Promotion of Exports for Small and Medium Sized Companies in the Electronic Era

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President
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Small and Medium Sized Companies and Electronic Trade
## Small and Medium Sized Companies and Electronic Trade

### Worldwide Growth of Electronic Trade (USD$Billion)

<table>
<thead>
<tr>
<th>Region</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>% of total sales in 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total ($ B)</td>
<td>$657.00</td>
<td>$1,233.60</td>
<td>$2,231.20</td>
<td>$3,979.70</td>
<td>$6,789.80</td>
<td>8.60%</td>
</tr>
<tr>
<td>North América</td>
<td>$509.30</td>
<td>$908.60</td>
<td>$1,498.20</td>
<td>$2,339.00</td>
<td>$3,456.40</td>
<td>12.80%</td>
</tr>
<tr>
<td>Pacific Asia</td>
<td>$53.70</td>
<td>$117.20</td>
<td>$286.60</td>
<td>$724.20</td>
<td>$1,649.80</td>
<td>8.00%</td>
</tr>
<tr>
<td>Western Europa</td>
<td>$87.40</td>
<td>$194.80</td>
<td>$422.10</td>
<td>$853.30</td>
<td>$1,533.20</td>
<td>6.00%</td>
</tr>
<tr>
<td>Latin America</td>
<td>$3.60</td>
<td>$6.80</td>
<td>$13.70</td>
<td>$31.80</td>
<td>$81.80</td>
<td>2.40%</td>
</tr>
</tbody>
</table>

Source: Forrester Research Inc.

The average growth of electronic trade is 110% per year. Latin America is far below the worldwide average.
Small and Medium Sized Companies Worldwide

- 75,000,000 SMEs worldwide (99% of the companies)

- SMEs provide 2 out of every 3 jobs in the United States and half of its GDP

- Growth of online Small and Medium Sized businesses is 146% faster than those that are not on the net (American City Business Journals)

- 51% of United States businesses are found on the Internet. (Association of National Advertisers)
Small and Medium Sized Companies in Colombia

- Joint Declaration between the United States and Colombia on Electronic Trade (Washington, May 17, 2000) established the commitment to develop training and technical assistance programs for SMEs aiming to promote and increase electronic trade.

- Approx. USD$26 million credit line, for capital and electronic trade investment to the companies involved in Proexport’s special program for SMEs (Expopyme).

- Establishment of the Colombian Fund for Modernization and Technological Development of SMEs (FOMIPYME) during 2000, in order to promote technological innovations.
Connectivity Agenda
(State Policy)
Connectivity Agenda

Cultural and Technological Changes

Need: Massive access to IT in Colombia

Action: Connectivity Agenda

Result: Real Action Plans and Projects

National Government
Objectives of the Connectivity Agenda

(State Policy)

- Increasing productive sector’s competitiveness
- Upgrading public institutions
- Socializing access to information
Connectivity Agenda

Strategies

- Infrastructure for Access
- Education and Training
- Online Companies
- Promote IT Companies
- Content Development Strategy
- Online Government
Online Information Services on Foreign Trade
Information Services on Foreign Trade

Chronology

1996
Information about Organization and its services

1999
November - Intelexport’s First Version

2000
October - Intelexport’s Second Version

2001
Redesign of Institutional Website

Proexport Online Today

- Organizational Information
- “How to Export” Guides
- Electronic Library (DB)
- Commercial Opportunities Bulletin Board (DB)
- International Events Bulletin Board (DB)
- Specialized Information on Logistics and IPD
- Exporters Directory (DB)
- Specialized links with complementary information
Market Intelligence System Today

- Economic and Foreign Trade Information for 50 countries.
- Colombian Exports for the last 3 years (DB)
- 3,150 potential products in 21 countries (DB)
- Imports of 50 countries (DB)
- More than 350 market studies for products in different markets (DB)
- 38 “How to Export” Guides for different markets.
- Routes and Frequency of Maritime Transport for 34 countries (DB)
- Alerts on Information of interest, according to user preferences
Towards a foreign trade portal for Small and Medium Sized Companies
Towards a foreign trade portal for Small and Medium Sized Companies

MOVING TOWARDS THE ELECTRONIC ERA IN THE USE OF INFORMATION

INTERNATIONAL MARKET INFORMATION

SYSTEM CONSOLIDATION

UPGRADING INTELEXPORT

PROMOTE THE SYSTEM AMONG EXPORTERS

INTERNATIONAL DISSEMINATION OF THE SYSTEM

EXPORTERS NEEDS

• E-ERA TOOLS
• PRIMARY MARKET INFORMATION
• ACCESS TO INTERNATIONAL CLIENTS
• PROMOTION OF EXPORTING COMMUNITY

COOPERATION SOURCES IDB-MIF

PROEXPORT’S RESOURCES & KNOWLEDGE

STRENGTHENING THE EXPORTING CULTURE
Towards a foreign trade portal for Small and Medium Sized Companies

1. Optimization, access, distribution and use of information.

   - **COMMUNITYTOOLS**
     Chat, Forums, e-mail, etc.

   - **SUBSCRIPTION TO INFORMATION LISTS**
     Newsletters

   - **SUPPLY/DEMAND MATCH**
     Generate business contacts

**PROEXPORT’S NEW PORTAL**
User Profile: beginner and advanced exporter, importer, etc.
Content customization for preferred sectors and countries.

**HARDWARE AND SOFTWARE INFRASTRUCTURE**
24/7 Service
Advanced Search Engine
Permanent and direct updating from offices around the world
Towards a foreign trade portal for Small and Medium Sized Companies

More detailed contents on Market Intelligence: on-site research

INTERNATIONAL MARKET

SUPPLY

STATISTICAL INFORMATION

DEMAND

POTENTIAL PRODUCTS

M.I. Identification

PRIORIZATION MARKETS/PRODUCTS

ON-SITE RESEARCH IN INTERNATIONAL MARKETS

Validation:
M.I. Macrosectors OFICOMS Guilds
Towards a foreign trade portal for Small and Medium Sized Companies

Contribute to the generation of income

Definition of the business plan and funding of the project:

• Packaging of products and services to be offered
• Resources needed for operation and maintenance
• Costs and Fees: Free access, subscription and pay per view

Implementation of a promotional strategy:

• National
• International
Action Plan
Governmental Action Plan

Action Plan in accordance with the Connectivity Agenda

To Promote Electronic Trade

To set a legal framework for Electronic Trade

To identify barriers which impede the development of Electronic Trade
First Stage: Action Plan with Small and Medium sized companies Proexport

**TO TRAIN** SMEs about IT and e-commerce.

**TO GENERATE** highly competitive processes and products that allow SMEs to export.

**TO MAKE SMEs AWARE** of the benefits and advantages of IT and e-commerce for developing their businesses.

**TO SUPPORT** SMEs in taking advantage of IT to improve their internal structure.
Second Stage: Action Plan with Small and Medium Sized companies Proexport

To support SMEs in taking advantage of IT to improve their internal structure, in cooperation with the Ministry of Foreign Trade (Expopyme program)

Establishment of Agreements with Universities to provide specialized advisory services on IT.
Where we are heading...
Where we are heading...

- **Basic Information**
  - **Virtual**
  - **Physical**
  - INTELEXPORT
  - ZEIKY

- Government

- Remote Updating
  - E-Commerce
  - Transactions

- Interchange
- Experiences sharing
- Virtual Community 2003 - 2005
- Matchmaking S/D

Where we are heading......