WORKSHOPS

Specialized Support Services for Exporters

Trade Information

Joint Action Groups

Evaluation of International Fairs as a Promotion Tool

Trade Promotion Financing

Different ways to Create Cooperation Links Among Trade Promotion Organizations

Promotion for Services
WORKSHOP No. 1
SPECIALIZED SUPPORT SERVICES FOR EXPORTERS

Workshop President: Lei Hong (China Council for the Promotion of International Trade)
Rapporteur: Luis Guillermo Plata Services Manager, Proexport (Colombia)
No. of Participants: 13
Countries represented: Austria, China, Colombia, Malaysia, Peru, Thailand, Venezuela.
Participants identified support services given, and drew up a list of those considered as basic, to which they added different degrees of specialization, depending on the level of development of the exports of the country concerned.

1. Trade Information
   - International databases.
   - Information Centre.
   - Advice on international trade.
   - Market research.
   - Advice on logistics.
   - Transport.
   - Trade opportunities.

2. Fairs, Trade Missions and Promotional Events

3. Training
   - Seminars.
   - Invited experts.

After defining the basic services offered by represented organizations, the workshop identified critical points of common interest in order to determine trends and to make some recommendations.

Discussions concentrated on the following topics:

- What other services can we provide?
- How should services be charged for or subsidized? Should there be a charge?
- What companies should have access to TPO services?
- Can the performance/efficiency of services be evaluated?
- In training, to what point in the production chain should the TPOs services reach (design? production? quality? packaging?).
- How do we cater for growing demands for services with our limitations of staffing and funds?
- How do we optimize the use of services by different companies by the formation of groups with common needs?
TRENDS AND RECOMMENDATIONS

It was concluded that TPOs cannot be specialists in all areas, and in any case lack the capabilities to satisfy all the needs an exporter may have.

Therefore, and in order to increase coverage and degree of specialization in service, specialists may have to be brought in, mainly as advisers or market researchers.

It was shown that TPOs are becoming increasingly involved in matters relevant to the product itself, in terms of its competitive position in foreign markets. Training is therefore not limited to aspects of international markets but also relates to product development, quality, design and productivity.

However, this should not be a substitute for other organizations such as productivity centres and other government agencies for whom these factors are primary functions. It would be better to look for mechanisms of co-ordination between institutions, probably with representatives of the TPOs taking part.

The evaluation of the performance of TPOs should be principally based on qualitative analysis, and the main indicator should be the survey of client satisfaction.

Users should be channelled and filtered through a single door to ensure that they and the services they use are segmented, depending on the position of each company in the export process.

Some agencies provide specialist services to affiliated companies who pay a joining fee in exchange for the right to use the services offered.
Workshop No. 2
TRADE INFORMATION

President: Martin Tlapa
Director, Centre for Foreign Economic Relations, (Czech Republic)

Reporter: Alan Yanovich
Commercial Secretary, Colombian Government. Trade Bureau, (Washington)

Countries represented: Belgium, Chile, Colombia, Ecuador, Indonesia, Mexico, Paraguay, Rwanda, Spain, United States of America, Venezuela.
During the workshop, the participants identified different subtopics within the wider area covered under the label “Commercial Information,” namely: sources, quality, and distribution and dissemination of information. All three are crucial for the success of any trade promotion program. Although all three subtopics were discussed, the discussion focused on the need for greater exchange of information among private and public trade promotion institutions.

Furthermore, the participants agreed that some countries face limitations in their information collection efforts, especially from private, for-profit information companies, due to difficulties in access and high costs.

In addition, the discussion highlighted the importance of new information technologies, such as Internet, which have the potential of improving the collection, analysis, and distribution of commercial information. The participants also agreed that these new information technologies can greatly facilitate the exchange of commercial information among trade promotion institutions.

Finally, the participants noted that the International Trade Center can play an important role in promoting and facilitating the exchange of commercial information between trade promotion institutions, as well as in providing training and other services related to the uses of commercial information.

Recommendations

Two basic recommendations emerged from the workshop. The first recommendation involves the creation of an informal network of information from trade promotion organizations. Through this informal network, trade specialists from one country will be able to obtain commercial information about another country. They will also be able to discuss methodologies, as well as their successes and failures.

PROEXPORT - Colombia was selected as the coordinator of the informal network until the next World Conference of Trade Promotion Organizations. As the coordinator, PROEXPORT - Colombia was charged with developing the appropriate mechanisms for the exchange of information. To that end, a list was made of contact persons from each trade promotion organization present at the workshop.
At this time, the workshop participants would like to invite all the other trade promotion organizations that are interested to kindly fill out the registration form that has been distributed and to return the completed form to the support personnel. We encourage all of you to participate in this informal network.

