Respected Mr. Chairman,
Distinguished guests,
Ladies and gentlemen,

The theme of this Fourth World Conference of Trade Promotion Organizations could not be more pertinent: ‘TPOs in a Turbulent New Business Environment’.

The world of business has changed drastically since the First World Conference of TPOs in Cartagena, in 1996. And there is every indication that it will continue to change.

- The Doha round of trade negotiations is underway. These will result in greater trade liberalization, in the emergence of a new commercial dynamic and an inevitable shift in established trading patterns.
- The international market place will be increasingly influenced by information and communication technology. Markets will become more specialized, more sophisticated, more efficient and ultimately more demanding.
- Indeed in this turbulent business environment, the immensity of commercial opportunity will be matched only by the intensity of competition. The hand of the buyer will continue to strengthen. And the exporting firm’s success will be increasingly determined by its capability to compete. The winners will offer best quality, lowest price, fastest delivery and greatest flexibility.

What are the implications for TPOs? Speaking specifically about the implications for ITC’s clients and partners – the TPOs in developing and transition economies – I believe they call for TPOs to adopt a total competitive response. A response that addresses:

- The ‘border in’ issues of export capacity and competency development within the local business community;
- ‘Border’ issues, such as systemic bottlenecks in trade facilitation, that put upward pressure on transaction costs; and, of course,
- The ‘border out’ issues of market development and promotion, that have been the traditional preserve of the TPO.
I believe this wider, competitiveness-based approach to trade development must replace the market-based focus that many TPOs continue to pursue. In fact, I will even go one step further: TPOs that do not take this competitiveness-based approach will have very little impact on future export performance. In short, they will likely fail. In these turbulent times, there is another challenge that the TPOs of the developing world must address. It is the challenge of ensuring that export performance makes a significant contribution to overall economic development, and more specifically, to poverty alleviation.

Competitiveness and developmental objectives are compatible. Together they ensure long term, sustained improvement in export performance. But their complementarity is not automatic. To make them complementary is a second challenge now confronting national trade promotion organizations.

So what does this all mean for TPO managers? What should we do? Where do we begin? I would like to make a few suggestions.

**What do we do?**

- First, we must ensure that we are comprehensive in our approach. A competitiveness-based export development approach requires that trade support is available to the business community at all critical points of the export value chain. Support must be available to enable the exporter to produce more competitively, to market more competitively and to deliver more competitively. Support must also be available to the new entrepreneur, to the aspiring entrepreneur, and to the export-oriented NGO.

- Second, we must specialize. General services do not contribute much to competitiveness. Specialized services do.

- The spectrum of services that is needed to sustain export competitiveness at the national level, and the investment that specialization implies, are beyond the capabilities of a single trade support organization. A multiple-agency approach to export development is required. So, third, we must build a national trade support network.

- Fourth, we must strengthen the network through partnerships, both in-country and abroad. We must reinforce the network by implementing joint programmes with other specialized trade support organizations; programmes that would ideally focus on a specific need within the export community.

- And five, we must keep on top of this turbulent business environment by being prepared to adapt and be ready to change. We must benchmark our performance, measure our results and adjust when impact is less than planned.

It is a daunting assortment of tasks. I speak from experience. The International Trade Centre has been engaged for a few years in adjusting its operations to the challenges of the new business environment. We have learned some lessons in the process. Based on our own experience, where do I suggest TPOs begin?

I have four suggestions to make.

Every network needs a catalyst and a coordinator. The national TPO is best suited to undertake both roles. You should take the lead. Identify the elements of your competitiveness-based approach to export development, determine the areas where trade can best contribute to overall economic development and take the lead in creating a national trade support network. One that involves a public-private sector partnership, which is based on specialization and addresses comprehensively all aspects of the export value chain.

Next, establish a unifying vision for all members of the network. Initiate the preparation of a national export development strategy. A strategy that is not a wish list, but is based on a realistic assessment of medium term export opportunities, of the constraints to achieving competitive advantage, and of the strengths and resource limitations of key members of the national trade support network. Develop the strategy with the full participation of other network members. Ensure that it has a development dimension. And ensure that it receives ongoing political endorsement.
Position yourselves at the centre of the network. Become the first point of contact for the individual exporter. Focus on providing three specialized services: commercial intelligence, export counselling and a hands-on referral service to other specialized members of the network.

Finally, look to ITC as your full partner. We can, I believe, be of considerable assistance to you. Our strategic and competitiveness support tools, our Trade MAPs, our World Tr@de Net and E-Trade Bridge programmes are all designed to reinforce your activities in these turbulent times. And we are only one click away on the Internet.

Before concluding, let me suggest that the time has come for other multilateral development organizations, such as the World Bank and the regional development banks, to assist in this TPO repositioning process. I call on them to associate you in their efforts to mainstream trade into national economic development. By the late 1980s, some development agencies had become highly critical of the performance of many developing country TPOs. True, some, indeed, were not competent. Others were. And since that time, many more have become competent and efficient. TPOs are today prime national players in ensuring that trade is an effective engine for development. They are legitimate and valuable partners.

The China Council for the Promotion of International Trade is a case in point. CCPIT, which celebrates its 50th anniversary today, is a prime example of a dynamic TPO. Since its founding in 1952, CCPIT has played a vital role in promoting China’s foreign trade and in attracting foreign investment. According to a recent WTO report, China has become the world’s fourth largest trading power in goods and services (after the European Union, the United States and Japan). For the last nine years it has ranked as the highest recipient of foreign direct investment among all developing countries. CCPIT has contributed a lot to these achievements. Representing the interests of more than 70,000 Chinese enterprises, CCPIT’s role has become even more crucial following China’s accession to the WTO. I know it will continue to tackle the challenges ahead with determination and enthusiasm. And I wish it the very best.

Let me conclude by emphasizing again that ITC will continue to be the friend and partner of TPOs. We look forward to other international agencies joining in this partnership to ensure that TPOs realize their full potential in these turbulent years. Not making them full members of the team for development through trade would be a grave mistake.

I thank you all and wish every TPO the very best in the challenging years ahead. Let’s work together and make a difference.

Thank you.