Myanmar: rebuilding communities through trade

Development investment, not development aid

West Africa’s resurgent economic performer
Stepping up the fight against poverty through trade

ARANCHE GONZÁLEZ, Executive Director, ITC

2014 has been a special year for the International Trade Centre (ITC). The organization celebrated its 50th year of providing technical assistance, capacity building and knowledge to developing country policymakers and their small and medium-sized enterprises (SMEs) and trade and investment promotion organizations.

Together with our stakeholders we have built a strategic plan for the next three years, which will frame our focus areas for intervention. We intend to build on our comparative advantages while providing innovative and practical solutions to help SMEs internationalize.

During my discussions with policymakers and the business community in donor and partner countries there continues to be clear support for the important role of SMEs in the growth, development and employment story in the post-2015 world.

This is reflected in the way many donors are focusing on supporting Aid for Trade. Denmark, Finland, Sweden, the Netherlands and Norway are among the countries leading this seachange. More recently, the role of trade in eliminating poverty was also acknowledged by United Nations Secretary-General Ban Ki-moon in a speech at the World Trade Organization’s Public Forum, declaring that ‘an ounce of trade is worth a pound of aid’.

The role of trade in poverty reduction prominently featured in the UN Secretary-General’s early-December synthesis report on the post-2015 development agenda and at ITC we are particularly pleased that entrepreneurship and SMEs have been recognized for their role in the fight against poverty.

While some of the report’s goals and targets are likely to change amid negotiations among UN member states, few will cast doubt on the power of trade and SMEs to instigate societal change, especially for women and youth.

At ITC we will continue to work to demonstrate that SMEs must be given more support. This will help more to become export ready, benefit from joining value chains, and enable the creation of sustainable jobs.

This past year has also seen ITC increasing its operations in its focus countries: Sub-Saharan Africa, small islands development states and least developed countries. At the beginning of the year, we had set a target of around 60% of our work towards them; in December this had increased to 67%. And for the first time, ITC’s flagship event, the World Export Development Forum (WEDF), was held in Africa. More than 1,000 delegates from across the world came to Rwanda’s capital, Kigali, to talk business and to do business.

In parallel to WEDF, we also hosted the Women’s Vendor Exhibition and Forum, also a success and the first in Africa. During the forum, we placed a spotlight on the need to increase the amount of the multi-trillion dollar public procurement market that is served by women-owned businesses: a mere 1% globally.

Trade promotion has been central to the work of the ITC and much of this issue of International Trade Forum is dedicated to the topic. In November we hosted the Trade Promotion Organization World Conference and Awards in Dubai, together with Dubai Export. As multipliers of ITC’s work, TPOs play a significant role in ensuring that SMEs are provided with adequate support to better integrate them into value chains.

In my interactions with policymakers, parliaments, business people, artisans, young people, and women’s associations in 2014, I can confirm that there is shared understanding of the power of trade impact for good.

Particularly inspiring has been meeting businesswomen across the world who are committed to using trade and entrepreneurship to make better lives for their families and future generations.

In 2015 we will continue to build on all of these initiatives and move into more innovative areas. These will include areas such as economically empowering refugees, harnessing the potential of youth, fostering trade in services to drive new methodologies of building competitiveness. In the year when the post-2015 process will drive much of global public policy, ITC will remain that bridge to translate trade and investment opportunities into realities for the millions of SMEs on the ground.
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PHOTO FEATURE

MYANMAR: REBUILDING COMMUNITIES THROUGH TRADE
Emerging from decades of international isolation, Myanmar is embarking upon a new chapter in its history led by political and economic reforms.
UN Secretary-General spotlights trade as driver of sustainable global development

United Nations Secretary-General Ban Ki-moon has emphasized the critical role played by international trade in lifting economies out of poverty is an invaluable one while stressing that it must remain consonant with the objectives enshrined in the post-2015 development agenda.

Speaking at the World Trade Organization’s (WTO) annual Public Forum in Geneva, the Secretary-General said trade provides a unique fuel for economic growth. He also cautioned that its benefits could often be distributed inequitably, by-passing women, young people and the least advantaged and leaving environmental degradation in its wake.

Mr. Ban delineated a three-point strategy in which trade would have a major role: the acceleration of the Millennium Development Goals process and the obtainment of the pre-defined targets; the creation of ‘a universal, legal, climate change agreement’ by the end of December 2015; and the outlining of a future development agenda defined as the sustainable development goals.

WTO adopts historic trade facilitation agreement

The WTO announced the adoption of an historic trade deal, which, according to some estimates, could add nearly US$1 trillion annually to global trade. The Trade Facilitation Agreement (TFA), the WTO’s first-ever multilateral accord, was approved during the General Council meeting of the 160-member organization in Geneva on 27 November.

WTO Director-General Roberto Azevêdo congratulated members for adopting decisions related to public stockholding for food security purposes, the TFA and the post-Bali work. ‘We have delivered today on a promise we made in Bali. Now, let’s make it count,’ he said.

The TFA contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.

G20: OECD to help monitor growth and gender commitments

Leaders of the G20 countries meeting at in Brisbane, Australia, on 15-16 November called on the Organisation for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) to monitor their commitment to boost economic growth and create jobs.

The leaders committed to raise global GDP by an additional 2.1% by 2018 and approved the Brisbane Action Plan. In support of this ambition, the OECD analysed more than 1,000 new policy commitments from G20 countries. The OECD was also asked to follow up with the IMF on the implementation of those commitments.

Leaders agreed to aim to reduce the gap in labour force participation rates between men and women by 25% by 2025. This, they said, would bring more than 100 million women into the workforce, increase global growth, and reduce poverty and inequality. The OECD, along with the International Labour Organization (ILO), has been tasked to implement this commitment, which is expected to help achieve the growth targets.
The Americas: employment formalization contributes to reduction in income inequality

The unfavourable economic situation in Latin America and the Caribbean during the second half of 2014 will not prevent regional urban unemployment from decreasing slightly this year to 6.0% or 6.1%, from the 6.2% recorded in 2013, the Economic Commission for Latin America and the Caribbean (ECLAC) and the International Labour Organization (ILO) have said.

ECLAC and the ILO presented a new edition of their joint report entitled ‘The employment situation in Latin America and the Caribbean.’ The report indicates that while a regional rebound in job creation is not foreseen in 2014, a lower rate of labour market participation – the proportion of the working-age population inside the labour force, whether employed or unemployed – should enable unemployment to fall. The two United Nations organizations analysed the employment situation during the first half of the year and set out mechanisms that have helped reduce inequality in the region.

LDCs: the battleground of the post-2015 development agenda

The vicious circle trapping the world’s poorest countries must be reversed if new development goals are to be met, according to the United Nations Conference on Trade and Development (UNCTAD). In its recently released ‘Least Developed Countries Report 2014,’ UNCTAD said the international community must learn from the failure of ‘most of the poorest countries to meet the ‘Millennium Development Goals (MDGs) despite registering strong economic growth – a phenomenon the report dubs the ‘LDC paradox.’

The world’s 49 least developed countries (LDCs) are the battleground on which the post-2015 development agenda will be won or lost, the report said. Success or failure in that struggle will depend on action by the international community and by LDCs to structurally transform their economies and break the poverty cycle that has trapped those nations, the report said.

The LDC paradox arises from the failure of LDCs to achieve changes despite having grown strongly as a result of strong export prices and rising aid flows, the report said.

Ebola outbreak strikes all sectors of Liberia’s economy

Nearly half of Liberia’s workforce is no longer on the job since the start of Ebola crisis, according to the most recent round of mobile phone surveys conducted by the World Bank Group.

Those engaged in self-employment activities have been the hardest hit, in large part because of the closure of markets in which they operate. The wage employment sector has also experienced substantial job losses. Overall, only about 36% of previously self-employed workers outside of agriculture and about half of those originally engaged in wage labour are still working since the crisis unfolded. The agricultural sector is showing the most resilience in the face of Ebola after an initial downturn, according to the report.

Existing problems, especially those related to food prices and food security, have worsened. Liberia had a large spike in imported rice prices – nearly 40% over the average for October – and more than 90% of those surveyed worried that their households would not have enough to eat.
Emerging from decades of international isolation, Myanmar is embarking upon a new chapter in its history led by political and economic reforms. According to U Pwint San, the South-east Asian country’s Deputy Minister of Commerce, it is trade that is moving the country forward.

Serving as a roadmap on this journey towards socioeconomic development is the National Export Strategy (NES), developed by the government in cooperation with the business community and development partners under the technical guidance of the International Trade Centre.

The NES sets out seven priority sectors targeted for value addition and diversification: beans, pulses and oilseeds; rice; fisheries; textiles and garments; rubber; forestry products; and tourism. The ultimate goal of the strategy is to once again position Myanmar as a competitive exporter in the global economy and to drive sustainable socioeconomic development for its people.

1. Fisheries: Employees of Shwe Yamone pack shrimp with ice in preparation for export.
2. Textiles and garments: Workers at Newest Garment tuck a branded flyer inside shirts before packaging them.
3. Employees at New Golden Gate pour out a vat of heated and dried sesame seeds.
5. Workers at Gold Delta pack bags of rice for export.
6. A tourism project launched in Kayah State in eastern Myanmar addresses needs identified in the National Export Strategy.
7. Forestry products: Workers cut and process teak wood.
Development investment, not development aid, is the way forward

ANDREW MACLEOD, Author and businessman

A ngelina Jolie and Brad Pitt are committed humanitarians and philanthropists as well as actors. They use their celebrity well in promoting good causes. They also ensure that they are not a distraction when visiting humanitarian operations.

