Route to inclusive and sustainable trade
Reaping and sharing the benefits of global trade

ARANCHA GONZÁLEZ, Executive Director, International Trade Centre

Recent years have seen a strengthening of the headwinds facing trade. This is a bit of a paradox since never before in history have so many people across the world been able to reap the benefits of global trade.

But there are huge socio-economic gaps remaining between countries and within societies. Technological progress is uneven between countries, some regions continue to face geopolitical instability and climate change threatens to already vulnerable communities.

At the International Trade Centre (ITC), we aim to help countries and micro, small and medium-sized enterprises (MSMEs) better use trade to close those gaps and leave no one behind. In 2017, we have stepped up this effort, connecting more people and enterprises to regional and international value chains and doing so with an increasing number of partners from the public and private sector.

At the World Trade Organization’s (WTO) 11th Ministerial Conference in Buenos Aires, Argentina, in December, ITC will roll out a series of new initiatives that will make it easier for MSMEs to connect to global trade and for countries to grow employment through more value added trade.

For example, the Global Trade Helpdesk – a joint initiative of ITC with the WTO and the United Nations Conference on Trade and Development – is a one-stop shop online platform for MSMEs looking to connect with partners abroad and export. HelpMeTrade.org will help guide potential exporters in every step of the way: from identifying potential export markets to providing step-by-step indications of which procedures to follow to turn this potential into reality.

In addition to the three organizations, the Global Trade Helpdesk pulls in data from a wide range of partners such as the Inter-American Development Bank, UNIDO or the World Customs Organisation, and is an important tool in ensuring greater transparency and in transforming data into trade and market intelligence. (See pages 30-31.)

Similarly, the web-based Cotton Portal – a joint initiative of ITC and the WTO – seeks to make it easier for cotton-producing countries to retain more added value at home (See Pages 24-25. ITC together with Iceland and Sierra Leone, under the International Gender Champions, is also spearheading a Declaration on ‘Women and Trade’, which will be formally unveiled at the WTO Ministerial Conference. The Declaration seeks to foster exchanges of good practices among WTO members in support of the economic empowerment of women through trade. At the time of writing, more than half of the WTO’s member states had expressed their support for the declaration.

These are only some of the initiatives that we will taking with us into 2018. ITC will continue to put inclusive and sustainable trade at the heart of its work. This means putting emphasis on creating opportunities for women, young entrepreneurs and displaced people. Above all, it is about matching the skills of smaller businesses so that they can more easily participate in regional and international value chains.

Strengthening the competitiveness of MSMEs enables them to take better advantage of the new trade routes that are opening up, and helps provide more opportunities for more people to reap the benefits of a more globalized world.
ITC EMPLOYMENT

ITC is recruiting qualified professionals within different areas of expertise. If you would like to contribute your skills to increasing export competitiveness for developing economies, and are motivated to work in an international environment that promotes diversity, please check our jobs website, which is updated weekly:
www.intracen.org/about/jobs

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The International Trade Centre (ITC) has issued a call for applications for women entrepreneurs to attend the newly launched SheTrades Global. The event will be held at the 2018 International Business Festival in Liverpool, United Kingdom, from 26 to 28 June 2018. Previously known as the Women Vendors Exhibition and Forum, SheTrades Global is now in its sixth year and is the world’s leading event connecting women entrepreneurs to buyers, investors and other partners from around the world.

The 2018 edition of SheTrades Global will highlight four sectors – beauty and wellness; information technology and business-process outsourcing; textiles and apparel; and tourism. Women entrepreneurs are encouraged to apply by 31 December 2017 to be considered for participation.

More than 600 companies are expected to be represented at SheTrades Global 2018. Previous events have generated more than $80 million in commercial transaction agreements and thousands of business contacts, including those made through the SheTrades.com web and mobile app.

‘Investing in women-owned companies is the future of smart business and SheTrades Global is an excellent platform to develop relationships, broker deals and create economic opportunities for sustainable and inclusive growth,’ said ITC Executive Director Arancha González.

For further information, please visit: www.shetrades.com

‘Doing Business’ records nearly 3,200 reforms in 15 years to improve global business climate

Governments in 119 economies carried out 284 business reforms in the past year to create jobs, attract investment and become more competitive, according to the World Bank Group’s ‘Doing Business 2018: Reforming to Create Jobs’ report.

Some 3,188 business reforms have been carried out since the report began monitoring the ease of doing business for domestic small and medium-sized enterprises around the world, it said. Raising employment and openness levels is a key goal of the study.

‘Job creation is one of the transformational gains that countries and communities can achieve when the private sector is allowed to flourish,’ said Kristalina Georgieva, the bank’s chief executive officer. ‘Fair, efficient and transparent rules, which ‘Doing Business’ promotes, improve governance and tackle corruption.’

Developing countries carried out 206 reforms, accounting for 78% of the total reforms, with sub-Saharan Africa implementing 83 reforms, a record for a second consecutive year for the region. South Asia implemented a record 20 reforms. A large number of changes centred on improving access to credit, registering a new business and facilitating cross-border trade.

This year’s top 10 improvers are Brunei Darussalam; Thailand; Malawi; Kosovo; India; Uzbekistan; Zambia; Nigeria; Djibouti; and El Salvador.

The full report is available at www.doingbusiness.org

ITC’s Export Potential Map wins German Design Award

ITC’s Export Potential Map website has been announced as one of the winners of the prestigious German Design Award 2018. Export Potential Map is a rigorous, data-driven tool developed to identify untapped export potential and opportunities for export diversification. The German Design Award, one of the world’s most renowned design competitions, is organized by the German Design Council.

Created by Data Design Studio Berlin and Sebastian Sadowski, Export Potential Map topped the web subcategory for Excellent Communication Design. It was selected from more than 5,000 entries by a jury of leading brand and design experts. The selection was based on a diverse set of criteria including degree of innovation, practical value, design quality, aesthetics and user-friendliness.

Export Potential Map translates trade analysis into practical trade advice using data for 222 countries and more than 4,000 products. The tool draws upon trade, tariff, GDP and geographic data to help countries evaluate their potential to ramp up exports by identifying products, markets and suppliers with untapped potential.
Weak recovery in youth labour markets remains a problem

Despite a significant decline in youth unemployment since the height of the economic crisis in 2009, persistent joblessness and a lack of quality work opportunities continue to hamper young people’s quest for decent work, the ‘Global Employment Trends for Youth 2017’ report from the International Labour Organization (ILO) says.

Young people are estimated to account for over 35% of the unemployed population worldwide in 2017, the report says. While the global youth unemployment rate stabilized at 13% in 2016, it is expected to rise slightly to 13.1% this year, it says.

The estimated figure of 70.9 million unemployed youth in 2017 is an improvement from the crisis peak of 78.7 million in 2009. However, the number is expected to rise by a further 200,000 in 2018.

Globally, the sizeable increases in youth unemployment rates observed between 2010 and 2016 in Northern Africa; the Arab States; and Latin America and the Caribbean have been offset by improvements in youth labour markets in Europe, Northern America and sub-Saharan Africa.

The report also highlights the continued vulnerabilities of young women in the labour market. The global rate of young women’s labour force participation is 16.6% lower in 2017 than that of young men.

Woman entrepreneur from Tanzania wins ‘Start-up for SDGs’ contest

A start-up in the United Republic of Tanzania that makes reusable sanitary pads from biodegradable cotton has won first prize at a youth entrepreneurship event in Geneva, taking home $15,000 in equity.

Organized as part of this year’s Global Entrepreneurship Week, the ‘Start-ups for SDGs’ event gave 10 young entrepreneurs from around the world a chance to pitch their business ideas to a panel of impact investors. The event was jointly organized by UNCTAD’s, the World Intellectual Property Organization, Politecnico di Milano, Youth Business International and Impact Hub Geneva.

Jennifer Shigoli took first prize for her reusable sanitary pads enterprise. While teaching hygiene and sanitation in primary schools in Nyang’oro in central Tanzania, she noticed that young girls were frequently absent from school during menstruation because they could not afford disposable sanitary pads.

Shigoli, a graduate of UNCTAD’s entrepreneurship training programme Empretec, designed Elea Pads to be affordable, environmentally friendly and locally produced to provide a sustainable solution.

The finalists, selected from more than 100 applicants, were scored on the quality of their presentations, and the link between the products or services they provide and the Sustainable Development Goals (SDGs).

FAO: global food import bill rising despite robust output in 2017

The cost of importing food is rising in 2017, driven by increased international demand for most food stuffs, as well as higher freight charges, according to the latest Food Outlook report published by the Food and Agriculture Organization of the United Nations (FAO).

