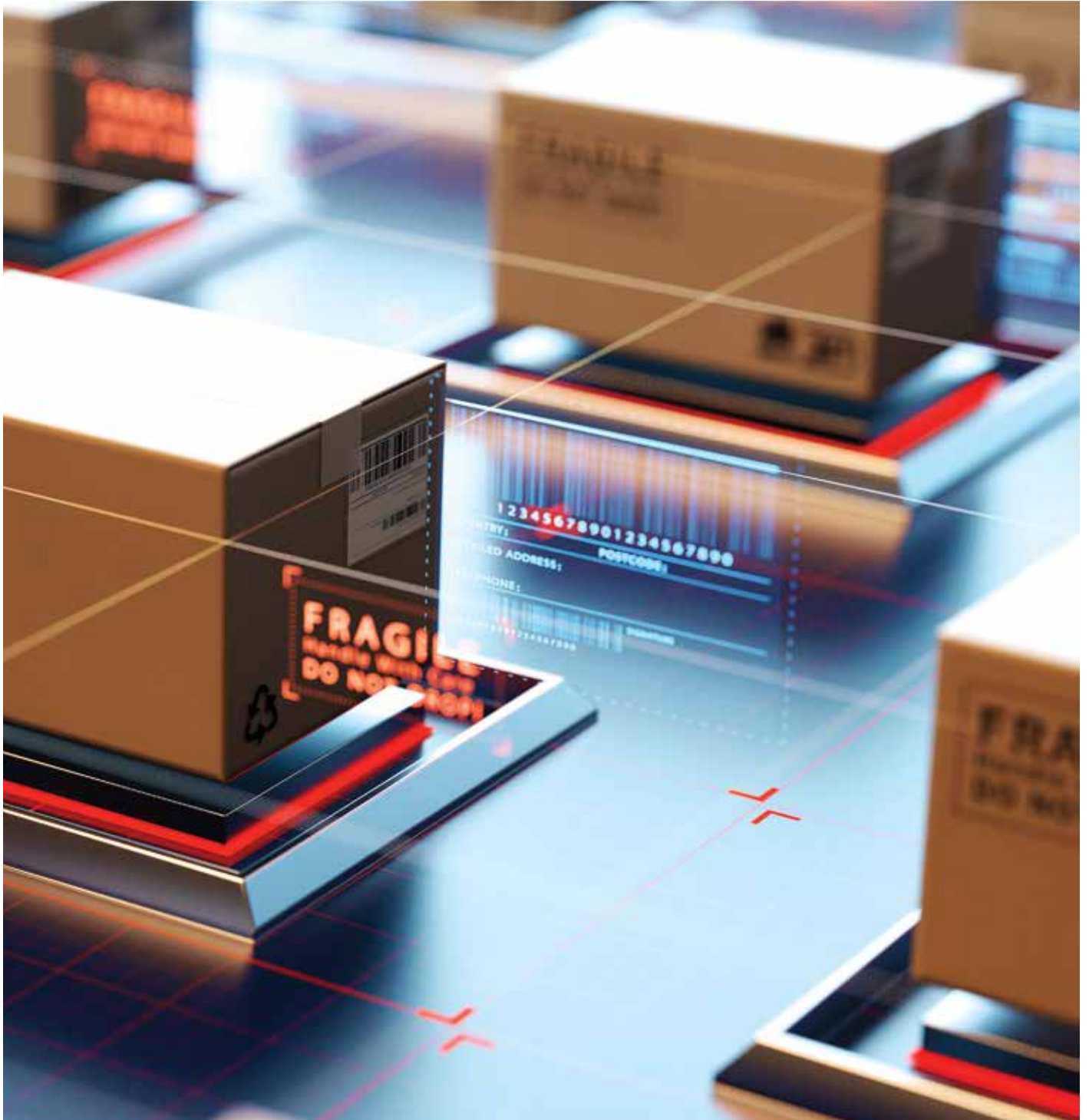




Issue 1

Trade and
technology

INTERNATIONAL TRADE FORUM



Technology for all

ARANCHA GONZÁLEZ, *Executive Director, International Trade Centre*

The world of 2019 is very different than the world of 1995 when the World Trade Organization was established. The way we produce, trade and consume has been transformed by technology and efficiencies in transportation and global poverty has decreased.

We are witnessing a digital revolution which has made information more freely available than ever before but we are also in the midst of an ecological crisis where the limits of the planet are being tested and we are seeing social agitation with citizens across the world demanding better jobs, less inequality and a greater stake in global governance.

In the world of trade, the digital revolution has reshaped the ways countries interact as well as how companies move goods, services and information across borders.

Apple launched its first iPhone in 2007; today, one in three people across the world owns a smart phone. Africa, with its growing youth population is part of this revolution with 15% of the continent's 400 million mobile-phone subscribers owning a smart phone.

Over the past decade global e-commerce has been expanding at an average rate of 20% a year, with some countries hitting 50%, as bricks-and-mortar shops have languished. And while this trend keeps accelerating in many parts of the world, poor logistics remain a barrier to e-commerce growth in many developing countries.

Indeed, such dramatic progress makes it easy to forget that more than half the world's population is not connected to the internet. While internet penetration is high in some parts of the world, reaching 95% in Europe, in Africa it is only around 36%, according to Internet World Stats.

If we are to achieve the overarching goal of the United Nations 2030 Agenda for Sustainable Development – leaving no one behind – this has to change.

For trade in the digital economy, a recent step in the right direction was taken in January, when a group of World Trade Organization members launched talks on rules to govern global e-commerce. This matters, for the future of global commerce and it is important for all countries that they have a stake in the discussions and eventual outcome.

Technology was creating new opportunities for trade long before the advent of the digital economy. In this issue of International Trade Forum, logistics company UPS describes how it is taking advantage of technology to reach more people across the world and, in effect, connecting more people to global markets. Meanwhile, the IRU, the road transport organization, explains how technology makes it easier to transport goods across borders.

Be it in Africa, Asia or Latin America and the Caribbean, micro, small and medium-sized enterprises (MSMEs) are realizing



the benefits that come with technology and are increasingly taking advantage of these opportunities. But for MSMEs in developing countries to truly reap the benefits of participating in international trade, they need greater support such as access to finance and access to technology.

At ITC we are stepping up our efforts in response to these needs by working with our partners in the public and private sectors to ensure that the technologies needed to succeed in trade in the 21st century reach those that need them the most.

But for the world to truly benefit from the opportunities provided by the digital revolution, we need to ensure that more players play a greater part in ensuring that technology delivers for all and that no one is truly left behind.



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International Trade Forum focuses on trade promotion and export development as part of ITC's technical Co-operation programme with developing countries and economies in transition.

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International Trade Centre

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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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PHOTO FEATURE

ADAPTING TO CLIMATE CHANGE

Kenya's cut-flower sector is responding to challenges posed by climate change.



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News Brief

South-South trade helps firms build competitiveness, meet growth goals, report says

Companies that engage in South-South value chains and produce higher value-added goods are more competitive and better able to reach growth targets, a new International Trade Centre (ITC) report says. 'The Power of International Value Chains in the Global South' was produced in collaboration with the Research and Information System for Developing Countries, a think tank based in New Delhi.

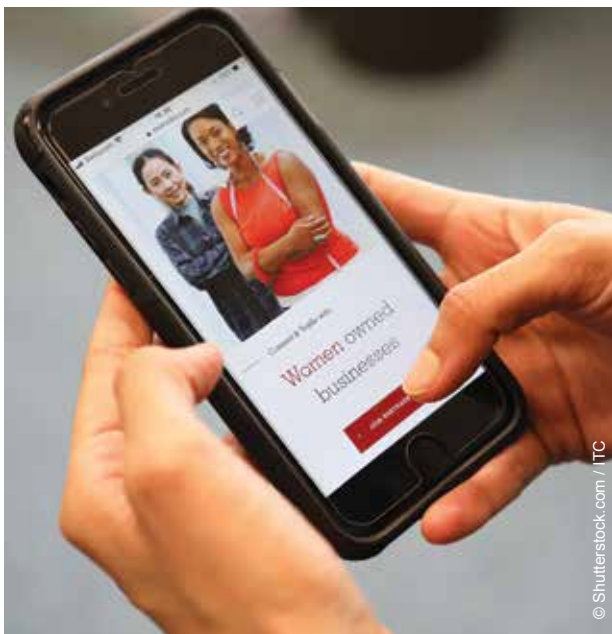
Using macroeconomic data and a survey of 558 East African firms, the report shows that recent proliferation of regional trade agreements and rising trade in technology-intensive goods have propelled the South's growth in the past two decades. The economy of the 'Global South' – which encompasses least developed countries, economies in transition and developing economies – more than quadrupled to \$30.9 trillion from 2000 to 2016, the report said.

The findings underscore the need for decision makers to step up support for regional cooperation to promote South-South trade and international value chains alongside South-North initiatives. The report sets out almost a dozen strategies aimed at increasing South-South trade, including recommendations to encourage inward foreign direct investment; facilitate imports; target both bilateral and multilateral South-South trading arrangements; and support investment in technology. [🔗](#)



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International Trade Centre releases upgraded SheTrades app



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The International Trade Centre (ITC) has rolled out a upgraded version of the SheTrades desktop and mobile app to more easily connect women entrepreneurs to markets and buyers. The improved platform provides users with a new interface, a range of new features and a much better user experience.

A central component of the SheTrades Initiative, which aims to connect 3 million women entrepreneurs to markets, the online platform makes it easier for women entrepreneur and women-owned companies to reach out to potential buyers and vice versa. SheTrades also allows women to connect with peers and improve their business skills through online learning.

In addition to providing a digital networking home for women entrepreneurs, the SheTrades online platform is also a tool for bigger companies looking to include women entrepreneurs in their supply chains. In fact, a key driver in the development of the platform was concern expressed by corporations about the challenge they face when trying to identify women vendors as potential suppliers.

ITC invites businesses, institutions and agencies to be part of the SheTrades network by registering on www.shetradet.com or by downloading its mobile app, available at the Apple store and Play store. [🔗](#)

Business models worldwide face radical change, study shows

Global business models are changing rapidly and radically, creating a need for policymakers, businesses and employer organizations to innovate, adjust and become more flexible, a new study has found.

The skills gap is a major issue, with 78% of corporate executives saying schools are failing to meet future employer needs, according to research conducted by the International Labour Organization's (ILO) Bureau for Employers' Activities (ACTEMP) and the International Organisation of Employers (IOE).

More broadly, the report identifies five trends radically altering global business

models regardless of size, sector or location. They are technological innovation; global economic integration; climate change and sustainability; demographic and generational shifts; and a global shortage of skilled labour.

The findings of the report, 'Changing Business and Opportunities for Employer and Business Organizations,' stresses that businesses cannot meet the challenges alone and should develop collective solutions through employer and business membership organizations (EBMOs). [🔗](#)



Report sheds light on impact of digital technologies on global value chains



While the expansion of global value chains (GVCs) has generally slowed since the financial crisis of 2008-09, recent data shows that complex value chains involving production processes across multiple economies grew faster than GDP in 2017, according to Global Value Chain Development Report 2019. Co-published by the WTO, the World Bank Group, OECD, the Institute of Developing Economies (IDE-JETRO), the Research Center of Global Value Chains of the University of International Business and Economics (UIBE), and the China Development Research Foundation, the report was unveiled during the 2019 Spring Meetings of the International Monetary Fund and World Bank Group.

