Among these participant organizations from about 60 countries, I believe that we, JETRO, are the only organization, which promotes imports to our own country. Our annual budget amounts to around 280 million dollars, of which two-thirds is directed to the promotion of imports. We celebrate our 40th anniversary this year, and in addition, in July we merged with the Institute of Developing Economies and have become a big family, which consists of 1,500 staff members, both in and out of Japan. Also, it has already been 20 years since we started the promotion of imports.

In spite of the recent economic recession in Japan, we have not received any complaints or criticisms of our projects to promote imports. Rather, the overriding sentiment is that the increase in imported goods has not only reduced prices but has also improved the quality of life.

What I would like to explain to you today is how JETRO is trying to expand economic relationships in a wider range of fields, mainly trade, investment and industrial cooperation, through our programs.

I would first like to introduce to you the programs we offer, in which you can participate for the expansion of economic exchange with Japan.

**Supporting “Export to Japan”**

First of all, as we encourage exports to Japan, I would like to start with our import promotion programs.

The programs can be divided into those for developing countries and those for industrialized countries according to the OECD standards, but, here, I would like to explain the common programs for both.

**Business Support Center**

The JETRO Business Support Center is a facility, which supports foreign businesspersons visiting Japan for the first time to help them obtain specific business results. For example, we provide them with office space free of charge for two months, offer information and guidance from special advisors, and make the necessary appointments with prospective Japanese buyers. The support centers are located in Tokyo, Yokohama, Nagoya, Osaka and Fukuoka, and during the past 5 years, over 1,500 businesspersons from 63 countries have used their services. An application for use can be made at JETRO’s overseas offices in 80 cities around the world.

We also assist foreign businesspersons in their sales promotion activities at our 34 domestic offices as well as the Business Support Centers. This is because we consider not only the metropolitan areas like Tokyo, Osaka and Nagoya, but also provincial cities as important targets for business expansion.

**Exhibitions, Fairs, and Exchange of Businesspersons**
Along with the visit of foreign mission groups for exports to Japan, if we are given sufficient time to prepare, we are pleased to organize business meetings and help in making appointments. We will also hold business seminars for importers if desired.

Externally, for example, we dispatch experts on goods and industries to the related industrial associations and companies abroad, and they individually give advice on adaptation to the Japanese market. In addition to this, we also hold open business seminars.

Internally, by purchasing sample products with high potential for import to Japan, we organize exhibitions at several locations in Japan. As well as advertising the exhibitions publicly, we also invite importers by direct mail.

Apart from the exhibitions I just mentioned, there are product exhibitions by country three to four times a year to encourage these countries to export to Japan. JETRO meets the costs for the exhibition venue and displays.

Other than this, we expedite imports by exhibiting products from various countries at our imported show houses located in 8 cities, imported car show rooms in 3 cities, and imported housing materials centers in 2 cities.

Moreover, we conduct market research and assist in expanding businesses by inviting persons involved with trade promotion, industries and businesspersons abroad to Japan. For the promotion of exports to Japan, JETRO encourages foreign businesses to participate in trade fairs in Japan by bearing the costs for their exhibition booths and their basic displays.

**Senior Trade Advisors**

Other than the programs I have explained so far, we have also worked on discovering products suitable for export to Japan, through the dispatch of a total of 38 senior trade advisors to 14 industrialized countries, and cooperation with local state or national trade promotion organizations. These advisors have a background in major trading or manufacturing companies, and they use their particular skills and knowledge as JETRO staff members to discover and introduce products with potential for export to Japan during their 2-3 year posting.

**Investing In & From Japan**

Next, I would like to touch on investment in and from Japan.

JETRO promotes two-way investment. There are a number of countries and areas which we hope will attract Japanese investment. In response to this, JETRO invites overseas national and local governments or related organizations to trade fairs, and offers them the chance to conduct direct PR to Japanese corporations. Last year, 58 countries and 124 local organizations participated in our Overseas Investment Promotion Fair.

At the same time, the 47 prefectures of Japan welcome investments by foreign businesses. If you have already exported to Japan, we would like to recommend that you set up a direct office or manufacturing base in Japan. In Japan, we have Foreign Access Zones, called FAZ
for short, set up in 22 locations nationwide through the cooperation of the government and municipalities. The FAZs are special areas where facilities for import, maintenance, production, distribution and exhibition are available for the purpose of the smooth operation of foreign businesses. Within the FAZ, JETRO has 10 FAZ Support Centers to assist foreign corporations. With a population of 125 million, a size equivalent to that of Germany, France and England combined, and a GDP amounting to around 4.6 trillion dollars, Japan is a huge market. JETRO will be your navigator to successful investment in Japan.

Developing Local Industries

Next, I would like to introduce some other areas apart from trade and investment in which we will be able to be of assistance to you.

First, we offer a two-year exchange program for Japanese local industries and their counterparts abroad, as an opportunity to improve both sides’ skills and design techniques. Currently 37 of these temporary marriages are underway. For example, we are coordinating an exchange program between a Japanese city famous for kimono design and textiles and an Italian city known for its fashion industry, and the comments we have received indicate that both sides are satisfied with the arrangement. In our exchange programs, if each side finds the other a good partner, after 3 years they may continue the project on their own initiative. We invite applications for this program both domestically and internationally. For the development of local industries in your country, we hope you will get together with Japanese local industries, which have inherited wonderful traditions and techniques.

Worldwide Information

Another area covered by our support programs is the information industry. JETRO publishes English versions of leaflets introducing the Japanese market by product, and at present, there are leaflets available for 80 products. But what I would like to talk about to all of you here is the information we offer about the economy, trade, investment and industry of each world nation. As I have already mentioned, JETRO was established in 1958 and mainly dealt with the promotion of exports in its initial period. In order to encourage exports, we needed primarily to know the target country’s market, in terms of the laws and regulations concerning sales and distribution, distribution systems, the tastes of consumers and end-users and their purchasing characteristics, price mechanisms, the state of after-sales services and so on.