While food commodity prices have been generally stable, the cost of importing food is forecast to rise 6% in 2017 to $1.413 trillion, the report shows, making it the second-highest bill on record. The report also indicates concern about the economic and social impact of this trend on poor countries.

The food import bills are set to increase by double-digit rates for least developed countries (LDCs) and low-income food-deficit countries.

In the livestock and dairy sectors the meat import bill is set to reach a record $176 billion this year, up 22% from 2016, the report said. The FAO Butter Price Index has risen 41% so far in 2017.

The price of a popular high-quality variety of wheat, ‘US Hard Red Spring,’ was 40% percent higher in July 2017 than a year ago.

Prices for aromatic rice varieties have risen eight times faster than the FAO All Rice Index, which is up 4% on the year, the report said.
Himalayan paper tales

JARLE HETLAND, Editor, International Trade Forum

Growing only at very high altitudes, the Lokta plant is providing much-needed incoming in rural and urban areas in Nepal.

In October 2017, Nepal launched four National Sector Export Strategies – covering the coffee, handmade paper and paper products, large cardamom, and tea sectors – developed in partnership with the International Trade Centre and aimed at boosting export capacities and ensuring more value addition in the country.

One company intent on benefiting from the strategies is Tibetan Handicraft & Paper, a social enterprise on the outskirts of Kathmandu specialized in the production of handmade paper produced from bark of the lokta plant. Established in 1995 by three cousins – Nima Sherpa, Nimto Sherpa and Samten Lama – the company works to ensure that villagers like themselves get a maximum return from the Lokta plant, which only grows above 3,500 metres in the Nepalese Himalayas.

In addition to the cumbersome process of transporting the bark to Kathmandu, the making of Lokta paper is also laborious and time-consuming. The bark needs to stay moist for 24 hours before being cooked for another 12 hours. It is then cleaned and dried on wooden frames. After that, the paper is pressed, moisturized, dyed in a variety of colours, and then dried again. Once that is done the paper can be used for everything from screen-prints, to books and lampshades.

Having first built up a loyal customer base among their trekking contacts, the cousins behind Tibetan Handicraft & Paper today export to more than 50 customers in Australia, Europe and the United States, enabling them to employ more people – especially women and people with disabilities – in Kathmandu and in their native Dolkha District.
Five ways that policy could close the gender gap in entrepreneurship

DAVID HALABISKY, Economist, Organisation for Economic Co-operation and Development

Government and industry assistance can bring more women into the world of entrepreneurship

A new report from the Organisation for Economic Co-operation and Development (OECD) and the European Commission – ‘The Missing Entrepreneurs 2017 – Policies for Inclusive Entrepreneurship’ – shows that in 2016 men were an average 1.7 times more likely to be self-employed than women. Among OECD countries this gap ranged from 1.1 times in Mexico and Chile to 3.1 times in Ireland. Similarly, the Global Entrepreneurship Monitor – an international household survey on entrepreneurship – estimates that men are 1.6 times more likely to be new business owners.

It is also important to note that self-employed women, on average, tend to operate different types of businesses than men. The differences can often be explained by the sector in which they operate. Nearly one-quarter of self-employed women operate in health, social work and service sectors including washing and cleaning of textile products; hairdressing and beauty treatment; and physical well-being activities. Only 5% of self-employed men operate in these sectors. Consequently, women-owned and -managed businesses appear, on average, to be less oriented towards achieving high growth and creating substantial employment for others.

Moreover, self-employed women tend to operate smaller businesses than men. They are two-thirds as likely as men to have employees or operate in teams and work, on average, fewer hours per week than male entrepreneurs.

[Women] are more likely to be discouraged borrowers, people who do not apply for loans because they believe that they will not be successful

Nonetheless, women-owned businesses are as sustainable as those operated by men. Business survival rates for women-owned businesses were approximately equal to those of men-owned businesses in many OECD countries and the gap in business survival rates is small in others.
WHY THE GAP?

It is clear that women are less involved in entrepreneurship and that women entrepreneurs often operate different types of businesses than men. However, the reasons behind this are not clear-cut.

Women often have different motivations for becoming an entrepreneur and therefore have different intentions. Some seek flexibility to be able to better manage their work-life balance, while others start businesses to avoid the ‘glass ceiling’ preventing advancement that may be encountered in employment elsewhere.

Culture and social attitudes also have an important role in shaping women’s entrepreneurship. Traditional gender roles may lead women to self-restrict their entrepreneurship activities to ‘feminized’ professions, sectors and business fields. In addition, gender roles may also limit women entrepreneurs’ access to critical resources such as human, financial and social capital.

Market failures can also make it more difficult for women to start and be successful in entrepreneurship. One of the greatest challenges cited by most entrepreneurs is the lack of entrepreneurship skills. Women entrepreneurs typically have less experience in self-employment and as a result have less developed management skills and smaller business networks on average.

The other significant challenge is access to finance. Women entrepreneurs generally have less capital and are more reliant on owner equity than men. There is also a large body of research that points to gender-based differences in credit terms, such as higher collateral requirements and interest rates, despite controlling for characteristics like sector and business size. Women are also less likely to report that they can access start-up financing. Consequently, they are more likely to be discouraged borrowers, people who do not apply for loans because they believe that they will not be successful.

POLICY SOLUTIONS

While it is important for individuals to have a range of choices in the labour market, women tend to have latent entrepreneurial potential that is not realized. Policymakers can help unlock this potential. The objective should not be to eliminate all differences between men and women entrepreneurs, but instead attempt to remove institutional influences that affect motivations and intentions and correct market failures that constrain women’s entrepreneurship. ‘The Missing Entrepreneurs 2017 – Policies for Inclusive Entrepreneurship’ highlights five ways that policy can address the gender gap in entrepreneurship:

1. **Improve institutional conditions.** Entrepreneurs are strongly influenced by role models and social context. It is therefore important to promote women entrepreneurs as role models and ensure that the education system is gender-neutral and does not discourage women from going into STEM fields (science, technology, engineering and mathematics). Another aspect is family and tax policies, which should seek to increase female labour market participation and entrepreneurship.

2. **Improve access to entrepreneurship skills programmes.** Traditional policy action that supports the acquisition of entrepreneurship skills include entrepreneurship training, coaching and mentoring programmes, and support in building entrepreneurial networks. Such programmes are often tailored to the specific barriers faced by women and delivered to women-only groups of beneficiaries.

3. **Increase the use of loan guarantees.** Most government policies to improve access to finance for women entrepreneurs focus on interventions that provide grants, loans and microcredit. A growing trend is to improve access to bank financing through loan guarantees. Evaluations of women-specific loan guarantees in Canada suggest that they create more jobs than mainstream programmes, while programmes in European Union countries also tend to show positive impacts.

4. **Help women realize the growth potential of their businesses.** There is a growing emphasis in entrepreneurship policy to help women acquire and develop the skills needed to successfully launch and run businesses with high growth potential. One approach is to deliver tailored support through women-only business incubator and accelerator programmes. These typically offer the usual business incubator support – premises, networking opportunities, training and workshops – while tailoring them to the needs of women entrepreneurs and facilitating support. Experience in the United States of America suggests that dedicated incubators can be more effective than mainstream incubators, which rely on male-centric networks; fail to reach out to women’s networks; select entrepreneurs through male-dominated selection panels; and offer gender-insensitive programmes that do not address the needs of women.

5. **Improve access to risk capital for women entrepreneurs.** Both venture capital and angel-investment markets are male-dominated and investments tend to be concentrated in male-dominated sectors. Experiments in the United States show that investors are 60% more likely to invest in male entrepreneurs even when the content of investment pitches is the same, which suggests that women entrepreneurs pitching to investors can expect a lower chance of success because of their gender. Options for gender rebalancing include attracting more women investors and advisors as part of traditional venture capital and angel networks and forming women’s venture capital funds led by women and specifically directed at investment in women-owned enterprises. Support may be forthcoming from public policies that encourage the formation of women-focused venture-capital investments by, for example, offering matching funds for investment in women-owned or women-led start-up, early-stage and expansion-stage ventures.

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Despite a closing of the gender gap in labour force participation rates in OECD countries over the past 25 years, women continue to be underrepresented in entrepreneurship.
How China’s first ‘silk road’ slowly came to life – on the water

DAVID ABULAFIA, Professor of Mediterranean history, University of Cambridge

Looking back at major trading route’s history helps define modern-day infrastructure project

Few images are more enduring in the historical imagination than a train of two-humped Bactrian camels plodding across desert sands from west to east, or vice versa, across the vast open spaces of Eurasia. Now that China is edging towards a modern incarnation of the ‘Silk Road’, it is worth remembering how this emblem of the ancient world actually came into being.