The report, which looks at the impact of GVCs on labour markets, shows trade has not been a significant contributor to declines in manufacturing jobs in advanced economies and that it has enhanced employment and income in developing economies. It also points to job gains in the services sector in both developed and developing economies as production processes have evolved under GVCs.

The report nevertheless recognizes that the structural changes in economies can vary considerably across regions and individuals with different skill levels, particularly in developed countries. It therefore highlights the need for governments to implement adjustment policies to make sure economic gains are spread more evenly. [🔗](#)

'Critical moment' for sustainable development at hand, UN chief tells financing forum

"Uneven growth, rising debt levels, possible upticks in financial volatility, and heightened global trade tensions" are hampering progress on reaching the Sustainable Development Goals (SDGs), United Nations Secretary-General António Guterres told the Forum on Financing for Development.

Climate change, greenhouse gas emissions and technologies disrupting labour markets were a major challenge, Guterres said.

'We are here today as part of an effort to coordinate an urgent global response to reverse these trends,' he said. 'Simply put,

we need more money to implement the Sustainable Development Goals.'

Noting that development aid remains essential, particularly for the poorest countries, the secretary-general highlighted the importance of countries themselves generating more funding, including by increasing tax revenue and the impact of investment.

'National policy frameworks are key to reducing risks, creating an enabling business environment, incentivizing investment in public goals and aligning financial systems with long-term sustainable development,' he stated. [🔗](#)



Supporting Kenya's cut flower sector adapt to climate change

DELPHINE CLEMENT, ANNEGRET BRAUSS, ANN-KATHRIN ZOTZ, *Programme Officers, International Trade Centre*



All photos: © Antoine Tardy / ITC

1

The country's floriculture sector is increasingly feeling the impact of climate change and realizing the urgent need to adapt to stay competitive

The cut flower sector is one of Kenya's main exports and one of the largest employers in the country. Highly sensitive to changing weather patterns, the industry is increasingly feeling the impacts of climate change. In recent years, many flower farms have had to cope with a range of threats: heavy rainfalls, prolonged cold weather and too high temperatures in the greenhouses. As a result, scheduling the cutting ahead of key sales periods such as Valentine's Day or Christmas is becoming challenging.

The International Trade Centre's (ITC) Trade for Sustainable Development programme began work in 2018 to support the competitiveness of micro, small and medium-sized enterprises (MSMEs) in Kenya's floriculture sector as well as the tea and coffee sectors, looking to build

climate resilience across international value chains. The overall objective was to provide support to MSMEs to integrate climate-change considerations into their business risk analysis and to create climate adaptation strategies that include practical and bankable measures. Financed by the German Federal Ministry for Economic Cooperation and Development (BMZ), the project has also carried out interventions in the textile and agro-processing sectors in Morocco.

Kenyan floriculture companies participated in a six-month customized coaching programme that helped them identify numerous adaptation measures. These included the selection of new flower varieties that can tolerate higher temperatures and the use of temperature and humidity sensors to control the temperature in the green houses.

The project highlighted the urgent need for SMEs to build capacity and skills to actively manage climate-induced risks and to strengthen awareness of, and access to, green finance. It also showed that climate change adaptation is more easily achieved through collaboration along value chains, to initiate joint action to tackle sustainability issues in trade. ⑦

1. Flowers being assembled for export. Abdoulle Drammeh, Founder, Kara Garden.
2. A woman worker in the field.
3. Greenhouses.
4. Roses in cold storage.
5. A woman readies roses for exports.
6. A variety of roses grown to satisfy a variety of customer preferences.
7. Workers in the field.



Why protectionism spells trouble for global economic growth

JONATHAN D. OSTRY, *Deputy Director, International Monetary Fund*

For hundreds of years, competitive markets have been seen as most likely to maximize economic output



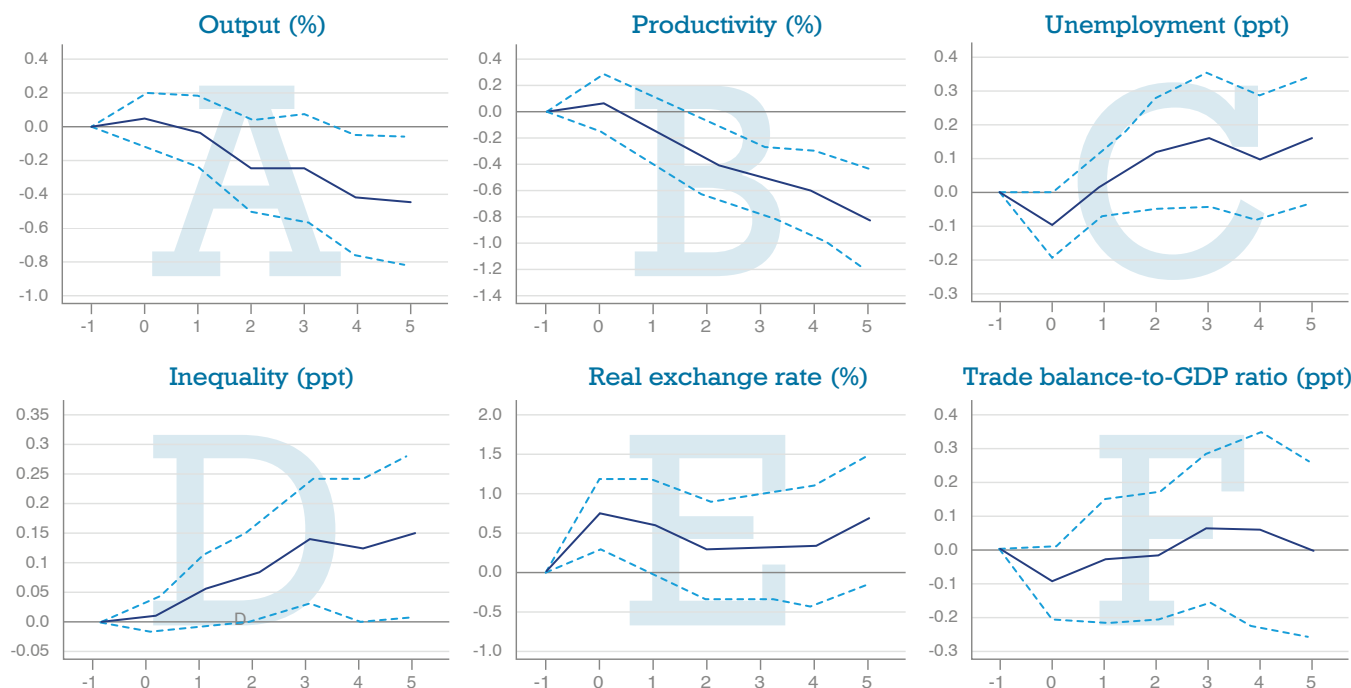
It is sometimes alleged that for all the microeconomic distortions that protectionist policies inflict, there can be a silver lining in terms of macroeconomic gains: more jobs, more output and a stronger trade balance. Indeed, some economies today are seemingly using commercial policy to pursue macroeconomic objectives. Tariffs can dampen imports, boost net exports (the difference between exports and imports, or the trade balance), and so boost GDP, other things being equal.

Economists, however, have generally been sceptical. Since the time of Adam Smith (or maybe even before), open and competitive markets have been seen as most likely to maximize output by directing resources more productively. Tariffs, on the other hand, encourage both the deflection of trade to inefficient producers and smuggling in order to evade them; such distortions reduce any beneficial effects. Further, consumers lose more from tariffs than producers gain, so there is deadweight loss.

There is in addition a powerful lesson from history. Protectionist policies helped precipitate the collapse of international trade in the 1930s, and this trade shrinkage was a plausible seed of the Second World War.

And the redistributions associated with tariffs tend to create vested interests, so harm tends to persist. Broad-based protectionism can also provoke retaliation, which adds further costs in other markets.

THE ECONOMIC EFFECT OF TARIFFS



These results are for the full country sample as listed in Table 2 of NBER WP 25402/CEPR DP13389.

Moreover, economists believe macroeconomic policies (fiscal and monetary policies such as interest rates or the budget deficit) to be the natural instruments for achieving macroeconomic goals, such as raising growth and jobs. Tariffs are more likely to lead to offsetting changes in exchange rates that frustrate the achievement of macroeconomic objectives; less imports and a stronger trade balance increase demand for the domestic currency, and so its value.

There is in addition a powerful lesson from history. Protectionist policies helped precipitate the collapse of international trade in the 1930s, and this trade shrinkage was a plausible seed of the Second World War. So while protectionism has not been much used in practice as a macroeconomic policy, most economists emphatically consider that this is as it should be.

But times change. Some economies today are using commercial policy seemingly for macroeconomic objectives. Can we say something about what the likely practical consequences of such actions are likely to be? In a recent study covering the vast majority of developed and developing countries in the world, and half a century's-worth of macroeconomic data, we examined the responses of six key macroeconomic

variables to changes in the tariff rate: real GDP, productivity, the unemployment rate, the real exchange rate, the trade balance and inequality.

We found that tariff increases have adverse domestic macroeconomic and distributional consequences: these effects are robustly and statistically significant, and are large enough in an economic sense to merit the attention of policymakers.

We also found that output (GDP) falls after tariffs rise because of a significant decrease in labour productivity. When firms in the import-competing sectors receive protection, resources are reallocated within the economy to relatively unproductive uses, and this is harmful to the added value generated by the economy. That is, the wasteful effects of protectionism lead to a meaningful reduction in the efficiency with which labour is used, and thus to a fall in output. Nor did we find an improvement in the trade balance after a rise in tariffs, plausibly reflecting our finding that the real exchange rate tends to appreciate as a result of higher tariffs (a prediction that is in line with theory and much earlier empirical evidence). We also found that protectionism leads to a small increase in unemployment, further bolstering the case against

protectionism, and that tariff increases lead to greater inequality after a few years.

We found that the hit to economic growth from a tariff increase is more pronounced if the tariff increase is undertaken during an economic expansion. It is also larger for advanced countries than it is for developing countries.

This is worrisome, since tariffs are currently being used as a macroeconomic instrument in buoyant economic conditions and in advanced economies.

To summarize: the aversion of the economics profession to the deadweight losses caused by protectionism seems warranted. While the case against protectionism has typically been bolstered by theoretical or microeconomic evidence, the macroeconomic case for liberal trade is also strong. Higher tariffs seem to lower output and productivity, while raising unemployment and inequality, and leaving the trade balance unaffected. These results are wholly consistent with conventional wisdom from standard economics, and bolster the case for free trade. Protectionism just weakens the macroeconomy. ^①

This article was first published on the World Economic Forum's Agenda and draws on joint work with Furceri, Hannan and Rose, published as Macroeconomic Consequences of Tariffs, CEPR Discussion Paper 13389, December 2018.