To supply this information from our overseas offices to foreign makers and exporters to Japan, JETRO publishes a daily paper, monthly magazine and annual report, which are available to anyone. We publish summaries of white papers on trade and investment in English; other publications, however, are unfortunately in Japanese only. This is not because of the exclusivity of our information, but simply because our budget is insufficient. If there are any publishers interested in producing an English version of our publications, we will be very glad to negotiate with them. We would like as many people as possible around the world to have access to our information.

As we consider that not only the information but also the know-how we have acquired should be made accessible to many countries, we proposed to other trade promotion organizations in Asia that a forum be held.
This forum, the ATPF, has been held every year since 1987, with the participation of nearly 20 organizations each time.

If this kind of forum is planned in other regions, we would certainly like to participate in order to exchange opinions about common issues with our partners in other countries.
SUCCESSFUL TOOLS AND POLICIES IN TRADE PROMOTION FOR GOODS AND SERVICES

Mrs. Zhong Min
Vice Chairperson
CCPIT – China Council for the Promotion of International Trade
CHINA

With the intensified globalization of the world economy, the cross-border flow of goods and services is enjoying an unprecedented expansion. It presents many new features. For instance, trade and investment have become more closely linked; the liberalization of service trade, which is taking greater proportions in the world trade, is increasingly included on the agendas of multilateral organizations and bilateral negotiations; the electronic commerce presents very different issues from traditional modes of commerce. How will a trade promotion organization play its role in this emerging field? That is a subject all trade promotion organizations have to face in various economies.

Of course, besides meeting new challenges, trade promotion organizations still have much to explore with traditional tools. Exchanging experiences in using and exploring both new and traditional tools is the very purpose of this conference.

It is my honor to share my ideas on the topic of "Successful Tools and Policies in Trade Promotion for Goods and Services" with so many distinguished representatives at this well organized conference. But before I go into this topic in detail, let me set the stage by saying a few words about the aims and functions of China Council for the Promotion of International Trade (CCPIT).

Set up in May 1952, CCPIT is a national trade and investment promotion organization. Its aims are to promote China’s foreign trade, to attract and utilize foreign capital, to introduce advanced foreign technology, and to foster various forms of economic and technical cooperation with other countries.

Since its founding, CCPIT has established business relations with chambers of commerce and industry, trade promotion organizations, foreign trade associations and companies in more than 180 countries and regions as well as international economic and trade organizations. Today, it has 17 industrial sub-councils, more than 700 branches throughout the country, and 15 overseas representative offices all over the world. By means of this nationwide and worldwide network, and with the help of tools such as liaison, information, exhibits, publicity, consulting and legal services, CCPIT seeks to achieve its objectives by means of the following:

- To cooperate with foreign economic and trade circles as well as related international organizations.
- To participate in international exhibits on behalf of China and arrange and host foreign economic, trade and technical exhibits in China.
- To provide economic information, and trade and investment opportunities and publish economic and trade publications.
- To handle international economic and trade and maritime arbitration affairs and to act as agent for Chinese enterprises in other countries or foreign companies and individuals in China for filing
trademark registrations and patent applications and provide other legal services.

- To carry out training programs for Chinese enterprises.

Now, I would like to emphatically discuss the roles of the three tools: exhibits, information, and legal services in trade promotion taking CCPIT as an example.

**International Exhibits**

Exhibits are one of the most important and efficient tools in international trade promotion. CCPIT has rich experiences in Exhibit activities. CCPIT has been in charge of the management and coordination of China’s overseas Trade Exhibits for several decades. It represents China in international Trade Exhibits and stages China Trade Shows abroad. The Exhibit Department is also in charge of the examination and approval of foreign Trade Exhibits taking place in China and the creation of regulations for the domestic Exhibit industry. It is also the government’s consultant on Exhibits and the organizer of international trade fairs and Exhibits. The Exhibit Department, representing China, handles liaison with the Bureau of International Exhibits (BIE). In addition, it provides Exhibit information for various players in the field.

When organizing Exhibits, CCPIT sticks to the objective of serving China’s enterprises. Based on intensive studies of international Exhibits, CCPIT carefully chooses suitable events for China’s enterprises and increases the percentage of specialized trade fairs. In order to help Chinese enterprises cultivate new foreign market, CCPIT organizes them to participate in fairs and exhibits held in various regions, or hosts exhibits for them. In conjunction with seminars and conferences on Chinese and foreign economies and investment, CCPIT’s exhibit activities have been integrated with trade and foreign capital importation, and the exhibitors benefit not only in the trade aspect, but also in many others as well.

In 1997, CCPIT held or participated in 31 overseas exhibits in 22 countries. The total exhibiting area amounted to 22,120 square meters. Over 1,200 Chinese companies took part in these exhibits and signed import and export contracts totaling approximately 350 million US dollars and letters of intention for 421 million US dollars. According to preliminary statistics, from January to September this year, CCPIT has held or has participated in 29 exhibits in 22 countries. The total exhibiting area amounted to about 17,000 square meters.

In addition, CCPIT is engaged in the following tasks:

- Representing China at BIE as a member and carrying out related work;
- Publishing *Fairs and Exhibits China* every year;
- Collecting information and data on international trade fairs and exhibits from a wide range of global sources; editing and publishing *International Trade Fairs* and *China’s Overseas Trade Fairs*;
- Publishing the quarterly *Exhibit News*, providing service for the theoretical research, exchange of information among Chinese organizers of home-based and overseas exhibits.

China International Exhibit Center, a CCPIT invested enterprise, enjoys a leading position in China due to its outstanding facilities. This center hosted and organized 66 international and domestic exhibits and talent fairs last year, covering a total area of 600,000 square meters. These events attracted more than 1.6 million visitors.
Preliminary statistics show that the foreign trade conducted through last year’s exhibits totaled approximately 200 million US dollars. In the first half of this year, this center has hosted and organized 45 exhibits which have attracted over 1 million visitors.