I saw this at first hand in 2005 when, as Chief of Operations for the UN’s Emergency Coordination Centre for the Pakistan Earthquake, the two stars made sure their visit was both worthwhile and non-burdensome to the aid workers.

We hear a lot of calls to double foreign aid. I have no doubt that such calls are well meaning, but are they right? Will doubling foreign aid help those in greatest need? Is the way the world looks at aid and philanthropy the right way?

Consider this: when one tracks capital flows from members of the Organisation for Economic Cooperation and Development (OECD) to non-OECD economies, one sees that around 53% of capital flows through the private sector, about 30% through remittances and some 17% through foreign aid and philanthropy.

So why, then, when we look to bring the world out of poverty, do we think that aid and philanthropy are the major players when they have the smallest quantum? Why would we double aid, the smallest pool of cash, instead of better focusing private-sector investment using aid and philanthropy the right way?

Consider also this: the end game of development should be people gaining sustainable employment with companies – small and large – that pay tax to a responsible government which in turn uses that tax to pay for hospitals and schools.

If we consider employment to be the ‘end game,’ or ultimate objective of development, should not all development interventions be based on bringing developing economies and people closer to that end point?

I have seen with my own eyes the deep failings of aid and I have seen how well-focused companies can have a major impact – not because they take a ‘be nice’ pill, but because they see real value in doing the right thing over the long term.

Which organization is more likely to lead to long-term sustainable employment, a private sector company investing in an economy or an aid organization giving away resources in that economy?

Only employment can sustainably lift people out of poverty. Aid and philanthropy cannot. Aid and philanthropy can assist if focused on helping improve the investment climate.

I have been part of the aid and development industry for nearly two decades, as a worker with the International Red Cross in Bosnia and Rwanda and with the UN in Pakistan, Philippines and other locations. I have also more lately observed how multinational corporations can impact the less developed economies, such as when I acted as an adviser to the British-Australian materials firm Rio Tinto Group.

I have seen with my own eyes the deep failings of aid and I have seen how well-focused companies can have a major impact – not because they take a ‘be nice’ pill, but because they see real value in doing the right thing over the long term.

In my current work I advise mainly resource companies on how to understand the community risk discount rate in their net present value (NPV) calculations. Those calculations are made as follows:

Companies put a price in today’s terms on their assets by looking at the future revenue an asset is expected to bring, discounting that future revenue for the cost of holding money, sovereign risk and community risk factors. They then deduct from that discounted future revenue the estimated future costs to earn that revenue.

Discounted future revenue less future cost equals NPV.

Community risk can destroy 100% of an asset’s NPV. If one can genuinely lower the community risk discount rate, the NPV – that is, the value of the asset declared to the stock exchange today and which impacts on managers’ remuneration today – will be raised.

Therefore a genuine community impact programme that can measurably work is needed. Not a green-washing marketing-spin program, but a genuine programme that really lowers risk and hence protects the value of assets. Few financiers understand the power of this model, both for the long-term good of the community, as well as for the massive risk reduction for companies, this is what is needed.

So am I arguing to end aid and philanthropy and have everything over to the private sector? No. I argue for new and genuine partnerships between aid, philanthropy and the private sector.

To have true, long-lasting and meaningful impact, aid and philanthropy should not be about how much money is spent, but how it is spent. Has the aid or philanthropy sector really helped improve long-term employment prospects?

Rather than funding general education performance, perhaps partnering with com-
Companies to improve specific education would be better. Such a programme could be aimed at particular industries and job types, with a company not only contributing to the spending but promising graduates jobs as well.

In Mozambique, BHP Billiton, the world’s largest mining company, ran an anti-malaria campaign that helped reduce adult malaria infection from 92% to 5.6%. In the process the improved community health lowered absenteeism in the workforce and improved productivity. In other words, the anti-malaria programme was profitable.

So would philanthropic or aid money not be better spent in a partnership programme rather than a free-standing one? Would it not be better if it was done with real measurable indicators linked to profit? Would we not be better off with development investment, not development aid? ©

Andrew MacLeod is a businessman and author, and is a former UN official. This article first appeared on betterdebate.wordpress.com.
West Africa’s resurgent economic performer

JARLE HETLAND, Editor, International Trade Forum

Côte d’Ivoire has for centuries been known as a country blessed with abundant natural resources. Today this is reflected in the West African country’s status as the world’s largest exporter of cocoa.

That position should not be underestimated. A coup in 1999, followed by a bloody presidential election and subsequent rebellion, led to the demise of Côte d’Ivoire as West Africa’s economic powerhouse. Investors, foreign companies and international organizations fled the country, adding to the undoing of decades of development.

A decade of political stability, however, has helped Côte d’Ivoire regain some of its lost momentum. Its economy remains fragile, though, and events such as the spread of Ebola could quickly turn the progress made into further economic misery.

The return of the African Development Bank to Abidjan, the Ivorian capital, after a 10-year exile is a positive sign. So too is the fact that international companies are returning their West African operations back to the country while others are investing there for the first time, attracted by opportunities in a variety of sectors including agriculture and mining.

1. Roads are being extended into Abidjan’s new neighbourhoods.
2. Job creation is vital to Côte d’Ivoire’s young and growing population.
3. Some of the products produced by Rama Céréal.
4. A woman sells nuts in Abidjan.
5. A woman weaves at the Michèle Yakice Foundation and School.
6. Michèle Yakice (right), director and founder of the foundation and school that bears her name, and Michèle C. Okey, the enterprise’s director.
7. Prime Minister Daniel Kablan Duncan, ITC Executive Director Arancha González and Jean-Louis Billon, Minister of Commerce, Crafts and SMEs.
It was to add further impetus to Côte d’Ivoire’s booming economy that the country’s National Export Strategy (NES) was unveiled in November. Developed by the Ministry of Commerce, Crafts and SMEs with support of the International Trade Centre, the NES aims to steer Côte d’Ivoire towards a more diversified, sustainable and inclusive future.

The strategy identifies sectors other than cocoa and coffee which have great export potential, including textiles and clothing, rubber and plastic, tropical fruit, and information technology services. It then systematically identifies interventions to facilitate trade and export success.

“The strategy will help reposition Ivorian exports in international markets and will also reinforce their competitiveness. In addition, the strategy will boost the competitiveness of the private sector and will contribute to attracting Aid for Trade and investments into export sectors,” said Prime Minister Daniel Kablan Duncan.

The NES also makes a point of singling out small and medium-sized enterprises (SMEs). However, a better business environment has to be put in place and its objectives reached for SMEs to be able to play a greater role in the Ivorian economy.

‘Only successful implementation of the strategy’s strategic plan of action will realize the promise of new markets, new products with greater added value, and new jobs in export sectors,’ said ITC Executive Director Arancha González.

As in most countries, SMEs hold the solution to the Ivorian unemployment challenge. They can provide better conditions for business and can help bring decent work to the poor, especially women and young people. Hamed Coulibaly, commercial manager of Rama Céréal, a cereal producer, is among those welcoming a stronger Ivorian focus on exports.

Established in 2005, Rama Céréal has grown from a five-person operation to 25 employees today, of which a majority are women. Having managed to penetrate the Ivorian markets, the company has tentatively begun exporting to neighbouring countries, thanks to relative political stability, with the bulk going to Benin.

The company must invest in new equipment to expand beyond its current operational base but access to finance is an obstacle in that regard, Coulibaly said. Still, he hopes Rama Céréal’s products will soon be found abroad as well as Africa. ‘We are looking for partners in Europe,’ he said. ‘Achieving this would potentially allow the company to double its output.’

Increasing exports is also Michèle Yakice’s goal. She is the director and founder of a foundation and a school that bears her name that trains young people – mostly women – in fashion-related skills ranging from clothing design to hairdressing. Her students are not only from Côte d’Ivoire, but from across West Africa. Her organization is a beneficiary of the European Union-funded Trade Support and Regional Integration Programme for the Côte d’Ivoire (PACIR, after its French-language acronym), of which ITC is an implementing partner.

Employing more than 50 people who double as teachers and skilled workers, participation in the PACIR programme for two years has helped Yakice reorganize the company’s business and production models. ‘It has been a long process,’ Yakice said. ‘We are still in the restructuring process, but it is thanks to PACIR that we were able to open the shop two months ago.’

Yakice also shares Coulibaly’s concern about ready access to finance. ‘Not so much because we are women, but because we don’t have the necessary liquidity to ask for funding to order the quantities we need,’ she said. ‘It is more a problem of trust between the banks and SMEs.’

Like most businesses, Yakice’s enterprise has been suffering from regional political instability and the global financial crisis. ‘We are exporting, but in small quantities,’ she said. ‘Our biggest market is Angola, but this has diminished as result of the crises. Now business is starting to pick up again and we looking for other markets.’

Steps large and small are already being taken to return Côte d’Ivoire to its former level of economic prowess – and beyond. Though the National Export Strategy is another step in the right direction, achieving its desired ends will require a major effort. Business owners such as Coulibaly and Yakice are among the many leading the charge.
The changing role of trade promotion

José Prunello, Chief, Trade Promotion, International Trade Centre

Running a successful business is the dream of every entrepreneur. While global empires are for the few, finding and receiving proper support, however, can make success a more realistic prospect for many more.

In recent decades trade promotion organizations (TPOs) have emerged across the world and are playing a crucial role for small and medium-sized enterprises (SMEs). In particular TPOs play an invaluable part for SMEs that want to expand their operations across borders and to integrate into global value chains.

TPOs are the main instrument to implement national export strategies for many governments while at the same time acting as advocates for the interests of the export sector and providing advice on appropriate policies to foster trade. For other trade support institutions (TSIs), often smaller and focused on particular sectors, national TPOs can play a vital coordinating and leadership role. In addition, TPOs can serve as a good entry point for foreign businesses and investors interested in developing relationships with local suppliers and exporters in a particular country.