The participants suggested that as a first step contact be established between interested entities and that each organization provide a list of information they would be willing to share along with a list of information they presently need, while taking into account their limitations due to confidentiality and costs.

Secondly, the participants recommended that “Commercial Information” should be discussed as a topic at the next World Conference of Trade Promotion Organizations. In this regard, PROEXPORT-Colombia was once again selected to coordinate further discussions about the topic between the participants. These discussions should give greater definition to the subtopics mentioned earlier with the objective of developing a more concrete agenda to debate the topic at the next World Conference.

We respectfully urge all of those in attendance to participate in the informal information exchange network and to assist PROEXPORT-Colombia in its coordination activities.
WORKSHOP No. 3
JOINT ACTION GROUPS (JAG)

Workshop president: Jean-Jacques Duhart, Director Prochile (Chile)
Rapporteur: David Simmonds, Programm Manager, Proexport (Colombia)
Participants: 10
The presentations made by the guest speakers at the Meeting of Trade Promotion Organizations enabled this workshop to discuss the different types of experiences built up so far in work done by the TPOs and JAGs.

The presentations reveal the basic role played by the JAGs to optimize export promotion in each country.

These models of joint action are an important tool or means to (a) implement export promotion programmes more efficiently; (b) facilitate and accelerate the learning process in the export sector, and (c) improve articulation and increase synergy with other efforts being made by other organization in complement to the TPOs, designed to make companies more competitive (in terms of development and adjustment of exportable offer, financing, etc.).

The different models of group action -the specific ways in which the JAGs act- respond to the realities and needs of business in each country: there is no single model, and each model changes over time. The following are some examples of the variations which can be identified in international experience:

- Industry associations and their sectorial plans;
- Export committees and their integrated sectorial promotion programmes;
- Export consortia and their multi-trade programmes;
- Export units and their focalized marketing plans.

These modes can be plotted at various points of the export learning curve of the business sector, in which the first step is to seek groups of companies who are only just beginning to export; the second is the formation of groups of companies with some degree of experience in exporting; and finally there are the more advanced companies or associations with substantial experience.

In each of these phases the JAGs require different kinds of services and support from the TPOs, and the role of the TPOs changes from an initially proactive or promotional approach to more specific forms of attention with tailor-made services in which the strategic view of what lines of export business to promote, and where and how, becomes increasingly the responsibility of the JAGs.
In each of the phases of joint work by the JAGs and TPOs there needs to be a clear definition of the performance indicators and mechanisms for evaluation in terms of both impact and efficiency achieved.

However, we consider that more detailed compilation, comparative analysis and evaluation of international experiences in this area will be needed. This is a line of work that should be considered for the agenda of the next World Meeting of TPOs.

Further work on these proposals could be a very useful tool to ensure that TPOs perform as they should.
WORKSHOP No. 4
EVALUATION OF
INTERNATIONAL FAIRS
AS A PROMOTION TOOL

President: Juan Carrillo,
Director, Proexport
(Hamburg)

Rapporteur: Jorge González,
Director of Fairs and Exhibitions,
Chamber of Commerce (Cuba)
Participants identified the factors which they thought critical to success when taking part in international fairs. Some of them were:

- Selection of the right event. With the multitude of offers and opportunities to take part in fairs in different countries, it has become increasingly important to make a careful evaluation of each of them in order to determine how truly international it is, and what capacity it has to draw buyers. Also, there is an evident need to assign priority to participation in specialized events.

- Selection of the right exhibitors: the results of participation in a fair are directly proportional to the standing and experience of the exhibitors selected. Here, there is sometimes a problem in obtaining a show of homogeneous quality.

- A fair must be part of a work plan which will programme participation in several fairs whether in a single market or in different ones, combined with other promotional instruments.

- Clear objectives must be set, so that results can be more easily assessed.

- Preparatory activities for fairs are essential for good commercial results, and there is a consensus that much development is needed in this area. Pre-fair work is the joint responsibility of the promotor and the exhibitor.

- Follow-up, in which evaluation is an essential ingredient, is in the last analysis the most important part of work on a fair. The fair may last only a few days, but the effect of a successful show may last many years.