Legal Services

CCPIT places great importance on legal services and works hard to create favorable conditions for optimizing the investment environment and promoting the healthy development of economic and trade cooperation between China and the rest of the world. The legal services provided by CCPIT include handling international economic and trade and maritime arbitration affairs; issuing certificates of origin of Chinese export commodities; handling cases of general or particular average adjustment; issuing certificates of force majeure, signing and authenticating foreign trade and shipping documents, bills and certificates; issuing ATA carnets; acting as an agent for Chinese enterprises in other countries or foreign companies and individuals in China for handling trademark registrations and patent applications and handling consulting services and arbitration regarding industrial and intellectual property disputes, as well as handling technology, trade and other business.

The CCPIT provides various kinds of foreign-related economic and trade legal services as follows:

1. Legal Consulting Service: CCPIT provides different kinds of legal consulting services and other legal services for Chinese enterprises and the parties seeking advice both at home and abroad.

2. Issuing and Certifying Foreign Trade Documents: Issuing and certifying foreign trade documents is one of CCPIT’s main functions as well as an important service provided to enterprises. In 1997, 245,000 certificates of origin, 50,000 commercial legalized documents and 11,000 exequaturs on behalf of consular were issued. Meanwhile, the issuing and certifying section improved supervision over its 130 nationwide sub-sections, thus assuring the quality of its certificate issuance.

3. Conciliation Service: Conciliation is an important alternate method of resolving disputes in the fields of international trade, finance, investments and other commercial transactions. CCPIT was one of the earliest organizations in the world that resolved international disputes by conciliation. In 1987, CCPIT established the first conciliation center in China. To date, 34 conciliation organs have been set up, with 88% success rate.

4. ATA Carnet System: With the formal introduction of this system in China on January, 1998, CCPIT has a new tool for serving Chinese enterprises, thus providing China’s linkup with the international regime of temporary imports.

In addition, China International Economic and Trade Arbitration Commission and China Maritime Arbitration Commission, affiliated to CCPIT, are the most efficient in the world in terms of the number of case handled, with 734 cases accepted and 786 cases concluded, in 1997, the cases totaled 4 billion RMB. The number of accepted cases is 20 percent more than 1996.

In the field of intellectual property protection, CCPIT’s foreign-related patent and trademark agency work and the number of cases
accepted continues to grow. In 1997, CCPIT handled 17,000 patent applications cases and 22,000 trademark agency business cases. In coordination with anti-infringement efforts, it participated in handling 280 cases. Through China’s Patents and Trademarks and other publications, CCPIT distributed information on China’s intellectual property protection system, and at the same time, looked into Hong Kong’s intellectual property protection linkup with the mainland.

CCPIT actively participates in the construction of China’s legal system.

Information Services

The quality of information services directly embodies the efficiency of a trade promotion organization.

Information services provided by CCPIT include the study of both domestic and foreign economies and markets, and the collecting, editing and distributing of economic and trade information; providing information on economic and technical cooperation, trade opportunities, and the credit standing of enterprises for Chinese and foreign enterprises or organizations; organizing technical exchange activities for Chinese and foreign economic and trade circles; compiling and publishing periodicals on foreign economy and trade, as well as other publications; organizing foreign economic and trade talks; carrying out assessment, feasibility studies and legal consulting services for Sino-foreign economic and technical cooperation projects.

CCPIT information services emphasize presenting Chinese products abroad and introducing advanced foreign technology, managerial expertise and cooperation opportunities to Chinese enterprises by means of newspapers, publications, information networks and other tools.

CCPIT places priority on providing information services to small and medium-sized companies. In the light of their being less informed and having fewer information channels, CCPIT makes every effort to help them. In implementing the co-operation programs with some developed countries, CCPIT policy has always leaned towards small and medium enterprises. CCPIT also organizes small and medium enterprises from inland China to Western Europe and Japan for export promotion. The results of these activities have all been good.

The 15 overseas representative offices continue to intensify their market research efforts, extensively develop the information sources, actively offer business consulting services and provide Chinese enterprises with lots of business information on international marketing, and furnish an enormous amount of information on Chinese enterprises to foreign companies.

Publications are the most important tool for public information service. Now, I would like to give you a brief introduction to CCPIT’s publications. They are all directly available from CCPIT.

- "International Market", reports the trends of international commodity markets and the issues related to trade laws and regulations. It also provides enterprises with badly needed first-hand market information.

- As a major publication CCPIT exchanges with its foreign counterpart organizations, "Trade Promotion" mainly introduces China’s foreign
trade policies, regulations and market information. To keep up with the paces of the development of information technology, since 1997 CCPIT has published the electronic edition of “Trade Promotion” while maintaining the former “Trade Promotion Magazine” which is also loaded on to CCPIT’s Internet web site every week.

- “China’s Foreign Trade”, “China’s Export” and “World Products and Technology” not only strengthen the collection and circulation of information but also place great importance on feedback and the utilization of that information. They act as a “bridge and link” in promoting economic and technological cooperation between Chinese and foreign enterprises. The publications do a good job in helping Chinese enterprises increase their exports, attract foreign capitals and explore international markets. “The World Products and Technology” provides more information on foreign agriculture, basic industries and pillar industries with emphasis on the product, scientific and commercial information in developed countries. These magazines play an active role in promoting foreign countries to export to China.

- “China Trade News”, sponsored by CCPIT, is an influential newspaper in China. It depends on the superiority of CCPIT’s network inside and outside China to provide enterprises with services on information, policy direction, attracting investment, legal affairs and consultancy. It aims at playing a bridge-and-tie role between government and enterprises, and between Chinese and overseas markets and playing a functional role to promoting the exchange of experience.

- Additionally, CCPIT published a CD-ROM, “The Economic and Trade Data Bank”. This CD-ROM has a data volume of 50MB, with information covering over 140 countries and regions. The Data Bank has collected basic data on these countries, such as political and economic information, foreign policies, foreign trade, custom tariffs, trade laws and regulations, trade and economic cooperation with China, business and travel advice, as well as a list of economic and trade institutions. It is a huge and easy-to-operate Data Bank for Chinese companies and institutions to explore international markets and obtain foreign economic and trade information.

- On request from enterprises, CCPIT has developed a series of practical economic and trade floppy disk data bases, and provided to the public together with the CD-ROM data bases, including Database of the Overseas Importers, Database of the Overseas Organization for the Promotion of International Trade and Chambers of Industry and Commerce, Database of the Famous International Trade Fairs & Exhibits.