There is no doubt that these overland trading routes existed in the early and late Middle Ages. There is also no doubt that these treks across deserts brought massively important cultural influences from the West to the East while carrying goods in the other direction.

However, there is another side to this tale, one which the Chinese government acknowledges with its huge One Belt One Road (OBOR) transcontinental infrastructure project to link East Asia to the Middle East and Europe. Simply put, the story of the Silk Road, ancient or modern, is as much the story of the sea as the dunes.

TRADE IN IDEAS

The overland routes carried spices and gems and other non-bulky items as well as bolts of silk and packages of unwoven silk thread. They also helped bring the ideas and art of both Islam and Buddhism to East Asia.

In the days of the Roman Empire, maritime links to China were tenuous in the extreme and Roman embassies to the rival great empire tended to be dismissed.

That is why Indian art, already impregnated by Greek influences since Alexander the Great, had so great an impact on the art of China and even Japan. It is curious indeed to see motifs in medieval sculptures of the Buddha that survive in Japan that can, ultimately, be traced back to the ancient Mediterranean.
It was the maritime (rather than the overland) silk route that can be seen as a very early case of what might be called proto-globalization.

In the eighth century there were merchants – many of whom were Jewish and known by the still-unexplained title ‘Radhanites’ – who set out from France and in some cases managed to reach China overland. But they were not the true pioneers, as they attached themselves to existing camel caravans. At this point, the route cannot seriously be seen as an example of proto-globalization. The effect on the economy of Western Europe from very small amounts of high-cost luxury goods was minimal.

Routes across Asia could only flourish when political conditions were right and the 11th and 12th centuries were relatively quiet. However, with the rise of the Mongols a new political order imposed peace from Russia to China and made long-distance travel easier. This was particularly the case when the Genoese and Venetians installed themselves in trading centres along the Black Sea, notably at Caffa (modern Feodosiya) in the Crimea and Tana on the Sea of Azov.

The most famous European visitor to medieval China – Marco Polo – was not, if his account is to be believed, typical: he spent many years in the Mongol administration during the 13th century before returning to Venice by sea. But there were Genoese and Venetians who travelled out to Quanzhou on the coast of China and lived and died there. And there were certainly bolts of Chinese silk that found their way to Western Europe; at least one item in the ceremonial regalia of the Holy Roman Emperor was made from Chinese silk.

PRIMACY OF THE SEA ROUTES

As the Mongol Empire broke up in the 14th century, the primacy of the maritime route linking China to lands further west became more obvious, though in fact it had continued without a break for many centuries.

Indeed, there were already elements in place in the days of the Roman Empire, when Greek merchants from Egypt reached the Bay of Bengal and massive quantities of pepper reached the port of Rome at Ostia.

But in the days of the Roman Empire, maritime links to China were tenuous in the extreme and Roman embassies to the rival great empire tended to be dismissed. Moreover, Chinese governments tended to look away from the sea, concentrating on the exploitation (and taxation) of the rich resources of their own country.

The great transformation occurred from the seventh century as the area now known as Malaysia and Indonesia was opened up to maritime trade. Under the Song dynasty, based in southern China around 1100, Chinese merchants were encouraged to head across the water. Trade in camphor out of the East Indies pointed in two directions: upwards to the coast of China but also westwards into the Indian Ocean. The Cirebon shipwreck found off Java carried half a million pieces of porcelain, part of a cargo weighing 300 tons.

Eventually, with the foundation of Malacca at the start of the 15th century the Chinese established a base on the edges of the Indian Ocean. This was the result of the short-lived period of vigorous maritime activity around 1420, when the Ming emperors sent large fleets into the Indian Ocean under the command of Admiral Zheng He to show the Chinese flag and to collect information about the world beyond the Middle Kingdom.

These routes linking East and West long preceded the coming of the Portuguese, Spaniards and Dutch, who transformed the trade of the world after 1500. It was the maritime (rather than the overland) silk route that can be seen as a very early case of what might be called proto-globalization. It is interesting to note that much the same applies today: the quantities of goods carried by train across Asia under the OBOR project cannot hope to match the enormous amount of containerized goods a revived Chinese merchant marine will be able to carry by sea.

The article first appeared on The Conversation and the World Economic Forum’s Agenda blog.

1. Silk is still flowing from the East to the West.
2. Too many goods, even for two-humped Bactrian camels.
Regional integration creates opportunities for SMEs and women

ISABELLE DURANT, Deputy Secretary-General, United Nations Conference on Trade and Development

Local value chains can develop productive capacity, human capital and intra-regional trade

Every Monday and Tuesday buyers and sellers gather at the Mombasa Tea Auction, the largest in Africa. In an average week, buyers representing around 50 consuming countries bid on teas from nations including Burundi, the Democratic Republic of Congo, Kenya, Madagascar, Malawi, Rwanda, Uganda, Zambia and Zimbabwe. According to etiquette at the auction, buyers say ‘yes, sir’ to bid on a lot and ‘knock it, sir’ when their bid is highest.

The genteel buzz of activity at the auction is the hub of Kenya’s thriving tea sector. Kenyan farmers sell their tea to packers, which in return provide farmers with inputs. On the demand side, packers sell up to 30% of their tea in Kenya and a further 20% to other countries in Africa. On the supply side, farmers’ direct involvement in value added activities contributes to them capturing approximately 75% of factory-gate prices.

Whether tea in East Africa, dairy in Central America or automobile parts in Southeast Asia, regional value chains can develop the productive capacity, human capital and incomes in the countries involved.
Digital skills in particular are of growing importance, as an increasing number of activities and transactions in the value chain are digitized.

Meanwhile, farmers from neighbouring African countries whose tea is sold in Mombasa capture an average of only 25% of factory-gate prices. Therefore, while the Mombasa Tea Auction is the hub of the dynamic Kenyan tea sector, it also illustrates an underdeveloped regional tea value chain. Other producing countries typically export raw tea to Kenya, where packers refine, clean and package it for sale. In other words, although intra-regional supply and demand has contributed to a growing market for tea in Eastern Africa, the value chain remains relatively undeveloped outside Kenya, with potential for further regional integration.

POWER OF VALUE CHAINS
Whether tea in East Africa, dairy in Central America or automobile parts in Southeast Asia, regional value chains can develop the productive capacity, human capital and incomes in the countries involved. More generally, the resulting increase in intra-regional trade binds trading partners together, providing opportunities for dialogue and ultimately cooperation on crucial issues such as security, migration and environmental stewardship.

In all examples of successful regional value chains, small and medium-sized enterprises (SMEs) represent one of the main channels through which countries derive benefits. Entrepreneurs innovate and take risks to capitalize on new business opportunities. Their businesses create local jobs and retain profits locally. Their participation in regional value chains provides them with access to technological innovation, new skills and alternative sources of capital, all of which improves their competitiveness.

Regional value chains can also provide opportunities for women to participate in trade. Evidence shows that, in general, women draw fewer benefits than men from their participation in trade. In many countries social norms and a male-dominated economy exclude women from formal structures, whether as traders, business owners or salaried employees. As a result, the negative effects of an ever-changing marketplace, including trends such as automation, fall disproportionately on women. As a result, women rely more than men on informal, precarious and lower-paid livelihoods.

In this context regional chains represent an opportunity for governments to implement gender policies on trade, business ownership and labour in a more open policy environment. For example, aligned with a regional plan, national trade and industrial policies can help create more export licences and formal industrial jobs that women can access, while an expansion of social infrastructure allows them to combine paid work with their care responsibilities.

Commensurate with these important opportunities, integrating thriving regional value chains requires considerable investments in both capital and political will. For example, such value chains depend on expensive infrastructure building blocks – roads, ports and warehouses – with, in many cases, costs and access rights negotiated among neighbouring countries. Similarly, these activities require investments in education and training programmes, the curricula of which must be coordinated with the foreign stakeholders and governments involved in the chain. Success also depends on national governments and regional bodies coordinating a coherent and predictable policy environment that attracts investors and entrepreneurs.

LIMITED RESOURCES
SMEs require additional assistance to foster their participation in regional value chains. With their limited administrative resources, for instance, cost reductions from business facilitation can be the difference between a company’s success or failure. The implementation of the United Nations Conference on Trade and Development (UNCTAD) eRegulation programme by the West African Economic and Monetary Union (UEMOA), for instance, contributed to an average rise of 53% in the number of start-ups created in member countries. The business-procedure simplification programme has also contributed to cost savings for SMEs of up to 70% in some programme countries.

