Business for Development
Implications for Export Strategy-Makers

Ensuring a Competitive Response

The Issue: The centre of attention is currently on the Doha Development Agenda negotiations. National strategy-makers are preoccupied with securing greater market access. Yet, market access does not guarantee export success. Sustained improvement in export performance requires a much more comprehensive response – one that tackles all factors influencing a country’s long-term competitiveness, including:

- Lack of “supply side” capabilities;
- Uncompetitive international transaction costs.

Strategy-makers in most developing and transition economies fail to address these wider issues. If they continue to do so, their countries will remain uncompetitive, despite the successes they may achieve in terms of more open market access during the WTO negotiation.

The Proposition: To ensure a competitive response to the opportunities and challenges of an increasingly liberalized and competitive multilateral trading system, “best practice” calls for a national export strategy, which:

- Has an inward orientation, in that it addresses the key constraints to national competitiveness (capacity, competence and the cost of the international transaction);
- Realistically reflects the resources available to a national export development initiative;
- Places equal emphasis on the design phase and implementation phase of strategy (and establishes an organizational structure conducive to effective management and monitoring of the strategy).

Focus of the Debate: We propose that the debate focus on the following questions.

1. Is national export strategy a pre-requisite to effective export development and, if so, what should the scope of national export strategy be?
2. Why do so few developing countries and transition economies have an export strategy and why do so few of these strategies actually lead to improved export performance?
3. What are the implications for the national trade promotion organization of adopting a competitiveness-driven approach to export development, as opposed to a market development/promotional approach?