Support by TPOs to SMEs aiming to export goods and services often comes in different stages and levels depending on the existing capacities of a given enterprise.

Take for example a domestic supplier that has the potential to become export-ready or a firm that is actively seeking export opportunities. In such cases TPOs would normally provide services such as awareness-building, information and training in exporting. Many would also have a toolbox from which they would apply a range of remedies such as capacity building, training, advice on how to export and how to prepare the firm to compete in the international marketplace.

As the SME advances in its maturity, it becomes ready to export or to expand its export presence. TPOs would then continue to provide advice and support to ensure that market entry is achieved or exports are successfully scaled up.

**NEW TRENDS, NEW ROLES**

For SMEs, rapid adaptation to new conditions is crucial if they are to compete in foreign markets. In today’s rapidly evolving international trade environment, the scramble to keep up with change is adding further pressure not only for businesses, but also for TPOs which have to be ready to provide new types of support to serve their clients.

Today’s modern, globalized value chains have led to production processes of products or services that are often accomplished in various independent stages in different nations and on different continents. Apple Inc.’s iPhone, for example, goes through a production process including 30 countries. While this is not true for all goods, the iPhone shows how the line between exporters and importers is disappearing.

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**Main categories of services offered by a TPO**

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<th>Trade Intelligence</th>
<th>Export Development</th>
<th>Export/Investment Promotion</th>
<th>Enabling Business Environment</th>
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<td>Trade information</td>
<td>Export readiness</td>
<td>Export promotion</td>
<td>Facilitating cross-border trade</td>
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<td>Market analysis</td>
<td>Training and counselling</td>
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<td>Business contracts</td>
<td>Strategy formulation and development</td>
<td>Value chain optimization</td>
<td>Facilitating access to resources</td>
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<tr>
<td>Business opportunities</td>
<td>Market access conditions</td>
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*A single TPO might not offer all these services*
For firms with smaller networks and production capacities looking to set up operations in foreign markets, TPOs are often called upon for assistance. TPOs can then support SMEs by finding adequate market entry channels and local partners. As a result of slower growth in developed economies relative to emerging and developing markets, TPOs have encouraged developing-country SMEs to diversify, moving their focus away from traditional markets to faster-growing areas. This outreach to new alternative markets has led to an increased demand for TPOs to provide new services, especially as these companies are now facing new barriers to their exports.

This became evident during the recent financial crisis: while tariff barriers did not increase during the crisis, there was a surge in countries applying non-tariff measures (NTMs), thereby making exports more complex. This was especially problematic for SMEs with fewer resources. In response, TPOs are now required to step up their information-gathering abilities to be able to provide advice on NTMs and other regulatory provisions.

The emerging and growing importance of trade in services, where many SMEs from developing countries are active, has also generated an increasing demand on TPOs to provide tailored advice to meet the needs of services exporters, ranging from information services to protection of intellectual property.

Fiscal constraints experienced by most governments have generated an increasing need from public sector organizations, including TPOs, to demonstrate that they can offer value for money. Often this translates to cutting costs while increasing performance with the same or fewer resources. For TPOs this has resulted in a need to better measure results, demonstrate impact and initiate performance improvement programmes.

STRONGER IMPACT
Given appropriate conditions and adequate financial support, it is clear that TPOs can have a significant impact on the trade performance of their countries.

For example, Daniel Lederman, Marcelo Olarreaga and Lucy Payton [Export Promotion Agencies: Do they work? Journal of Development Economics 91 [2011]], measured the impact of an increase in export promotion budgets using data from more than 80 export promotion agencies in developed and emerging economies. The study showed that a 1% average increase in the budgets of export promotion agencies led to a 0.05% increase in national exports. This suggests that investment trade promotion can yield a return of more than US$ 40 for each dollar invested in a TPO.

This conclusion is further backed by findings in developed countries which have also registered strong returns for clients. UK Trade and Investment (UKTI), which has one of the most advanced results-measurement systems in the TPO community, has estimated that in the year to March 2014 the organization provided support to more than 30,000 firms, generating additional aggregate profits of more than US$ 8.6 billion, or an average of approximately US$ 285,000 per firm.

Overall this suggests that there is a need to step up efforts to internationalize SMEs. TPOs are increasingly called upon to play a more prominent role in providing support to existing or prospective exporters to expand their operations and investments into new markets. This is true not only for companies as such, but for new product lines and new services as well. The evidence is clear that, overall, TPOs produce good returns on the investments that are made in them.
Emerging economies such as Brazil, China and India have been very successful in enhancing trade performance. But how have they actually achieved this – and what lessons could less developed countries learn from their experiences?

One element that works against improved trade performance is the high cost of trading faced by many emerging economies and developing countries. This is often the result of poor infrastructure as well as cumbersome procedures at national borders.

Support for trade-related infrastructure and trade facilitation seeks to address such constraints and has been effective in improving trade performance and competitiveness. Cooperation with the private sector – and state-business relations more generally –
can also contribute positively to trade performance.

Three key ingredients can ensure a country’s successful trade performance: support for trade-related infrastructure such as roads, railways, ports, energy and telecommunication; trade facilitation and the improvement of rules and procedures that govern how goods cross borders; and effective state-business relations.

GOING FORWARD ON TRADE-RELATED INFRASTRUCTURE

Experiences in China, India and Brazil present lessons on how overlapping challenges that impede the private-sector financing of infrastructure have been tackled. In a nutshell, it is important to establish a favourable institutional environment for infrastructure development, look for domestic institutional investors, seek foreign investment with the support of the public sector. This could be done by providing credit guarantees, supporting public-private partnerships (PPPs), and enabling private participation in infrastructure, for instance by enhancing upstream preparation involving sector, policy and legal and regulatory reforms.

In China and Brazil, bank loans have helped to secure long-term financing, which is essential for infrastructure investments. The main substitute for bank finance for infrastructure if, for example, governments are not prepared to agree to enough contingent fiscal liability (as has happened in India), is to search for domestic institutional investors. The creation of new pension schemes offers some potential by producing a market for local currency-denominated long-term securities, thereby reducing the demand for bank finance.

Less developed countries could search for foreign investors – a move that could be supported by the provision of credit guarantees from the public sector, either directly through loan guarantees or indirectly through regulatory forbearance at public sector banks. Brazil, for example, has motivated foreign companies to invest in public-private partnerships. Brazilian energy companies have issued shares and bonds in international markets, having had investment-grade ratings and having profited indirectly from sovereign guarantees. This could be a promising option for some larger corporations or public utilities in less developed countries.

GOING FORWARD ON TRADE FACILITATION

Following the example of China, India and Brazil, it is essential for less developed countries to boost the use of information and communication technology, promote electronic data interchange and single window facilities for submission and processing of information and documents. They must also support the harmonization of documentary requirements across countries, minimize physical inspections, in particular through adoption of risk management techniques, and introduce industry and sector-specific trade facilitation initiatives, such as for agricultural products or low-valued exports. While these trade facilitation approaches offer the potential to enhance a country’s trade performance, improvements in trade performance also call for tackling the supply-side constraints to a country’s potential to make use of improved trading conditions.

Three key ingredients can ensure a country’s successful trade performance: trade-related infrastructure, trade facilitation and effective state-business relations.

The experience of those three nations suggests that one major focus should be on the implementation of straightforward trade facilitation measures and on prioritizing paperless trade through the use of information and communication technology. In China, for example, paperless clearance procedures have increased the speed of customs clearance dramatically. Compared to traditional customs procedures, using paperless customs clearance reduces the average time spent on imported and exported products by 9.3 and 0.7 hours respectively.

Less developed countries should also consider the introduction of risk management techniques to reduce the need for inspections. In addition, trade facilitation policies for low-valued exports have real potential for many less developed countries, which can draw inspiration from their introduction in countries like Brazil. There, the government simplified export procedures for exports of value less than $10,000 while addressing the problem of limited access to affordable transport for small and medium-sized enterprises by making greater use of the postal network, supporting them in exporting their products quickly. Some 8,000 exporters are using Exporta Fácil, representing almost 40% of total Brazilian exporters, many of which would not have otherwise shipped their products abroad. Since 2000, more than US$1.8 billion worth of goods has been processed by the scheme.

GOING FORWARD ON STATE-BUSINESS RELATIONS

Formalized state-business relations can facilitate economic performance, for example, on the basis of better allocation efficiency regarding government spending and better growth and industrial policies. However, they should be disciplined by competition policies to prevent them from becoming collusive rather than collaborative. The case of India suggests that a destructive collusive relationship can be changed into a more collaborative one when leaders and elites establish developmental coalitions.

Effective state-business relations require safeguarding buy-ins from all actors, addressing vested interests that resist reform and creating a sound framework for competition. Capacity building and safeguarding buy-ins regarding state-business relations necessitate a strong state that is highly committed.

Tackling vested interests requires coordination among other interest groups that can benefit from reform. Competition authorities can play important roles in facilitating the coordination of such groups. Creating a sound framework for competition is essential to making markets work efficiently to generate growth and development. Moreover, effective state-business relations in special economic zones can contribute to growth and successful trade performance.

While individual less developed countries face their own unique opportunities and constraints when it comes to trade performance, these broad lessons from emerging economies could provide a road map for future discussion and action.

1. Poor infrastructure is driving up the costs of exports from developing countries.
Cities driving regional growth

TONY NASH, Global Vice-President, Delta Economics

Stamford Raffles, then the Governor-General overseeing Singapore, declared the city a free and open port in 1823. Singapore had experienced rapid growth since Raffles's first development plan for the city was laid out in 1819. And, while economic advancement has had its ups and downs over the past two centuries, the bold free-port declaration created a foundation for the vibrant, developed, global city-state we see today.