SMEs also need skilled workers to compete in regional value chains. Skills development should therefore be an integral part of any enterprise development strategy. Empretec, UNCTAD’s flagship entrepreneurship programme, has been facilitating the training of small business owners in developing countries for almost 30 years and is now established in 40 countries. The programme focuses in particular on training to underserved demographic groups such as women and youth.

Digital skills in particular are of growing importance, as an increasing number of activities and transactions in the value chain are digitized. Estimates show as much as 90% of future jobs will require ICT skills by 2020. Without access to training e-commerce training programmes, SMEs will struggle to enter regional value chains as more and more activities go digital. The Mombasa Tea Auction, for example, is planning to automate trading in 2018.

1. Kenyan farmers’ direct involvement in value-added activities contributes to them capturing approximately 75% of factory-gate prices.
2. A woman prepare vanilla for exports in Madagascar.
Join us at the world’s biggest business festival

SheTrades Global at the International Business Festival will feature three days of key business conferences and events

Tuesday 26th June
- **Plenary**: Opening session
- **High level policy dialogue**
- **Industry Insights**: Preparing to do business
- **Gala Dinner**

Wednesday 27th June
- **SheTrades Hub**: Inspiration Talks
- **Industry Insights**: Meet the Expert
- **Doing Business**: B2Bs
- **Speed Networking**

Thursday 28th June
- **SheTrades Hub**: Investment Challenge
- **Partners Speak**
- **Doing Business**: B2Bs
- **Plenary**: Closing session
The harsh reality is that MSMEs in developing economies, many of which are rural businesses and smallholder farmers, find it incredibly difficult to do business.

Micro, small and medium-sized enterprises (MSMEs) play a critical role in economic development and job creation for all countries. This is particularly the case in developing countries, where they are estimated to contribute up to 60% of total formal employment and up to 40% of national income. These numbers increase significantly if you also take into account the informal sector.

However, MSMEs continue to face considerable barriers to fulfilling their economic potential. They generally have less involvement in international trade and exposure to foreign direct investment, which means their competitiveness and productivity often lag behind. As a consequence, the risk and cost of trying to gain access to markets, value chains and financial services severely limits their ability to grow.

Take financial services as an example. Today up to 80% of global trade is supported by some kind of financing or credit insurance, but approximately 70% of all MSMEs in developing markets lack access to credit.

The harsh reality is that MSMEs in developing economies, many of which are rural businesses and smallholder farmers, find it incredibly difficult to do business. They are often at the end of value chains,
unable to participate in trade ecosystems and must deal with a number of intermediaries, which increases costs substantially.

EMBRACING TECHNOLOGY
MSMEs prospects must be improved and embracing digital technology should be a priority. E-commerce platforms alone give MSMEs an affordable and efficient way to communicate directly with a broad customer base domestically and internationally. The World Trade Organization (WTO) estimates that 97% of internet-enabled small businesses export while the rate for traditional SMEs ranges between 2% and 28%iv.

Such e-commerce platforms are key and must be seen as one component of a broader set of digital solutions.

Specifically, in order to grow, MSMEs not only need access to consumers (B2C), but also to the regional and global value-chains and production networks (B2B), which dominate trade today. The good news is that digitization is making it significantly easier for multinational and larger domestic companies to do business with MSMEs in developing countries and for smaller businesses to participate in such ecosystems.

Agriculture presents both unique challenges and opportunities in this regard. Approximately 80% of the farmland in Asia and sub-Saharan Africa is managed by smallholders who work no more than 10 hectares. Small-scale farms – usually representing the largest, yet most marginalized and vulnerable segment of the economy – struggle to grow because larger members of the agriculture ecosystem view them as expensive and risky to do business with. As a consequence, these farmers have limited access to information, financial services and supplies, which results in poor yields, low prices, high costs and difficulties in accessing formal markets.

CONNECTED FARMER
This is where digital technology can help. For example, Connected Farmer, developed by Vodafone, Vodacom and Mezzanine, a company that delivers mobile-enabled solutions to companies doing business in Africa, uses mobile technology to make it easier for farmers to interact and transact with other businesses. It incorporates mobile payments such as M-PESA, receipting, communications, stock management and tools that improve decision-making and yield.

Connected Farmer also allows farmers to build a transaction history, giving buyers and suppliers a greater understanding of a farm’s day-to-day operations. This makes it easier for farmers to access financial services. Many farmers use a loan facility, associated to the contracts they have in place, to purchase supplies and services from other companies. Furthermore, where state support is available, the government can use Connected Farmer to give vouchers to farmers, which they can use to buy supplies and services. In Zambia and Kenya, for example, the government use the platform to provide farmers with e-vouchers to buy supplies.

All this helps increase productivity for smallholder farmers and increases efficiency for larger agriculture businesses that buy from them.

This is the case with Multiflower, a flower-cutting business in the United Republic of Tanzania, which works with 3,500 small-scale farmers over a vast geographic area. Before using Connected Farmer, farmers would have to make long and expensive journeys to Multiflower offices to receive payments and loans. On average, this took eight hours and cost around $12 – not a small amount when many farmers earn less than $2 a day.

Another success story is Kenya’s Ndumbi Dairy Farmers Cooperative Society, which collaborates with small-scale farmers owning up to 10 cows. By using Connected Farmer, within just 12 months the co-operative brought 23% more farmers into its supply chain and production volumes increased by up to 50% per cow while the Co-operative reduced its operating costs by 40%.

Some of the food and agribusinesses using Connected Farmer estimate the access to supplies, services and information – sometimes as simple as informing farmers of the right blend of fertilizer for their soil – has helped increase production by up to 200% within two crop cycles.

UNLOCKING VALUE
No wonder, therefore, that farmers and agribusinesses alike are embracing the change brought about by digital services. Clearly, technology has incredible power to boost productivity, unlock value and raise revenues for MSMEs. It also needs to be part of a broader effort by policymakers to clear a path for MSMEs to succeed. This includes creating a supportive regulatory environment, investing in fast and reliable digital infrastructure, and implementing policies that stimulate the accessibility and use of new technologies.

The ability of MSMEs to access regional or global markets depends heavily on the extent they can participate in their local trade ecosystems. Digital technology offers them a gateway to those ecosystems, the first step in democratizing trade and bringing its full benefits to everyone for the first time.  

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1. Connected Farmer allows farmers to build a transaction history, giving buyers and suppliers a greater understanding of a farm’s day-to-day operations.
2. Technology can boost productivity, unlock value and raise revenues for MSMEs.

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Reshaping the traditional marriage between technology and agriculture

MICHAEL OCANSEY, Co-founder, Agrocenta

The Winner of the 2017 World Export Development Forum’s Investment Challenge sets out how the company is aiming to make a change in Ghana

Walking away from a failed e-commerce startup, my business partner Francis Obirikorang and I decided to try building a solution for agriculture, primarily because it was gaining a lot of investor attention at the time. In December 2015 we packed our bags and made a trip to northern Ghana. Over a period of two weeks we lived among smallholders to understand what their pain points were.

It was an awesome experience that left us both awestruck and disheartened.

One noticeable issue was that the majority of the food consumed in Ghana is produced by farmers in the regions we visited, yet we could not see any positive impact their occupations had on their lives. They lived in abject poverty and had no competitive markets in which to sell their commodities or were unable to transport their produce to the local, not-so-competitive, markets. This left them at the mercy of exploitative middlemen who purchased their products at ridiculously low prices.

Many of our smallholders are now able to look better after their families and reinvest some money into their farms.
We immediately knew we had to provide these farmers with large volume buyers. We approached a few big companies that were into food production and discovered they also had a huge problem sourcing large volumes of commodities locally and often times had no choice but resort to imports.

THE BIRTH OF AGROCENTA
The next couple of months were spent planning, brainstorming and building our solution to link the smallholders and volume buyers. By August 2016 we had completed work on the initial version of this solution. In September 2016 we opened AgroCenta, a platform that aims to improve the livelihoods of farmers through fair trade. The platform connects smallholders on one end to large clients on the other end.

It was a very new market for us that required a lot of learning and learn we did. We soon found that the logistics had to be on point to deliver optimum value to the buyer. AgroCenta therefore signed an agreement with the largest transport union in Ghana and registered all their truck drivers on our platform. We dedicated the first quarter of 2017 to on-boarding farmers and signing contracts with four very large buyers. In May 2017 we started purchasing commodities from our farmers.

BIGGER BUYERS
Between May 2017 and November 2017 AgroCenta bought commodities worth $120,000 from 3,000 smallholder farmers at prevailing market prices or a little higher. As a result, farmers made four times more than they used to and payments are prompt: 30% up front, 70% in two weeks after purchase.

