ITC Solutions for SME Competitiveness

A competitive private sector is key to generating jobs, inclusive growth and development.

Globally, small and medium-sized enterprises (SMEs) constitute the largest part of the private sector and the vast majority of employment. When SMEs connect to markets – when they trade and invest – they create more and better jobs, and boost national productivity.

The United Nations Global Goals for Sustainable Development recognize that ‘international trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development.’

For more than 50 years, the International Trade Centre (ITC) has worked with policymakers, trade and investment support institutions and businesses – primarily in developing countries and economies in transition – to help SMEs become more internationally competitive and access global markets.

Whether encouraging biodiverse food or cosmetics exports from Peru, connecting cotton and textiles suppliers in West Africa to Asian markets, or opening up trade and investment opportunities between India and East Africa, ITC’s goal is to improve livelihoods in a sustainable manner to create trade impact for good.

Responding to partner needs

The ITC solutions. The ITC solutions in this overview can be used individually or in combination to boost SME competitiveness. ITC services can also be customized to meet the needs of public and private partners in various regions and countries.

Updated regularly, the ITC Solutions Catalogue reflects ITC’s continually evolving offer in a fast-changing global economy and Aid-for-Trade environment. It reflects a focus on delivering concrete results and providing specific solutions that meet the needs of ITC partners in an efficient and cost-effective way.

Universal reach – priority focus. ITC has universal reach. Its commitment, however, is to ensure that at least 60% of ITC interventions benefit least developed countries (LDCs), land-locked developing countries, small island developing states, small, vulnerable economies, post-conflict states, and sub-Saharan Africa.

By supporting SMEs to trade and invest, ITC economically empowers women; boosts youth entrepreneurship; and connects refugees, informal traders, small-scale farmers and poor communities to markets. Environmental and sustainability considerations are mainstreamed in ITC projects and programmes and there is specific attention to women and youth.

From diagnostics to results. ITC’s offer includes trade diagnostic and market analysis tools to support trade and market intelligence; capacity building and advisory services; and trade-related advocacy and thought leadership initiatives. ITC partners use these services to meet trade policy, trade support programmes and business performance needs.

All sectors of the economy. ITC focuses on sectors in which SMEs are particularly active, namely agriculture and agri-processing, light manufacturing, and services such as business process outsourcing and tourism.
ITC Solutions Catalogue

The ITC Solutions Catalogue is organized around ITC’s focus areas:

- Providing trade and market intelligence
- Building a conducive business environment
- Strengthening trade and investment support institutions
- Connecting to international value chains
- Promoting and mainstreaming inclusive and green trade
- Supporting regional economic integration and South-South links

Providing Trade and Market Intelligence for SME Competitiveness

Businesses need trade and market intelligence to be competitive, respond to demand trends and regulatory requirements, diversify, innovate and find buyers. Policymakers need trade intelligence to monitor national trade performance, negotiate agreements and formulate trade and investment strategies. Trade and investment support institutions need trade intelligence to provide relevant services to their business communities.

ITC trade and market intelligence services improve global trade and investment transparency and enable policymakers, institutions and businesses to provide better services and make informed business decisions.

**Solutions:**

- Market information: Online data and indicators – trade statistics, demand trends, prices, import and export duties, public and private standards, company contacts and tender opportunities
- International trade treaties database
- Export potential and product and market diversification assessments: Impact analysis of trade agreements and regional integration
- Business surveys of non-tariff measures
- Trade intelligence: Institutional advice on designing and delivering trade intelligence services to SMEs
- SME competitiveness assessments

Building a Conducive Business Environment

A supportive business environment is a precondition for a competitive economy that fosters innovation.

ITC brings policymakers and regulators the voice of business through public-private dialogue. It supports them in jointly shaping national, regional and multilateral trade and investment policies and strategies that provide opportunities that can lead to inclusive growth through trade.