Small and medium-sized enterprises: engines of the digital revolution

HOULIN ZHAO, *Secretary-General, International Telecommunication Union*

Creating jobs and driving technological development are keys to growth



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New technologies – from the Internet of Things to artificial intelligence (AI) to 5G communications – hold great potential for human progress.

They are already enabling innovations in health, financial services, energy, transportation and smart communities. They will be essential for the realization of every single one of the United Nations Sustainable Development Goals (SDGs).

This digital revolution cannot happen without small and medium-sized enterprises (SMEs).

Along with micro and local businesses, start-ups and entrepreneurs, SMEs are crucial to ensuring economic growth in a sustainable and inclusive manner across developed and emerging economies alike. Businesses will increasingly be a key driver of the development of the information and communication technologies

SMEs and entrepreneurs face very specific challenges, in particular an urgent need to develop local skilled talent; access to new markets and sectors; and investment.

(ICTs) that power today's digital economy, helping to ensure local needs for new digital services are met in all corners of the world.



A neutral, international platform to promote global collaboration and foster SMEs in the ICT sector for economic growth and social good is required to help SMEs reach their full potential.

DRIVING THE DIGITAL ECONOMY

ICT startups and entrepreneurs – and the solutions, applications and innovations they develop – are a fundamental source of new jobs, with tremendous potential to boost global, regional and national economies. Flexible, adaptable, scalable and responsive, they can operate and innovate anywhere there is connectivity, making a long-lasting impact on our societies and markets.

SMEs and entrepreneurs face very specific challenges, in particular an urgent need to develop local skilled talent; access to new markets and sectors; and investment.

Funding, whether from government, corporate or non-governmental (NGO) sectors, is critical to take ideas to scale and gain critical mass. However, it is always in short supply and often extremely difficult to locate and secure. Regulatory barriers can also be intimidating for SMEs, particularly in converged markets where rules and approaches can be unclear or outdated.

The potential to change those conditions is in place. Many government initiatives aimed at supporting digital entrepreneurship already exist, from national programmes seeking to foster innovation to technology parks and hubs; business

incubators; accelerators; and supportive regulatory regimes.

Still, there is a pressing need for a wider platform to share good practices, to bring together ideas and initiatives that have proved successful, to facilitate connections between innovators, investors, industry and governments. A neutral, international platform to promote global collaboration and foster SMEs in the ICT sector for economic growth and social good is required to help SMEs reach their full potential.

This is where the International Telecommunication Union (ITU), the specialized United Nations agency for ICTs – with its established role as a central meeting place for public and private sectors from emerging and developed economies across the ICT ecosystem – has a vital role to play.

ITU has the connections, experience and expertise to serve the interests of small and micro businesses, innovators and entrepreneurs – and the socio-economic development they can deliver.

Our organization has been based on public-private partnership since almost its inception 154 years ago. Today, some 600 private companies and 160 academic institutions take part in our activities. We are working hard to support and foster the growth of small and innovative players in the sector to help them take the industry forward.

ITU member states recently agreed to allow SMEs to reap the rewards of ITU membership at reduced fees. We provide remote participation to many of our meetings to avoid travel and accommodation costs.

SHARING CONNECTIONS

ITU has also increasingly focused our flagship event, ITU Telecom World, on fostering the success of SMEs.

ITU Telecom World 2019 in September will attract participants from governments, businesses and SMEs from around the world to showcase their innovations, share knowledge, make new connections and explore new partnerships.

The event will include a special programme of activities and exhibition for young people, entrepreneurs and innovators. It will take place at a time when more than half the world's population is using the internet for the first time in history.

South African President Cyril Ramaphosa last year described ITU Telecom World as 'a guide to the future [where] we are able not only to anticipate technological change, but also to harness it for the advancement of humanity.'

The central theme of ITU Telecom World 2019 is 'Innovating together: connectivity that matters.' We will address key issues such as developing 5G through new partnerships, expanding connectivity through innovative funding and infrastructure, collaborating for safe global cyberspace, optimizing the use of AI for good – and much more.

Consider joining us in Budapest, Hungary from 9-12 September as we explore how to support the critical work of SMEs to drive our shared digital economy forward. [📍](#)

1. Artificial intelligence poses challenges and opportunities.

2. ITU Secretary-General Houlin Zhou.

3. Innovation is at the heart of the ITU Telecom World.

Go big or go home: getting small business to think large

PHILIPPE GILBERT, *President, Supply Chain Solutions, UPS*

Using technology to create a global presence means more customers, revenue



If global trade were fashion, it would be a challenge to keep track of whether it was in the ‘what’s hot’ or ‘what’s not’ category. The broad-stroke headlines suggest challenging headwinds one day and great opportunities another. The reality is simple, though: global trade is not going away. We live in a deeply intertwined world.

Dig beyond grand headlines and you’ll see something bigger and more important that isn’t going away either. Worse, it can prevent micro, small and medium-sized enterprises (MSMEs) from competing in a global e-commerce boom that is projected hit \$3.3 trillion this year and more than double to \$6.7 trillion by 2025. The sticky wicket? It’s called complexity.

There are multiple modes of transport and harmonized tariff codes as confusing as the regulatory requirements attached to the goods being moved. As if that isn’t enough, factor in excessive manual and paper-based forms and processes as well as duty drawback services.

MSMEs have an enormous and largely untapped market staring them in the face every day – it's called 'the world.' However, if they don't get some help to simplify the complexities of trading across borders they will become just another statistic.

Global trade is, quite simply, complex. When you consider the number of touch points for an international shipment, the intricacy of it all can seem daunting. Very quickly, you have to factor in working in multiple languages, working across time zones and trading in different currencies (which, of course, fluctuate). There are multiple modes of transport and harmonized tariff codes as confusing as the regulatory requirements attached to the goods being moved. As if that isn't enough, factor in excessive manual and paper-based forms and processes as well as duty drawback services.

TRADE AND TECH

Pulling your hair out yet? Here's the good news: the complexity of global trade can be mitigated by technology. We work every single day to smooth the flow of digital trade. When you're moving 3% of the world's GDP daily, as we do, efficiency is the name of the game. We are committed to sharing these efficiencies with our customers so they can focus on what they do best, while we focus on shipping and logistics.

For example, we recently announced a new software platform called eFulfillment that immediately connects shippers to 21 online marketplaces. Plug in and we take care of the rest. It's turnkey. It allows small businesses to market at scale with a fully managed presence on eBay, Wal-Mart, Etsy, Amazon and many others.

In a similar fashion, there's a massive need for a turnkey software platform to simplify the complexities of global trade.

MSMEs have an enormous and largely untapped market staring them in the face every day – it's called 'the world.' However, if they don't get some help to simplify the complexities of trading across borders they will become just another statistic. They may never trade beyond their own borders.



HERE ARE SOME TIPS FOR SMALL BUSINESSES LOOKING TO 'GO GLOBAL.'

Get expert advice.

It sounds elementary, but surrounding yourself with experts with an outside view is a safe place to start. We can help. Our staff can see a problem from halfway around the world and, based on previous experience, know the solution before the challenge lands. As the world's largest brokerage provider, we're building even more expertise via strategic acquisitions. Most recently we acquired Zone Solutions to add Free Trade Zone (FTZ) services to our portfolio, as well as Sandler & Travis Trade Advisory Services to provide expert legal and trade management and consulting services.

Make smart technology purchases.

It won't come as a surprise that you will need purpose-built technology. An initial investment in software and a multi-language website is enough to tell the world about your product and respond effectively to customer requests. Accurate online tracking services also give your customers predictability as well as the confidence to know where a shipment is and when it will arrive.

Seemingly small touches can have an outsized effect. Once orders start rolling in, having the right supply chain and logistics partner by your side – one who can help you manage returns, distribution, warehousing and customs regulations – can make the difference between success and failure. Today, our smart global network moves nearly 21 million packages around

the planet each day and the technology that makes it run plays no small part in smoothing the process of global trade. You will want to put your key into a network that is ready to go for you on the first turn.

Get excited.

If you've got a good source for external advice lined up and a tech-ready network in the wings, you're ready to punch above your weight and tap into new cross-border markets. Since you know that the complexities are as great as the opportunities, you'll be well-placed to combine trusted outside advice and purpose-built technology together and be ready to scale. If you operate a women-owned businesses you can also get help from UPS and The UPS Foundation's Women's Exporters Program and the company's new alliance with the United States Agency for International Development (USAID) – efforts meant to enable women-owned businesses to strengthen their skills in order to be able to export around the globe. Another vital resource for women entrepreneurs looking to enhance their visibility on the global stage and get connected with potential buyers, investors, suppliers and business support organizations is ITC's SheTrades Initiative.

Being prepared to scale is another way of showing the world you're ready for success. What are you waiting for? Go global or go home! 📍

1. State-of-the-art technology is used to improve UPS's complex logistical operations.

2. Drones allow UPS to reach clients in remote areas.

Why blockchain could become the new container of international trade

EMMANUELLE GANNE, *Senior Analyst, World Trade Organization*



Digital record-keeping offers potential of lower costs, less cumbersome procedures

International trade in goods has experienced comparatively little innovation — since Malcom McLean invented the intermodal sea container in the 1950s. Containerization revolutionized transport of goods. It cut freight costs drastically by removing the need for repeated handling of parcels. It did not, however, streamline bureaucratic processes or eliminate paperwork.

International trade transactions continue to rely heavily on paper forms. Shipping a container of roses and avocados from Mombasa, Kenya, to Rotterdam,

the Netherlands,, can produce a pile of paper 25 cm high and the cost of handling it can exceed the cost of moving the container. More than 100 people and 200 information exchanges are involved in the process, leading to complex and often duplicative administrative procedures, which weigh most heavily on small businesses seeking to participate in international trade.

A new technology, blockchain, is seen by many as the possible next game-changer.

Could it become the new container of international trade? What makes this technology so unique?

The promise of greater efficiency and higher security is leading an increasing number of financial institutions to explore how the technology could better facilitate trade finance processes.

A blockchain is a digital record of transactions — the term is used here in its generic form to refer to distributed ledger technologies. It is decentralized (no single entity controls the network) and distributed (records are shared with all participants) and transactions are shared, verified and

The opportunities that blockchain opens to facilitate and digitalize trade processes, enhance transparency and slash trade costs are potentially significant.

detect counterfeits, track tainted products, and assert claims are legion. Provenance, Everledger and Blockverify are only a few of a myriad of startups offering such services. Several major retailers already use the technology on a day-to-day basis to track millions of products along their supply chain.

ENHANCING TRANSPARENCY

The opportunities that blockchain opens to facilitate and digitalize trade processes, enhance transparency and slash trade costs are potentially significant. While MSMEs in particular can gain through lower fixed costs and less burdensome procedures, these opportunities come with equally important challenges.