Internet has been an important global carrier of information. With the development of Electronic Commerce, many industries including trade promotion organizations place more and more importance on Internet technology. Since the mechanism is to be an irreplaceable tool in trade promotion activities, CCPIT has long devoted resources to the application of Internet technology, aiming to provide an open highway for the exchange of information between China and other countries and regions. CCPIT’s web site attracts many visitors due to the high quality of its information and the hit-rate of web site www.ccpit.org is high. When comparing with other similar web sites, the CCPIT’s web site enjoys an edge on both the information content and the web layout. With more practical information provided, the CCPIT’s web
site will act as an important window for overseas enterprises and business institutions to acquire more information on the Chinese economy and trade, and to take advantage of more economic and trade cooperation opportunities.

The databases, including China’s Exhibits, China Large and Medium Enterprises, China Customs Statistics and China Association of Importers and Overseas Representative Offices and China Foreign Trade Enterprises will be available on Internet later this year. By that time, enterprises may visit our website for information regarding overseas acquisition and cooperation opportunities, which are currently distributed to the CCPIT branches, sub-councils and enterprises by computer fax.

The above is a brief introduction to our trade promotion tools. However, CCPIT has still much to do in both studying challenges from the new global development of economy and technology and implementing the corresponding policies.
SUCCESSFUL TOOLS AND POLICIES IN TRADE PROMOTION FOR GOODS AND SERVICES

Mr. Michael Johnson
Executive General Manager – Americas
AUSTRADE – Australian Trade Commission
AUSTRALIA

Who We are and What We Do

AUSTRADE is essentially a “brand name” for the Australian Trade Commission - the Australian Government’s export and investment promotion agency. In simple terms, we work with Australian business to reduce the time, cost and risk involved in entering and expanding overseas markets. With a special focus on small to medium-sized companies, our mission is to help Australians obtain export business and generate inward and outward investment.

AUSTRADE is recognized as:

• A major contributor to Australia’s economic growth and the globalization of Australian business.
• The world’s leading export and investment promotion agency.
• An organization that excels in client service, information management and the development of the full potential of its people.

In response to the challenges of the great depression, the Australian Trade Commissioner Service was established in 1933 and it was this organization that I joined in 1971. The current Australian Trade Commission was established in 1985 under an act by the Australian Federal Parliament. We are a statutory authority within the foreign affairs and trade portfolio. AUSTRADE is governed by a board drawn from business, trade unions and government, and the board is accountable to the Federal Parliament through the Minister for Trade.

Although we are very much business focussed and we work closely with a wide range of local, state and federal government agencies, our strongest organizational link is with the Department of Foreign Affairs and Trade. AUSTRADE has a complementary relationship with the department. Essentially, the department deals with the broad global trade framework through bilateral, regional and multilateral negotiations.

Within this context, AUSTRADE delivers specific international business and financial services designed to attract investment to Australia and to help individual companies seek, secure and develop overseas markets. With a staff of more than 1000 and a global network of representatives in more than 100 countries, the scope of AUSTRADE’s operations is extensive.

Without going into too much detail, I’d like to give you a taste of just some of the things we do to carry out our mission.

AUSTRADE provides:

• Advice on what is involved in exporting, including whether businesses are what we call “export-ready” and which markets are best suited to a company’s product or service.
• Detailed information on individual markets.
• Information on specific export opportunities.
• Help in understanding the on-the-ground realities of individual markets, such as cultural factors, distribution systems and government regulations.
• Opportunities to promote Australian products through trade fairs, displays or missions.
• Appointments with key local contacts.
• Access to interpreters and translators.
• A free listing on our AUSTRADE online web site.
• Export market development grants to reimburse companies for a percentage of their overseas marketing expenditure.
• Advice and guidance to the Australian government on trade-related issues.

Trade Promotion Tools

So far this afternoon, I’ve provided some background on AUSTRADE, including:
• Who we are.
• What we aim to achieve.
• How we’re organized.
• And the services we provide to Australian business.

Moving on to the second part of my presentation, I’d like to now look at some of our trade promotion tools.

We have, of course, a wide range of mechanisms, but some of the main ones are:
• Our market development grants program.
• Trade displays and missions.
• Our overseas network.
• Our domestic network, including a “major opportunities group” working on particular industries.
• And our advisory telephone “hotline”.

Against this background, however, I’d like to go into a little more detail about three specific trade promotion tools and initiatives, which are:

• The AUSTRADE website.
• The expansion of the domestic AUSTRADE network.
• And - lastly - the strategy employed to contend with the so-called “Asia Financial Crisis” of last year.

AUSTRADE Online

As I’m sure everyone has experienced first-hand, the development and use of cyberspace has increased at an astronomical rate recently. Huge growth in the ownership of personal computers and the awareness of the capability of the Internet has meant that this new medium - relative to previous major breakthroughs in communications - has exploded onto the scene virtually overnight and become influential beyond all expectations.

Through AUSTRADE’s scenario planning efforts, we are constantly scanning the future for trends, uncertainties and opportunities relevant to the organization and our clients.

Developments in information technology and the potential of e-commerce started to loom large on our radar screen some time ago and, in response, we committed resources to the field.
AUSTRADEx has been providing a web-based service to its clients since 1995, and the site has been through major revisions as we learn more about the needs of our clients and as the on-line world matures. The latest iteration of the site is called “AUSTRADE Online” and its address is www.austrade.gov.au. Maintained, administered and controlled by marketing and its specialists within AUSTRADE, the site has been enormously successful since its revamping early this year. In August alone, it received approximately 77,000 visits. “AUSTRADE Online” provides a comprehensive, up-to-date export information service to meet the needs of Australian businesses. But it’s also a showcase to the rest of the world of Australian products and services.

The site’s main features are:

- **“Australia on Display”:** this feature allows Australian companies to place their product or service on a searchable database, providing potential customers with the opportunity to look up and source Australian exports over the net from anywhere in the world. A company’s presence on the site can range from a simple listing, a hot link to its own site, or an enhanced listing that includes the company logo and placement within an industry classification. There are about 4500 companies listed on the site.