If at first sight fairs are seen as expensive to attend, this must be set against the effectiveness of a fair as a promotional tool, and the fact that participation is a form of joint promotion, and the cost/benefit results then take on acceptable dimensions. It is also important to make the right use of assistance offered by import promotion organizations, who will necessarily be careful to ensure that the event chosen suits the commercial interests of the exhibitor.

The exhibitor must also be required to make a commitment: participation in fairs cannot be wholly for account of the promotion agencies, who often lack the funds to bear such a cost. The philosophy must be to share costs between the producer and the promotor. There
is consensus that these activities should be undertaken on a shared-cost basis until the exhibitor has won a stable place in the market.

Appropriate mechanisms must be found to secure a commitment from the exhibitor which will match that already accepted by the organizers. Such mechanisms include the requirement that the exhibitor make a deposit as a guarantee that he will participate, or the imposition of a penalty for last-minute cancellation. Work needs to be done on creating ways of securing a medium-term commitment to take part in events, as a way of obtaining stability and being sure of a place in a fair in great demand. Work with the organizers of major events requires that the efforts of promotion agencies in developing countries be united, so that they will obtain a position of the importance they deserve.

It was recommended that countries should make the greatest possible use of their trade promotion offices abroad to keep constant contact with fair organizers and receive the information they need about every event, in order to be able to take decisions on it.

This is a complex topic, and these conclusions are obviously only a first step in an exchange of experiences between promotion agencies which could be complemented by regular meetings of specialists on the subject.

Finally, international fairs continue to be a vital instrument in promoting the presence of goods produced in the host country, in predefined markets. However, it will be essential to improve the quality of preparatory work, the selection of participants and follow-up of results in order to make this instrument of promotion more effective.
WORKSHOP No. 5
TRADE PROMOTION FINANCING

President: Hernán León
Executive Director
Federación Ecuatoriana de Exportadores –FEDEXPOR– (Ecuador)

Rapporteur: Ximena Barbarena Nisimblat
Secretary General
Federación Colombiana de Comercio Exterior
–FIDUCOLDEX– (Colombia)

Participants of Number: 14

Countries represented:
Bolivia, Colombia, Indonesia, Lesoto, Peru and the United States of America
CONCLUSIONS

The public sector must support the promotion of foreign trade, but it is not considered recommendable that it assume this function in exclusive form. Such promotion must be developed with the participation of the private sector:

1. It is necessary to start from a definition of what one considers non-financial promotion or commercial promotion of exports in order to, based on the said definition, establish a list of the activities included in them and determine which should be assumed by the state, by individuals, or in joint fashion through co-financing.

2. The resources bestowed by the private sector to promotion must be handled in independent manner; must be exclusively destined to the purpose for which they were received and must not enter the public treasury.

3. There must be a clear differentiation between the operational costs of the entities responsible for the promotion and those of trade activities and tools. The first must be assumed in exclusive form by the state, and the second must be assumed or co-financed by the private sector.

4. It is pertinent to establish a policy allowing to differentiate the amount of support to be granted by the entity responsible for promotion, based on criteria such as size of companies, products to be promoted, target markets and sectors considered prioritarian.

5. When companies require credit for their production or promotion activities (for instance market penetration), credit lines must be available under special financial terms.

6. In countries where financial and non-financial promotion are performed by different entities, the necessary mechanisms must be created to insure coordination between both.

7. Criteria must be established which enable to evaluate the effectiveness of investment of resources, being clear that the results of commercial promotion are obtained on a medium or long term basis.
8. The managers of commercial promotion entities must have autonomy and flexibility in budget handling, so that they can adjust it throughout their term according to necessities.

9. It is appropriate that commercial promotion entities seek self-financing of export services in the sectors and companies which have become solidly established as exporters, in order to free further resources to attend others which need them.
WORKSHOP No. 6
DIFFERENT WAYS TO CREATE
COOPERATION LINKS AMONG
TRADE PROMOTION ORGANIZATIONS

President: Javier Diaz
Vice President of ANALDEX
National Exporters Association,
(Colombia)

Rapporteur: Clara Gavira
Adviser to the Foreign
Trade Ministry, Colombia
The participants in the work group, after debating the different mechanisms to achieve cooperation, mutual assistance and integration, agreed to:

1. Institutionalize the World Meeting of Trade Promotion Organizations in a conference, annual in the beginning, which could be subject to redefinition in the course of the same.

   With the purpose of obtaining ever more concrete results, the creation of preliminary work groups is proposed, on the theme to be dealt with on each meeting.