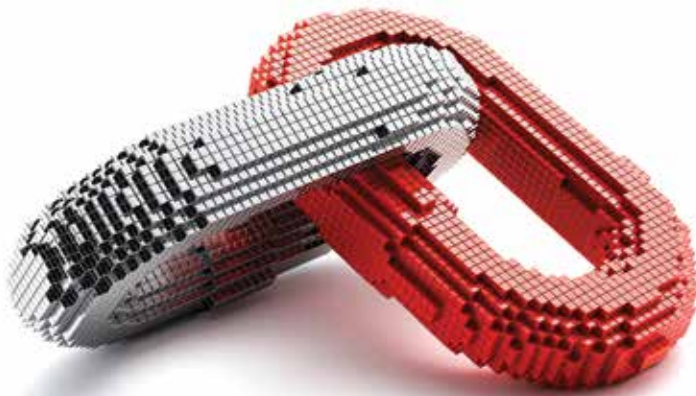
Like in the early days of the container, before an ISO standard was developed, there is not one single type of blockchain. Instead, there are a myriad of different technologies using different consensus mechanisms and ways to validate transactions. Many platforms do not talk to each other, which poses a particularly acute problem in the case of international trade as a single trade consignment can figure in multiple ledgers.

Developing a single blockchain standard is, however, unrealistic. Various distributed ledger technologies will continue to co-exist. Developing inter-operability solutions is therefore critical. Scalability also remains a concern, in particular for public blockchains.

Last but not least, blockchain is only a tool. It will only succeed in facilitating and digitalizing international trade if e-transactions are recognized and other legal issues clarified.

Blockchain could have a truly transformative impact on international trade. It could become the new infrastructure underpinning international trade. Understanding the practical and legal implications of blockchain on international trade and striving to develop collective solutions to current challenges is key if this technology is to have a chance to become the latest transformer of international trade. 

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validated on a peer-to-peer basis. Transactions are time-stamped and stored in a highly secure, verifiable and nearly permanent way thanks to various cryptographic techniques. Smart contracts, i.e. computing programmes that automatically enforce themselves when specific conditions are met, can be used to automate transactions.

REAL-TIME COLLABORATION

Blockchain therefore allows participants with no particular trust in each other to collaborate on an equal basis in real time with the guarantee that the information on the blockchain has not been tampered with. These unique characteristics make it a particularly interesting tool to accelerate the digitalization of trade and streamline trade processes.

The promise of greater efficiency and higher security is leading an increasing number of financial institutions to explore how the technology could better facilitate trade finance processes. With 80% of trade financed by some form of trade financing - letters of credit or supply chain financing - trade finance is the backbone of international trade. However, such processes, in particular letters of credit, remain labour- and paper-intensive.

That is changing. Various bank consortia including eTradeConnect, Komgo, the Marco Polo Network, Voltron and we.trade have emerged recently to offer trade finance services based on blockchain. The first results are encouraging and seem to confirm blockchain's potential to

significantly reduce the time needed to process transactions – in some cases from several days to just a matter of hours. The development of blockchain-based trade finance platforms could be particularly interesting for micro, small and medium-sized enterprises (MSMEs), which often struggle to access trade finance.

Likewise, key actors in the transportation and logistics sectors are rushing to establish platforms that would connect all actors along the supply chain, including freight forwarders, ocean carriers and port and customs authorities. IBM, a computer company, and Maersk, a logistics firm, opened the race with the launch of their Tradelens platform. Others are following suit. Gains could potentially be significant, with estimated shipping costs slashed as much as 20%.

The use of blockchain and smart contracts could also help enhance the efficiency of various border procedures, including certification and licensing; customs clearance; revenue collection; identity management; and post-clearance audit. Various proofs of concepts have been developed to assess, for example, how blockchain could help facilitate procedures linked to e-phytosanitary certification, though exploration is still in its early stages.

One of the most frequently cited applications of blockchain in supply chains is traceability. Examples of blockchain projects to track products along the supply chain to prove their origin, attest authenticity, help

How technology is helping the transport sector become more sustainable

UMBERTO DE PRETTO, *Secretary-General, International Road Transport Union*

Technology is making border crossings faster, more secure and more efficient, reducing transport costs and boosting trade



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1

The road transport industry is an essential element of the modern supply chain. It links production, distribution and consumption across geographies to provide door-to-door services and connects all supply chain stakeholders at the local, national, regional and global levels.

Road transport also plays a crucial role in developing countries and regions that lack alternative transport systems, such as railway infrastructure or inland waterways. In this context, it is often the only available mode for landlocked developing countries to access regional and global markets and participate in cross-border trade.

Cost-effective and high-quality transport systems are therefore indispensable to the fortunes of any economy. However, in most of the developing world, where the fluidity of cargo and people is almost entirely dependent on road transport, poor logistics performance often hinders economic and social development.

Improvements to road transport services in these contexts could have immediate beneficial impact. The social contribution of the road transport industry – which largely comprises micro, small and medium-sized enterprises (MSMEs) – is also relevant in terms of employment, living conditions and

While innovation is clearly a powerful driver, it is not a panacea. Tackling inefficiencies in road transport services requires frameworks to improve productivity, safety, competition, sustainability, transparency and overall professionalism. Innovation has a part to play – but it is not the whole solution.

social welfare. The creation of new markets and trade corridors can significantly benefit the communities along the routes.



The social contribution of the road transport industry – which largely comprises MSMEs – is also relevant in terms of employment, living conditions and social welfare.

unfortunately not uncommon for payments to be delayed by days and sometimes weeks because transport operators need to show signed CMR papers. In a business that depends on profit margins in low single digits, cash flow is often an issue for daily survival.

ECONOMIC IMPACT

Equally, from the ground up, there is momentum to realize the benefits of better transport services. The stories that emerged from our 70th anniversary campaign – #WeLoveTheRoad – showed just how intimately transport impacts economies and communities.

IRU is driving this wide-scale expansion of trade corridors through our services, advocacy, certification and advisory work. The promotion of innovation, new technologies, better connectivity, professionalism and harmonization is at the fore of our endeavours together with our partners across the globe.

While Europe and Eurasia make clear steps towards the adoption of digital transport documents, these regions can learn from the practical experiences of Brazil and Mexico. In both countries transport consignment notes have been electronic for several years, providing increased transparency between stakeholders and simplifying compliance with regulatory processes.

Looking at the road transport system in the United States of America, the main digitalization effort in the past few years has been the introduction of electronic logging devices (ELDs). From 18 December 2017, ELDs have been mandatory on all trucks operating in the United States. This introduction was preceded by discussions on topics such as how ELD data will be used by the authorities and how data security will be ensured. While different in its implementation from European digital tachographs, which have been in place for many years, both solutions share the same purpose of recording driver time and occupation.

We are also very pleased to count the intelligent logistics information platform Yunmanman (YMM) within the IRU

membership. YMM is the first domestic cargo transport dispatch platform in China to fully use the latest technologies in cloud computing, big data and mobile internet. It has more than 3.9 million registered heavy truck drivers and more than 850,000 registered cargo owners. The efficiency benefits of managing such vast numbers of transport stakeholders are staggering. Taking one example, the average time for finding cargo was reduced from 2.27 days to 0.38 days.

Great digitalization examples can also be found in different parts of Africa, where freight exchange platforms are booming and the M-Pesa phone-based banking and payment system is used to pay for goods deliveries.

But while innovation is clearly a powerful driver, it is not a panacea. Tackling inefficiencies in road transport services requires frameworks to improve productivity, safety, competition, sustainability, transparency and overall professionalism. Innovation has a part to play – but it is not the whole solution.

FAIR COMPETITION

Professionalism needs to be driven by an enabling regulatory environment generating fair competition and quality of service. Access to the profession should be evaluated by qualitative criteria, so licenses and rules should be framed around the quality of service rather than the quantity of – for example – trucks or loading bays. This can only be achieved where there is consistent enforcement and transparency. If not, the playing field is no longer level.

In the context of emerging economies, IRU strongly supports efforts to review the regulatory environment at the regional level. The move towards a quality-based, multilateral regulatory framework for road transport is very positive. With trade so reliant on road transport, increased efficiency will yield untold economic growth. This is particularly pertinent for MSMEs operating in sometimes remote, underdeveloped regions with little transport infrastructure. The use of new technology and innovation to drive these efficiencies offers a way forward to long-term sustainable development. ^①

1. While 2019 marks the 70th anniversary of TIR, it is a 21st century digital tool.

2. IRU Secretary-General Umberto de Pretto.

GLOBAL MOBILITY

With global mobility a key factor in realizing the United Nations 2030 Agenda for Sustainable Development, the International Road Transport Union (IRU) was actively involved in the drafting of the Global Mobility Report, which includes vital contributions made to chapters on efficiency and universal access.

Highlighting the relationship between cross-border connectivity and economic prosperity, IRU put the spotlight on trade and transport facilitation through the implementation of tried and tested United Nations conventions.

The next steps are to focus on transport performance measurements. These include efforts to incorporate tangible services and tools such as TIR (the global customs transit system) and e-CMR (electronic consignment notes) as sustainability implementation indicators.

As road transport becomes increasingly digitized, connected and automated, new technology, business models, legal frameworks and investment strategies – together with changing trade patterns, market needs and environmental expectations – are transforming the landscape.

While 2019 marks the 70th anniversary of TIR, it is a 21st century digital tool. The system is fully intermodal. It makes border crossings faster, more secure and more efficient, reducing transport costs and boosting trade. Importantly, with the recent accessions of China, India and Pakistan it is now poised to serve a further 40% of the world's population and to connect some of the world's largest economies.

Together with the electronic consignment note, these digital systems will increase transparency, accuracy and the speed of business processes. In Europe, today it is

Africa's green opportunity

CAMAREN PETER, Associate Professor, Allan Gray Centre for Values-Based Leadership, University of Cape Town



How African cities can harness green technologies for growth and jobs

In 1967 one gigabyte of hard drive storage space cost US\$ 1m. Today it's around two US cents. Computer processing power has also increased exponentially: it doubles every two years. This is just the tip of the iceberg when it comes to technological progress in the 21st century.

There have also been tremendous advances in communication technology; robotics; nanotechnology; genetics and artificial intelligence, among other things. This merging of digital, physical and biological

worlds has come to be known as the 'fourth industrial revolution'.

So far, relatively little attention has been paid to the overwhelming potential of the fourth industrial revolution to catalyse much needed transitions to a more sustainable society – particularly in the developing world.

This is slowly starting to shift. The World Economic Forum recently published a set of briefs as part of its 'Shaping the Future of Environment and Natural Resource Security

Absorbing green and sustainable technologies can help seed small to medium-sized enterprises on a large scale and increase their investment appeal.

System Initiative'. These documents have begun to address some key questions around the potential role of the fourth industrial revolution in supporting the United Nations Sustainable Development Agenda.



2

Economic diversification and development on the continent could benefit considerably from harnessing the opportunities emerging in the green technology and fourth industrial revolution spaces.

There are many compelling reasons for combining the offerings of the fourth industrial revolution with new green technologies, infrastructures and systems to tackle the developing world's challenges. Multiple benefits can be realised through introducing these offerings in new, innovative ways that are customised for local contexts.

These green technologies can generate employment, ease pressure on infrastructure in rapidly growing cities and lower energy costs, especially for poorer households.

CHANCE FOR CHANGE

Unplanned slums and informal settlements present systemic problems in most developing world cities. This is particularly the case in both large, established and smaller, emerging African cities. Municipalities are under strain. They simply don't have enough bulk infrastructure – water, sanitation, electricity and waste management facilities – to cater for growing populations.