- **Information on Overseas Markets:** the site has the latest information on overseas markets, including AUSTRADEx’s market profiles.

- **Asia Update:** a specific section on the economic turmoil in Asia.

- **Student Centre:** a comprehensive list of useful trade-related links for students.

- **Media Centre:** a page that provides access to current AUSTRADE media releases, speeches and other material.

- **Contact Details:** each of AUSTRADEx’s overseas offices has its own website, allowing users to gather specific information and contact details.

- **Links to other relevant government websites.**

AUSTRADEx Online increasingly is the first-port-of-call for AUSTRADE clients and overseas buyers interested in Australian product and service capability. Based heavily on the primary intelligence gathered by the global AUSTRADEx network, we see the site supplementing rather than supplanting direct in-person client contact with AUSTRADE staff around the world.

Our website is one of our most important tools, but the collective skills, experience and on-the-ground insight of our staff remain our greatest asset.

**Tradestart and Export Access Network**

The second specific tool for trade promotion is the expanded domestic network that has grown out of AUSTRADEx’s work with organizations we call “allies”. As a nation with just 18 million people spread over a huge landmass, Australia has always had to contend with the “tyranny of distance” in terms of domestic economic development. National organizations such as AUSTRADEx have needed to find creative and cost-effective ways to deliver their services to all Australians and thus fulfil their mandate.

AUSTRADEx, of course, has larger offices in Australia’s eight capital cities and a few of the largest regional cities. But these alone do not provide ready access for the thousands of businesses in regional and rural Australia.
In response to the Australian government’s increased focus on these sectors, AUSTRADE has developed relationships with “allies” throughout the country to ensure the effective broadening of AUSTRADE’s national range. Under a program formally announced a few months ago, 18 “Tradestart” offices will be established in large towns and regional cities across Australia over the next few months. Through joint ventures with:

- Trade and economic development agencies from state and territory governments.
- Local chambers of commerce and industry.
- Other business and export organizations.

Many of AUSTRADE’s services are available at these offices. The great strength of this program is that local exporters are able to tap into AUSTRADE’s global network while talking directly to local experts who have a good understanding of their business and an intimate knowledge of local industries. These offices don’t just refer local clients to AUSTRADE for assistance - they draw on the assistance of AUSTRADE to help them on the spot.

Under this sort of joint venture, local “allies” can expect:

- Initial and ongoing training in AUSTRADE services.
- “Coaching” from selected AUSTRADE regional trade commissioners.
- Access to AUSTRADE market profiles, business briefs and publications.
- Some level of financial support.

In return, we ask the local “allies” to contribute:

- Experienced export advisory and support staff.
- Office facilities.
- Travel and other costs.

Incorporated into the Tradestart program is a special “export access” service, which involves the provision of more tailored and sophisticated information through a dedicated project manager.

Although Tradestart is not yet fully implemented, it is already delivering tangible results. From an organizational point of view, AUSTRADE believes this sort of creative solution to the particular challenges we face in Australia will prove instrumental in fulfilling our mandate to serve all Australians - no matter where they might live and work.

**Responding to the Asian Financial Crisis**

The third specific area I’d like to cover today - and it’s more a strategy than a single trade promotion tool - is the range of initiatives we’ve undertaken to contend with the so-called Asian financial crisis.

I don’t think I need to talk at length about the significance of events in Asia over the past year or so - I’d be surprised to find one person at this conference who has not been affected in some way. Australia’s increasing economic engagement with Asia - particularly its significantly increased exports to the region over the past 30 years - has meant that we have experienced, first-hand, the effects of the recent economic turmoil.
Although Australia’s overall export performance has been quite strong over the past year, demand in some of our key Asian export markets has suffered a serious downturn.

Last year, AUSTRADA recognized the gravity of the situation in Asia and quickly decided to take a pro-active approach. We anticipated that - amid the deluge of often conflicting opinion and forecasts - genuine business intelligence and clear-eyed, sober assessments were going to be vital to Australian business.

So we developed a program of initiatives - some of which led to new or adapted trade promotion tools - specifically designed to address the situation in Asia. Here are the key elements of that program:

- A special “Asia Update” section was established on our website to provide the latest information about prevailing developments in particular markets and their significance to Australian exporters. “Asia Update” has recorded tens of thousands of visits, and was particularly important when political and economic events moved very quickly in some countries.
- On top of our regular export telephone “hotline”, a dedicated “Asia Crisis” advisory unit and hotline was established at our Sydney office to provide specific advice and information.
- An “issues management” group was set up to coordinate the information from the AUSTRADA network, the provision of material to the Trade Minister and AUSTRADA board, liaison with other relevant government agencies, and the development of a corporate position on the broad issue of Asia.
- A very successful series of seminars was held earlier this year, providing exporters with an opportunity to listen to, meet and question AUSTRADA’s most senior officials based in Southeast and North East Asia. This attracted many hundreds of new and existing clients nationally.
- Incidentally, another seminar series, looking at Asia “one year down the track”, will be held in major Australian cities this very week.
- Although AUSTRADA has urged companies to remain committed to Asia for the long term, we have also emphasized the value of diversifying into emerging markets, such as South America, Southern Africa, the Middle East and South Asia.

We have produced a great deal of new material on these regions and conducted a number of export seminars on specific market opportunities. The quickly changing events in Asia over the past year have had a big impact on Australian exporters, and they in turn have placed new demands on AUSTRADA. Although there are always areas for improvement, we believe AUSTRADA overall has responded quickly and strategically to events in Asia. We have helped Australian exporters make sense of the crisis, and we have adapted services to meet the demands of the moment and the foreseeable future.

Client Service and Measurement

My discussion of AUSTRADA’s handling of the Asia Crisis was essentially about responsiveness and the appropriateness of our services. And that’s what I’d like to cover briefly in the final part of this speech. AUSTRADA has devised a number of programs that - taken together - provide a comprehensive framework for the delivery of services and the accurate measurement of our performance. AUSTRADA’s detailed “client service policy” reflects the three different learning stages that AUSTRADA clients experience when they get into exporting, and attaches commensurate pricing levels for AUSTRADA services.
In simple terms, general information and advice about exporting is free of charge. But as companies become more experienced and seek more complex services, the government financing for this work falls and the client fee increases.