Raffles was a bit of an outlier and his focused acceleration of Singapore’s trade brought about a new phase of development. He positioned Singapore on a competitive footing with ports in the region, including the Dutch East Indies ports in present day Indonesia. His idea was so successful that Singapore’s port traffic grew by nearly five times over the next 10 years (Moving People, Goods and Information in the 21st Century: The Cutting-Edge Infrastructures of Networked Cities, Richard Hanley, 2004).

Globalization brought about more seamless supply chains in the 20th century as well as more transparency around international commerce. Competitive moves such as Raffles’s are not uncommon today, though they are less focused on tariff removal than on infrastructure improvement. In fact, they have become the norm as local, regional and national trade development and inward investment agencies rival one another for economic growth.

But is the competition at local and regional levels a threat to the national interest or a necessary adjustment to attract capital and export revenues? And is trade development a central-government or city-led activity?

The simple answer in the current phase of globalization is that it is both. Heavy trade development activity in recent decades seems to have focused on alleviation of either port-specific inefficiencies or supply chain bottlenecks, leading to reconfiguration of supply chain patterns. In many cases competitive port development has actually helped, rather than hurt, regional and national development.

One of the most revealing cases lies in the Pearl River delta. For much of the late 20th century, Hong Kong was the de facto point of entry for China’s manufacturing heartland. It had a modern port and warehousing facilities, a nearby airfreight hub for urgent cargo and trade finance and insurance services – very little of which could have been easily found in southern China until the turn of the 21st century.

As China’s transport infrastructure and support services have developed, Chinese ports in the delta have benefitted. Guangzhou has shown gains as vessels bypass Hong Kong, the traditional trans-shipment hub for China trade, and head directly to the heart of the delta’s manufacturing area. Developments such as the Guangzhou Economic and Technological Development District have gained by the move.

According to the World Shipping Council, Hong Kong’s containerized volume declined by 8% between 2011 and 2013, falling from 24.38 million twenty-foot equivalent units (TEU) to 22.35 million. In fact, the nearby port of Shenzhen surpassed Hong Kong for the first time in 2013, with 23.28 million TEU, growing 3% since 2011. Guangzhou grew 6% over the same period to reach 15.31 million TEU and it has shown 7.9% growth through September 2014.

While regional development agencies in the delta have, no doubt, been promoting mainland ports, Hong Kong has had its own capacity and productivity liabilities even after shifting its focus from direct shipments to transshipments due to mainland port competition. An October 2014 report from CargoSmart, a global logistics software and industry intelligence firm, shows that Hong Kong has had a rising trend of arrival delays since March 2014 while delays at Shenzhen and Guangzhou have been less serve.

The Port Productivity database of the Journal of Commerce, a global supply chain media firm, reveals that Hong Kong ranked near the bottom of major mainland ports for 2013.

### 2013 China Ports Berth Productivity

<table>
<thead>
<tr>
<th>Port</th>
<th>Berth Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ningbo</td>
<td>143</td>
</tr>
<tr>
<td>Qingdao</td>
<td>142</td>
</tr>
<tr>
<td>Tianjin</td>
<td>129</td>
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<tr>
<td>Shanghai</td>
<td>116</td>
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<tr>
<td>Xiamen</td>
<td>112</td>
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<td>Dalian</td>
<td>112</td>
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<tr>
<td>Yantian</td>
<td>104</td>
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<tr>
<td>Chiwan</td>
<td>91</td>
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<tr>
<td>Hong Kong</td>
<td>86</td>
</tr>
<tr>
<td>Nansha</td>
<td>82</td>
</tr>
<tr>
<td>Shekou</td>
<td>79</td>
</tr>
</tbody>
</table>

Source: JOC Port Productivity database

*Berth productivity is the number of total lifts per hour while the ship is at berth based on 4,342 vessel calls provided by ocean carriers.
Regional competition for trade development in the delta has been fierce over the past two decades, corresponding with a period of rapid growth in China’s manufacturing heartland. Hong Kong has remained a leading maritime cluster in terms of regulation, taxation, workforce skills and green facilities, according to the Organisation for Economic Co-operation and Development (The Competitiveness of Global Port-Cities: the case of Hong Kong – China, Merk and Li, 2013). However, the quality gap that once benefitted Hong Kong over mainland ports has largely disappeared. While city-led trade development efforts have eroded Hong Kong’s leadership position, they have benefitted both regional and national productivity and manufacturing output.

While city-led trade development efforts have eroded Hong Kong’s leadership position, they have benefitted both regional and national productivity and manufacturing output.

Success for Los Angeles-Long Beach has brought overload, however, with regard to capacity and labour issues. While this is not new, congestion and cost are growing concerns due to a combination of increased seasonal demand, equipment shortages, accommodation of larger vessels, and labour disputes leading to normal delays of seven to 10 days. Not only that, the situation may be getting worse. A recent survey by the Journal of Commerce found that 97% of shippers are being hurt by congestion at Los Angeles-Long Beach and 67% expect the situation to deteriorate.

A 2013 modernization project at the Port of Oakland aimed to convert the decommissioned Oakland Army Base into an ultra-efficient intermodal port. The US$7.8 billion project will link vessels directly to rail facilities, warehouses and docks; upgrade roads and highways connecting to the terminal; improve safety of freight and passenger traffic; and decrease emissions. While this innovative plan is still under way, the outcome will likely create a more efficient regional supply chain, with competition for city-led trade development helping both the regional and national economies.

In the same way Hong Kong’s legacy structures begged improvement of Pearl River delta trade flows, city-based trade developments on the West Coast of the United States and elsewhere support both shippers and larger regional economies. The competitive efforts of Stamford Raffles nearly 200 years ago helped create one of the largest ports in the world that in turn supports an efficient, regional trade ecosystem, demonstrating the enduring and far-reaching benefits of city-based trade development.

1. The foundation for Singapore Harbour’s resilient competitiveness was laid 200 years ago.

### 2013 Volume of Trade

<table>
<thead>
<tr>
<th>Rank</th>
<th>Port/State</th>
<th>US Dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Los Angeles/CA</td>
<td>$285,442</td>
</tr>
<tr>
<td>2</td>
<td>New York/New Jersey</td>
<td>$201,429</td>
</tr>
<tr>
<td>3</td>
<td>Houston/TX</td>
<td>$168,338</td>
</tr>
<tr>
<td>4</td>
<td>Long Beach/CA</td>
<td>$109,304</td>
</tr>
<tr>
<td>5</td>
<td>Savannah/GA</td>
<td>$70,934</td>
</tr>
<tr>
<td>6</td>
<td>Hampton Roads/VA</td>
<td>$66,946</td>
</tr>
<tr>
<td>7</td>
<td>Charleston/SC</td>
<td>$65,140</td>
</tr>
<tr>
<td>8</td>
<td>New Orleans/LA</td>
<td>$58,797</td>
</tr>
<tr>
<td>9</td>
<td>Baltimore/MD</td>
<td>$52,592</td>
</tr>
<tr>
<td>10</td>
<td>Tacoma/WA</td>
<td>$48,610</td>
</tr>
<tr>
<td>11</td>
<td>Oakland/CA</td>
<td>$47,372</td>
</tr>
</tbody>
</table>

American Association of Port Authorities (AAPA)
The business community believes in open borders because the most efficient and productive economy is a truly global economy in which goods, services, capital and labour move freely to where they are needed most. Open borders are the closest guarantee of continued growth and higher global living standards. They are the bedrock on which all trade-promotion policy must rest.

Despite the stresses of the years following the global financial crisis of 2008-09, tariffs overall have remained minimal and stable. This means the greatest gains are to be made by identifying and reducing non-tariff barriers. This would help make global supply chains more efficient. In addition, trade agreements should be structured to deliver practical improvements for businesses at any scale. These are the recommendations of the B20 to the G20 leaders this year on trade.

Many significant non-tariff barriers can be addressed through trade facilitation. The World Trade Organization’s (WTO) Trade Facilitation Agreement (TFA), signed at Bali in December 2013, the TFA sets out to curb the trade-stifling red tape that has accumulated around the customs procedures of a great many trading nations.

Although G20 countries have committed to implementing the TFA there is no clear timetable for ratification. For that reason, the international business community believes countries should focus immediately on cutting red tape in customs procedures. These should be automated for consistency and speed, which in turn will reduce opportunities for corrupt practices. Each country that does so will increase its own trade volumes regardless of what other countries do.

These practical, mechanical improvements should be easy wins because they deliver obvious benefits and do not require international negotiation. As some developing countries may not have the capability to implement them on their own, it behoves the international community to provide deliberate, targeted assistance to achieve these reforms where it is needed and wanted.

Trade-related infrastructure is important as well, particularly for goods. Reducing resource wastage through improved infrastructure would have real impacts on the livelihood of the average citizen. For example, as much as 30% of food is lost or wasted between farm and fork during handling, storage, processing, packaging, distribution and at market. This comes at an estimated economic cost of US$750 billion.

For trade in services, regulatory barriers such as localization and foreign ownership requirements have the greatest impact. They are also the simplest – if not always the easiest – to address because they require primarily changes of political will and not necessarily investment in infrastructure or process reform. International harmonization of regulations would greatly support trade in services.

The proliferation of preferential trade agreements (PTAs) has provided further gains to trade as the output from the WTO has slowed. However, poorly structured PTAs are under-used by small and medium-sized enterprises (SMEs) because of their complexity. Assisting SMEs to make better use of PTAs, and ensuring PTAs use standardized elements, could encourage many SMEs to enter trading markets for the first time.