The value of green technologies and systems is that they are largely decentralised or semi-decentralised. Examples include solar panels, energy saving devices, and small-scale wind and hydro energy technologies. These

don't require major infrastructure investment. And their decentralised nature enables them to keep up with cities as they change.

The introduction of green technology solutions and systems can also bring down household costs. Between 50 and 70% of poor African households' budgets are spent on food, water, energy and transport. This makes them vulnerable to external shocks such as sharp rises in the costs of electricity, oil and petroleum, food and water.

These factors are also interlinked: for example, if oil prices rise, so do the costs of transport and food. That places extra pressure on already struggling households.

Green technologies can buffer poor households from these shocks by decoupling them from their dependence on local grids and provincial, national or global supply systems.

That's at a household level. Then there's the bigger picture. Absorbing green and sustainable technologies can help seed small to medium-sized enterprises on a large scale and increase their investment appeal.

This, in turn, can drive economic growth and get cash circulating at the levels where it's most needed.

Introducing new technologies to a city is a great job creator. People are needed to install solar panels, solar water heaters, biogas digesters, energy savings devices; or to set up urban agriculture and permaculture operations. There are already examples of this in several African cities.

UNLOCKING OPPORTUNITIES

And, perhaps the biggest boon of them all: the fourth industrial revolution presents a massive opportunity to leapfrog African countries' productive economies into a wholly new space.

Economic diversification and development on the continent could benefit considerably from harnessing the opportunities emerging in the green technology and fourth industrial revolution spaces. This will shift them onto a significantly new economic growth and developmental trajectory. It will also go a long way towards ensuring that as emerging economies develop, they will do so in a manner that doesn't exacerbate climate change and environmental degradation.

A number of African countries are already positioning themselves to harness this opportunity. Both Rwanda and Ethiopia, for example, have placed green economic development and sustainability at the heart of their national economic development strategies and plans. More recently, Kenya has committed to actualising a 100% transition to green energy by 2020.

Other African countries would do well to follow these nations' examples. The fourth industrial revolution is here. Combining it with green technology is a way for the continent to benefit at all levels. ☺

This article was first published by The Conversation.

1. A solar-power plant in Uganda.
2. A wind farm in South Africa.

Taking a closer look: the impact of tech on trade

ZIYANG FAN, Head of Digital Trade, World Economic Forum, and ULRICH MANS, Innovation Attaché, Netherlands Embassy Washington

Applied effectively, blockchain and artificial intelligence are among tools that can benefit buyers and sellers alike



Digital technologies are rapidly changing every aspect of our societies, and especially international trade where all these technologies are converging. From artificial intelligence (AI) and distributed ledger technology (DLT)* to 3D printing and 5G networks, emerging technologies are no longer abstract ideas but daily realities of international trade.

An article published by the World Economic Forum (WEF) in 2018 explored the potential impact of various technologies on international trade. As technology moves fast, it is time to zoom in on some of the concrete applications of digital technologies starting to gain traction, particularly trade in goods^{**}: digital finance, digital shipping, and digital compliance. We see growing interest among tech and trade experts in exploring the role of digital technologies for each section of the value chain, the pain points they could address, and their potential challenges.

This article introduces a visual aide to clarify how digital technologies relate to the three basic components of international trade in goods^{***}. For each of these digital layers we see a variety of new applications.

DIGITAL FINANCE

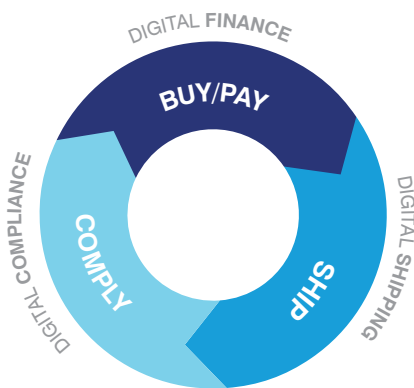
The financing and payment of international trade transactions have traditionally been a hurdle for many stakeholders, often resulting in complex structures, costly intermediaries, and lengthy processes. AI, blockchain, and digital payment systems could help build trust and speed transactions while lowering costs and barriers to entry, especially for small and medium-sized enterprises (SMEs).

On trade financing in 2017, there was a trade financing gap of \$1.5 trillion, the Asian Development Bank estimates, representing 10% of global merchandise volume. This gap means many businesses didn't have access to sufficient

Artificial intelligence, blockchain, and digital payment systems could help build trust and speed transactions while lowering costs and barriers to entry, especially for small and medium-sized enterprises (SMEs).

credit to participate in international trade, and some 75% of the affected businesses were SMEs.

With potential advantages in disintermediation, real-time review, trust-building, and transparency, blockchain has been a popular technology to deploy among international trade stakeholders, from banks to shipping companies to tech-solution providers. For example, we.trade, a platform backed by IBM and 14 major European banks, offers to provide more companies with easier access to trade financing with increased trust and transparency enabled by blockchain. Another example can



Source: United Nations/CEFACT International Supply Chain Reference Model

The digital divide is still growing. But the need for scale also means that there is a clear incentive to implement the political agenda of the Sustainable Development Goals.

be found in Malawi, where a blockchain-based system creates a verifiable and transparent audit trail to offer cheaper finance for local tea farmers who implement sustainable practices.

Artificial intelligence also plays a role in digital finance. A startup in China is using algorithms to issue millions of microloans to enable the “underbanked” access credits online quickly. Instead of asking for financial history that many in the “underbanked” populations don’t have, the algorithms analyze unique variables, such as typing speed and phone battery percentage, to predict repayment with over 90% accuracy.

Digital payments also become increasingly important, especially mobile payment options, such as M-Pesa, Paytm, and Alipay. These have already significantly lowered the bar for buyers and sellers to gain access to global e-commerce and trade, in particular SMEs in developing countries. In addition, the introduction of Central Bank Digital Currency (CBDC), the digital form of fiat money, could have a significant impact on international trade if adopted globally. It could boost financial inclusion and access to credit.

DIGITAL SHIPPING

When goods move from A to B, digital technologies can play multiple roles in making shipping faster, cheaper, and more reliable. However, some technologies develop more quickly than others. Looking at recent examples, it is worth noting that blockchain-based applications are gaining traction.

For example, port operations depend on the seamless transfer of goods across various handlers. Blockchain solutions have the benefit of immutability and – if applied successfully – can reduce fraud. When everybody relies on the same database to verify the status of a transaction, ports and handlers can avoid wasting resources. Prominent examples include the Port of Rotterdam’s Deliver project in the Netherlands aimed at paperless trade, in collaboration with Samsung Digital Software and Dutch bank ABN Amro NV. Similarly, suppliers of leafy green vegetables for American retailers such as Walmart Inc. are required to upload their data to the blockchain so produce could be traced from farm to table to ensure food safety.

Looking at AI-related trends, a growing number of port-related projects across the globe target digital tracking systems that include sensors, IoT devices or automatic image-recognition software to ensure that port authorities know the movements of every single shipment by any handler at any moment. Autonomous transport technologies, such as stacking, craning and quayside loading – as well as autonomous ships – are also being tested in locations including Shanghai, Rotterdam and Hamburg.

Both blockchain and AI technologies are set to impact digital shipping in the medium term. Ongoing experimentation has already brought together various players of the logistics community in their need to adopt to the digital age. It is still early days, but it is worth watching the pioneers as some of these technologies mature.

DIGITAL COMPLIANCE

Driven by the potential to offer reduced administrative costs, improved security, decreased clearance time, and increased trust among parties, government authorities around the world have started to test blockchain to ensure compliance across the trade ecosystem.

For example, in anticipation of Brexit, the UK and Northern Ireland anticipated a 363% increase in customs declarations on trade between itself and the European Union. The UK customs agency in 2017 conducted a blockchain pilot aimed at reducing administrative and coordination costs while automatically detecting anomalies and enabling compliant shipments to clear customs faster.

Meanwhile, the WEF is working with the Inter-American Development Bank to co-design a framework for policymakers on how to deploy blockchain in the form of a

trade single window. The policy framework will be implemented in a specific pilot project in Argentina to build a neutral and trusted environment for bilateral and global interoperability of national trade single windows.

In addition to blockchain, AI is being applied to automate the product classifications more accurately, identify risks of a particular shipment based on data analysis, and streamline complex processes. For example, Korea’s Customs Service has been experimenting with using AI to help with the screening and assess the risks of items to deal with increasing e-commerce volume.

LOOKING FORWARD

Digital technologies are constantly evolving, and can disrupt global trade as it is conducted today. New developments such as AI, blockchain and 5G raise new questions on their impact on trade. The good news is that TradeTech is in a good starting position. Trade by definition is scalable. This provides market incentives for technology development and adoption. The flip side is that there is still a long way to go in terms of technology adoption, especially between developed and developing countries. The digital divide is still growing. But the need for scale also means that there is a clear incentive to implement the political agenda of the Sustainable Development Goals. SDG 9 calls for innovations for an inclusive global trading system, including improved access by SMEs across the globe to international supply chains.

During a recent World Economic Forum event it became clear that the tech sector is already on board with trade experts seeking to push for innovations in the sector. An important caveat in this debate: TradeTech will not succeed if it is built on a disruption-only model. To increase adoption across the various businesses involved along the international trade roadmap, we need to develop trusted technologies, which properly reflect concerns including fairness, equal access, and data protection. ^①

‘In this article Distributed Ledger Technology, or DLT, is used interchangeably with blockchain, for ease of reference.

“Digital technologies have made important impacts on trade in services as well, from digital services platforms to AI-assisted language translation, but this article will focus more on trade in goods.

“The model is inspired by the UN/CEFACT International Supply Chain Reference Model of ‘Buy-Ship-Pay’ and modified for digital trade context; as the sequencing and components of international trade are complex and varied, this model is for reference only.

Efficient harvests, effective transport can eliminate hunger

SILVIA GAMBOA, Head of Sustainability and Environment, APM Terminals Moin

How public-private partnerships to improve port infrastructure can positively impact the Global Goal



Post-harvest management is closely related to United Nations Sustainable Development Goal (SDG) 2 – ending hunger and all forms of malnutrition worldwide by 2030. The post-harvest system should be thought of as encompassing the delivery of a given crop from the time and place of harvest to the time and place of consumption, with minimum loss, maximum efficiency and maximum return for all involved.

Food loss refers to the decrease in edible food mass or nutritional value of food intended for human consumption. It is mainly due to poor infrastructure and

logistics; lack of technology; insufficient skills; knowledge and management capacity of supply chain actors; and lack of markets.

On the other hand, food waste refers to food appropriate for human consumption being discarded. It occurs at the food-chain (retail and final consumption) level and relates to retailers and consumers behaviour. Food wastage also refers to any food lost by deterioration or waste and includes both food loss and food waste.

One third of global food wastage happens during post-harvest and transportation phases. For this reason improvements in liner shipping

Once the terminal is fully operational average waiting time is expected to be slashed from 19.4 hours to 1.4 hours, while average berthing time is expected to drop from 20.0 hours to 14.0 hours.

connectivity, enable worldwide efforts to reduce food insecurity in an increasing world population. For example, in the case of Costa Rica, post-harvest handling of pineapples and bananas serves a key role in minimizing post-harvest loss and increasing available global fresh fruit supply.