The journey has been full of constant learning on the job. One such lesson led us to introduce mobile money payments for commodities purchases. This was in response to complaints from farmers that banks and microfinance companies were unwilling to give them loans because they could not prove they had any means of carrying out financial transactions.

To help make the farmers credit-worthy, we decided to pay them using mobile money technology and not cash. Our platform now provides a financial trail for every farmer that serves as a bank statement of sorts. Partnering financial institutions can access this data to make informed decisions and then provide credit to our farmers. Many of our smallholders are now able to look better after their families and reinvest some money into their farms.

Our large-scale buyers have also saved a considerable amount of money that otherwise would have been spent on the import of commodities. They have experienced a 40% increase in production since they are able to track how long it’ll take for them to receive commodities from our farmers in real time.

LOOKING AHEAD
We have currently been able to provide value for 3,000 of the 10,000 smallholders in AgroCenta’s network. We are working hard to also ensure purchases from the remaining 7,000 by March 2018.

Successfully completing our fundraising round by March 2018 will enable us to expand into two more regions in Ghana and bring our farmer base to 60,000 smallholders. We also plan on adding two additional clients to bring our total to six. We intend to stay focused on the Ghana market for the next two to three years while learning what works and perfecting the model until we move to a new market.

While it is impossible to get rid of the middlemen, who are deeply rooted in the agriculture value chain, our goal is to force them to eventually buy commodities at prevailing market prices or better.
Making markets work for home-based workers in Nepal

Kalash R. Shakya, Programme Coordinator, SABAH Nepal

Home-based workers (HBWs) are vital to Nepal’s economy, comprising about one-third of its non-agricultural labour force. The contributions they make to the country’s economy cannot be discounted because they are in the informal sector. By producing products that are mostly exported, they contribute directly to GDP and to the preservation of cultural heritage.

These factors are often not realized by the government, resulting in a lack of proper policies to address the grievances of marginalized women. This becomes even more of an issue when considering the number of women HBWs compared to men. The proportion of women involved in home-based work is much higher than that of men: almost half of women non-agricultural workers are home-based versus just over one-fifth of men.

Scaling up skills and product design is empowering marginalized women to enter regional and global markets

The fact that women work from home renders such workers invisible and isolated. They are therefore likely to be less well-organized and have less of a voice compared to workers in the formal sector.
More rural people are dependent on home-based work as a source of livelihood than in Nepal’s urban areas: one-third of the non-agricultural workers in rural areas were home-based in comparison to around 22% in urban areas. Furthermore, over half of all women in non-agricultural work are employed as HBWs in rural areas in comparison to just over a third in urban areas.

In Nepal, women home-based work is mostly based on the inherited skills such as handloom weaving, knitting, yarn-making and other traditional handicrafts. The lack of proper skills or education to enter the formal workforce is often the main reason for women to choose this form of work. Another important factor is the responsibility of household work and care of their children and family.

LACK OF POLICIES
These factors are often not realized by the government, resulting in a lack of proper policies to address the grievances of marginalized women.

The fact that women work from home renders such workers invisible and isolated. They are therefore likely to be less well-organized and have less of a voice compared to workers in the formal sector. Being invisible also makes women HBWs more vulnerable to exploitation.

Middlemen or intermediaries often exploit them by paying low piece rates and low remuneration as they lack direct market access. The invisibility or the lack of recognition as workers makes it impossible for them to enjoy any sort of employment-based benefits or social protection. In fact, women HBWs themselves remain uncounted and undercounted.

Some other problems faced by women HBWs range from the lack of market access, and inadequate managerial skills to the lack of technical skills to produce market-oriented products. Properly channeling their abilities into entrepreneurship through appropriate and cost-effective business development support services has the potential to impact a rural economy by generating employment and increasing income.

EMPOWERING WOMEN
Since its establishment, SABAH Nepal has been zeroing in on its mission of empowering rural and urban women HBWs of the informal sector through economic self-sufficiency. To achieve this goal, it identifies and brings together local women HBWs and artisans to give them collective bargaining power. SABAH also empowers women through intensive training in enhanced production techniques, exposure visits, market awareness and other capacity-building programmes. They are also provided with a range of business-development inputs including market readiness, research and development, market linkages and intelligence, quality standardization and product development.

SABAH Nepal has been creating work opportunities by providing skills and the necessary support systems. As the HBWs are enabled to produce marketable and competitive goods there is a significant increase in their incomes.

SABAH Nepal’s Trade Facilitation Centre acts as a hub for all these activities, thereby providing a vital link to HBW clusters and Common Facilitation Centres (CFCs) working in the value chain. It also provides a permanent marketing network for its members by ensuring that artisanal products are ready for local and foreign markets.

The Trade Facilitation Centre builds relationships with trading houses, customers and buyers. It markets products through annual exhibitions, SABAH Nepal’s retail network, shop-in-shops and an online portal under the brand SABAH. It has organized several brand-building events, which has created demand for various product lines not only within the country but also in the global market.

The local Common Facilitation Centres established in various rural areas strengthen the value chain of numerous products under the SABAH brand. They are equipped with small-scale technology so that they can produce goods utilizing local resources in a cost-effective and efficient manner. The CFCs also focus strengthening the training of existing artisans.

The final outcomes of such interventions are that women HBWs are capable of making products that can compete in local and global markets. By making the market work for these rural workers, SABAH Nepal’s model could set an example, thereby contributing to the reduction of poverty.

1. A Nepalese woman weaves in her home.
2. Women home-based worker are capable of making products that can compete in local and global markets.
Enhancing the cotton value chain for the ‘Cotton Four’

AÏSSATOUI DIALLO, LAETITIA YONLI and CHEICK OMAR CAMARA, Advisers, International Trade Centre

Cotton Roadmap Project aims to promote, expand cotton sector in sub-Saharan Africa

Cotton is one of the world’s most actively traded commodities. It is also a product of vital importance to the economic development and poverty reduction strategies for a number of developing economies, and particularly the least developed among them.

Four cotton producers in sub-Saharan Africa – Benin, Burkina Faso, Chad and Mali, known as the Cotton Four or C4 – are leaders in an industry that is essential to each country’s economic and social development and well-being. However, all four face challenges in production, processing and marketing of their cotton and its by-products. The International Trade Centre (ITC) and World Trade Organization (WTO) are working to help solve them.

The Cotton Roadmap Project, developed by the C4 in cooperation with ITC, seeks to address these issues through optimizing production, improving local processing capacity and developing regional cotton-to-textile value chains. The objectives of the project reach well beyond the C4 region, also encompassing the Western and Central African sub-region.

The fact that women work from home renders such workers invisible and isolated. They are therefore likely to be less well-organized and have less of a voice compared to workers in the formal sector.

PROCESSING GAP
One of the challenges facing the C4 is that they produce the lowest yield per hectare of cottonseed in the world, with average annual production estimated at 500,000 tonnes.
Cotton processing capacity at the local level is close to zero and is at least 2% for all four countries combined.

This has led to the countries’ national wealth and the creation of jobs being sent outside the C4, with huge attendant losses in revenue. In addition, access to markets is diminished by anti-competitive policies such as export subsidies and other internal policies that have a distorting effect on the market.

In light of these issues, developing value chains seems the best option for enhancing the cotton industry, consequently generating jobs and wealth. C4 countries already have a potential market of 400 million consumers in West and Central Africa.

COTTONSEED BY-PRODUCTS
The value of fibre obtained from one tonne of cottonseed is three to four times greater than the combined value of oil and cake (the solid mass remaining after the oil has been pressed from cottonseeds) obtained from seed processing. For that reason, the production of cottonseed oil and cake are often neglected in some countries. However, revenue from the sale of seeds largely covers the cost of ginning, a process where the lint and seed are separated. In Cameroon, for example, the Société de développement du coton du Cameroun (Sodecoton) has been shielded from huge losses that affected other West and Central African countries, mainly thanks to cross-subsidization resulting from its profitable cotton oil trade.

Most cottonseed oil produced in C4 countries is consumed locally. However, all four countries import edible oils, mainly palm oil. The consumption share of edible oil from cottonseed in the C4 is close to 50% and is even higher in Benin, Burkina Faso and Mali. The Cotton Roadmap Project aims to expand the consumption of cottonseed oil in the C4 countries.

A further aspect of the project is to enhance the artisan cotton industry, which can substantially contribute to creating jobs and alleviating poverty. Women and young people are essential to the success of this sectors, developing artisanal clothing and textiles also has the advantage of promoting and preserving cultural know-how and identity in C4 countries, producing a huge competitiveness potential for niche markets. However, imports of second-hand garments flooding African markets are currently hampering the rise of the textile and clothing sector, a challenge that will be addressed through the Cotton Roadmap project.

