



# CONCLUSIONS

## PLENARY – THE WAY FORWARD

FRIDAY 15 OCTOBER 2010

Speakers:

- Mr. Jorge ILLINGWORTH, Former Ecuador Trade Minister, Conference Chair.
- Mr. Alfonso CERVANTES SÁNCHEZ NAVARRO, Acting General Director, ProMéxico
- Ms. Patricia R. FRANCIS, Executive Director, International Trade Centre (ITC)

Two days of intensive discussion and debate brought together 150 representatives from trade promotion organizations (TPOs), governmental and private business support organizations, related government ministries, regional trade promotion organizations, and international and national development agencies interested in trade capacity development.

Participants exchanged experiences, knowledge and best practices, while focusing on practical solutions which would stimulate export-led economic growth. The result was a deeper understanding of the shifting global trade terrain and a compass to navigate the territory ahead.

Conference Chair Mr. Jorge Illingworth noted that no one country had been spared the effects of the global economic crisis, however, some had been hit harder than others. Some sectors had been harder than others. Recovery is uneven, but for the most part, markets are recovering.

“No crisis is worth going through if you do not get anything good out of it,” he told participants. “A first and hard lesson learned is that it is not business as usual anymore.”

Crisis typically creates space for opportunity. Yet, while emerging markets – such as Asia and Latin America – are pushing export growth worldwide, it is important not to underestimate the regional and domestic dimension of trade. Regional strategies in trade and investments are key, particularly in critical industries along supply and production chains.

At the same time, specialization increases the relevance of regional strategies in trade and investment. The capacity of countries to act collectively in addressing the challenges of international trade is a driver of companies’ competitiveness.

Countries within the same region benefit from building mechanisms of collective consultations and joint initiatives that strengthen economic relations, identify business opportunities with global supply chains, and improve the position of their economies in the world market.

This dynamic must be reflected in the ways TPOs work together. The role of TPO networks is to take joint action in export and investment promotion, which has a direct impact on policy-making at country level. “TPOs should be more active than in the past to try and have a more direct impact in policy-making or reform at the country level,” Mr. Illingworth reported.

Benefits of regional collaboration include centralizing and coordinating information on trade and investment promotion strategies that are relevant for exporters. TPOs are revamping their information gathering systems, recognizing that lack of information is a serious barrier to exports.

However, information alone is not enough – it must be transformed into knowledge, for example, market intelligence. This is particularly important for developing countries firms involved in trading differentiated goods and services.

TPOs are moving towards a client centric approach. They are now, more than ever, in a “listening mode”, enabling them to respond on time and efficiently with demand driven, needs based, value adding, sector specific services.

“Developing a close, trusting relationship with clients could definitely help in the information gathering process needed for TPOs to measure their impact,” Mr. Illingworth said. To this end, Customer Relationship Management systems are crucial for an effective and efficient response to clients.

In the face of increasing international competition, TPOs need to focus on capacity building and export development services. Many companies are being forced to go global because of the competition from foreign companies at home. At the same time, TPOs must also focus on better positioning companies within global supply and production chains of products and services.

Participants agreed that much work needs to be done to measure the impact of their services on export-led growth. A strong and effective TPO Network is key to sharing successes and failures in this critical area. “There is no one-size-fits-all measuring impact system, but our experience sharing process definitely could help in the design of a system that fits individual TPOs,” he said.

One point of the compass for TPOs when charting future directions could be to consider Mr. Illingworth’s paraphrase of Albert Einstein’s famous quote: Insanity is doing the same thing over and over again and expecting different results.

The host of the 2010 TPO Network World Conference and Awards, Mr. Afonso Cervantes Sánchez Navarro, reminded participants that the challenges of developing trade extend beyond borders and in many instances, should be tackled regionally. TPOs are constantly building their capacities to better service clients’ needs and today more than ever must follow up on business outcomes through initiatives such as monitoring certification and export outcomes.

“We need to focus on our customers’ needs to have a clear course for developing our markets,” Mr. Cervantes said. “It is also important to concretize regional cooperation so that TPOs can be enriched through collaboration.”

Ms. Francis told participants that TPOs are more relevant than ever before. “They must reinvent themselves in a constantly changing environment. It is important that in times of crisis that we take advantage of the opportunity to make changes – to do things that are difficult to do in times of prosperity,” she said. “We must keep pace with the world around us.”

An important trend that emerged during the conference is TPOs’ tendency to focus on export ready SMEs to boost economic growth for their countries. “It may be easier to go for the low hanging fruit of targeting export ready or exporting SMEs, but do not forget our obligation to economic development and to working with companies that need your support,” cautioned Ms. Patricia R. Francis.

The 2010 TPO Network Conference and Awards followed ITC’s World Export Development Forum (WEDF), which took place 9-12 September in Chongqing, China, where more than 300 participants addressed the theme, ‘Adapting to Post-Crisis World Trade Patterns, and Lessons for Export Development’. Ms. Francis noted that a number of WEDF’s conclusions resonated with discussions over the past two days.

“Businesses need to strive for value rather than volume and it is time to work out how to participate in global supply chains,” she concluded “It is important to think with a long-term perspective rather than focusing on the short term”.