In Limón, one of the ongoing corporate responsibility projects entails establishing APM Terminals as the strategic partner for a food bank branch to serve the port region. It is estimated 5,000 daily plates are delivered to the population through this effort.

AGRICULTURAL EXPORTS

The Central American nation has in recent years been ranked years as the world's largest exporter of fresh pineapple and among the 10 largest exporters of bananas. Pineapple exports from Costa Rica have increased up to 400% in the last decade, making it the top agricultural export product, above traditional ones such as bananas and coffee. The export destinations for these fresh fruits is mainly North America and Europe.

However, Costa Rican pineapple and banana exporters face logistics costs of up to half the value of the content of a container. Fresh fruit products have no tolerance for lack of cooling after picking. A clear example is pineapples, which are very vulnerable to unreliability and inefficiencies. It is estimated that unreliability, delays and hedging costs can add up to 26% of the costs per container to exported pineapples.

PORT INFRASTRUCTURE

As reported by Costa Rica's Caribbean Port Administration Bord (JAPDEVA), in 2014, average waiting time at Costa Rica's Limón-Moín terminals was 19.4 hours while berthing time was nearly 20 hours. Average delays were up to 15 hours, mainly due to low weather resistance, low productivity, closings and vessel crane breakdowns.

Costa Rica's liner shipping connectivity – a measure of how well a country is connected through regular and frequent container transport – was until last year in the lowest quartile worldwide and the country ranked very poorly on the Global Port Infrastructure Quality Index.

Its port infrastructure until 2017 had impeded trade and caused high transport and logistics costs, including subsequent high costs for farmers and exporters due to food loss. Transport inefficiencies also caused delays; unreliability; long transport and lead times; increased inventory costs and proportional post-harvest food wastage.



Construction of the new Moín container terminal began in 2016 and operations started there in February 2019. The main driver of the terminal concerns reefer exports, mainly bananas and pineapples. Once the terminal is fully operational average waiting time is expected to be slashed from 19.4 hours to 1.4 hours, while average berthing time is expected to drop from 20.0 hours to 14.0 hours. Overall this corresponds to a total reduction in port turnaround time of about 60%. Also in the first years, an increase in container throughput from 1.10 million to more than 1.36 million is expected as Costa Rican trade increases.

The new terminal is expected to eliminate 70% of current delays. By concession expectations, waiting time can be maximum 10% of the berthing time. Under these assumptions, average delay should be reduced to less than 2.4 hours.

Within only the first year of the new terminal fully operational and given there are six STS cranes in the new terminals, it is expected that the berth moves per hour (BMPH) will increase from 13 to more than 60. Also, given the increase in BMPH combined with the increased berth length and water depth allowing bigger fully cellular vessels, it is calculated the berth moves per call will increase from 915 to over 1900.

REDUCING TRADE COSTS

By reducing unreliability, the terminal is expected to reduce trade costs by 15% and consequently a reduction in post-harvest losses will follow. This may help improve the competitiveness of Costa Rica's pineapple exporters, which despite significant improvements in productivity still spend

around 45% of the costs insurance and freight price on transport and logistics.

The investment in the new Moín Container Terminal operated by APM Terminals are expected to drastically reduce inefficiencies, delays, unreliability, inventory costs and allow the percentage of post-harvest food loss happening to be reduced significantly. Local partnership and additional efforts to reduce food wastage

APM Terminals and the Maersk Group are channeling efforts to reduce post-harvest wastage. In Limón, one of the ongoing corporate responsibility projects entails establishing APM Terminals as the strategic partner for a food bank branch to serve the port region. It is estimated 5,000 daily plates are delivered to the population through this effort.

Now that the Moín Container Terminal is operational, part of the efforts of the project will include distributing harvested fresh fruit and sub-products to regions of Costa Rica. These will come from our clients' operations, mainly products that for some reason cannot reach the exportation phase (normally considered food wastage) but are perfectly adequate for human consumption. For example, a container carrying fresh pineapple that does not meet the size guidelines for international markets and therefore does not make it to the vessel - instead of being discarded - would be distributed through the food bank to local Costa Rican entities taking care of populations at risk, in example daycares. ①

1. Pineapple harvest in Costa Rica.

2. Pineapples being sorted and prepared for export.

Smart policies help Hungary's MSMEs benefit from the fourth industrial revolution

TAMÁS VATTAI, *First Secretary, Permanent Mission of Hungary to the United Nations and World Trade Organization*



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Digital transformation programmes provides opportunity to improve economic output while increasing connectivity

The fourth industrial revolution offers a unique opportunity for countries with smart economic policies, which aim to boost energy efficiency and sustainable transport, to raise domestic value added and increase economic growth.

Such policies on one hand have to improve the ecosystem horizontally for business actors. On the other they have to target strategically important sectors, where digitization can have the most impact. Closing the productivity gap between micro, small and medium-sized enterprises (MSMEs) and

large companies is another important factor promising large growth potential.

Accelerating digitization and converging towards a technology-driven economy can increase Hungarian GDP growth by an extra half percentage point each year until 2025, according to global management consultancy McKinsey & Co. Close to half of workforce activities in Hungary today could be automated by 2030 using technology that is already available, leading to greater productivity, the analysis shows. It is particularly the historically workforce-intensive

Close to half of workforce activities in Hungary today could be automated by 2030 using technology that is already available, leading to greater productivity.

and currently under-digitized sectors, such as manufacturing, agriculture and trade, show significant automation potential.

For a successful digital transition, Hungary adopted in 2016 the Industry 4.0 programme. This focuses on sectors

that have already a strategic importance in the economy and in which digitization, higher research and development can considerably raise the value added content. These targeted sectors include the electric and automated vehicles; e-health; tourism; digital trade; and smart agriculture industries. Supporting MSMEs is a key aspect of the industry development strategy as these companies contribute 54% of Hungarian GDP and employ 70% of the nation's workforce.

Some Hungarian MSMEs are successfully integrated in global value chains, especially automotive suppliers and pharmaceutical companies. However, most MSMEs are less productive than larger companies. Closing this gap in productivity and increasing the ability of MSMEs to bring innovative products and services to the market represent a major opportunity for improvement to the whole economy, given the high share of these companies in GDP and employment. In order to enhance their productivity the government is improving the business ecosystem for doing business and has introduced tailor-made development programs for MSMEs.

IMPROVING THE ECOSYSTEM

Hungary has reduced the administrative burden for business, including by introducing single window government services. By 2020, all public services will be electronic. The time to start a business has decreased from 3.5 days to 1 day and the cost of starting a business has fallen from €63 (\$410) to 105. Most companies file tax returns electronically. Hungary has the European Union's most competitive company income tax with a 9% flat rate. Research and development (R&D) costs can be deducted from corporate income tax bases.

Automation and digitization of the economy will cause significant shifts in the labour market. Reskilling the workforce is essential to manage this transformation. The strongest demand will occur for both basic and advanced technological skills.

The Hungarian Digital Education Strategy will introduce digital pedagogy methods in public education and will reshape adult and professional education. For example, it sets up hotspots for digital competence development to ensure digital learning workshops are available for adult education.

Hungary has reduced the administrative burden for business, including by introducing single window government services. By 2020, all public services will be electronic.

Meantime the 'Program Your Future!' scheme aims to increase the number of students that graduate in information and communications technology (ICT); improve the cooperation between the educational institutions and the ICT sector; and increase the popularity of technology-related professions. Furthermore, Hungary has introduced an education system for vocational schools and in tertiary education which is practice-based and builds on industry needs.

Innovation plays a key role in formulating the ecosystem. The renewed research and innovation strategy forecasts an increase of R&D expenses to 1.8% of GDP by 2020. It puts universities and science/technology parks at the centre of the innovation ecosystem.

Science parks create new business opportunities for MSMEs, which can collaborate with universities and other firms in R&D activities. One example is ZalaZone, a complex development project with the aim of providing an optimal test environment to electric, autonomous and connected cars incorporating smart-city and smart-road solutions. With this project Hungary is seeking to position itself as a R&D centre for modern mobility technologies (hybrid, electric and autonomous driving). The project is set up in cooperation with Austria and Slovenia. Leveraging strengths of neighbouring countries encourages regional cooperation and planning in R&D instead of developing solutions in isolation.

TARGETED DEVELOPMENT PROGRAMMES

There are Industry 4.0 model factories in Hungary where 14 different types of technologies are showcased and MSMEs can learn about modern production management, big-data solutions, 3D printing and autonomous robots. With the help of mentors they can prepare their own intelligent factory development plan tailored to their needs and level of development.

Similarly, the Modern Business Programme aims at increasing digital entrepreneurship and digital skills of MSMEs as well as the professional use of ICT devices



and applications. Currently, ICT experts are currently evaluating the digital maturity of MSMEs to determine how prepared a given company is to adapt to digital changes. Based on this evaluation a tailor-made ICT development strategy is prepared for the company to optimize and to automatize its production processes.

In the Supplier Development Programme larger companies help MSME suppliers develop and produce value-added products, adopt Industry 4.0 technologies and improve their human resources capabilities. Participating MSMEs can be integrated into the global supply chains as they become certified suppliers of multinational companies.

A new programme intends to build national MSME champions. It selects a set of MSMEs based on their growth and export potential. They receive tailored and special assistance including financial advisory services and grants to develop their products or services, promote their brand and company images and improve their production processes and corporate organizations. The initiative can serve as a paragon of what MSMEs can achieve by leveraging instruments available to all, inspiring other companies to follow.

Finally, MSME financing has improved remarkably in the last few years. Credit schemes as the Funding for Growth Programme of the Hungarian Central Bank have had positive effect on access to loans and MSMEs investment. ④

1. A view of Budapest, Hungary's capital.

2. Hungary expects its R&D expenses to increase to 1.8% of GDP by 2020.

Africa's potential 'born digital' trade agreement

CRAIG ATKINSON, consultant, International Trade Centre

The African Continental Free Trade Area Agreement has the potential to be innovative in its conception as a 21st century arrangement and become the world's first 'born digital' trade agreement



The African Continental Free Trade Area (AfCFTA) agreement, presently signed by 52 African Union (AU) member states, is remarkable in its geographic coverage and ambition to create a single market for the continent. The agreement's extensive protocols will cover trade in goods, trade in services, investment, competition and intellectual property rights.

Following its ratification by the Gambia in April 2019, the agreement is now set to shift the nature of economic relations in the region: intra-African trade is expected

to rise by more than 50%. The AfCFTA also has the potential to be innovative in its conception as a 21st century arrangement and become the world's first 'born digital' trade agreement.

TRADE CHALLENGES

Free trade agreements, negotiated for the benefit of businesses and consumers, can be challenging to understand and apply. Even legally trained experts may find it difficult to navigate the complex array of interactions between different trade agreements

A 'born digital' AfCFTA would make the agreement easier to access, understand and apply. At the most basic level, this would imply the creation of an authorized 'machine consumable' translation of the text.

and domestic rules. These issues are compounded by the reality that legal texts are often difficult to access – whether unavailable electronically, not up-to-date or not easily searchable.



