

Opening Remarks at the policy Workshop “Strengthening the Resilience of Women and Youth-led Micro, Small and Medium-sized Enterprises (MSMEs) in the Creative Industry in the Philippines for Implementing the 2030 Agenda for Sustainable Development”

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Representative Christopher De Venecia, member of the Philippine House of Representatives,

Ms. Blesila Lantayona, Undersecretary, Department of Trade and Industry,

Mr. Gustavo Gonzalez, United Nations Resident Coordinator in the Philippines,

Distinguished guests, ladies and gentlemen,

I am pleased to join you today at the policy workshop “Strengthening resilience of women and youth-led Micro-, small and medium-sized enterprises (MSMEs) in the creative industry in the Philippines for implementing the 2030 agenda for sustainable development.’

First, I would like thanks senior policymakers, government officials, MSME entrepreneurs and development partners for taking some time from your busy schedules to join us today in this workshop. Your participation is testament of the strong commitment to support MSMEs and elevate their indispensable contributions to achieving the 2030 Agenda for Sustainable Development and the SDGs.

Accounting for 90 per cent of business entities and two thirds of employment globally, MSMEs constitute the backbone of the global economy and have the potential to make significant contributions to the achievement of the Sustainable Development Goals (SDGs). They are engines of job growth and are sources of livelihoods for the working poor, women, young people and groups in vulnerable situations. MSMEs also foster innovations and help economies grow in the effective, sustainable and inclusive manner.

Despite their notable contributions to sustainable development, the COVID-19 pandemic, rising inflation, climate change and other disasters continue to remind us how vulnerable MSMEs

are vulnerable to crises and unexpected shocks, especially those owned by women and youth. These crises have contributed business closures, rising debt, and cashflow pressures. Combined with interruptions in global supply chains and rising energy costs, the resilience of MSMEs is being seriously tested.

In the case of the Philippines, the MSME sector has equally been impacted, slowing down its contribution to developing an inclusive economy, helping reduce poverty and inequality by creating jobs, stimulating much needed economic activities in rural and remote areas, and providing essential support services. They serve as breeding ground for new entrepreneurs and large corporations.

In the creative industry sector in the Philippines, which is the focus of this workshop, MSMEs are major player as they provide employment opportunities, goods and services. The creative industry sector in the Philippines contributes about seven percent to national economic output and produces about \$3 billion in products and services¹. The Government of the Philippines has recognized the creative industry sector as one of the pillars upholding national economic prosperity and committed the vision to build the Philippines as one of the top creative economies in the ASEAN region by 2030. Hence, their contributions can be significantly scaled up if the right policies and support programmes are put in place to harness creative talents and skills in areas of art performance, digital media, visual entertainment and functional design.

Globally, the creative industry sector employs about 30 million people. The estimated value of global trade in creative goods and services stood at US\$509 billion in 2015². Recognizing their critical roles, the 74th session of the United Nations General Assembly designated the year 2021 as the International Year of Creative Economy for Sustainable Development³.

Unfortunately, the COVID-19 pandemic has taken a heavy toll on MSMEs in the creative industry in the Philippines. According to a COVID-19 impact assessment on MSMEs in the creative industry of Cebu city, which was jointly conducted by DESA and the DTI in 2020, 99 percent of the two hundred interviewed MSMEs reported income losses, and 92 percent reported business suspensions. Seventy per cent of the MSMEs that participated in the survey did not have

¹ [Philippines needs policy framework for creative industry \(ADB Institute, 2021\)](#)

² [Creative Economy Outlook: Trends in International Trade in Creative Industries \(UNCTAD, 2018\)](#)

³ [A/C.2/74/L.16/Rev.1, 2019](#)

business continuity plans that could have built resilience ahead of economic shocks and uncertainties during the pandemic.

Ladies and gentlemen,

Considering its importance for economic growth and sustainable development in the Philippines, it is critical to ensure that sustained policy support is tailor-made and targets the heterogeneous demands of MSMEs in the creative industry sector. Such support will enhance their risk management capabilities, contribute to increased use of technology and opportunities to transition to more environmentally sustainable operations. With MSMEs still reeling from two years of a global pandemic, the added pressures caused by rising global inflation and disruptions to supply chains, the policy workshop today gives us an opportunity to strategize by among other things exploring evidence-based policy recommendations that are vital to enhancing the coherence of MSME supporting policies and programmes and maximize the contribution of MSMEs to inclusive and sustainable recovery of the Philippines from the COVID-19 pandemic.

Built on the successful partnership with the Department of Trade and Industry (DTI), UNDESA has been providing capacity building support to policymakers and MSME entrepreneurs in the creative industry sector over the last two years.

We are grateful for the support of the DTI to the conceptualization of the project “Strengthening national capacities for enhancing MSME resilience and building forward better to accelerate the implementation of the 2030 Agenda in developing countries”. With thanks to the support of the DTI, I am glad to announce that this project has been approved by the United Nations Peace and Development Fund (PDF), which will be implemented in the Philippines and other eight developing countries in Africa and Asia, from 2022 to 2024.

I would also like to announce that a second UNDESA project on “Strengthened resilience of MSMEs in Africa and Asia” was also approved by the United Nations Development Account. The project will be implemented from 2022 to 2025, and the Philippines is also a pilot country in this project. We hope these projects will contribute to building the capacities of MSMEs and policymakers that is needed to meet the moment and build the resilience that will ensure that MSMEs thrive in the long-term and are better positioned to combat the many converging challenges they are facing.

Today's workshop marks the official launch of both projects in the Philippines. UNDESA is committed to jointly implement these projects with the DTI as well as the RCO/UN Country Team and other development partners in the Philippines. Key messages that will be emanate from your deliberations will be translated into concrete actions and inform the planning of project implementation in the Philippines for unlocking the full potential of MSMEs in achieving the SDGs and building back better in the Philippines.

Going forward, we remain convinced that international cooperation and partnerships make significant contributions to accelerating the implementation of the 2030 Agenda for Sustainable Development and the Philippines's development priorities, including the needs and aspirations of MSMEs. In that regard, the United Nations Department of Economic and Social Affairs looks forward to continuing our successful cooperation and partnerships with the Government of the Philippines and the UN Country Team. It is imperative that we continue to work together to enhance the resilience of MSMEs and leverage their potentials as the first responders to protect jobs, sustain livelihoods and build back better from the COVID-19 pandemic in this Decade of Action to deliver the Sustainable Development Goals

I thank you for your attention and look forward to a very productive workshop.