This approach is consistent with two important trends:

- Firstly, clients are more and more seeking tailored business intelligence as Australia’s general export capability and knowledge bank improves.
- And - secondly - in an increasing competitive marketplace, AUSTRADE must provide a more sophisticated and value-added service to at least maintain its market position.

The imperative of providing a value-for-money service has both led to - and been affected by - another area of policy development, and that’s performance measurement. AUSTRADE has instituted a system of “key performance indicators” - or KPIS - and key activity indicators to measure how well we’re doing in some of our most important operational areas.

Through detailed surveys and data collection, we are able to measures things such as:

- Client satisfaction.
- The number of companies we assist into exporting.
- How many exporters we help into new markets.
- The overall dollar value of exports we have played a role in earning for Australia - what we call “export impact”.
- AUSTRADE’s role in generating inward and outward investment.
- And the number of requests for information we have received from Australian businesses.

From our experience and research, we believe AUSTRADE is a leader in this field - at least in the Asia-Pacific region. As an organization, the focus on client service and performance measurement that I’ve just outlined helps us hone the quality of our work and maximize the priority we place on serving our clients.

Though it demands constant scrutiny of our work processes and leads to continuous change, our approach means we are very client-focused and very efficient in our allocation of resources.
In New Zealand our starting point is that we are a very small country - just under four million people - a very long distance from our markets. Our nearest neighbor on the West is Australia - a mere 1200 miles away - and on the east Chile - many thousands of miles away across the Pacific Ocean.

The other side of the equation for us is that our international trading sector is of the utmost importance for our economy because of our relatively small domestic base.

Our challenge is to overcome size, distance and lack of familiarity on the part of our markets, so that New Zealand goods and services are sought after and valued as high quality. In that respect we believe we are generally assisted by the quality and innovation of our exports, which are increasingly becoming diversified away from primary commodities.

Our mandate also includes the promotion of New Zealand as a destination for investment and as a desirable location for businesses - investment is also an essential part of the New Zealand economy, with the level of foreign investment relative to economic output being among the highest in the world. Because of all of these factors, trade promotion plays an especially crucial role in New Zealand.

The New Zealand Trade Development Board, or Trade New Zealand as we are known, was set up by the Government of New Zealand in 1988. It reports ultimately to the Minister for International Trade, who appoints a board of private-sector executives to direct the organization.

Our relationship with the Ministry of Foreign Affairs and Trade is a complementary one: the Ministry focuses on trade policy and negotiations, as well as general diplomacy, while we deliver trade promotion work for export businesses. In many markets we work together, often co-locating in the same premises.

Our staff is small and specialized, with about 350 people in 50-odd locations.

Our services are similar to those of a number of organizations here today, so I will not traverse them, but they cover a broad range of market services which provide New Zealand businesses better access to foreign earnings and investment. The Government measures our success through various mechanisms, but our ultimate goal is the creation of wealth for New Zealand through foreign exchange earnings.

Like most of the organizations here, we work with industry sectors to develop targeted marketing programs abroad. Unlike many of our sister organizations, however, we also work with individual companies, which pay a fee for our services.
The fact that we charge clients for our services relates to two overriding organizational challenges, which we are facing.

First, if we are to charge clients, we take upon ourselves the responsibility to develop services, which have real value in the marketplace.

Secondly, New Zealand is now governed by a conservative coalition which is pro free-trade and anti big-government. It is clear that our level of government funding will not increase much in the future beyond current levels, and our ability to grow and to expand our level of services depends upon our ability to generate revenue ourselves.

With these challenges in mind, in the last eighteen months we have undertaken a rigorous strategic review.

We have set ourselves some ambitious targets and the last year has seen major changes, with an overhaul of many of our systems, processes and service lines.

Guiding this process is a set of 8 operational goals for our organization:

1. Our priority clients will be those with a general ability and commitment to export.
2. We will allocate resources to reflect current and potential client and market trends.
3. We will continuously strive to improve client satisfaction.
4. We will adopt a culture of continuous improvement.
5. We will develop an information and market intelligence service, which will become an international benchmark for trade promotion organizations.
6. We will develop a human resources program, which meets international best practice standards.
7. We will develop a charging regime to reflect market priorities so that revenue can be increased to assist in the strategic provision of further services.
8. We will use a budget and management reporting system to predict accurately and to provide measurable performance indicators.

The first two goals stem from the fact that we are not able to service all potential clients, nor do we want to. We must allocate our resources.

First, our priority clients will be those with a general ability and commitment to export.

Secondly, we will allocate resources to reflect current and potential client and market trends.

The second two goals have to do with our necessity of providing services, which have market value, which create results for our clients. Although we are a public sector organization, we must perform like a private sector firm.

As such, goals 3 and 4 are a continuous striving for improved client satisfaction, and, internally, a culture of continuous improvement.

Operational goals 5 and 6 have to do with the resources we have for carrying out our strategic objectives.
We believe that by far the two most important resources that we have are our people and the information that we have at our disposal. As such, the next two goals are the development of information systems on a par with any trade promotion organization in the world, and a human resources program which meets international best practice standards and makes Trade New Zealand an employer of preference for our people.

Finally, with regard to finance and management systems, it is imperative that we develop a client charging regime which accurately reflects market demand and the value of our services, and which maximizes our revenue and our resources for future services.

It is also essential that we develop financial and management systems which accurately predict activity, reflect our financial situation, and which provide objective, measurable indicators of our performance and success.

Up to this point I’ve given you an overview of who we are, what we do, and what our major challenges and goals are. At this point I’d like to discuss three examples of specific changes being made in our organization in order to bring all of these grand plans about.

First, we’re taking a long look at our market - who our clients are, and what other types of clients might we be able to serve. As a trade consultancy we need to be in a position to benchmark our services against international best practice, not only for TPOs but also for private sector consultancies. This does not mean that we want to compete with the private sector, however - to the contrary, we see our role as providing services to exporters where no private sector alternative is available or feasible.

