World Conference of Trade Promotion Organizations, Marrakech October 2000

Third Plenary Session

“Tools and mechanisms in trade promotion: case studies”
CASE: THE CONTEST SYSTEM AS TOOL OF ASSIGNMENT OF RESOURCES FOR THE EXPORTS PROMOTION
CONTEXT: Strategics outlines of Chilean’s exports promotion

- To privilege SME
- Efforts concentration in new products and markets (Ex. ProChile Morocco)
- To encourage the incorporation of new companies, specially of regions
- To modernize commercial information systems.
CONTEXT: Strategics outlines of Chilean’s exports promotion

- To strengthen the role of the External Network
- To take better advantage of the Commercial agreements
- To optimize the resources assignment
- To evaluate the results of the management
“Programs” as unit of ProChile work

« Program » is a group of projects and activities of promotion that:

• Look for a common objective in terms of market(s) and/or product(s) and/or group of companies.

• They have a coherence and temporary horizon.
There are two types of programs:

- **Institutionals**: Analysis of exports offer, search of commercial opportunities and exporters development.
- **With Companies**: Which are postulated, selected and prioritized by means of the Export Promotion National Contest (EPNC) »
EXPORTS PROMOTION NATIONAL CONTEST (EPNC)

- Objectives
- Principles
- Priorities
- Characteristics
- Obtained results
- Conclusions
EPNC OBJECTIVES

• To extend the scope of the promotion programs (more companies)
• To encourage the diversification of the exports (new products and markets)
• To incorporate directly the private sector participation in the planning of activities.
EPNC OBJECTIVES

- To rationalize the assignment of resources in promotion according to the real public-private necessities.
- To balance suitably the activities of short, medium and long term.
- To improve the definition process of sectors and markets priorities for promotion.
- To guarantee the non-discretionality and discrimination for the resources assignment.
EPNC PRINCIPLES

• Opened to all companies and sectors.
• Objectives, clears and structured Criteria for prioritization and selection of projects.
• Prived Co-financing, and therefore greater commitment of the companies.
• Competition among programs to select those of best quality.

In sum « instrument totally WTO compatible »
EPNC PRIORIZATION CRITERIA

• SMEs, companies of regions, companies associated and related to other public programs of support to the competitiveness.

• Products of greater added value, integrated to productive chains of export, sectors of services and technology.

• News or emergent markets and of countries with which Chile has subscribed commercial agreements.
1. Sales of «Basis of contest» (formats, terms, required information, etc.)

2. Only can participate programs that they identify clearly: beneficiaries, (companies), exportables products and target markets.

3. Companies present promotion programs in predefined formats and according to the type of action in the market (prospection, penetration, permanency).
TYPES OF MARKET ACTIVITIES

• Prospection : Knowledge of target markets for decision process and future activities planning.
• Penetration : Support at the beginning for exports process to a defined market
• Permanency : Support for the consolidation of exports and the internationalization of companies.
Examples of «supporting» activities

• Markets studies

• Commercial and prospectives missions abroad.

• Importers and media missions to Chile

• Promotional events abroad (tastings, days or weeks of Chile, show-rooms, seminars, fairs, etc)

• Production of promotional material (Web sites, pamphlets, brochures, etc...)
EPNC CHARACTERISTICS (continuation)

4. Technical assistance for the postulation at the contest.

5. Specialized comitee evaluate received projects (with clears and structureds criteria)

6. Selection and adjudication of projects that will be part of the plan of promotion.

7. Projects execution according to the defined calendar.
EPNC 2000 RESULTS

- More than 90% of companies direct beneficiaries are SME.
- More than 60% of the approved programs are of regions.
- 75% of approved programs incorporate other public instruments of productive promotion (Improvement in coordination).
EPNC 2000 RESULTS

40% of the programs promote exports related to services and technologies (in the industrial sector), and 37% of the programs of the agricultural sector support "emergent" products.

74% of beneficiaries companies are new exporters and 60% are new companies for ProChile.

63% of the programs are associatives.
CONCLUSIONS

- The EPNC has fully obtained their objectives and has been an important contribution in the ProChile work.
- The high participation in the contest (707 basis sold and 1500 involved companies) shows the excellent valuation that the exporters give to this instrument.
CONCLUSIONS

• The public-private joint work shows to be very successful when is doing with structureds, clears and objectives basis.
• It seems highly profitable to continue the improvement and extention of this instrument.
CONCLUSIONS

• Examples of improvement: criteria of clean production; specialization by instruments (fairs participation, development of web sites, strategics alliances, etc..); total management of the contest through Internet.

• Others Challenges: To revert the tendency towards the atomization of the companies strategies and to improve the quality of the postulated programs.
GRACIAS
CHOKRANE
MERCI
THANK YOU