The final plenary session on the first day of the Forum focused on the role of trade support institutions (TSIs), which have faced a severe challenge during the economic crisis. They have come under increased scrutiny, trying to meet the needs of enterprises and prove their effectiveness and relevance. Politicians too have been looking for proof of effectiveness and value for money.

The discussion started by looking at the implications of the crisis for TSIs and how they had reacted. Mr. Wang said the crisis had had a significant impact on China’s exports and had put many workers in manufacturing industries out of a job. One response had been to focus on stimulating internal demand and diverting goods originally intended for export to the domestic market. His organization had also noted that since much of China’s exports - 56% - was actually produced by foreign companies that had invested in China, they should follow suit.

They therefore encouraged Chinese companies to seek out investment opportunities in other countries, and already the country was seeing positive results from this policy, even if the total volume US$ 220 billion so far, was only a fifth of the amount of foreign direct investment in China.

Ms. Kata said that the crisis came just as Eastern Africa was undergoing a transformation with the creation of the East African Community. The result for the UEPB was a greatly increased demand for its services from SMEs.

In response, the Board had recruited new staff and turned to ITC to help train them. ITC had also helped with a survey of SMEs to establish how the crisis was affecting them. This found that while traditional markets were shrinking and domestic demand was falling as a result of a fall in remittances, regional markets were growing. In response, the board switched its focus to concentrate on marketing in the region.

Mr. Mitchell said he felt not a great deal had changed, TSIs were continuing to provide the same kind of services to business. There had been a shift in the market place, not surprisingly.
He noted, however, a reluctance of many exporters to move out of their comfort zones, whether Peruvian companies dependent on US imports, or indeed Canadian companies replying on exports to the US market.

Mr. Bourabaa said that Morocco had responded energetically to the crisis, with government funds established to support businesses affected, and a shift in strategic orientation from the traditional markets to new opportunities in Africa.

Mr. Li said Chongqing had been hard hit by the crisis, with exports falling by 20%, the first fall in 10 years: orders were down, the appreciation of the currency had increased the cost of exports, and companies were finding it hard to obtain credit. Traditional trade support services were not sufficient to meet the challenge.

A series of measures was launched covering trade facilitation in areas such as finance, taxation, customs procedures and investment. The city also focused on improving infrastructure, investing US$ 2 billion in a new port and bond area. He expected to see a large increase in exports in the future.

From the floor, Mr. Gupta noted that South-South trade was not just about selling to the middle classes: new consumers at the bottom of the pyramid were also important, and quality was a vital factor to ensure that their first experiences as consumers were not negative. He also discussed distribution, noting that South-South trade was much more sensitive to distance than North-South trade. TSIs need to provide support to enable enterprises to go the last mile to reach consumers.

Speakers agreed that ITC’s assistance was needed to enable TSIs to upgrade the competencies of their staff, in market intelligence, and in establishing public-private partnerships. Mr. Wang noted that as China started to go to the global market, it was short of qualified people and had embarked on a training programme in collaboration with ITC.

It was observed that traditional TSI services are not enough, nor is the reach and availability of such services. By way of illustration, he noted that although the country has signed many free trade agreements, many companies were unaware of the benefits these could bring and the advantages to them of doing business under the agreements.

Note was also made of the need for TSIs to not only look at foreign markets, but to also adopt an inward orientation, assisting enterprises to better meet quality requirements, using the domestic market for research and development, ensuring that enterprises are sufficiently prepared to obtain financing, and helping exporters find the right slot in global supply chains.

In conclusion, there was consensus that the need for strong, well-equipped TSIs remained, and that they needed to be more agile than ever in changing circumstances. There might also be a need for them to take a broader view of their role within their own countries, by adopting an integrated trade model that addresses not only exports, but also imports and outward investment as gateways to new opportunities.