

WORLD EXPORT DEVELOPMENT FORUM 2007
Bringing Down the Barriers –
Creating a Dynamic Export Development Agenda

Wednesday, 10 October 2007

Plenary Reporting from Breakout Series 3 and 4

Export Where? Building Markets

Presenters:

Taiana Mora-Ramis, Executive Director, CaribExport, Barbados

H. Lal, Chairman, Director-General, Quality Forum, Federation of Indian Chambers of Commerce and Industry, India

Osman Atac, Chief, Enterprise Management Development Section, ITC

Regional integration

Taiana Raiana Mora-Ramus of Barbados reported on the regional integration breakout session. The conclusions:

- Regional integration is important and necessary, and it doesn't depend on the degree of integration.
- Different regions face different challenges and this should be acknowledged.
- Integration levels vary and experiences are diverse.
- There is a need to create the right business environment for intraregional trade.
- There is a need to have clear objectives, accountability and financial feasibility.
- It is important to have infrastructure development and interconnectivity.
- There is a need to share best practice.
- Problems with NTBs are important as well as trade facilitation at the regional level.
- Countries require capacity building both the public and private sectors.
- Make regional integration more important in activities.
- There is a need to facilitate the regional integration process, and facilitation means sharing best practice among the different institutions involved, with support providing relevant information.
- Donors should assist with capacity-building for regional integration.

Technical regulations and standards

H. Lal divided his summary of the breakout session on technical regulations and standards into national, regional and international initiatives.

National level initiatives

- Establish a system for regular acquisition of information on standards and technical regulations on exportable products and disseminate it to exporters.
- Since agricultural products have major export potential for export to developing countries, there should be strong participation in SPS with assistance from the international community.

- Set up institutional arrangements under public-private partnership to assist companies to develop supply capacity. “Knowing the standards is not enough. They need to be assisted to comply.”
- One nodal department in the government should be established to coordinate among different sectors for the optimal approach to meeting standards.

Regional level

- Build standards and conformity assessment infrastructure with international assistance and use the capacity available.
- Use twinning arrangements between LDCs and another country in the region that has the infrastructure.
- Work for a regional accreditation mechanism. Pool regional resources and ask for international assistance in this effort.
- Develop facilitation mechanisms for a quality culture through education programmes and quality awards.

International level

- Calibration between WTO, ITC and ISO on information and an alerts system on technical regulations and standards.
- Since consumers drive private standards, including human rights issues, meaning that developing country exporters must meet these requirements, this new element of international trade should be added into TRTA programmes by donors and agencies.
- Accelerate the effort for harmonization of safety-related standards. “At present there are too many standards and developing countries are at a loss to know what to follow.”
- There is a need for transparent standards on carbon footprints of horticultural products “so that this is not used as a barrier for trade.”

Strategic Alliances

Osman Atac said he thought his breakout session trod new ground by defining more closely what made an alliance strategic. Designing a product or service for the market has to help the strategy of one or the other partners, he said.

Failures in this effort might outnumber the successes, the session noted. What look like alliances can turn into takeovers or abuses. So a strategic alliance might not work for the country in a bigger sense. Similarly, governments – said one participant – felt an impulse to interfere. But as in any alliance the onus to make it work falls not on those who facilitate an alliance but the allies themselves. “If the partners do not know what they want, why they want it, and don’t do their homework about it, probably the strategic alliance doesn’t have much of a chance of becoming a success,” he told participants.

Interference at the meso-level, of TSIs perhaps, “should aim above all, with programmes of assistance, to enable partners to have a clear focus as why they need an alliance,” he added. “That can be done.”

The second thing that could be done to facilitate strategic alliances for market access is to create an environment removing impediments. “When we say governments should interfere, we don’t mean dictate the terms of strategic alliances. Help the enterprises to make a rational decision.”

At the same time, “nobody can make a strategic alliance for someone else,” he underlined.

Do It How? Building Institutional Capacities

Presenters:

Seppo Laine, Senior Vice President, Finland Trade Promotion Organization (Finpro), Finland
A. H. Lansink, Managing Director, Centre for the Promotion of Imports from Developing Countries (CBI), The Netherlands
Jorge Lopez, Director, Internacional Promotion, ProMéxico, Mexico

Moderator: Tim Sebastian, Chairman, Doha Debates, UK

Coordination in the Trade Support Network

Seppo Laine reported that his breakout session:

Problems

- Clients and enterprises are confused about what can be done or who to address for help. Trade promotion is very high on the political agenda, bringing in more and more organizations and institutions. So coordination is needed.
- Inefficiency in resourcing (overlapping) is a major problem.
- Little use is made of virtual facilities or e-platforms as enablers

What can be done

- ‘Smart’ collaborative networks are needed instead of forced integration among institutions.
- Countries need to make use of e-solutions, e-portals and e-services.
- Perhaps they should start exchanging information and other services bilaterally, making a snowball effect to obtain a benchmark of best practices.
- Recipient countries should be able to receive assistance in an integrated way.
- Accountability should be increased and results measured.

Laine added that if there was a new idea from the session, it might be the call for Trade Promotion Organizations to have a louder voice and take a stronger, more active role in policy discussions in a coordinated way.

Making TSIs effective

A. H. Lansink reported that his session described TSIs as “underfunded orphans” through studies have shown their effectiveness. They need to show results through evaluations as Chile has done and carry out benchmarking, in which ITC could help. They also need to take steps to become more visible through export awards as in Uganda.

At the same time government leaders could be encouraged to take notice by inviting them to events such as the World Export Development Forum.

Finding the right focus

Jorge Lopez said his session of academics, TPOs and business found common ground on the need for:

- Research and development about markets
- Market intelligence but in a reciprocal practical way
- Infrastructure (‘soft’ and hard)
- Creating inclusiveness through initiatives such as the ‘one stop shop’ for businesses
- Improve the business environment
- Seek to strengthen and improve business
- Strengthen and coordinate and build relations

- Expect every actor to add value to the agreed roles.

In other words, he summarized: “Build Trust.”

Discussion

Asked about outsourcing Atac noted that it was not discussed as a form of strategic alliance since it does not necessarily involve picking a market and designing an offer for that market. “Otherwise it is just subcontracting,” he observed. “I am not at all sure in the long run that all of this outsourcing will be win-win.”

Shyam K. Gujadhur, ITC Senior Advisor on Standards and Quality, noted that the session felt developing countries should be more proactive in the making of standards. Lal added that assistance requires a public-private partnership to take education programmes as far as to schools rather than simply specialist courses in universities.

A Kenyan representative complained that lobbyists are using the carbon footprint idea to campaign against Kenyan flowers flown into industrial countries. “I wonder how educated the consumer is,” he said. A Bradford University study in the UK had found that Kenyan flowers flown to the UK account for three times less than those grown in the UK and similar countries. Lal noted that ISO is working on a standard. “At present it is arbitrary,” he noted. Once objective standards are in place buyers would become more aware of the reality.