If genuine progress is made on just some of these fronts, the resulting increase in trade will drive noticeably stronger economic growth, more jobs and higher standards of living.
Weaving LDCs into the fabric of the global economy

JOHN DANILOVICH, Secretary-General, International Chamber of Commerce

Integrating least-developed countries (LDCs), most of them located in Africa, into the global economy is one of the central challenges to fostering stability and spreading prosperity more widely across the globe.

These 48 countries account for a shockingly low 1% of world trade. The challenge to integrating them is especially acute in building roads and ports and reducing poverty. It is also crucial to deliver a dent in high youth unemployment, especially given that half of Africa’s population is under the age of 20. The infrastructure gap in Africa alone is estimated at US$90 billion annually.

To boost growth and development in LDCs, a major injection of foreign investment and a giant leap forward in global trade are needed. This can only be made possible through a deeper engagement with the private sector. While an impressive list of frontier markets, including Ghana, Kenya, Mauritius, Mozambique, Nigeria, Senegal, Tanzania, Uganda, and Zambia, have attracted large infusions of foreign direct investment in recent years, a fixation on growth alone will likely lead to a dangerous widening of income equality and damage to the environment.

To lift business investment and cross-border trade, LDCs must reshape their relationships with the private sector. They need to concentrate their reforms in several areas.

Focusing on small and medium-sized enterprises (SMEs) makes sense for LDCs, since SMEs make up 90% of developing-country work forces. With 80% of global trade taking place in global chains, almost half of the value added in those chains comes from local SME suppliers.

Partnerships with business to build and finance ports, airports and renewable power generation would transform economies and people’s lives while delivering long-term economic growth. LDC governments do not have the means to go it alone. To make these partnerships work requires a clear division of labour between the public and private sectors and a clear agreement on industrialization.

Putting policies in place that attract foreign investment and uphold key principles, such as most favoured nation and national treatment, means foreigners and locals are dealt with equally in rights, benefits and privileges for imported and locally produced goods, as well as in international agreements.

One of the greatest force multipliers for development comes from greater investment in information and communication technology (ICT), which can boost productivity by half and add substantially to gross domestic product (GDP). In fact, each 5% bump in GDP doubles the standard of living over a generation. As such, more widespread ICT access would create 150 million jobs for young Africans by 2020.

Another important step to bring LDCs into the global economy is to ratify and implement the World Trade Organization’s Trade Facilitation Agreement (TFA). Improving border and customs procedures would – along with other elements of the Bali trade agreement to reduce global barriers to trade – can help create 18 million jobs in developing economies and assure consumers that perishable foods will not spoil, which is vital for the world’s poorest people.

Above all, though, business needs a stable, predictable investment and political environment, provided by robust, incorruptible institutions that endure. A public-private cooperation can help to create such an atmosphere by ensuring that each party benefits while not penalizing the other. Creating and maintaining predictable, transparent agreements and procedures such as those outlined in the TFA can provide an achievable means to that end.

1. Investment into ICT can boost productivity and add to the GDP of LDCs.
Boosting trade through extended outreach

JESÚS SERRANO REDONDO, Staff writer, International Trade Forum

Ecuador, like many countries in Latin America, has revisited the idea of development. It is forging its own path towards a more sustainable and inclusive society focused on a better quality of life for its citizens.

This is the vision of the National Plan of Ecuador 2013-2017, entitled ‘Good living – a better world for everyone’. The plan serves as the guiding framework for the Ministry of International Trade, which is headed by Francisco Rivadeneira.

According to Mr. Rivadeneira, ‘Good Living’ is the style of life that enables happiness and the permanence of cultural and environmental diversity. It is harmony, equality, equity and solidarity. It is not the quest for opulence or infinite economic growth.’

All national policies are focused in the direction of the National Plan, with international trade acting as an important mechanism to meet programme objectives.

Under Rivadeneira, the ministry has carried out reforms to strengthen the structure of the Institute for the Promotion of Exports and Investments of Ecuador (ProEcuador). This has led to a significant increase in the number of business offices outside the country, such as Peru, Turkey, Japan, Russia and Germany. This has allowed ProEcuador to enter new markets while consolidating traditional export activities and seek greater product differentiation through added value.

‘We currently have more than 30 sales offices in all major markets where we are currently exporting or where there is export potential,’ Mr. Rivadeneira says. Our goal is to promote the country – as well as its products and services – directly to buyers and intermediaries and especially to consumers.’

Prior to implementing the National Plan, a specific problem for Ecuador’s foreign trade involved the limited number of products exported and the number of markets where those exports were available.

One solution was to deemphasize traditional markets such as Europe and North America and increase exports to markets including Central America, the Mercosur region, Asia, Canada and Africa.

‘In the Middle East we have been successful in developing a strong presence in the Gulf countries, particularly the United Arab Emirates and Qatar. We are also increasing exports to Chinese, Japanese and South Korean markets,’ Mr. Rivadeneira says.

PROMOTING ECUADORIAN SERVICES
An important next step in the strategy is to promote Ecuadorian services worldwide. As one of the largest global providers of high-quality agro products, Ecuador has historically dedicated considerable effort to promoting its primary products and raw materials. This has come at the expense of neglecting the promotion of services in which this country has extensive strength and expertise.

This is certainly the case in the software industry, wherein Ecuador is among world leaders. It is increasingly positioning itself in the region and elsewhere as a producer of high-quality software, particularly for the banking and financial sectors. Some 600 companies are engaged in software production, contributing to 3.5% of GDP.

‘It is important for us to work with governments and international agencies such as the International Trade Centre to help us implement good practices,’ Mr. Rivadeneira says. ‘It helps us develop an appropriate strategy to promote Ecuadorian services and boost the competitiveness of our small and medium-sized enterprises (SMEs) while increasing exports.’

1. Ecuador’s Minister for Trade Francisco Rivadeneira.
2. Pineapples are among Ecuador’s many exports.
Ecuador’s productive matrix changes, which go hand in hand with an intelligent relationship with international markets, are steering the economy away from exclusively focusing on primary products and raw materials and towards producing a wider variety of goods of real added value.

For example, Ecuador is now producing fine chocolate, effectively positioning the Ecuador brand not only as a cacao exporter but as a key player in the production of high-quality chocolate.

This shift is among the definable outcomes of the National Plan, which views women, farmers and other actors of the popular and solidary economy as influential factors in trade promotion.

Ecuador continues to prioritize projects that take into account gender-related aspects. Many industries where the workforce is mostly composed of females, such as the floriculture sector, are being developed as a result.

According to Mr. Rivadeneira, these measures are aligned with ‘Good Living’ objectives, as enhancing the labour participation of women significantly increases the family budget. It also encourages women, farmers and actors to join the formal economy, and SMEs to open up to international trade.

‘These actors are organized through associations and consortiums not to get dividends, but to generate surpluses that can be redistributed,’ Mr. Rivadeneira says. ‘This benefits all members who make up these groups.’

There is no doubt that SMEs have a great influence on economic activity across Latin America. They are playing a crucial role in the development of rural areas which have historically lacked the appropriate means to generate opportunities for local communities. Through the Good Living framework, SMEs are helping to transform the national economy.
Mexico: building a global brand footprint

FRANCISCO N. GONZÁLEZ DÍAZ, Chief Executive Officer, ProMéxico

Mexico has in recent decades become one of the world’s most vibrant and stable economies. Its promising future has been underscored time and time again. The New York Times has stated that Mexico is set to become one of the most dominant economic powers of this century. Financial-services firms such as Accenture, Goldman Sachs, HSBC and PricewaterhouseCoopers suggest Mexico will be between the fifth- and eighth-largest economy in the world in years to come.

A portion of Mexico’s rise has been supported by concerted marketing efforts. This is also why the country ranks in the top 10 of Tomorrow’s Leading Country Brand Index published by marketing-strategy company FutureBrand.

Mexico’s economic performance and positive branding are also a result of its competitive advantages. The nation is a global logistics hub and export platform with a strategic location. It is a leading producer of advanced manufacturing. It has a highly qualified and growing population, which makes for an attractive internal market. These factors allow Mexican brands to flex their muscles at home and abroad.

Two decades ago Mexico embarked on a process of embracing free trade as an engine for growth. The paradigm shift for Mexico’s economy, society and political landscape came in 1994 with the North American Free Trade Agreement (NAFTA). As a result of that trade agreement with Canada and the United States of America, Mexico today is one of the most open economies in the world as well as a leading exporter. This shift in the country’s economy also became a game-changer for Mexican brands.

ProMéxico, the government agency in charge of enhancing the internationalization of Mexican companies, is promoting an unwavering strategic focus to strengthen the country’s business presence abroad. The export of products and services has undoubtedly contributed to the country’s economic and social development. It has helped strengthen Mexico’s competitiveness, which raises its level of recognition as one of the best business destination in the world.

The success of the country’s beer industry is a case in point. In 1995, just one year after NAFTA was agreed, Mexico exported US$ 310 million worth of beer while in 2013 around US$ 2.2 billion worth was exported. That surge has placed Mexico as the world’s number one exporter of beer with a global market share of more than 16%.

While marketing has played a major role in the rise of Mexican beer, so too has an open economy. This powerful combination has led to Mexican companies dominating the 2014 list of the most valuable brands in Latin America as published by marketing strategists Millward Brown. Mexican brands account for one-third of the total value of the Latin American region’s companies.

The secret to this success stems from the ability of Mexican companies to transform local success into global success. This was made possible through network of free trade agreements with 45 countries, which represent more than one billion consumers across the world.