If executed correctly and practically focused, the benefits of the AfCFTA can be more easily realized and its intended beneficiaries can get the most out of it.

Survey data from the 2018 ECORYS *Study on the use of Trade Agreements Final Report* suggests that key barriers to the use of free trade agreements include limited availability of information and that information is difficult to understand. This can mean intended beneficiaries do not use the agreements to their advantage, undermining expected economic and social outcomes.

While effective use of the rules presents a challenge for all businesses, it is especially problematic for micro, small and medium-sized enterprises (MSMEs). This is due to the resources they require for interpretation, determination of calculations and compliance with documentation. As the majority of businesses in Africa are small, the AfCFTA must target these enterprises to meet its objective to ‘promote and attain sustainable and inclusive socio-economic development’. Fortunately, legal technology can improve access to, and the functionality of, trade agreements for different user groups, including enterprises, customs agencies and policymakers.

A ‘BORN DIGITAL’ AGREEMENT

A ‘born digital’ AfCFTA would make the agreement easier to access, understand and apply. At the most basic level, this would imply the creation of an authorized ‘machine consumable’ translation of the text. Such a computer-friendly version of a

trade agreement could, and should, equally represent any natural language counterpart. To add to usability, computational clauses, navigational aids and meta-data information could be integrated via digital formats.

Use of emerging standards such as Legal RuleML would enable users to easily search and jump between related sections. Meta-data on specific sections could help users to identify particular provisions. This would be especially helpful for those unfamiliar with legal and trade terminology when searching for relevant parts of an agreement.

A digital AfCFTA also provides an opportunity for home-grown innovation. Creating a machine consumable version of the agreement would provide developers with the means to layer other technological solutions over the digitally expressed clauses, making them even more user friendly and accessible.

‘RULES AS CODE’

Several initiatives are making progress in the area of ‘rules as code’. For example, New Zealand is providing domestic laws in the Extensible Markup Language (XML). Globally, the Xalgorithms Foundation is working to enable the availability of legislation in automation-friendly, computer-executable forms. Its alliance of contributors has developed components for online publishing, discovering and fetching of digitally expressed laws via an ‘Internet of Rules’.

Thus, a ‘born digital’ AfCFTA could include online schedules providing executable forms of rules to be used to automate cross-border transactions that involve the determination of calculations. To do so, it would be necessary to express

relevant clauses of the AfCFTA agreement as algorithms. Creating a digital translation and schedules of executable rules would ensure consistency across the entire trade area and reduce the need for individual member states to duplicate resources in digitising the agreement.

A digital AfCFTA would be able to provide trade-facilitation systems and dramatically enhance the deployment of any single window. There are also significant implications for the automation of cross-border e-commerce in the free trade area as platforms would be able to fetch and apply rules in real time.

A TEMPLATE FOR THE FUTURE

Because the AfCFTA is implemented by AU member states, computer executable rules would need to exist as a template to seamlessly integrate into national customs systems. Ideally, these computer-language versions of laws will be openly accessible. With the rules coded in this way, individuals without trade or legal training – such as small traders – can more easily ensure they are seizing the benefits of the AfCFTA. Over time, these rules could be integrated with other systems, such as e certificates of origin, as well as other digital tools important to trade, such as financing mechanisms, payments systems and digital identity mechanisms.

A digital AfCFTA will make it more simple and cost effective for those who engage in trade to access, interpret and apply the new rules. If executed correctly and practically focused, the benefits of the AfCFTA can be more easily realized and its intended beneficiaries can get the most out of it.

Fortunately, there is more than enough legal, developer and technical talent in Africa to ensure such a version of the agreement could be achieved. There is a good case for leapfrogging access to trade agreements through technology in the African context. All that is needed is the will to make it happen. ①

1. The Port of Durban, South Africa.

2. A truck with bananas in Kampala, Uganda.

Improving Afghan food safety to boost exports

DAVID FOX, *Consultant, International Trade Centre*



Technology, teaching, training initiatives help producers increase yields, profits

‘Have you ever seen a grape this big?’ Bharat Toshar from Euro Fruits asked his guests, rotating the engorged green fruit for all to see. Squeezed between rows of vines resting on trellises, the visitors being questioned slowly shook their heads. The grape in question was nearly the size of

a small plum, plucked from a row of vines exposed to an experimental blend of drip irrigation and fertilizers.

The speaker was director of operations at Euro Fruits, a Mumbai, India-based exporter of fresh produce. His audience was composed of Afghan government officials

While WTO membership is designed to facilitate both imports and exports, no member is obligated to accept the food imports of another member if they do not meet established food safety requirements.



I am sure that their experience in India and their first-hand knowledge of how FSSAI functions will help them to structure a food authority in Afghanistan.

representing a range of ministries related to food production and trade.

While members of the Afghan delegation relished the opportunity to learn about the farm's advanced irrigation system – grapes and raisins are two of Afghanistan's most celebrated products – agricultural training was not the purpose of the excursion. Toshar was explaining how Euro Fruits worked with its suppliers in the Indian state of Maharashtra to implement a system of traceability for its products. Every unit of grapes that Euro Fruits shipped around the world could be tracked down to the exact plot of land where it was harvested. If contamination was discovered in one cluster of grapes, others from the same farm could be identified and pulled from storage facilities without the entire inventory being compromised.

FOOD-SAFETY TOUR

The instruction on traceability was just one component of a larger training programme on food safety undertaken by the members of the Afghan delegation. The itinerary for their tour, which stretched across India from 27 January to 8 February 2019, was developed by the International Trade Centre (ITC) and the Food Safety and Standards Authority of India (FSSAI) based on input

from relevant Afghan agencies. Funding was provided by the European Union as a part of the three-year Advancing Afghan Trade (AAT) initiative.

'The primary objective of this capacity-building exercise was to help the participants understand how to set up a food regulatory system,' said Sanjay Dave, a leading expert on food safety recruited by AAT to help develop the programme. The idea was to give participants both a macro and micro perspective on India's food safety apparatus, he said. Destinations included Chandigarh, where participants received instruction on market inspections; Kochi, where the focus was on import and export procedures; and New Delhi, where the delegation visited a food-testing laboratory and received a number of briefings.

The programme comes at a critical time in Afghan economic development, with the government looking to reap the full benefits of its 2016 accession to the World Trade Organization (WTO). While WTO membership is designed to facilitate both imports and exports, no member is obligated to accept the food imports of another member if they do not meet established food safety requirements.

Afghanistan continues to struggle with food safety compliance issues in exports, which are caused by a number of factors. These include difficulty equipping and staffing government laboratories; a low level of knowledge about food safety among Afghan food producers and processors; and overlapping mandates among government

institutions when it comes to food safety. According to the government's Food Safety Act of 2016, the responsibility for food safety control is segmented between different ministries and agencies. The ministries of public health, agriculture, irrigation and livestock, industry and Commerce and the Afghanistan National Standards Authority each play different roles. Officials from all four of these institutions were represented in the delegation.

FOOD-SAFETY ROADMAP

Through the programme in India, ITC aims to support the Afghan government in analysing the current division of food safety-related responsibilities among its various institutions. The participants would then have the requisite knowledge and technical support to develop a roadmap for strengthening food safety related activities in order to operate more efficiently and effectively. Pawan Agarwal, chief executive of FSSAI, is confident about Afghanistan's future prospects.

'I am sure that their experience in India and their first-hand knowledge of how FSSAI functions will help them to structure a food authority in Afghanistan,' Agarwal said. ④

1. Plum-sized grapes.
2. Explaining how food-safety is reflected in correct labelling.
3. Laboratories are helping improve food safety in Afghanistan.

'Creationesia' wins International Trade Centre's Student Video Pitch Contest for Gender Equality

JARLE HETLAND, Editor, *International Trade Forum*



© ITC / Laurena Arbat

1

Bandung Institute of Technology students sway jury and audience with idea to turn plastic waste into economic opportunities for women, taking top prize in the Women's Day contest

'Creationesia', a team of three students from the Bandung Institute of Technology, Indonesia, was on 7 March announced as the winner of the International Trade Centre's Women's Day video-pitch competition for ideas to empower women in business. Creationesia convinced the jury and audience with their business idea to turn plastic waste into economic opportunities for women, doing good for people and the planet.

For producing the winning video, 'Creationesia' will win a trip to the 2019 World Export Development Forum and a chance to refine and re-pitch the business idea to

investors attending the International Trade Centre's flagship event in the fall.

The video-pitch contest was organized in partnership with the Republic and Canton of Geneva, the University of Geneva, Campus Biotech, the Enhanced Integrated Framework, and the International Gender Champions.

Speaking on behalf of the winning team, Avrantsa Alna Qamara, said: 'We never thought that we would win this competition. We are speechless and very grateful for winning. It's because of support from family, friends, and especially our business school, the School of Business and Management at the Bandung Institute of Technology.

We never thought that we would win this competition. We are speechless and very grateful for winning. It's because of support from family, friends, and especially our business school, the School of Business and Management at the Bandung Institute of Technology. Thank you so much! We're hoping that with our idea we will be able to help a lot of people in Indonesia.

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An incredible amount of thinking has gone into the idea presented by these three students from the Bandung Institute of Technology. Creationesia's idea to use waste to create job opportunities from women is not only an idea that will help women, but is also good for societies and the planet.

Congratulating the team on the win, ITC Executive Director Arancha González said: 'An incredible amount of thinking has gone into the idea presented by these three students from the Bandung Institute of Technology. Creationesia's idea to use waste to create job opportunities from women is not only an idea that will help women, but is also good for societies and the planet.'

Creationesia, which was developed by Avrantsa Alna Aulanniswah, Al Fadhilah and Tiara Rahartono of the Bandung Institute of Technology, Indonesia, staved off competition from four other entries that had made it to the contest jury's top five selections.

Runner-up in the pitch contest was a multicultural team from Switzerland's the Graduate Institute-Cassandra Bragdon, Dhwani Nagpal, Boroka Godley, and Kaoru Inoue.

Their idea - the Wage Gap Meter - was a colour-coded label to include on items indicating the pay gap between men and women.

Rawia Chaouali of Tunis Business School, Tunisia, was awarded third place for a pitch entitled the Women Entrepreneurship Institute - L'Ellethom, focusing on training and economic empowerment of women in rural Tunisia.

The other shortlisted entries were Developing Female-led businesses through Communal Economy by Olubusola Mada of Lagos Business School, Nigeria and Women's Leadership Trips by Kaleigh Carlson and Karun Gopinath, from the Geneva-based Graduate Institute.

The second and third place winners will receive training, capacity building and expert advice from the International Trade Centre's Innovation Lab, the SME Trade Academy and the SheTrades team.