1. Cotton plays a crucial role in some countries’ economic development.
2. Harvested cotton in traditional reed storage in Benin.
Tackling harmful fisheries subsidies for a sustainable future

SOFIA ALICIA BALIÑO, Editor, and ALICE TIPPING, Programme Manager, International Centre for Trade and Sustainable Development

Trade ministers will soon be arriving in Buenos Aires, Argentina, for four days of intense negotiations aimed at endorsing a series of concrete deliverables and establishing the course of future World Trade Organization (WTO) work. A key question heading into the 11th WTO Ministerial Conference will be whether the organization’s members can clinch a long-awaited deal to ban harmful fisheries subsidies.

Though political expectations of a deal are high, a number of technical challenges must be overcome before negotiators can reach an understanding of where common ground might lie. Also at the top of negotiators’ minds is figuring out how to ensure an outcome makes a meaningful contribution towards subsidy reform while also addressing the special needs of developing countries.

Negotiators have an additional political factor that they will need to consider. Over two years ago United Nations member states signed off on 17 Sustainable Development Goals (SDGs) for governments to reach by the year 2030. One of these, Goal 14, deals specifically with ocean conservation and sustainable use. This Goal includes among its targets the elimination of subsidies that support illegal, unreported and unregulated fishing.
One of the challenges facing the C4 is that they produce the lowest yield per hectare of cottonseed in the world, with average annual production estimated at 500,000 tonnes.

Progress in the WTO fisheries talks has been difficult to achieve despite the heightened political momentum from the SDGs. WTO members have struggled to define the potential shape and scope of a final deal. Designing provisions effective enough to counter environmental damage, ensure the livelihoods of smaller fishers and make it easier to meet the growing global population’s nutritional needs has also been problematic.

Progress in the WTO fisheries talks has been difficult to achieve despite the heightened political momentum from the SDGs. WTO members have struggled to define the potential shape and scope of a final deal. Designing provisions effective enough to counter environmental damage, ensure the livelihoods of smaller fishers and make it easier to meet the growing global population’s nutritional needs has also been problematic.

Ideally a final agreement would be based on clear-cut terms that are both easy to implement and enforce, including a set of commonly understood definitions and a well-defined scope. Transparency will also be an important part of any WTO accord, though improving data will require significant commitment within national bureaucracies.

Reaching a comprehensive deal in Buenos Aires is looking increasingly challenging given the current state of play in the WTO negotiations. Still, disciplines on subsidies to IUU fishing and a few other select areas are emerging as the strongest contenders for short-term action. Establishing binding commitments on phasing out subsidies to overfishing and overcapacity appear to be candidates for future work between now and 2019, given the 2020 deadline outlined under SDG 14.

STRAINED FISHERIES
UN agencies, academics, and conservation advocates have warned for decades that the world’s fisheries are under dangerous strain. Overfishing has led to nearly one-third of the world’s stocks being tapped to the point where they cannot generate their maximum sustainable yields, according to data from the Food and Agriculture Organization of the United Nations (FAO). This situation has negative ramifications for biodiversity and for human nutritional needs given the health benefits of fish as a source of animal protein.

Research from the University of British Columbia places the level of fishing subsidies globally at up to US$35 billion, with approximately US$20 billion going toward capacity-enhancing subsidies that worsen the imbalance between overly powerful fishing fleets and increasingly limited fish resources, thus exacerbating the problem of overfishing. This data relies heavily on estimates as accurate data on fishing subsidies is notoriously hard to acquire, making it difficult to quantify the true scale of the problem.

DEVASTATING EFFECTS
IUU fishing complicates efforts to manage fisheries sustainably, making it harder to judge which stocks are being targeted and whether catch quotas are appropriate to the problems at hand, the international advocacy and research group Oceana notes. Illicit fishing can also have devastating effects on the livelihoods of law-abiding fishers while putting the health and safety of their own workers at risk.

COMPLEMENTARY ACTION
A robust set of WTO disciplines would play a valuable role in sustainable ocean conservation and use. However, this is just one facet of a deeply complicated policy area and a comprehensive response will require additional complementary action at the domestic and international levels.

There are a range of complementary measures for tackling the problems of IUU fishing, increasingly depleted stocks and overcapacity that could support future action on subsidies. Examples include ensuring the appropriate enforcement of the 2009 FAO Port State Measures Agreement (PSMA) and catch documentation schemes; improving traceability in seafood supply chains; and adopting technologies and practices that facilitate information-sharing and support the monitoring of WTO disciplines and others.

The WTO negotiating efforts have an essential part to play in safeguarding our marine resources. This global public good will require a collective, multi-faceted approach, both now and in the years to come.

1. The world’s fisheries are under dangerous strain.
2. Fisheries need to be managed better for future generations.
E-commerce for ecosystems

ALVARO CEDENO MOLINARI, Ambassador and Permanent Representative of Costa Rica to the World Trade Organization

Using technology to reduce mankind’s carbon footprint is a win-win for the environment

Perhaps the most critical problem humanity faces today is climate change, given its profound long-term ramifications. Governments and the private sector should put all hands on deck to design tomorrow’s solutions to this grave problem. The 2030 Agenda for Sustainable Development contains 17 Sustainable Development Goals that, if attained by all countries – big and small, rich and poor – will make all of humanity better off by allowing us to thrive within the natural limits of planet Earth.

Similarly, a few technological disruptions are guiding the way towards the transformation of at least part of that problem. The microchip revolution, which has had an exponential explosion of cost-effectiveness, has been going on for nearly 50 years. Today, a smartphone has more computing capacity than a computer from 1990; and not just double or triple the capacity, but millions of times more and at an affordable price to at least half of the world’s population. We are only scratching the surface of how the smartphone revolution, which began just a decade ago, will impact the world as we know it.

As green growth deepens its footprint on the global economy, it will become clearer that global value chains have the potential to drive emissions reductions at every corner.
Today’s problems call for tomorrow’s solutions. Whichever issues we properly diagnose at present may only find solutions down the road.

CONNECTIVITY REVOLUTION
The connectivity revolution, too, has led to slightly more than half of the planet being online and having access to cyberspace one way or another. As the cost-effectiveness of connectivity progresses, more people are able to do a lot more online. Tasks such as streaming high-definition video and downloading books and newspapers are now completed in a matter of seconds, processes that only a few years back would have taken days to accomplish, if at all.

Another paradigm shift is the social-media revolution that has given people a tool for them to voice their opinions globally. Take the case of Malala Yousafzai from Pakistan, who at age 15 survived an armed attack intended to kill her specifically for criticizing the Taliban. At 19 she became the youngest recipient of the Nobel Peace Prize and this year, at 20, she entered Oxford University as a student. More importantly, she has inspired millions of people and empowered girls around the world to stand up for their basic human rights. This viral effect has been partly due to her message and her courage, but also very much due to her more than 1 million followers on Twitter and Facebook, and those of her public-figure supporters such as Emma Watson, the British actress.

E-COMMERCE
This collection of technological disruptions has created the perfect conditions to make e-commerce the fastest growing industry in global trade. Over the past decade, global e-commerce has been expanding at a rate of 20% each year, or almost 1% every fortnight. As green growth deepens its footprint on the global economy, it will become clearer that global value chains have the potential to drive emissions reductions at every corner. Transporting goods and people, manufacturing goods and providing services powered by renewable energy is more common today. As more consumers engage in the digital economy, more producers will find ways to digitize their processes, reducing further the negative footprint on the environment.

E-commerce can also strengthen the uptake of the regenerative circular economy, a trend that is leading manufacturing towards zero waste, water neutrality, 3D-printing, on-demand design and production. Through regenerative processes, we can make sure that every residue becomes an input in some other industrial process. This could lead to the eradication of toxic chemicals that currently cannot be disposed of without polluting ecosystems. The more consumption and trade goes digital, the faster industry will be able to speed this cradle-to-cradle industrial revolution of the circular economy, leaving behind the current all-things-disposable linear process.

WIN-WIN INVESTMENTS
In parallel, as more investment goes the way of renewables, the cheaper some of these sources become. Take solar power: solar panels are today much cheaper and more efficient than they were only a few years ago. This revolutionary development will allow more communities across the world – and especially in poorer countries – access to electricity from decentralized sources that will go online much faster than large-scale centralized energy generation projects, such as hydroelectric dams or nuclear power reactors. As these communities go online, e-commerce becomes a possibility, perhaps even a necessity, in places that would otherwise remain disconnected due to lack of other forms of basic infrastructure, like roads or a physical marketplace.

