



OPPORTUNITY

37

SCOPE **WITHIN REACH**

UNCERTAINTIES

Systems, Technology

MEGATRENDS

Borderless World - Fluid Economics

TRENDS

Cross-sectoral partnerships
Future of purpose & work
Ideation, IP & Entrepreneurship
International Collaboration
Mobilising Innovation

SECTORS IMPACTED

Agriculture & Food
Automotive, Aerospace & Aviation
Chemicals & Petrochemicals
Communication Technologies & Systems
Consumer Goods, Services & Retail
Data Science, AI & Machine Learning
Digital Goods & Services
Energy, Oil, Gas & Renewables
Financial Services & Investment
Government Services
Health & Healthcare
Immersive Technologies
Logistics, Shipping & Freight
Manufacturing
Materials & Biotechnology
Metals & Mining
Professional Services

What if we had a global trade licence for small businesses and start-ups?

THE 'GLOBAL' PROTOCOL FOR SMALL BUSINESSES

An international treaty facilitates a global trade licence for small businesses and start-ups in multiple countries.





WHY IT MATTERS TODAY

Between 1950 and 2022, world trade volume grew 4,500% to over \$24 trillion⁷⁵⁵ and is expected to grow another 3.3% in 2024.⁷⁵⁶ However, the rapid expansion of global trade has unfortunately not benefited everyone.⁷⁵⁷ A \$2 trillion trade finance gap⁷⁵⁸ prevents smaller companies (particularly in the Global South) from maximising global trade opportunities.⁷⁵⁹ The smaller the company, the more difficult it is for them to participate in international trade.⁷⁶⁰ On top of this, the world is currently experiencing a widespread trade slump, with just 0.8% growth in 2023 due to a combination of inflation, high interest rates, and geopolitical tensions.⁷⁶¹

For most exports, non-trade barriers (NTBs) are typically the biggest impediment to international trade and more than twice as significant as general tariffs for market access.⁷⁶² In proportion to value, the average cost of NTBs in the European Union is just over 13%, compared with under 2% for tariffs.⁷⁶³ NTBs cost 1.6% of global gross domestic product (GDP), or \$1.4 trillion annually.⁷⁶⁴ Changes to the global trade architecture that benefits developing and emerging economies can reduce the need for humanitarian aid,⁷⁶⁵ and mutual recognition of export standards could facilitate the elimination of NTBs.⁷⁶⁶

Some 99% of businesses in the United States are small businesses employing just over 45% of workers.⁷⁶⁷ In the United States, one in five businesses fail in their first year, nearly half within five years, and nearly two-thirds by the 10-year mark.⁷⁶⁸ In 37 of 49 economies surveyed in the Global Entrepreneurship Monitor (GEM) 2022/2023 Report, over 40% of potential entrepreneurs fear failure, with more than 60% in Saudi Arabia and just under 60% in China, which partly hinders the launch of business startups.⁷⁶⁹ In contrast, just under 40% in the United Arab Emirates and just under 20% in the Republic of Korea share this fear.⁷⁷⁰



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An international treaty facilitates a global trade licence for small businesses and start-ups in multiple countries. With a single application, small businesses and start-ups can apply to set themselves up in multiple cities or countries. Limited to a few years, their registration adheres to common requirements across respective cities or countries, including, but not limited to, a minimum number of workers or business activities to prevent 'brass plate' companies.

More than a company branch, this licence lowers barriers to setting up a business and enables borderless trade. Blockchain-powered supply chains would facilitate automated customs clearance and enhance transparency and trust, offering greater financial flexibility.⁷⁷¹ Complemented by the World Trade Organisation's (WTO) Trade Facilitation Agreement (TFA),⁷⁷² these efficiencies and reduced costs could significantly boost trade and employment. With more than a single regulator or authority, a legal issue in one country could prompt an alert in another, shortening the time to detect anomalies.

BENEFITS

Business corridors for small businesses and start-ups across countries and industries offer global market access, boosting entrepreneurial expansion, capital inflows, and supply chain resilience in an increasingly borderless world.

RISKS

Establishing a business remains expensive and complex because of diverse global regulations, risking the emergence of 'brass plate' companies that exist only in name, with no real presence or employment, potentially facilitating money laundering activities.

