Review Overseas Representation

WTPO – The Hague
13th of October 2008
Policy and authority Foreign Trade and Inward Investment: regional level since 1994

- public agency with own budget
- via public service agreement (since 2005)
- high level of autonomy – own Board of Directors
- Trade Commissioners report directly to HQ FIT

Agreement with federal administration on foreign Affairs
- Location in Embassies – diplomats
- Maximum co-operation in ‘economic diplomacy’
REVIEW AND ASSESSMENT

1. Locations of overseas representation
   • Authority of Board of Directors (since 2005)
   • 2/3-yearly Review

2. Assessment on effectiveness
   • Public Service agreement (5 years term)
   • KPI + measurable targets on ‘trade’
OVERSEAS REPRESENTATION: current situation

Total: 90 offices

- 67 FIT offices
- 23 offices in collaboration with Brussels & Walloon Region

Staff
- Foreign based: 54% - Flanders based: 46%

Overseas staff
- More than 200: expats and local staff
- Expats - rotation: every 4 – 7 years
- Staff per office: min 2, max 8
TOTAL OF 90 OFFICES
1. Which countries?

2. Locations in each country

3. Staff per location

Review mechanism, data driven

Extra data:
- Requests of companies, ...
‘invest’ => priority locations
REVIEW – 1. Countries

- 2/3 yearly review
- Review of the complete network
- Objective criteria
- Decision by Board of directors
- 4 steps
REVIEW – 1. Countries

STEP 1

Investment and Trade risk factor index

- Method: Ranking of 220 countries: selection
- Result: list of 75 countries
STEP 2

Ranking of 75 based on 14 criteria:

- Flemish export to X (absolute figures and evolution 3 years)
- Import (per capita, total imports and evolution 4 years)
- Import of services (total and evolution 2 years)
- Flemish import from X
- GDP (per capita, total and evolution 10-years)
- Global competitive index
- Increase investment projects (European Investment Monitor – 4 years)
- Share total amount of investment projects (5 years – EIM)
STEP 3

Ranking of the 75 countries based on 2 criteria:

1. Top 50 ranking 75
2. More of less than 200 million euro exports from Flanders
STEP 3: Results 2006

Category I: within Top 50, > 200 M: 42 countries

• Category II: within Top 50, < 200 M: 8 countries

• Category III: out of Top 50, > 200 M: 4 countries

• Category IV: out of Top 50, < 200 M: 21 countries

STEP 4

Extra (qualitative/strategic) analysis for categories II and III
Based on other criteria:

- current export figures from Flanders
- number of company requests
- level of access to and availability of information
- current inflow of investments towards Flanders
- potential inflow of investments towards Flanders
- tendencies (knowledge overseas representatives)
Results

10 priority locations (NY, LA, Londen, Paris, Berlin, Warshau, Dubai, Hong Kong, Tokio, New Delhi)

- more personnel
- experts - Technology Attachés
Public Service Agreement - KPI on ‘trade’

1. Realization of strategy based on target sectors per country/continent
   (target on ‘effort’ – promotion actions fit into strategy
   (targets on ‘result’: quantitative results: number of new companies active on market X)

2. Success ratio of support given
   (Found new opportunities – started new activities)

3. Support to New-to-export and High tech companies
CONCLUSIONS

Importance of international Trade in Flanders:

- Export/GDP > 100
- SME’s
- Policy: focus on direct aid to companies

⇒ **Main goals:**
  
  direct aid: providing information on request of companies –
  free of charge - demand driven activity => maximum covering

- Supporting competitiveness - pro-active/strategic activities =>
  focus of resources in well chosen locations
CONCLUSIONS

Review:

- More objectivity => more flexibility
- More objectivity => more responsibility, own objectives
- Data driven method => more knowledge & know how