The Issue: In most developing and transition economies, resources available for export development and promotion are extremely limited. A tightly focused response to national export strategy development is therefore essential.

The temptation of national strategy-makers is to ‘pick winners’ and to focus strategy and available resources on those product and services sectors that have traditionally performed well. A focused response, as defined by these strategy-makers, also involves concentration on existing exporters (as opposed to aspiring and potential exporters), and on existing markets, the rationale being that such an approach will generate short-term commercial results, thereby validating the strategy.

‘Picking winners’ (sectors, clients and markets) and establishing priorities on this basis, does not, however, guarantee long-term impact in terms of expanding the export base and strengthening competitiveness. Indeed, ‘picking winners’ might minimize impact.

Developing a national export strategy with the correct focus requires a significantly different approach.

The Proposition: Sector-level strategies should be at the ‘heart’ of national export strategy. A focused response therefore requires a sector-level response.

Public sector strategy-makers should not prioritize sectors at the outset of the strategy design process. Rather, as the first step in achieving a focused response, the private sector should be given the leadership and business associations should be encouraged to develop sector-level strategies. Decisions on priorities, within any given sector, should be taken by the private sector. Decisions on priorities among sectors should be taken by the public sector.

The value-chain approach represents the most effective method for developing realistic sector-level strategies, identifying export opportunities, impediments and required resource inputs. Only then should decisions on focus (on prioritization and resource allocation) be made.

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

1. Should individual sector strategies be at the ‘heart’ of national export strategy? Can such sector-level strategies lead to a national business environment that is supportive of all export sectors and clients (actual and potential)?

2. Is the value-chain approach a sensible progression from the traditional ‘picking of winners’ approach to focusing strategy?

3. Are business associations sufficiently competent to lead the strategy process? How can public sector ‘buy-in’ be secured if it has not been involved in the strategy development process?