The contest was open to students from universities across the world. Pitches came in from universities in Cameroon, China, Hungary, India, Indonesia, Japan, Nigeria, Russian Federation, Senegal, South Africa, Switzerland, Tunisia, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

Jury members for the Women's Day video pitch competition were: Ambassador Mikael Anzén, Permanent Representative of Sweden to the World Trade Organization; Yemi Babington-Ashaye, President, United People Global; Alexandra 'Santu' Boethius, Co-Founder, Impact Hub Geneva and Lausanne; Gabriele Lechner Cherubini, Financial Consultant, Banque Pictet and Cie SA Wealth Management; ITC Executive Director Arancha González; Anne Hornung-Soukup, Chair of the Board of Directors, TPG Public Transport of Geneva; Annette Ssemuwemba, Deputy Executive Director, Enhanced Integrated Framework, World Trade Organization; Estefania Tapias, Co-founder and CEO, WeSpace; and Laure Ognois-Zaugg, Director of Research Services, University of Geneva. [🔗](#)

1. Winners, jury members and audience at the event.
2. Modern voting.
3. The audience counted for one jury vote.
4. Members of the audience engaged in a lively debate.
5. Jury members debate the shortlisted entries.

Guinea: Boosting youth initiatives and entrepreneurship

MUJINGA TAMBWE, *Communications Officer, International Trade Centre*

ITC programme seeks to create jobs and economic growth by encouraging, educating prospective business owners



With more than 75% of its people under the age of 35 and a median age of 19, Guinea boasts one of the world's youngest populations. Giving youth opportunities at home, building on resources and reducing irregular migration are among the country's most pressing priorities.

To address those concerns, the Government of the Republic of Guinea and the European Union launched the 'Support programme for the socio-economic integration of the Guinean youth' (INTEGRA)

to enable economic opportunities for the country's youth.

Funded under the European Union Emergency Trust Fund for Africa for a duration of four years, INTEGRA seeks to tackle economic root causes of irregular migration, supporting entrepreneurship and job creation at the grass-roots level and providing opportunities for growth.

'My initial goal was to create jobs for others,' said Mamady Kobele Keita, managing director of environmental-

In Guinea, entrepreneurship can be part of the solution to many challenges faced by the population – and youth in particular – namely migration, socio-economic insertion and financial autonomy.

services firm Enviro Africa. 'At the time I used to work some 10 hours a day for my employer. I wondered what it would be like to use the same 10 hours working for myself.

Africa has a wealth of opportunities. It is now time that African youths explore those possibilities and that African society can benefit from the success of their sons and daughters.

‘When the entrepreneur knows that he is working for himself, he gives his all. We managed to create local jobs for youths who did not believe in themselves.’

In line with government priorities, the International Trade Centre (ITC) accepted the challenge to support those efforts by increasing the employability of 15,000 youths and creating some 3,000 jobs. To that end, it developed a four-pillar approach to promote youth entrepreneurship; skills development; access to finance; and improved competitiveness of micro, small and medium-sized enterprises (MSMEs) in the agricultural and information and communications technologies (ICT) sectors. This has helped prospective business owners realize their ambitions while creating opportunities for others.

‘Beyond the desire to be my own boss, I decided to become an entrepreneur to have an increased impact on my community,’ said Fatou Camara, managing director of Monarch Services. ‘As a matter of fact, there is a lack of expertise in the areas of ICTs and marketing in Guinea. I therefore wanted to bring my contribution to improve quality in those sectors.’

The programme has advanced on several fronts since its inception in November 2018, especially on the initiatives supporting youth entrepreneurship have made particular headway.

‘WORKING FOR YOURSELF’

The city of Boffa, known for its mining activities and tourism potential, will in June host a business incubator in the premises of the city’s youth centre. The initiative is part of an agreement between ITC and Guinea’s Ministry of Youth and Youth Employment to build support for entrepreneurship and boost the creation of sustainable economic opportunities for local youth.

Named ‘Walyètèbè’, which means ‘working for yourself’ in the Sousou language, the programme will support young entrepreneurs with training, coaching, knowledge transfer and networking.



The first of its kind, Boffa’s incubator will be replicated in three other regions of the country.

YOUTH ENTREPRENEURSHIP

Like many African countries Guinea is facing a high rate of youth joblessness, a condition exacerbated by its youthful population. Given the reduced scope of the formal private sector and limited job opportunities in the public sector, entrepreneurship and self-employed work would be an appropriate response to youth unemployment.

‘The private sector is the key driver for investment as it plays a central role in wealth and job creation,’ said Gabriel Curtis, the Guinean minister of public-private investments and partnerships. ‘In Guinea, entrepreneurship can be part of the solution to many challenges faced by the population – and youth in particular – namely migration, socio-economic insertion and financial autonomy.’

It is in this spirit that ITC and the Guinean Employment Promotion Agency (Aguipe) supported the organization of the first edition of the Salon des entrepreneurs de Guinée (SADEN), a citizen’s initiative emanating from the youth themselves. With some 2,000 visitors from home and abroad, the innovative forum addressed opportunities and challenges of entrepreneurship in the country, providing inspiration and focus.

‘Africa has a wealth of opportunities. It is now time that African youths explore those possibilities and that African society can benefit from the success of their sons and daughters,’ Camara said. ‘I would like to keep on promoting entrepreneurship in Guinea through initiatives such as the Salon des entrepreneurs de Guinée and specific training programmes.’



ACCESS TO FINANCE

Access to credit and capital remains a major constraint for MSMEs, not only at the start of their activities but also for their subsequent growth.

‘Young entrepreneurs do not always have funds or know their way around to initiate their activities,’ said Swann Diallo, managing director of hotelier MLYS. ‘Besides, they do not always have a sense of economics or might not have planned to be involved in an entrepreneurial project. It is essential to work with experienced partners who can help you achieve both your vision and mission.’

Thanks to the establishment of a pool of financial counsellors, ITC works towards facilitating access to funds for Guinean youth-owned businesses and projects. After completing a training programme in business support, selected consultants will be joining private-sector institutions to help the beneficiaries become more competitive and attractive for investments. In the next two years certified advisors are expected to work with at least 600 entrepreneurs. That kind of commitment can help budding businesses realize even their grandest dreams.

‘We would like to build other installations in the West African region and more widely on the continent,’ Diallo said. ‘More importantly, we would like to become a reference on the African continent and thereby promoting Africa in the world.’ ^④

The entrepreneurs featured in this article are not involved in the INTEGRA programme.

1. An aerial view of Conakry.

2. Fatou Camara.

3. Swann Diallo.

SME COMPETITIVENESS OUTLOOK

2019

Big money for small business

Financing the Sustainable Development Goals



5 Thought
leaders

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TURNING EXPORT POTENTIAL INTO EMPLOYMENT: A CASE STUDY FOR JORDAN

Jordan could create more than 85,000 new jobs, about a quarter of them for women, by unlocking its regional trade potential, according to a new ITC study. The report, which identifies export sectors with employment potential by using an innovative methodology, can help guide policymakers in focusing export promotion on sectors that promise the most employment.

www.intracen.org/publication/export-potentialemployment-jordan



NO SUCH THING AS A COMMODITY

Small and medium-sized enterprises (SMEs) are important actors in all economies and key to policies for inclusive growth, innovation, productivity and job creation. However, they tend to be trapped in low value-added tasks and commodity dependence. This joint paper with the World Economic Forum sets out five ways these enterprises in developing and least developed countries can move to higher value-added activities and increase their earnings.

www.intracen.org/publication/No-such-thing-as-a-commodity



THE POWER OF INTERNATIONAL VALUE CHAINS IN THE GLOBAL SOUTH

Companies can build competitiveness and grow by engaging in South-South value chains and producing higher value-added goods, according to a survey of more than 550 East African companies. This report shows major trends that have propelled the South, including the recent proliferation of regional trade agreements and increasing trade in technology-intensive products.

www.intracen.org/publications/Global-South/



JOINING FORCES FOR E-COMMERCE: HOW SMALL AFRICAN FIRMS SUCCEED WITH COLLABORATIVE BUSINESS MODELS

Micro, small and medium-sized enterprises (MSMEs) in Africa can tackle e-commerce barriers such as formalization, e-payments and delivery by joining forces through collaborative business models. This paper examines the pros and cons of three models – associations, consortiums and cooperatives – and its findings indicate that cooperatives are the most suitable to connect small African firms to cross-border e-commerce.

www.intracen.org/publication/joining-forcesecommerce



PROMOTING SME COMPETITIVENESS IN ZAMBIA

Small and medium-sized enterprises (SMEs) in Zambia play a key role in boosting economic growth and job creation. Data from the SME Competitiveness Survey shows that SMEs in the agri-food sector have good capacity to deliver products on time; manufacturing firms are content with the skillset of their workers; and firms in business support services maintain a competitive edge by offering high-quality services. The data assesses the international competitiveness of Zambian firms.

www.intracen.org/publication/SME-Competitiveness-Zambia/



DOMINICAN REPUBLIC: COMPANY PERSPECTIVES – AN ITC SERIES ON NON-TARIFF MEASURES

Pre-export procedures are one of the main trade challenges of small businesses in the Dominican Republic, according to ITC interviews with more than 800 local businesses. The good news is that overcoming those hurdles is relatively easy. The report recommends reinforcing coordination and integration among institutions. Available in Spanish only.

www.intracen.org/publications/NTM-Dominican-Republic

Agenda

from 28 May 2019

Upcoming events

3 June	Women Deliver 2019 Global Conference, Vancouver, Canada	9 September	ITU Telecom World 2019, Budapest
3 June	World Circular Economy Forum, Helsinki	10 September	UNWTO General Assembly, St. Petersburg, Russia
10 June	Global Youth Entrepreneurship Summit 2019, Cartagena, Colombia	18-20 September	Women's Forum Asia 2019, Singapore
12-14 June	11 th World Chambers Congress, Rio de Janeiro	17-30 September	74 th Session of the United Nations General Assembly, New York
17-18 June	Annual Bank Conference on Development Economics 2019, Washington	23 September	Climate Action Summit, New York
18-19 June	European Development Days 2019, Brussels	24 September	United Nations High-level Political Forum on Sustainable Development, New York
26 June	Women's Forum for the Economy and Society, Kyoto, Japan	28 September	Broadband Commission Annual Meeting, New York
27 June	United Nations Micro, Small and Medium-sized Enterprises Day	7 October	Trade for Sustainable Development Forum, Geneva
28-29 June	G20 Summit 2019, Osaka, Japan	8-10 October	WTO Public Forum 2019, Geneva
2 July	Annual meeting of the International Trade Centre's Joint Advisory Group, Geneva	17-18 October	Young Africa Works Summit, Cape Town, South Africa
3-5 July	WTO Aid for Trade Global Review, Geneva	18-20 October	Annual meetings of World Bank Group and International Monetary Fund
9-17 July	United Nations High-level Political Forum on Sustainable Development, New York	29-30 October	Africa Women Innovation & Entrepreneurship Forum, Cape Town, South Africa
19-23 August	Latin American and Caribbean Climate Week, Salvador, Brazil	5 November	China International Import Expo, Shanghai, China
25-30 August	World Water Week, Stockholm	18-22 November	ITC's World Export Development Forum, Addis Ababa, Ethiopia
25-27 August	45 th G7 summit, Biarritz, France	20-22 November	Women's Forum Global Meeting, Paris
28 August	7th Tokyo International Conference on African Development, Yokohama, Japan	2-13 December	Santiago Climate Change Conference (UNFCCC COP 25), Santiago de Chile
2-6 September	Asia-Pacific Climate Week, Bangkok, Thailand		
4-6 September	World Economic Forum on Africa, Cape Town, South Africa		

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