Traditionally, we have segmented our clients and potential clients in two ways, either by their level of experience as exporters, or by their industry sector. This continues, and will continue, to be our primary segmentation model with respect to formal business planning and resource allocation.

Recalling Goal 3 of the operational goals I discussed a minute ago, however - which calls for continuous improvement of client satisfaction - we have found that a weakness of these segmentation models is that they do not address the human aspect of client relations, and we find that clients’ needs vary greatly within traditional segmentation categories.

With this in mind, we contracted a research firm to study our client base, and to segment the types of clients, which need export assistance. The following illustrates their findings.

This research segments exporters based upon two factors: first, the degree of confidence with which a company approaches exporting, and secondly, the degree to which the company wishes or is capable of entering markets independently.

This model identifies four different types of basic client personalities, each of which demands to work with our organization in a different way.

- **Power clients** are capable, confident, and competent, and wish to involve outside consultants for specific tasks, without involving them in the broader picture of their export operations.
• **Control clients** are less experienced and confident at the export game, but wish to thoroughly control the outcome of a project. They are typically quite demanding and wish for minutely detailed data.

• **Partner oriented** clients are creative, flexible, and more concerned with the big picture. They are willing to involve the trade promotion organization in the strategic aspects of their export planning.

• Finally, **security clients** are perhaps those most in need of assistance - they need safe, clear recommendations, as well as reassurance and prodding to take the next step toward the market.

The research indicates that companies, which are most independent, generally contract private sector consultancies for specific research or tasks, and then proceed to approach the market independently. This is not the sector, which we want to target.

Trade New Zealand’s current client base is now largely consisting in the segment that includes companies which both need significant assistance, and which do not possess a great deal of confidence with regard to approaching export markets. In order to expand and improve our services for the New Zealand export community, it is our goal to broaden our coverage to include all exporters falling into the “team oriented” section of this segmentation model, or in other words, all clients which need our services in the first place.

Again, it is important to understand that this segmentation model does not replace our more formal models for organizational or business planning purposes. What this model does do is help us to manage our client relationships better, by better understanding those clients, the expectations and needs that different clients have, and the way that we present information and other services to them.

Recently, in another effort to create more focus on the needs of individual clients, we have introduced a comprehensive account management system. We have a team of 48 Account Managers based in New Zealand whose primary role is to market our services to clients and manage our relationship with them. Clients are matched with Account Managers on the basis of their industry sector and their location in New Zealand.

When we work directly with the overseas office of a New Zealand company, the manager in the country concerned assumes the responsibility for the management of our “account”, or relationship, with them.

The specific responsibilities of Account Managers include:

• Identifying clients
• Establishing client needs
• Negotiating services
• Preparing research briefs
• Arranging invoicing
• Following-up
• Updating client information on our central database

Each Account Manager has a portfolio of 40-50 “live” accounts. However, like any organization, we have to balance our portfolio between established clients, recently acquired clients and future potential clients. Thus Account Managers are encouraged to find new clients and have effectively become our marketing team.
While Account Managers are held accountable for managing the client relationship, and the internal processes that support this relationship, they do not act as gatekeepers. Anyone in Trade NZ is free to contact a client - as long as the Account Manager is kept informed of what is going on - and our overseas offices normally work directly with clients once our service has been agreed.

The recent introduction of this account management system will, we hope, result in increased clarity for clients who will have one point of contact - whether it be for advice or, hopefully rarely, for complaints.

It also means that this load has been taken off our overseas offices who can now concentrate more on the actual delivery of services.

The work of the international offices is supplemented by staff in New Zealand who undertake “desktop” research for clients, working closely with their colleagues overseas and reporting to the same managers. Thus a service delivered for a client may contain elements of work undertaken both in New Zealand and elsewhere, although the client may not be aware of this.

The final example that I’d like to address is a new type of client service which we’re now in the process of developing worldwide, an internet-based market intelligence system.

The service, which we call Market Link, is a proactive electronic market intelligence service, to which clients subscribe for an annual fee. We started it in Australia, which is our biggest export market, and the Pacific region, and it has now been fully operational for two years. However, we are learning as we go and still consider it to be under development.

Market Link is aimed particularly at accessing opportunities for engagement in project work. We endeavor to use it to provide information long before projects are put through a formal selection process and, if possible, before local suppliers become aware of the requirement.

A subscribing client signs up over the Internet and then is fed information about opportunities relating to their relevant sectors. We find that Internet-based delivery provides our clients and us a degree of flexibility and exact targeting of needs which is just not possible when using hard copy.

The information in the database comes from three sources. First, secondary research - newspapers, industry magazines and so on, which report decisions to proceed with projects and work programs. Secondly, we have built up a comprehensive contact database of around 1200 “leads” that are known to buy products our clients supply. Companies on the database are contacted and asked about their general purchasing strategies and current requirement. This information is fed onto the database and through to clients deemed appropriate.

The third source of information is overseas companies which contact us directly in order to identify potential suppliers.

The Market Link concept is flexible and can be applied to most industry sectors although the approach may be different in each case, with selection criteria focussing on what would constitute an attractive opportunity.
So far Market Link has focused on sectors that require a similar research approach and thus gain maximum economies of scale. These include engineering, factory equipment, ships and marine, environmental technology and energy generation.

However, we also regard as suitable sectors building and construction, food and beverages, apparel and food technology.

Timelines and information quality are critical to the success of the service and to meet both these criteria we need a deep understanding of the capabilities of the subscribers and the requirements of potential buyers.

An example of how it works would be with industrial redevelopments. Our approach would be to identify preliminary studies either through media or word of mouth, then monitor until a project manager is appointed. We would then contact the project manager to identify requirements for key components that would be of interest to our subscribers.

Sometimes we undertake a “pull” strategy, where one of our staff will visit a large industrial company and convince management that they should appoint a person to liaise with us so we are aware of future proposals.