As green growth deepens its footprint on the global economy, it will become clearer

1. Green electricity is helping to power global e-commerce.
A one-stop shop for better global trade

MATHIEU LORIDAN and SAMIDH SHRESTHA, Market Analysts, International Trade Centre

ITC, UNCTAD and WTO launch Global Trade Helpdesk to step up transparency in global trade

International trade is an important means to achieve the United Nations Sustainable Development Goals (SDGs). Trade can and should play a crucial role in realizing these goals, which include ending extreme poverty and promoting inclusive and sustainable economic growth. Proper design and implementation of trade rules is vital to attaining these goals. While most trade agreements have focused on the liberalization and facilitation of trade, many countries are still struggling to integrate themselves into international value chains.

Often, what is agreed at the policy level is not adequately communicated to micro, small and medium-sized enterprises (MSMEs), in particular in developing countries. Access to relevant trade information is crucial for small business to succeed, especially when they target exports.

Companies need to know what label information to put on their products to access foreign markets, the requirements of potential buyers, the formalities to ship merchandise, the fees imposed at the border and many other requirements.

Lack of information – or worse, inaccurate information – on any of these issues can result in businesses recusing themselves from international trade. According to business surveys conducted by the International Trade Centre (ITC) on non-tariff measures (NTMs) in 38 countries, half of enterprises lack adequate trade information, hindering their ability to trade more.

Finding accurate trade information can be an uphill struggle for companies given the...
Finding accurate trade information can be an uphill struggle for companies given the disharmonized nature of information, often spread across different sources and platforms. This requires highly developed skills, which in turn involves cost and time that smaller firms can ill afford. Such information asymmetry can be addressed by combining public and private-sector data and ensuring proper market linkages, particularly for small firms. And, above all, make sure that this information is up to date, easy to find and understandable.

HELP IS AT HAND
To address these issues, a multi-agency initiative led by ITC, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) have developed the Global Trade Helpdesk. Centred on a new online hub – HelpMeTrade.org – this initiative provides a one-stop shop for businesses and policymakers to access trade data and practical information about target markets.

Currently available in a beta version, the HelpMeTrade.org portal has four integrated modules with a variety of indicators and trade information to help both policymakers and MSMEs make better-informed decision. The portal is designed in an intuitive way, making it easy for users to navigate between the different modules.

Market Requirements and Trade Procedures modules help exporters and importers navigate in their daily trading activities. Combining data from ITC and UNCTAD those modules offer detailed information on regulatory and procedural requirements by product and market, including sanitary and phytosanitary (SPS) measures and technical barriers to trade (TBT) requirements as well as step-by-step export and import formalities. To ensure MSMEs are aware of new regulations, the portal will also notify registered users on any SPS or TBT notifications on products and markets relevant to the companies pooling data from the WTO.

Through the Business Corner module, MSMEs will be able to make business-to-business contacts with potential buyers in foreign markets and be informed on relevant trade fairs and events. Integrated information from the Inter-American Development Bank’s Connect Americas application, it is hoped that businesses can expand their businesses in new markets.

Meanwhile, the Policy Outlook will provide companies and policymakers with latest market trends from various sources. Among others, the Export Potential indicator will offer rigorous trade analysis, based on ITC’s economic model that draws on trade, tariff, GDP and geographical data, into practical information about export opportunities. It identifies markets that offer room for export growth for the country’s established sectors.

ONE FOR ALL, ALL FOR MSMES
The initiative is not only about disseminating information but also about collecting it. National administrations and technical institutions in developing and least-developed countries will be offered tailor-made support to overcome capacity constraints in sourcing and updating trade information, as well as to develop country or region-specific interfaces linked to the helpmetrade.org portal.

Building the capacity of stakeholders in using the system will help ensure that the information stays relevant and up-to-date. To provide further support to MSMEs and public institutions in making the most of the HelpMeTrade.org portal, e-learning courses and other user support material will be made available in multiple languages.

COLLABORATIVE EFFORT
While ITC, the WTO and UNCTAD is leading a coordinated effort to get the Global Trade Helpdesk up and running, a number of international organizations and development banks have joint this effort, including the Inter-American Development Bank, the United Nations Industrial Development Organization and the World Bank Group.

Users, too, has a role to play to ensure that the Global Trade Helpdesk remains relevant and sustainable over the long run by ensuring that data is provided and updated. The business community can do its part by providing feedback on how future development of the portal can best help their enterprises.

In a nutshell, the Global Trade Helpdesk is about moving from making trade possible to making it happen. Through the HelpMeTrade.org portal, data will be turned into practical and usable intelligence, and will be an excellent tool for MSMEs to better identify and reduce obstacles to trade. It will increase transparency, improve coherence and help MSMEs to navigate the procedures needed to break into foreign markets and grow through trade.

To learn more and start using the Global Trade Helpdesk, please visit HelpMeTrade.org.

1. The Global Trade Helpdesk is easy to use and free of charge.
2. Available on mobile phones, too, the Global Trade Helpdesk provide step-by-step guidance for exporters.
Unleashing export potential through data

ANNA JANKOWSKA-ERIKSSON, International Consultant, International Trade Centre

ITC adds Export Potential Map to its suit of data tools empowering businesses, TISIs, and policymakers

Technology, globalization and global value chains are creating countless opportunities for export growth every day. Nevertheless, the task of assessing and comparing such opportunities can be daunting, complex and costly for businesses, policymakers and negotiators working to maximize gains from connecting to the global marketplace.

Moreover, identifying untapped potential for export growth and opportunities for successful diversification is critical for striking lucrative business deals; empowering specialists working in trade promotion agencies and putting in place sustainable and cohesive economic development policies ensuring inclusive growth in the rapidly evolving global economy.

TAPPING UNTAPPED

It was in response to such challenges that the International Trade Centre (ITC) earlier this year launched Export Potential Map. A forward-looking and free tool, it turns the demanding process of discerning and evaluating export opportunities into a simple and pleasant task for all. The innovation brings big data to the service of export development by providing comparable information about untapped potential across products and markets. It turns economic analysis into practical trade information, revealing untapped opportunities for export growth. It also

Businesses can use Export Potential Map for a quick scan of markets holding untapped potential for their products or products having unrealized potential in specific markets for additional export growth.

ITC IN ACTION

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ITC IN ACTION
offers opportunities for diversification with favourable chances of export success for 222 countries and territories across 4,046 products.

Since its launch, Export Potential Map has logged some 11,000 session by more than 5,400 users. The tool also won the prestigious German Design Award for Excellent Communications Design – Web thanks to its user-friendly interface and innovative visuals, which can easily be embedded into websites and print reports.

The map brings together detailed information about export performance; market access; economic growth; demand; access to resources; and the strength of bilateral trade relationships, allowing users to produce targeted and robust results. These can provide a crucial input for those seeking new business opportunities, working in export promotion at trade and investment support institutions (TISIs) and policymakers looking to design coherent and effective economic development policies.

SPOTTING OPPORTUNITY
Businesses meanwhile can use Export Potential Map for a quick scan of markets holding untapped potential for their products or products having unrealized potential in specific markets for additional export growth.

A rapid search allows companies to assess the potential export value of their products in dollar terms, providing directly comparable information about potential opportunities across markets they sell to as well as those they have not yet entered. Through additional market research, businesses can understand the specificities of new product markets and adjust their export strategies to seize these opportunities. The tool can be particularly useful for small and medium-sized enterprises (SMEs) facing challenges in performing sophisticated and costly market analysis on their own.

REMOVING THE GUESSWORK
For TISIs, Export Potential Map is a powerful new ally in their work to provide guidance to businesses on promising export opportunities and for maximizing the effectiveness of their own export marketing campaigns.

The tool delivers targeted information on promising markets for thousands of products as well as information on exporters that can be useful for businesses looking for new suppliers to integrate into their value chains. With information on untapped market potential, TISIs can prioritize their actions to support businesses in taking advantage of these lucrative opportunities.

INCLUSIVE GROWTH
What a country exports matters for its growth prospects, its opportunities for structural transformation and the linkages created within the domestic economy. As such, deciding which sectors warrant export promotion, public investments and infrastructure improvements is a critical.

For such purposes, Export Potential Map provides policymakers with an overview of the sectors holding the greatest promise in their economies.

The tool can also be useful for analyzing how gains from trade could be distributed across economies. A recent joint project between ITC and the International Labour Organization used information on untapped export potential to estimate potential impact on employment across sectors as well as by gender in six pilot countries.

Linking export opportunities with employment effects provides policymakers with a direct comparison of the formal jobs likely to be created across sectors if export potential is realized.

This type of analysis allows policymakers to evaluate how the gains from trade could be distributed within the domestic economy depending on which sectors are prioritized. This demonstrates how access to multifaceted and robust information on untapped export potential can help inform government officials about the trade-offs their country faces in potential export revenue, technological advancement, linkages to the domestic economy and the distribution of gains from trade.

