



South-South Trade and Investment

IN BRIEF

The ITC South-South Trade and Investment Programme promotes South-South trade and investment linkages between emerging economies, developing countries and least developed countries (LDCs) aimed at enhancing value-added trade, investment and technology transfer between small and medium-sized enterprises (SMEs) in the South and buyers and investors in emerging markets.

THE PROBLEM AND ITC SOLUTION

Many low-income countries have not fully been able to benefit from the opportunities offered through international trade and investment and insertion into international value chains. While SMEs in these low-income countries are key drivers of innovation and job creation, their productivity and access to foreign markets remains low.

Emerging economies have become important catalysts for sustainable development, creating new opportunities for SMEs in low-income countries to benefit from trade, investment and technology transfer. However, many of these opportunities are still untapped.

ITC facilitates partnerships for trade, investment and technology transfer, enabling low-income countries to access emerging markets and to attract investment – with the ultimate objective being to create employment and income opportunities. Target beneficiaries are SMEs in growth sectors with the potential for change, such as agri-business, light manufacturing and services.

ITC assists trade and investment support institutions (TISIs) and research hubs in both emerging and low-income countries to accelerate South-South trade and investment partnerships – between or within regions. ITC also works with buyers and investors in emerging markets and elsewhere who play an important role as providers of new business opportunities and as enablers for SME-transformation.

Current ITC initiatives include the Supporting Indian Trade and Investment for Africa (SITA) project, launched in April 2015, and the newly launched Partnership for Investment and Growth in Africa (PIGA), a joint initiative of the United Kingdom of Great Britain and Northern Ireland and China. ITC's 'Enhancing Export Capacities of Asian LDCs for Intra-regional Trade Project' aims to stimulate exports from select Asian LDCs to China, while the 'ASEAN Trade Integration Project' (A-TIP) project seeks to foster enhanced regional integration.

IMPACT

As a result of ITC's engagement, South-South trade and investment partnerships are built with a focus on enhancing enterprise competitiveness and inclusive development for employment and income creation. ITC's success is measured by increased trade, investment and networks across the South that promote knowledge, innovation exchange and learning.

For example, ITC's SITA project aims to achieve a 30% export value increase of three sectors in East African countries to India by 2020, and to create an investment value of US\$ 60 million. In July 2015, Ugandan pulse

farmers secured their first contract for over US\$ 5 million with an Indian company, facilitated through SITA, with a possibility to scale up to US\$ 15 million. An integrated textile company from India has placed orders for US\$ 2 million of cotton from the United Republic of Tanzania; Indian investors have expressed the intent to explore setting up four agro-processing facilities for pulses, beans, sugar and rice with an indicative value of US\$ 23 million; and negotiations are progressing for converting animal bi-products into bio-fertilizer through a joint venture between an Indian and a Kenyan company.