The Role of TPOs in Promoting SMEs’ Exports

José Prunello
1st Meeting of the COMCEC Trade Working Group
Ankara, 20th June 2013
Agenda

• ITC and TSIs
• TPO roles and services
  o Defining roles and services: good practices
  o New trends: impact and responses
  o Critical success factors
• ITC performance improvement support
ITC’s role in trade related technical assistance (TRTA):

To enable small business export success in developing and transition-economy countries, by providing, with partners, sustainable and inclusive development solutions to the private sector, trade support institutions and policymakers.
Categories of Trade Support Institutions (TSIs)

**General**
- TPOs – Trade Promotion Organisations
- Ministries (with an interest in export development)
- Chambers of Commerce and Industry
- Economic Development Agencies (with export focus)
- Regional Economic Groupings (with export focus)

**Sector-specific**
- Exporters Associations
- Trade Associations
- Sector-based (industry and services) Bodies

**Function-specific**
- Export Credit and Financing bodies
- Standard and Quality Agencies
- Export Packaging Institutes
- Training institutions
- Trade law and arbitration bodies
ITC works with TSIs to act as multipliers

To support Exporters, Policymakers & other TSIs
TPOs: Stakeholders and Roles

- **TPO**: Leadership and Coordination, Trade (& Investment) Point of Entry, International Business and Investors
- **Government**: Export Strategy Implementation, Policy Advice and Advocacy
- **SMEs**: Business Development and Trade Support Services
- **Other TSIs**: Stakeholders and Roles

Diagram: TPO roles and services
Matrix of export stages and internationalisation levels

FDI/ODI
Expansion & Consolidation
Promotion & distribution
Market entry
Market selection
Awareness & preparation

STAGES IN EXPORT PROCESS

Home-country
Diagnosis
Capacity building
Training
Information
Advice

Services not yet adequate for this level of firms

In-market
Logistic support
Information
Advice
Prom & Comm
Opportunities
Contacts
Networking

Services too simple for this level of firms

FDI/ODI
Domestic Supplier
Export intention
Exporting
Multinational
Global

LEVEL OF INTERNATIONALISATION OF FIRMS

TPO roles and services

Commercial Diplomacy
Lobby & PR
Political Support

Information
Advice
Prom & Comm
Opportunities
Contacts
Networking

Logistic support
Information
Advice
Prom & Comm
Opportunities
Contacts
Networking

FDI/ODI
Domestic Supplier
Export intention
Exporting
Multinational
Global

LEVEL OF INTERNATIONALISATION OF FIRMS
TPO Service Portfolio – design considerations

TPO Mandate
Strategy and Objectives

Services provided by other TSIs AND Private Suppliers

TPO SERVICES

Needs of target segments of clients

Availability of Resources and Capabilities
TPO Roles: Critical success factors

- **Aligned**: strategy – results – services
- **Relevant**: client focused
- **Flexible**: use results to learn and improve
- **Evolving**: Continuous improvement process
- **Effective**: Governance and leadership
# TPO Service Portfolio Design – good practice examples

<table>
<thead>
<tr>
<th>TPO</th>
<th>Main Feature</th>
<th>Client Focus</th>
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<tbody>
<tr>
<td>Matrade – Malaysia</td>
<td>High impact sector-based activities and events and business matching</td>
<td>Largest number of SMEs in priority sectors</td>
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<td>NZTE – New Zealand</td>
<td>Intensive support through stages of internationalisation</td>
<td>500 high-growth exporters</td>
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<td>PROEXPORT – Colombia</td>
<td>Services assessed on basis of results</td>
<td>Intensive support to able exporters</td>
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<tr>
<td>FINPRO – Finland</td>
<td>Intensive support through stages of internationalisation</td>
<td>Innovative and “born global” clients</td>
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New Trends – New Roles

<table>
<thead>
<tr>
<th>Change</th>
<th>Trend</th>
<th>New Roles</th>
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<tbody>
<tr>
<td>Global value chains</td>
<td>From export promotion to internationalisation</td>
<td>FDI Attraction ODI Support</td>
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<tr>
<td>Slower growth in developed economies</td>
<td>From traditional markets to emerging and developing</td>
<td>Market diversification</td>
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<td>Increasing importance of NTMs and regionalism</td>
<td>More complexity for SMEs</td>
<td>Regulatory information and support</td>
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<td>Higher growth in trade in services</td>
<td>Increasing demand from SME service exporters</td>
<td>Specific services IP protection and support</td>
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<td>Public-Private partnerships</td>
<td>Need for cooperation and collaboration Gov &amp; SMEs</td>
<td>TPO as bridge Private participation in TPO governance</td>
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<td>Tougher fiscal environment</td>
<td>Pressure to reduce cost and increase performance</td>
<td>Result and impact measurement</td>
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<tr>
<td>New Roles</td>
<td>ITC Assistance</td>
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<tr>
<td>FDI Attraction ODI Support</td>
<td>ITC works with WAIPA and UNCTAD</td>
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<tr>
<td>Market diversification</td>
<td>Trade Map, Lega Carta</td>
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<tr>
<td>Regulatory information and support</td>
<td>Market Access Map, Standards Map, Trade Facilitation Support, NTM Project</td>
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<tr>
<td>Specific services for service sector</td>
<td>Service Sector Competitiveness, Trade Law / Lega Carta</td>
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<td>IP protection and support</td>
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<td>TPO as bridge Private participation in TPO Governance</td>
<td>Advocacy and Networks</td>
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<tr>
<td>Result and impact measurement</td>
<td>Benchmarking and Capacity Building</td>
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ITC TSI strengthening: Portfolio of main services

Assess
- Benchmarking Assisted Assessment
- Benchmarking Self-Assessment
- Institutional Assessment

Improve
- Good Practices
- Institutional Building
- Strategy Development
- Service Portfolio
- Networks and Partnerships
- Business Generation
- Foreign Trade Representatives

Measure
- Result and Impact Measurement

Information
- Training
- Advice and Consulting
- Networking

ITC performance support – AIM
The Journey Never Ends

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