This is not just a fleeting moment. Well-established Mexican brands as well as new ones are gaining momentum and continue to succeed in new markets. The country’s macroeconomic stability, profound structural transformation and competitive advantages will assist Mexico in remaining a leading exporter. This positive outlook will be closely tied to our brand’s performance.
Enhancing the world’s taste for African coffee

SAMUEL N. KAMAU, Executive Director, African Fine Coffees Association

When the African Fine Coffees Association (AFCA) was formed in 2000, its founders had a vision that they would be able to provide the African coffee industry – which had undergone two severe depressions – with a new direction.

To achieve this goal, AFCA developed a strategy that set out a number of goals. The association would seek to bring together stakeholders to collectively pursue business opportunities; it would promote the finest coffees from across Africa; it would develop skills through regional capacity building; it would lobby for the best interest for the African continent; and it would facilitate debate on how to best develop the African coffee industry.

Several years of focused work has since resulted in AFCA’s flagship event, the annual African Fine Coffees Conference and Exhibition. What started out as a small campfire meeting a decade ago has since grown 10-fold and is now recognized as among the world’s top coffee-related events. Today the event attracts more than 1,000 participants, it retains an intimate atmosphere where it is easy to meet people and establish new business connections.

Combining quality products with expanded exposure continues to be an enormous challenge for African coffee producers. In response to this AFCA developed the Africa Taste of Harvest Competition, which has successfully raised the visibility of fine coffees from across Africa since it began six years ago. In fact, the Taste of Harvest logo, which winners can use to promote their coffee, has become a quality mark for international buyers.

However, AFCA is about more than conferences and competitions. A recent survey among AFCA members found there was a huge demand for more capacity building and skills development. As a result, AFCA is planning to establish the AFCA Coffee Institute, an organization which will be able to deliver 30 training seminars each year across the continent.

The institute’s focus will be to provide knowledge from the lower end of the value chain to the top end, from producer to barista. A particular focus of the institute will be to ensure that a greater focus is placed on inclusiveness, to ensure that women and youths become more active and play more prominent roles in the coffee sector.

AFCA has for several years put much attention on women and youth in the industry. For example, the Women In Coffee Program seeks to empower women coffee farmers, who are responsible for at least three-quarters of the work carried out on coffee plantations. Over the years this project has expanded to cover youths as it became apparent that family owned and operated coffee farms face dying out without involving young people.

Growing and improving the African coffee industry is critical for countries across the continent. Enhancing it is good news not only for those men and women working in the coffee value chain, but also for lovers of quality coffee around the world.
Overcoming political risk for SMEs through infrastructure investment

PERSEPHONE ECONOMOU, Research officer, Multilateral Investment Guarantee Agency, World Bank

Infrastructure investment needs are huge and growing. According to the World Bank’s current Infrastructure Strategy, an estimated US$1.1 trillion annual expenditure in developing countries – or 6.6% of the developing world’s gross domestic product – is needed to satisfy demand for infrastructure services through 2015 alone.

Private international capital has an important role to play in financing infrastructure investments, given the fiscal constraints facing many developing countries. However, banks which may have been forthcoming in providing financing to the private sector for long-term infrastructure investments may now be facing constraints in their ability to offer financing associated with Basel III regulations. For example, higher minimum capital levels for banks and new rules regarding assets and liabilities management may discourage project finance lending. Private companies may also have concerns about perceptions of political risk in many locations where they might be seeking to invest in infrastructure projects.

To mitigate these risks, institutions such as the World Bank Group’s Multilateral Investment Guarantee Agency (MIGA) offer instruments that help investors and lenders feel more confident moving forward in certain contexts. The first is political risk insurance, which allows cross-border lenders to mitigate non-commercial risks arising from adverse government actions. Those may include expropriation; breach of contract; restrictions on the convertibility and transfer of currency; and political violence events including war and civil disturbance. Political risk in general (and breach of contract in particular) consistently leads the list of the most important constraints facing foreign investors in developing countries.

The second instrument is credit enhancement. It protects cross-border lenders against losses resulting from the failure of a sovereign, sub-sovereign, or state-owned enterprise to make a payment under an unconditional financial payment obligation or a guarantee related to an eligible investment. Credit enhancement products allow sovereign and sub-sovereign borrowers access to longer-term financing and lower funding costs. For example, in 2013, the State of São Paulo and the World Bank committed US$129 million and US$300 million, respectively, to the rehabilitation and upgrading 750 kilometres of state roads and the reconstruction of two bridges for inland waterway transport on the Tiete River. The project was expanded, leaving a US$300-million financing gap. To address this, São Paulo bid out the project to commercial banks with a requirement that their loans be backed by MIGA’s credit enhancement instrument. This approach resulted in a more efficient use of funds for São Paulo, as MIGA’s involvement resulted in a longer tenor and more competitive pricing for the commercial loan than otherwise would have been available.

Still, encouraging private capital in infrastructure through such instruments is only a means to an end. Better infrastructure contributes to a thriving private sector for companies of all sizes, but especially small and medium-sized enterprises (SMEs). While SMEs constitute the backbone of the economy in many developing countries by contributing to employment and economic growth, their operations are often significantly hindered by the lack of adequate and affordable infrastructure. Specifically for SMEs, improved infrastructure translates into concrete benefits by allowing the formation of industrial clusters and enhancing their capacity to subcontract from foreign firms. In turn, this increases local content and trickle-down effects of foreign investment and helps SMEs to better leverage corporate networks and value chains to access world markets.

SMEs may also benefit from participating in infrastructure projects awarded to others indirectly by subcontracting portions of the work, offering equipment for leasing, or providing specialized or technical services. Direct involvement may also be possible in small-scale projects, typically offered at the sub-national level or in rural areas. While some SMEs may be well positioned to exploit such direct investment opportunities, they may also face non-commercial risks from adverse government actions such as expropriation or breach of contract.

Investments in infrastructure, regardless of size or nationality, face constraints related to noncommercial risks. While political risk insurance offers a risk mitigation solution for foreign investors, domestic investors – including SMEs – are typically not eligible. Foreign investor participation alongside local SMEs can help overcome this obstacle. More importantly, strengthening the domestic regulatory framework to address investor protection concerns would bolster both foreign and domestic investment in infrastructure by all companies.

1. A truck drives through a desert sand storm in Namibia, Africa
Exploring the role of TPOs in a changing trade landscape

SUSANNA PAK and JESÚS SERRANO REDONDO, Staff writers, International Trade Forum

Trade promotion organizations (TPOs) often have an invisible role, working behind the scenes to help small and medium-sized enterprises to increase exports to global markets. The 10th TPO Network World Conference and Awards, held 3-5 November in Dubai, United Arab Emirates, gave TPOs the opportunity to take the spotlight.

This year’s theme, ‘From export promotion to internationalization: The role of TPOs in the evolving global economy,’ is a reflection of the quickly changing trade landscape. It is being shaped by technological innovations and trade policies that offer businesses new opportunities to connect to markets around the world.

Participants of the biennial event, hosted by Dubai Exports in partnership with the International Trade Centre (ITC), had a chance to share best practices during plenary and breakout sessions and to gain recognition for their trade and investment-promotion work.

RECOGNIZING TPO EFFORTS

On the evening of 4 November representatives of five organizations took home trophies during the 2014 TPO Network Awards, which recognize groups that put in place successful export-performance programmes.

1. Winners and hosts of the 2014 TPO Network Awards.
Among the winners was Enterprise Mauritius, which won in the small island developing state category while the Zambia Development Agency took the prize for best TPO from a least developed country. Proexport Colombia was recognized as the best TPO from a developing country.

In the developed country category, Enterprise Lithuania and Spain Export and Development won special mentions for their efforts to promote youth employment and skills development.

STRENGTHENING THE WORK OF TPOS
More than 400 representatives of governments, trade support institutions and national TPOs explored ways to expand TPOs’ client base, improve their operations and reach new markets over the three days of the conference.

Discussions focused on the increasingly important link between trade and investment promotion; trade facilitation. They also explored services; market diversification; women’s economic empowerment; branding; and innovation in information communications technology for TPOs.

The 11th TPO Network World Conference and Awards will take place in Marrakesh, Morocco, in 2016, hosted by Maroc Exports in partnership with ITC.

1. ITC Executive Director Arancha González discusses with H.E Sultan bin Saeed Al Mansouri, Minister of the Economy for the United Arab Emirates.

2. Hiroshi Wago of ProExport Colombia.

Best TPO from a Least Developed Country – Zambia Development Agency

Limited access to finance is a major obstacle for small and medium-sized enterprises (SMEs) looking to export – and it is an issue that has been tackled by the Zambia Development Agency.

The organization helps businesses secure pre- and post-shipment export finance through its Zambia Export Development Fund. The fund provides low-interest loans to producer associations in non-traditional export sectors, including leather, coffee, timber, organic products, gemstones and crocodile products. The producer associations monitor their members and are responsible for repaying the loans.

The Zambia Development Agency was recognized as the winner of 2014 TPO Network Award – Excellence in Export Development Initiatives – in the least developed country category for implementing this initiative.

Since 2011, the Zambia Export Development Fund has issued loans valued at more than US$ 1.5 million to six exporting associations. The fund has enabled enterprises to enter new export markets in the region and beyond, creating job opportunities and generating income.

The fund helps SMEs become sustainable exporters. It enables them to add value to primary exports to increase their earnings. It stimulates investment in export sectors in which Zambia has comparative advantages.

SMEs can receive short-term loans for pre-shipment costs of procuring raw materials and equipment and for post-shipment costs of salaries and other operating expenses. Medium-term loans are available for production and seasonal imports.