2. Establish a framework agreement enabling to enhance the tasks fulfilled by each of the trade promotion centres, in order to ensure cooperation and complementation between parties.

   To this effect, the participants pointed out the importance of creating an information network enabling all the promotion centres to benefit from experiments, research, market reports, studies, among other items; thanks to which each of the national and international institutions related to trade can be counted upon, which multiplies the benefits created individually.

Were identified, among the main spheres of cooperation: trade information, market research, technological development, science and technology, training, interinstitutional compensations, trade channels, trade fairs and missions.

Colombia and the International Trade Centre will be responsible for coordinating the elaboration of the work document for the framework agreement, with the collaboration of the different trade promotion entities, in order to ensure in a short term the execution and enforcement of the same.

Finally, the following aspects were mentioned:

- The need to seek cooperation, in order to allow complementation in the two trade channels, exports and imports.

- The importance of making use of international technical cooperation as a source of financing, if need it.

- As a mechanism to guarantee the follow-up of meetings, the elaboration of respective statements is recommended.
For the development of cooperation, the different levels of development of countries must be taken into account, in order to seek a greater benefit for the less advanced countries.
WORKSHOP No. 7
PROMOTION FOR SERVICES

President: Sebastian Allegret
Ambassador of Venezuela in Colombia

Rapporteur: Ricardo García
Assistant, ANALDEX (Colombia)
**Introduction**

The purpose of this summary of the conclusions of our workshop is to collect and bring to light basic information to contribute recommendations and conclusions in order to approach decision-making in the promotion of the service sector with originality and a sense of strategy.

All processes of integration of trade and liberalization of the economy are in line with the same general trend, with different features but always subject to the irreversible dynamics of globalization. The advantages and disadvantages of such processes are the topic of ongoing discussion between governments and economic agents involved in this scenario.

The function of any Trade Promotion Organization must be to take a carefully-considered approach to this dynamic process of globalization, foresee effects and results, discover niches for new opportunities and strengths, so that the impact on weak sectors and subsectors can be successfully neutralized.

Studies and analysis undertaken by various countries reflect conflicts peculiar to those sectors subject to the pressure of liberalization with all their inconsistencies and fears, with defensive positions in some cases, and a sense of opportunity and optimism in others. Such are the inevitable effects of every modernization and integration process, which transforms the global situation totally, and no-one can afford to be left out.

**Identification and Quantification of Export Services**

Trade in services is comprised of various heterogeneous subsectors which makes evaluation and conceptualization difficult; each subsector deserves special treatment. Services are a basic support for all sectors of the economy; that is why, for example, telecommunications and transport are a preconditions for goods to be able to reach foreign markets.

For a service may be considered exportable, it must satisfy a number of conditions such as an adequate infrastructure, the soundness of production enterprises need at national level, adequate information about restrictions and advantages which the local market offers,
appropriate information about restrictions and advantages being offered by the international market and secure a competitive position.

For the purpose of this discussion, the foregoing and an analysis of available information of some countries which export services, led to a classification of services: construction, engineering and design; professional services; consultancy; medical services; education; financial services; overhaul services; cinema and television; transport services; software and informatics; telecommunications; advertising; tourism and maquila.

Conclusions and Recommendations

a) Promotion mechanisms

- Identification of export services of the country.
- Development of databases of providers of exportable services.
- Establishment of information mechanisms on global trade opportunities.
- Implementation of training programmes to strengthen the exportable offer of services.
- Coordination and support of government policy-making in harmony with the private sector and with international treaties in force.
- Standardization and confirmation of services (classification and statistics).

b) Finance mechanisms

- Support service exporters with financial entities in order to obtain credit lines for working capital, buyer credits, guarantees and insurance.

c) Compensation mechanisms

Recognition of services as source of currency earnings and employment merits the establishment of compensation mechanisms such as:

- Return of indirect taxes.
- Drawing of free regimes and interim suspension of duties.
- Provision of promotional tools similar to those given in the trade of goods.

**d) Promotion mechanisms**

To include the promotion of services in TPOs' structure, through mechanisms such as:

- Advice on publicity (catalogues, videos and the media).
- Identification of trade opportunities in international markets e.g.: international tenders.
- Specialized missions and fairs.
- Establishment of mechanisms such as bench marketing.
- Calling of integrated groups with export offer.

Finally, a responsible and forward-looking assessment should be made of the increasing importance of the export of services in export transactions of any country. This means that export promotion activity is a useful and essential complement to the entrepreneurial initiative with which the export process begins.