**Solutions:**

- Trade negotiations: Supporting international and regional trade negotiations and national and regional policy and regulatory reforms
- Trade facilitation and cross-border reforms, including support for implementation of the WTO Trade Facilitation Agreement, as well as enabling SMEs to comply with cross-border procedures
- Trade development strategies: Supporting the crafting of strategies and building capacity for their implementation, including national, regional, sectoral, gender, youth and sustainability-focused strategies
- Arbitration and mediation advisory services
Strengthening Trade and Investment Support Institutions (TISIs)

Trade and investment promotion organizations, chambers of commerce, business associations and coalitions of services industries can play a key role in helping SMEs internationalize.

ITC supports TISIs to assess and manage performance, develop clearer strategies and practices; implement appropriate breadth of services; establish proven result measurement systems; strengthen networks; and optimize the use of resources at their disposal.

**Solutions:**

- TISI assessment and benchmarking
- TISI design, management, strategy and portfolio development support; results monitoring
- Support to establish TISI networks and coalitions of services industries

Connecting to International Value Chains

With some 80% of world trade related to international value chains, efforts must be made to ensure that SMEs become more competitive and take advantage of the opportunities, which insertion into these value chains can provide.

ITC offers integrated, market-led solutions to help SMEs: identify market opportunities in value chains; manage logistics and supply chains; use e-solutions to access new markets; comply with delivery terms, technical and quality requirements; develop and implement export and investment strategies.

ITC provides services to help SMEs provide a differentiated, value-added offer across the value chain. The services target both individual SMEs; sectors and clusters of enterprises.

ITC specializes in agricultural and agricultural processing, light manufacturing and services sectors.

**Solutions:**

- **Value chain analysis and design.** Preparing and designing for competitiveness, with enterprise diagnostics, competitive strategies and resources for improving competitiveness, including access to finance;
- **Value chain optimization.** Integration, focusing on supply chain management and logistics, quality management / standards compliance, packaging;
- **Connecting to value chains.** Facilitating market linkages, including marketing, branding, e-commerce / virtual market places and business matchmaking; developing and supporting alliances for action among exporters and processors to stimulate innovation and value addition; aiding vertical integration within value chains and horizontal integration among SMEs; and promoting associated learning and division of labour among enterprises.
**Promoting and Mainstreaming Inclusive and Green Trade**

The UN Global Goals state, ‘international trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development.’ ITC’s market-led approaches include advocacy and business networks, business matchmaking, customized training and advisory services to mainstream inclusive and green trade.

**Services:**
- Market-led approaches to:
  - empower women to trade by improving the business environment, increasing entrepreneurs’ competitiveness and unlocking market opportunities
  - connect refugees, displaced communities and poor communities to markets
  - connect young entrepreneurs to value chains
- Greening value chains, strengthening climate resilience and securing livelihood opportunities from biodiversity

**Supporting Regional Economic Integration and South-South links**

Regional integration and new South-South trade relationships are opening up additional trade and investment opportunities for SMEs. ITC’s integrated regional interventions address trade obstacles at policy, institution and enterprise levels. ITC also connects trade and investment support institutions and businesses within and between regions to promote regional and South-South trade.

**Services:**
- Market intelligence services to analyse intra-regional constraints and opportunities
- Regional trade strategy design and implementation
- Regionally coordinated trade facilitation
- Support trade negotiations and implementation of FTA / Customs Union / Common Market
- South-South trade and investment matchmaking

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**Publications**
- SME Competitiveness Outlook flagship report
- ITC books and technical papers – business guides on market opportunities, recommendations for policymakers based on case analysis, surveys and consultations with the business community
- ITC library services

**Learning tools**
- ITC online SME Trade Academy – integrated e-tools to manage learning on SME competitiveness

**Corporate events**
- World Export Development Forum
- World Conference of Trade and Investment Promotion Organizations
- Women Vendors Exhibition and Forum
- Trade for Sustainable Development Forum