

# **Developing Targeted Trade Support Services**

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CCPIT is a national trade and investment promoting organization and a principal TPO and TSI in China. It is a government sponsored public agency with most of its budget coming from the government. It is not involved in policy formulation or intensive research. It operates independently, and organizes hundreds of events like trade shows、 visits、 seminars、 match-making meetings in and outside China very year. Since its inception in early 1950s, it has established an intensive network of over 700 offices in China and overseas. Through this network, CCPIT maintains close and interactive relations with and provides professional services to hundreds and thousands of companies.

CCPIT has played a unique role for the promotion of China's trade and investment, through foreign liaison, exhibition, information, training, commercial arbitration, certification and authentication, patent and trademark, and other public services.

For promoting trade, in most countries there exists a trade support system to serve mainly the needs of SMEs. The trade support system, with the government as its main body, can bring the government's public resources into full play. The system's operations are market-oriented, and

provide the export enterprises with comprehensive and multi-level public services on an open and fair basis.

The trade support system can be divided into two categories, namely policies and services. The policy part mainly covers the trade regime, laws and regulations, including the environment and energy saving regulations and standards.

The services part mainly covers the infrastructure and various trade facilities, as provided by customs, inspection, tax, and other relevant administrative departments. The services also cover market information, export financing, financial support for the SMEs. Expenditure of public trade support services in most countries are listed in government budget.

China's trade volume in 2009 was 2.2 trillion USD (down 14%). From January to July 2010, China's trade hit 1.62 trillion USD, up by 40%. China is world's No 2 trading country and No 2 importing country.

However, we have to recognize that there are still many problems in China's trade. For example, the structure of export products should be further optimized, the foreign invested enterprises occupy too much share of the total export volume, the core competitiveness of export enterprises must be increased, export markets are too concentrated, and SMEs lack market development ability. I say China is a trading giant in "quantity" rather than "quality".

To solve these problems, it is important to improve China's trade service system and assist the export enterprises to improve their competitiveness in

the international market. China's policy support for trade has taken firm shape, but the service support system for trade is still in need of perfection, particularly for services in market information and research, financing, assistance in dispute solutions, professional counseling, IPR protection, etc.

In this regard, CCPIT would like very much to learn from other TPOs their successful experiences and practices.

The financial crisis that erupted in September, 2008 confronted the Chinese economy with many severe challenges, such as shrinking of the external demand, overcapacity in some industries, rising unemployment in urban areas, as well as the increasing pressure of economic downturn.

China took a series of measure to fight the adverse situation and achieved remarkable results. China became one of the first countries to come out of the severe situation, and contributed significantly to world economic recovery.

In this process, CCPIT has intensified its trade support services with some selective focuses.

**Firstly, CCPIT offers designed services to enterprises based on relevant trade policies.** For example, to help export companies to overcome the difficulties and to maintain import and export business, CCPIT and its local offices have conducted researches in selected regions on different key sectors, and then submitted reports on the issues of major concern to the government, so as to help the government to work out policies to support export in line with international practices. These policies

are of great significance to trade as well as employment.

CCPIT has supported companies from the key export industries such as the textile, machinery, electronics and light industries, to participate in professional overseas trade exhibitions.

CCPIT has made efforts in assisting companies to explore and diversify export markets in Asia, Africa and Latin America, so as to reduce the negative impact of the financial crisis to the export companies.

CCPIT has worked with some local governments to select and exhibit products in some overseas trade shows according to the economic features of their respective regions and industrial advantages for better results and reduced costs.

CCPIT has organized seminars on promoting import into China and signed a MOU with a Shanghai exhibition company to showcase foreign products on long-term basis there. This also serves the purpose of improving the import structure, upgrading import quality and rebalancing our bilateral trade with some countries.

CCPIT has also supported its local offices in organizing reverse trade shows in China, to promote export-oriented consumer products to Chinese consumers. This has been very helpful to many export companies in difficulties without overseas orders.

**Secondly, in line with its features and the highlights of its annual work plan, CCPIT has provided more target-oriented supporting services.** In recent years, CCPIT has organized several times the “Promotion Week of Chinese Commodities” overseas, together with

exhibitions, matchmaking activities and publication, to promote export development.

CCPIT has organized tailor-made training programs to companies' employees on how to develop and diversify export markets. CCPIT invited trade experts to help enterprises adjust their export structure, upgrade products and explore new markets. We also have training programs on how to avoid risks and fully utilize the export credit in the context of the global financial crisis.

CCPIT signed a cooperation agreement with the ITC in 2009 and started the CTAP Training Program. After about 8 months of training, 35 students passed the test and have since visited 20 companies in Beijing and Tangshan twice.

**Thirdly, CCPIT constantly develops new services for companies to choose.** During the financial crisis, we found that our export companies had shrinking orders and were in urgent need of export credit guarantee. CCPIT then signed a Cooperation Agreement with the China Export Credit Insurance and Guarantee Corporation, who will provide 6-month, 3-month and 60-day short-term credit support and guarantee to export companies with the assistance of CCPIT. According to the agreement, in case of a foreign importer going bankrupt or in debt, the Corporation will compensate the domestic exporter first and then have recourse to the foreign importer in the name of national credit institution. This kind of support can help SMEs to explore new markets, avoid risks and enhance their capacity in trade-related activities.

In the above-mentioned service models, the first two kinds are offered actively by the CCPIT based on thorough research. Among the services, some are for all the companies such as reporting their concerns to the relevant government agencies, and some are selective. Taking the training for example, CCPIT will select from the companies who have submitted applications and provide the training services. The third model is for the companies to choose with CCPIT support. Though the three models differ from each other, they are more target-oriented in the new situation to make our services more efficient.

Ladies and gentlemen, the global world economy is on the road of slow recovery, CCPIT would like to join hands with the overseas business communities for the recovery and prosperity of the world economy through communication and cooperation!

Thank you all!