Success is not instantaneous and requires commitment from our subscribers. At present we have only two subscribers who have made a sale from Market Link in their first year. Many get it right in their second year but most seem to take three years to learn how to use the information to maximum advantage.

This raises issues such as subscriber education which we are addressing as we develop the service. It also gives us pointers to what we should be looking at as we develop further web-based service lines.

In summary, Trade New Zealand is currently in the midst of an organizational transition which will bring us closer to our clients, which will make us and our services more responsive to their needs, and which will ultimately enhance our ability to assist the New Zealand export community in creating wealth for our country.

While our policy of charging exporters for our services is somewhat unique for a government organization, it provides additional resources for our work, it serves as an effective mechanism for identifying the serious exporters, and perhaps most importantly, it provides us with a concrete feedback mechanism for tracking the effectiveness of our work - if exporters are willing to pay for it, it must be bringing value to them.

The three specific examples I’ve given you of work we’re doing - a new segmentation model for better understanding clients and getting closer to them, an account management system for managing those client relationships, and a new product for providing early market leads via the internet to clients, are of course just a few of many changes we’re making in this organizational transition.

Many others are completed, underway or in the planning stage and we very much hope to gain new ideas from the experiences of our sister organizations throughout this conference.
In my capacity as First Vice-President of Peru, President of the Commission for the Promotion of Exports – PROMPEX – and President of the Commission for the Promotion of the Small and Medium-Sized Company –PROPYME – I am honored to address you on the occasion of this World Conference of Foreign Trade Promotion.

This World Conference reflects the re-launching of the Export Promotion issue as one of the mechanisms that allows us to effectively participate in a globalized economy where competitiveness is the main factor.

The economic stability of Peru, achieved through a process of adjustments and structural reforms that we continue to improve, has allowed us to consolidate our development process, despite the major economic problems that some regions of the world are experiencing, and whose effects have reached our countries.

Within this context, Peru is an important and strategic foreign investment partner.

As President of PROMPEX, a government agency in charge of export promotion, we believe that the State plays a fundamental role in this activity, when taking into consideration the present conditions in which competition is developing and in following the principles established by the World Trade Organization.

Undoubtedly, the starting point in the promotion of exports can basically be found in small and medium-sized companies, not only because they need support to enter competitive international markets, but also because they make up the largest sector of our countries' corporate population.

By starting with them, I want to briefly reflect on the challenges that confront the small and medium-sized enterprises (SME’s) in the third millennium.

The monumental challenge facing small and medium-sized companies in the third millennium is their access to global trade activity. In fact, the capacity of SME’s to directly participate in the international exchange of goods and services will depend on the their links and relation with other businesses.

For this, the State will have to play an important role in this process, by creating spaces that will allow small and medium-sized companies to link up to a chain of production that entails efficiency, productivity and technology, in order to achieve the levels of competitiveness required by international markets.

We must recognize that alone, small and medium-sized companies do not posses the conditions needed to venture into the international market place.
Furthermore, in economies like ours, larger companies do not interact with SME’s with the intensity needed to create an effective productive chain. It is a fact that this interaction will help create a competitive environment that will allow us to face healthy competition within different markets.

With this in mind, it is important to ask ourselves, what is the role that the State must play in order for SME’s to enter the global trade arena through connections with larger companies?

Through creative promotion activity, the State must play the role of an effective catalyst that will create the conditions needed to promote the interaction that must come first in this relationship between SME’s and larger companies. Simultaneously, this relationship is an attractive element for investments.

An important challenge the State faces is the creation of mechanisms needed to encourage large companies to use the operating capacity of SME’s. However, this will not be possible as long as the large company does not perceive the advantages of associating itself with smaller ones.

Likewise, the State must provide the small and medium-sized companies with access to the information, the know-how and the technology as basic elements to participate in the productive chain.

The layout of a policy that links large enterprises with SME’s, forces countries to recognize the real advantages that they can count on, in order to effectively generate this association and thus be prepared to actively and competitively participate in international markets.

Statistics indicate that small and medium-sized companies are increasingly contributing to the gross national product of their respective countries. This share is so significant, that it is forcing governments to understand that they will have to act effectively and programmatically in support of the consolidation of the participation of SME’s as generating units of wealth through the massive absorption of available labor.

Trade promotion programs, such as the ones adopted by our countries in accordance with the new international economic tendencies, have had a direct impact on employment, a fact that must be extenuated with greater emphasis through job-supply that can be generated with adequate support and the of productive chains that effectively and efficiently benefit SME’s.

Because of this our countries must take advantage of their natural conditions in order to link the different phases of production activity and the participation of the different players with only one objective in mind: placing a truly competitive product in the international market. Only under this perspective will the benefits of achieving this objective be equally shared amongst SME’s and large companies, where everybody wins.

We now need to specifically identify the promotion instruments SME’s require for their consolidation and development. Therefore, the creation of technology-transfer institutes, service centers, and trade development organizations that focus on distributing the knowledge and information needed by SME’s in order to adapt to new market tendencies, are particularly important.
By the beginning of the third millennium, our countries will have improved their processes of trade liberalization.

On one hand we have to keep in mind that the transitory periods provided in the agreements signed at the GATT Uruguay Round in favor of developing countries will expire.

On the other hand, in the American hemisphere, due to an agreement taken at the presidential summits held in Miami and Santiago, the American Free Trade Area-ALCA, will have already been established. Likewise, important steps to expand trade in the Asian Pacific region will have already been taken. Furthermore, substantial advances in the other integration processes, such as the North American Free Trade Agreement (NAFTA) which involves Mexico, Canada and the United States, the integration of the Central American countries and the Caribbean, as well as the countries of the Andean Community and the Mercosur should also be in place. Additionally, the advanced integration of the European Community and the African experience need to be underlined.

This inevitable international scenario that will take place during the fast-approaching 21st century compels us to permanently review the capacity that our countries must develop through the participation and integration of the small and medium sizes companies in world trade, in response to the interests present in bloc-to-bloc negotiations.

At the start of the third millennium small and medium-sized companies will be facing the challenging task of assuming an important role in world trade. It is the responsibility of our governments to consolidate a framework marked by liberalized, but fair, trade.