As a result of the Zambia Development Agency’s Train for Trade programme, launched 12 years ago, more than 100 participants have learned to better utilize export opportunities. Companies showcasing their goods and services at the Southern African International Trade Exhibition generated more than US$ 1.4 million of business.
As a three-time award winner of the TPO Network Awards, Enterprise Mauritius knows what it takes to prepare small and medium-sized enterprises (SMEs) to export to global markets.

‘We start preparing an innovative project every year,’ said Chief Executive Officer Dev Chamroo. ‘We’ve been working on this project for the last two years.’

Enterprise Mauritius was recognized as the winner of 2014 TPO Network Award – Excellence in Export Development Initiatives – in the small island developing states category for its ‘Go-Export’ project. The interactive training platform for SMEs combines classroom workshops, group meetings, role playing, test applications, factory visits and one-to-one sessions with mentors. The project is funded by the Mauritian government.

Twenty SMEs showing the greatest export potential were selected to participate in the project to address their trade-related weaknesses. These included a limited understanding of the complexities of international trade, an inability to fully meet buyers’ demands and difficulties adapting products to target markets.

The project helped managers respond more effectively to market demands by producing higher-quality goods, improved packaging and more variety. Through the process, Enterprise Mauritius also built its capacity to conduct similar training programmes.

The ultimate goal is to expand Mauritius’s market share in Africa and to increase the number of Mauritian exporters, providing them with the skills required to become sustainable exporters.

‘TARGETING NEW MARKETS
‘As a TPO there are many challenges,’ Chamroo said. ‘The number one challenge is as you get money from the government, they want return on investment. You always have to deliver. You have to be constantly aware of what’s happening to your client and be there when the market changes.’

A World Bank study shows that every dollar spent on export promotion results on average in a US$ 40 increase in exports. Chamroo says this is the expectation that governments have when providing funding to TPOs.

The Go-Export project resulted in five SMEs shipping exports valued at about US$ 400,000 in 2013. Eight companies are finalizing export orders of about US$ 165,000. Two companies have made significant investments in new technology and are now ready to export.

Looking ahead, Chamroo said the best way for a TPO to improve its services to SMEs is to share best practices and lessons learned to help them become globally competitive exporters.

‘Among TPOs, we learn from each other,’ he said. ‘There is nothing like innovation coming in. You learn and we copy shamelessly. I learn from my experience, I learn from others.’

1. Dev Chamroo, CEO of Enterprise Mauritius (left), with ITC’s Arancha González and Saed Al Awadi, CEO, Dubai Exports.
2. Hana Uraidi, Acting Chief Executive Officer, Jordan Enterprise Development Corporation.
3. Daniel Kung, Chief Executive Officer, Switzerland Global Enterprise.
Best TPO from a Developing Country – Proexport Colombia

Taking the prize in the developing country category at this year’s TPO Network Awards was Proexport Colombia for its Selling Methodology 2.0 (PSM 2.0), which aims to increase textile and apparel exports to the United States of America. PSM 2.0 is based on business intelligence processes and value-added strategies to maximize the sustainable competitive advantages Colombian companies enjoy.

The programme provides entrepreneurs with specialized market intelligence through seminars, publications and online content. It helps to identify suppliers in the textile and apparel industry through meetings and counselling conducted by Proexport’s information centres. In turn, Colombian companies interested in entering export markets, particularly the United States, participate in exploratory missions to learn about market requirements and evaluate their supply capabilities.

‘An innovative project was presented, linking the demand to the offer. We then made a gap analysis between what the customers want and what Colombian producers can export from the textile industry,’ Mr. Wago said.

After identifying export-ready companies, individual needs, market opportunities, and product-market validations, PSM 2.0 focuses on adapting supply to address identified production gaps. The Exportable Textile and Apparel to the United States Adequacy Program is thereafter combined with development of commercial action plans.

‘Among our biggest challenges is to work with a large group of micro, small and medium-sized enterprises (MSMEs) and small and medium-sized enterprises (SMEs). The objective is to try to put them into a programme to start to close the gaps. We want to enable them to be competitive in the United States market, to export for the very first time, and to continue growing exports to other markets by taking advantage of the programme,’ Mr. Wago added.

PSM 2.0 generates value-added information that enables Colombian entrepreneurs to present competitive proposals and achieve profitable exports. Significant results have been achieved so far. Between 2012 and the first quarter of 2014, five exploratory missions were conducted with 95 companies. In that same period, 37 companies reported 74 United States export business opportunities and 18 concluded deals with North American clients.

PSM 2.0 has allowed the participating companies to significantly close production gaps, allowing them to securely, successfully and sustainably enter export markets.
In the Developed Country category, the panel of judges accorded Special Mention Awards to two trade promotion organizations (TPOs), Enterprise Lithuania and ICEX Spain, Export and Investment for their efforts to promote youth employment and skills development by placing young workers with internationally oriented companies.

Enterprise Lithuania was recognized for its Wings project, which is addressing Lithuania’s demand for adequately trained professional export managers. The programme matches talented young people with experienced private-sector export project managers. It provides them with training to address high youth unemployment and bridge the skills gap.

‘The project we proposed is interesting on a global scale. Youth emigration is a serious and important issue and preparation of professional export leaders is the second reason why we think we won this prize,’ said Simona Gailiunaite, the head of human resources at Enterprise Lithuania.

The Wings programme, focused on the less populous regions of the country, covered 60% of the young leaders’ salaries and provided necessary tools including computers, telephones, seminars and training courses.

‘The main challenges were to integrate young people into SMEs and to prepare professional export leaders. I think that the key thing to be recognized is to work closely with the businesses and to listen to their needs and then help them to expand the business,’ Ms. Gailiunaite said.

The initiative ran from July 2013 through June 2014 and targeted Lithuanian small and medium-sized enterprises (SMEs), involving 48 companies and 16 talented participants. Enterprise Lithuania plans to expand the programme to 50 young participants.

ICEX Spain was recognized for its Young Professional Program (YPP), which since 1974 has enabled more than 5,500 graduates to take up work in Spanish companies that are growing internationally.

Every year, around 1,800 candidates apply for one of the 200 available positions in the YPP. The programme is popular with employers, too: in 2014, more than 700 companies applied to the programme to gain one of the 181 trainees.

‘This programme has had a great impact on Spanish companies in recent years in terms of the efforts we have put into it, the large number of young professionals we have been able to help and the contribution to Spanish exports. This is the value-added that the programme can offer,’ said Francisco J. Garzón, ICEX’s Managing Director.

The YPP gives participants one year of training in the network of Trade Commission Offices in Spanish embassies as well as training in international Spanish companies or multilateral organizations. ICEX covers between 50% and 100% of the costs and the scholarship lasts for four years. The programme culminates with a Master’s course in International Business Management with qualifications from the Menéndez Pelayo International University in Santander, Spain.

‘SMEs often have a tough time organizing themselves to start exporting without the help of these young professionals. SMEs that didn’t even have the intention or the opportunity to tackle foreign markets are now given that opportunity,’ Mr. Garzón said.

‘One of the biggest challenges is to convince companies that the market is global. If you think that the world is your market and you think that your consumers can be the entire population of the world, then the opportunities are far larger.’

1. Francisco Javier Garzón, Chief Executive Officer, ICEX Spain Export and Investment, and Saed Al Awadi, Chief Executive Officer, Dubai Exports.
2. Simona Gailiunaite, Head of Human Resources, Enterprise Lithuania, and Lina Vaitkevičiūnė, Deputy Managing Director, Enterprise Lithuania.
Women’s economic empowerment and fashion took centre stage at the United Nations’ New York headquarters on 22 September during a luncheon hosted and chaired by Arancha González, the Executive Director of the International Trade Centre (ITC).

The Women Empowering Women event was an opportunity to showcase the work of participants attached to ITC’s Women and Trade Programme. Women designers from Ethiopia, India, Mongolia, Palestine, Papua New Guinea and Peru collaborated with London College of Design and Parson The New School of Design to prepare their collections.

More than 250 people attended a gathering co-chaired by Gina Casar, Associated Administrator of UNDP, and Phumzile Mlambo-Ngcuka, Executive Director of UN Women. Other prominent guests included Cherie Blair, the spouse of former United Kingdom Prime Minister Tony Blair; Ban Soon-taek, wife of UN Secretary-General Ban Ki-moon; and supermodel Cameron Russell, a leading supporter of ITC’s women-empowerment initiatives.

BUILDING SKILLS AND KNOWLEDGE
During her welcome speech, Ms. González pointed out that many people may underestimate the sector’s economic impact. ‘Fashion’s potential to create jobs along the value chain, add value to raw materials, develop ingenuity and bridge geographical boundaries are limitless,’ she said. For example, the women designers represented at the luncheon employ more than 1,500 workers at various locations around the world.

Ms. González added that while ideas and the capacity to bring them to fruition exist among talented entrepreneurs in developing countries, there is a need to bring them closer to the market.

‘It is about building their skills and knowledge to understand the industry, leverage opportunities, expand their customer base, and through success, generate more jobs and revenue in their home country,’ she said. ©
Africa is open for business

JARLE HETLAND, Editor, International Trade Forum

For the first time the International Trade Centre (ITC) held its annual World Export Development Forum (WEDF) in Africa in 2014. On 15-17 September more than 1,000 delegates from across the world came to Rwanda’s capital, Kigali, to discuss how trade can spur development.

The event, hosted by the Rwanda Development Board (RDB), was opened by Rwandan President Paul Kagame, who told the gathering that the right cultural mindset is critical to transform an economy.

‘The first obstacle to overcome is the belief that we cannot do it. If we overcome this, the rest is history,’ he said. ‘To find the right trade niche requires not only hard work, but also resilience in the face of setbacks and disappointments. If the path were easy or obvious, it would have been discovered already.’