1. Could Colombia export even more coffee than it does today?
2. A tree-map of Colombia’s export potential.
3. A radial map of Malawi’s export potential for chickpeas.
A gateway to sustainable consumption, production and trade

GREGORY SAMPSON, Sustainability Adviser, International Trade Centre

Sustainability Map sets out to better connect producer with buyers

At the end of a winding dirt road in the remote Ilam district of Nepal lives Sumit Shrestha, a young entrepreneur likely to inherit his father’s tea farm. With multiple tea producers in the region, the Shrestha farm has differentiated itself from others in the region by becoming the first Nepali tea producers to comply with the Rainforest Alliance sustainability standard.

Nepal is a landlocked country sandwiched between China and India. This location plays a crucial role in its trade opportunities. Equipped with simple and limited production facilities, Sumit and his father have focused on quality over quantity. To ensure the best quality of carefully hand-plucked Nepali tea, Sumit founded Doko Multipurpose Limited. The company was established to export quality tea and other Nepali traditional products internationally, such as chhurpi, a type of Nepali hard cheese sold as dog-chew in North America. This company packages and sells tea sourced from four cooperatives that have more than 500 farmers in the local area. Essentially, this means that Sumit is responsible for a pronounced supply chain consisting of numerous actors.

Currently, we are dependent on selling our tea to India, from where it is resold internationally, but as Indian tea. Working with ITC, we hope to reach international markets directly and build a strong brand for Nepali tea.
NEW OPPORTUNITIES
Excluded from the global trade market, Sumit and his father must sell their tea to an Indian intermediary who then re-exports the tea internationally at a premium price – and as Indian tea. The business has been running this way ever since Sumit’s father started. However, new generations at the helm of family businesses often lead to new opportunities.

Sumit, an ambitious and motivated young man, wants to change the existing business model and shorten the value chain by selling directly to buyers in Europe, the United States of America and in Asia. This, however, requires better market access as well as strengthening of his bargaining power. Sumit wants to unlock the potential of his small-sized enterprise in rural Nepal, connect with global buyers directly, and capture the premium price that he deserves.

The International Trade Centre’s (ITC) Sustainability Map will be able to provide support to enable Sumit to go some way in achieving this. A free and easy-to-use online platform, Sustainability Map enables entrepreneurs to connect with other partners in the value chain.

Micro, small and medium-sized enterprises (MSMEs), international buyers, intermediaries and procurement agents, standards and auditors can all use Sustainability Map to gain a better understanding of the voluntary standards relevant to their export markets and the demand for sustainable products while also connecting with local, national or international company partners. Creating a profile on Sustainability Map opens the door to become a member of an ever-growing sustainability community.

RAISING STANDARDS
A project team from ITC recently visited Nepal to introduce Sumit and his father to the Sustainability Map. Their response was positive: “Currently, we are dependent on selling our tea to India, from where it is resold internationally, but as Indian tea. Working with ITC, we hope to reach international markets directly and build a strong brand for Nepali tea,” Sumit says.

For users like Sumit, who have limited access to the internet, Sustainability Map is also available offline to ensure that anyone can access the tool regardless of their location and internet availability. “ITC is helping tea producers in the Ilam region reach an international level in their production standards by training us on guidelines and criteria that we have to follow,” he says.

Sumit created a profile and provided basic information about his tea production, location, and proof of his compliance with the Rainforest Alliance standard. This allowed him to attract buyers looking to source sustainably produced tea in response to growing demand in Europe, the United States and other markets.

The information Sumit entered on Sustainability Map is kept safely and private until the moment he decides to share his profile publicly. This process can be
Users of Sustainability Map can conduct self-assessments of their sustainable practices against over 230 voluntary standards referenced on the platform

such processes. With hundreds of voluntary sustainability standards in existence, it is easy to get lost and not know which, if any, voluntary standard is relevant.

To address this issue, users of Sustainability Map can conduct self-assessments of their sustainable practices against over 230 voluntary standards referenced on the platform. The self-assessment does not replace an actual audit, but rather gives the user an instant diagnostic or road map of what it will take to meet the requirements.

Using Sustainability Map, Sumit can now connect and visualize his entire upstream supplier base while connecting with downstream buyers. This new visibility provides his missing link to international traders. His sustainably produced tea can thereby potentially be exported directly to buyers, allowing Sumit to earn the premium price he deserves and be part of a global value chain.

To learn more and start using Sustainability Map, please visit www.sustainabilitymap.org

1. A woman picks tea in Nepal’s Ilam district.
2. Tea entrepreneur Sumit Shresta.
3. Tea plantations on the outskirts of Fikkal Bazar.
4. A geo-location feature in Sustainability Map.
5. Better market access will help empower Nepal’s tea farmers.
Agenda

from 10 December 2017

Upcoming events

10 December  Human Rights Day
10-13 December  11th WTO Ministerial Conference, Buenos Aires, Argentina
12 December  Launch of SheTrades Argentina, Buenos Aires
18-21 December  Internet Governance Forum, Geneva
23-26 January  World Economic Forum, Davos, Switzerland
30-31 January  ECOSOC Youth Forum, New York
3 March  World Wildlife Day
8 March  International Women’s Day
12-23 March  Commission on the Status of Women, New York
19-23 March  World Summit on the Information Society, Geneva
20 March  Journée internationale de la Francophonie
20 June  World Refugee Day, Worldwide
26-28 June  SheTrades Global, Liverpool, United Kingdom
27 June  UN Micro, Small and Medium-sized Enterprises Day
9-10 July  High Level Political Forum on Sustainable Development, New York
15 July  Youth Skills Day
12 August  International Youth Day
September  ITC’s World Export Development Forum, Zambia
18-25 September  UN General Assembly, New York
21 September  International Day of Peace
14 October  World Standards Day
16 October  International Food Day
22-26 October  World Investment Forum
24 October  United Nations Day
25-26 October  12th World TPO Network Conference and Awards, Paris
3-14 December  24th Conference of Parties to the UN Convention on Climate Change (UNFCCC), Katowice, Poland

If you want to go fast, go alone.
If you want to go far, go together.

African proverb
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Resources on trade and export development for exporters, trade support institutions and policymakers

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REFORMING LOGISTICS SERVICES FOR EFFECTIVE TRADE FACILITATION
Difficult customs procedures, barriers to investment and labour regulations limiting movement and hiring are the biggest obstacles for logistics providers in developing countries, according to ‘Reforming logistics services for effective trade facilitation’. Policymakers need to respond to traders’ concerns by promoting coordination between key stakeholders and supporting public-private dialogue, the report says. It offers practical guidance for policymakers and providers alike to drive regulatory reforms in the sector, a stepping-stone towards connecting small businesses to international markets.

http://www.intracen.org/publication/Reforming-logistics-services-for-effective-trade-facilitation/

NEPAL: COMPANY PERSPECTIVES – AN ITC SERIES ON NON-TARIFF MEASURES
Inadequate quality of export infrastructure is seriously affecting Nepalese exporters, a recently released International Trade Centre (ITC) study says. According to ‘Nepal: Company Perspectives – An ITC Series on Non-Tariff Measures’ half of 577 surveyed companies in Nepal (exporters, producers, logistics providers) face difficulties in proving compliance for buyer requirements because of inadequate testing and certification bodies. The report recommends strengthening Nepal’s quality and customs infrastructure; better engagement with India for transit and trade facilitation; and enhancing the export production capacity of small businesses.

http://www.intracen.org/publication/NTM-Nepal/

HOW STRATEGIC ARE TRADE STRATEGIES? TRENDS FOR EFFECTIVE DEVELOPMENT
While more than 40% of existing trade strategies identify trade integration and regionalism as crucial policy areas, less than 3% of them are regional, nor do they fully build on diversification opportunities in services and manufacturing. This is one of many trends in trade strategies, which are key policy instruments to build competitiveness in regional and global markets, an ITC study shows. ‘How strategic are trade strategies? Trends for effective development’ explores trends from ITC’s Trade Strategy Map database, the world’s largest collection of trade development strategies.

http://www.intracen.org/publication/Trade-strategies/

WORLD TARIFF PROFILES 2017
Jointly published by ITC, WTO and UNCTAD, this annual report presents tariff-based market access conditions for goods imposed by 164 WTO Members and other countries. The report contains aggregated product statistics; tariffs imposed and faced by each economy; and an overview of non-tariff measures. This year’s focus is on export diversification, which analyses to what extent economies have diversified their exports over time. ITC’s Market Access Map database is one of the main sources of the applied tariff data in the report. The report is available in English, French and Spanish.
