSMEs adopt sustainable practices and technologies.*
4. *Design integrated financial products tailored to the unique needs of MSMEs within the BRICS framework.*
5. *Work towards harmonized regulatory frameworks to simplify cross-border operations and reduce barriers for MSMEs.*
6. *Start discussions focused on developing a dedicated digital platform to enhance information exchange, market access, and networking opportunities for MSMEs across the BRICS bloc.*