A vibrant private sector is the only way to encourage jobs and growth, especially for youth and women, said ITC Executive Director Arancha González. ‘By 2030, 500 million jobs need to be created to keep up with growth in the world’s working-age population. More and better jobs will mean the difference between a demographic dividend and a social time bomb,’ she said.

Francis Gatara, chief executive officer of RDB, highlighted the importance of entrepreneurship and job creation to unlock the potential of the private sector to fuel economic growth. ‘Rwanda shares the same vision as ITC, that a vibrant private sector is the only way trade-led growth and development can be achieved,’ he said.

Also held for the first time in Africa and in parallel was the Women’s Vendor Forum and Exhibition (WVEF), and the annual Roundtable of the Global Platform for Action on Sourcing from Women Vendors. This event attracted more than 100 policy makers who put focus on how to increase women business-owners’ share of public procurement, of which currently a paltry 1% is won by women.

This coincided with the launch of ‘Empowering women through public procurement’, a guide for government on how to deal with the issue. During WVEF some 500 business-to-business meetings led to 44 letters of intent being signed worth about US$5.5 million. The agreements included a Brazilian buyer that will sell tour packages bringing tourists to Africa for coffee sampling, ecotourism, Nollywood (the Nigerian film industry), fashion and more.

1. Julie Gichuru, News Anchor, Citizen TV (Kenya), Maggie Kigozi, Director, Pepsi Cola Franchise Board (Uganda), Oda Gasingzigwa, Minister of Gender and Family Promotion (Rwanda), Yeşim Seviş, Secretary-General, Kagider (Turkey), and Archana Bhatnagar, Director, Haylide Chemicals and President, Madhya Association of Women Entrepreneurs (India).
2. ITC’s Executive Director Arancha González and Rwanda’s President Paul Kagame.
6. ITC’s Arancha González and Uganda’s Oda Gasingzigwa unveil ‘Empowering Women through Public Procurement’.
7. ITC’s Arancha González with Francis Gatara, CEO of Rwanda Development Board.
Why trade costs matter: the 5th Global Review of Aid for Trade

MICHAEL ROBERTS, Aid for Trade coordinator, World Trade Organization  MARION JANSON, Chief economist, International Trade Centre

HIGH trade costs constrain the economic advancement of many developing countries by impeding their ability to take full advantage of world markets. This is especially true for the 49 least developed countries (LDCs) that account for just 1.23% of global trade.

Many of these high trade costs take the form of fixed expenditures that tend to hit small and medium-sized enterprises (SMEs) particularly hard as they tend to deal in smaller quantities. As a consequence, trade costs make up a larger share of unit costs for small and medium-sized exporters than for rivals trading larger volumes.

World Bank research shows a trend towards declining trade costs in developing countries, albeit from a much higher baseline than among developed countries and decreasing at a slower rate.

To address these constraints and deliver the inclusive, sustainable growth envisioned by the emerging post-2015 development agenda, action is required to reduce those costs.

It is within this context that the World Trade Organization’s (WTO) Fifth Global Review of Aid for Trade. The event will be held from 30 June to 2 July 2015 in Geneva under the theme of ‘Reducing Trade Cost for Inclusive, Sustainable Growth.’

IMPACT OF TRADE COSTS
Underpinning the Fifth Global Review is an extensive monitoring and evaluation exercise. Its aim is to survey how trade costs affect developing countries’ competitiveness and ability to connect to regional and global value chains. It will also examine what is being done to address this issue and how Aid for Trade can help reduce trade costs as well as the associated impacts to deliver inclusive and sustainable growth.

To collect this information, self-assessment questionnaires and requests for case studies are being circulated to the private sector, academia and NGOs (www.wto.org/aft-monitoring).

Responses to the questionnaires and information provided in the case studies will be analysed and conclusions presented in the flagship publication ‘Aid for Trade at a Glance: Reducing Trade Costs for Inclusive, Sustainable Growth.’ The publication will be launched and discussed at the Fifth Global Review.

TPO MONITORING EXERCISE
According to a first survey of trade promotion organizations (TPOs) at the 10th TPO Network World Conference and Awards in early November 2014, the top three sources of trade costs for exporters are access to trade finance; costs related to overcoming non-tariff measures (NTMs) and regulatory burdens; and costs related to border procedures in partner countries.

When the sample is reduced to LDC respondents only, however, NTMs and regulatory measures drop out of the top three generators of trade costs. National infrastructure and access to trade and market information move up to the third rank among the most important sources of trade costs.

As for the type of trade facilitation measures in partner countries that would benefit exporters most, the top priorities of responding TPOs were the availability of information regarding clearance procedures for imports or exports of goods; the release and clearance of goods according to simplified and harmonized customs procedures; and minimizing the incidence and complexity of import, export and transit formalities.

1. The 5th Global Review of Aid for Trade will be held at the WTO on 30 June to 2 July 2015.
Agenda

from 15 January 2015

Key events in 2015

15-17 January  Confederation of Indian Industries (CII) Partnership Summit, Jaipur, India

21-22 January  The Global Partnership Planning Workshop – Strengthening Coordination to Deliver Results, Brussels, Belgium

21-24 January  45th Annual Meeting of the World Economic Forum, Davos-Klosters, Switzerland

5-6 February  Sankalp Africa Summit – Accelerating Innovation and Entrepreneurship Towards an Inclusive Africa, Nairobi, Kenya

11-12 February  World’s Leading Trade Fair for Organic Food BIOFACH, Nuremberg, Germany

27-28 February  High level event organized by Chile and UN Women on empowering women – Power and Decision Making: Building a Different World, Santiago, Chile

2 March  High-Level Thematic Debate on Gender Equality, Women’s Empowerment in Post-2015 Development Agenda, New York City, USA

10-11 March  WEPs Annual Event, New York City, USA

16-17 March  The Africa CEO Forum, Geneva, Switzerland

20 March-1 April  Annual Investment Meeting, Dubai, United Arab Emirates

8-9 April  Thematic Debate on the ‘Role of partnerships and their contributions to the Post-2015 Development Agenda’, New York City, USA

17-19 April  Spring meetings of World Bank Group and the International Monetary Fund, Washington, D.C., USA

21 April  Global Female Leaders Summit, Berlin, Germany

21-23 April  World Economic Forum on East Asia, Nusa Dua, Indonesia

27-29 April  Africa Climate Resilient Infrastructure Summit (ACRIS), Addis Ababa, Ethiopia

28-30 April  African Congress for Women Entrepreneurs and Pan Afro-Arab Congress for Business & Professional Women, Cairo, Egypt

6-8 May  World Economic Forum on Latin America 2015, Mexico City, Mexico

3-5 June  World Economic Forum on Africa 2015, Cape Town, South Africa

4-5 June  41st G7 summit, Schloss Elmau, Bavaria, Germany

28 June-8 July  The Third High-level Political Forum on Sustainable Development (HLPF 3) – Strengthening Integration, Implementation and Review – the HLPF after 2015, New York, USA

30 June-2 July  World Trade Organization’s Fifth Aid for Trade Global Review, Geneva, Switzerland

9-10 July  VII BRICS Summit – The Seventh Summit of the BRICS (Brazil, the Russian Federation, India, China and South Africa), Bashkortostan, Russia

13-16 July  The Third International Conference on Financing for Development, Addis Ababa, Ethiopia

1 October  The 2015 Annual Meeting of the World Bank Group and the IMF, Lima, Peru

30 November-11 December  UNFCCC COP 21/CMP 11: 21st session of the Conference of the Parties and the 11th session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, Paris, France
EMPOWERING WOMEN THROUGH PUBLIC PROCUREMENT

Women-owned businesses are largely excluded from the government procurement market, which accounts for 30% of GDP in developing countries and up to 15% of GDP in developed countries. They face obstacles including lack of access to information on bids, understanding of procedures and ability to meet requirements. This publication guides governments through adjustments to the procurement process and supply-side capacity building to increase sourcing from women vendors to benefit their families and communities.

www.intracen.org/publication/Empowering-Women-Through-Public-Procurement/

CREATING COALITIONS OF SERVICES INDUSTRIES

Trade policies should reflect the voices of services firms to maximize growth opportunities. Firms, associations and trade institutions can form coalitions to educate policymakers about obstacles specific to trade in services. This guide analyses 26 services coalitions, outlining their purposes, structures, financing, advocacy topics and benefits to members. It is the first of a two-part series.

www.intracen.org/publication/Creating-Coalitions-of-Services-Industries/

GSP+ AND PAKISTAN’S EU EXPORT OPPORTUNITIES

Pakistani companies can boost sales and employment by taking advantage of new market access terms offered by the European Union (EU) under its Generalized System of Preferences-plus (GSP+) scheme. This guide outlines what GSP+ status means for exporters in the important clothing, footwear, fruit and nut, ethanol, and dairy sectors. It outlines procedures to benefit from reduced tariffs in the EU market, including specific instructions for health and sanitary requirements, technical standards, rules of origin, labelling, and licensing rules.

www.intracen.org/publication/GSP-and-Pakistan’s-EU-export-opportunities/

SME COMPETITIVENESS AND AID FOR TRADE

To reach new markets and to defend their interests, small and medium-sized enterprises (SMEs) need a sound business environment, ready access to finance and institutional support. This ITC-WTO study explores constraints faced by businesses in 23 least developed countries when seeking market opportunities abroad. The report also considers how to mainstream trade in SME project design and implementation as well as how to scale up trade support for SMEs while maintaining high impact levels.

www.intracen.org/publication/SME-Competitiveness-and-Aid-for-Trade/
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