

Final Report

Enhancing Egypt's Export Promotion Program: Micro Strategies



Prepared for
**The Government of Egypt
Ministry of Trade and Supply**

Submitted to the
**U.S. Agency for International
Development, Cairo, Egypt**

Submitted by the
**Development Economic Policy
Reform Analysis Project,
Nathan Associates Inc.**

Under
Contract #263-C-00-96-0001-00

July 1998

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PREFACE

This report is based upon a study conducted by the Development Economic Policy Reform Analysis (“DEPRA”) Project, under contract to the United States Agency for International Development, Office of Economic Analysis & Policy, Cairo, Egypt (“USAID/Egypt”), in response to a request from the Egyptian Minister of Trade and Supply.

The DEPRA Project is intended to encourage and support macroeconomic reform in Egypt through the provision of technical assistance and services to the Ministries of Economy and of Trade and Supply, with substantive focus on the areas of international trade/investment liberalization, deregulation of the economy, and financial sector strengthening.

The study was undertaken by Mr. Harold Zassenhaus, President, Zassenhaus Export Management of Bethesda, Maryland, with the involvement of Mr. James Kenworthy, the DEPRA Project’s International Trade/Investment Advisor. The views expressed herein are solely those of the author and are not intended as statements of policy or opinion of either USAID/Egypt, the Ministry of Trade and Supply, or of the DEPRA Project or its parent institutions.

The team would like to thank the many people who helped it prepare this report, *Enhancing Egypt’s Export Promotion Program, Micro Strategies*: David Jesse from USAID Mission provided guidance and support; from the MOTS, Dr. Hamdi Salem, Chairman, Egyptian Export Promotion Centre, Eng. Ahmed Kahlid Hamdy, Executive Director, Commercial Representation Sector, General Mohammed el Sayyed Salleh, Chairman, General Organization for International Exhibitions and Fairs, and Eng. Mostafa Said Ahmed, President, Egyptian International Trade Point provided guidance to the team. Other colleagues and their staff were exceptionally kind in providing information and discussed their respective operations, plans, objectives and work plans. Without their patience the team would not have been able to complete its tasks.

Twenty-five businesses, non-governmental organizations and international donor organizations were interviewed for this study. The team would like to acknowledge their advice and feedback which is an integral part of this report.

The DEPRA technical assistance team gave very generously of their time to provide information insights, suggestions and feedback to the team. Special thanks are in order to Mr. Abdel Wahab Heikal of the DEPRA staff for his keen insights and support throughout the project.

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Over the past forty plus years the Government of Egypt (GOE) has created four export promotion units as integral components of its strategy to create jobs through international trade. In 1996 the GOE reorganized its efforts by placing the four programs under the roof of the newly created Ministry of Trade and Supply (MOTS). Studies have pointed to the need for governments to play a strong role in export promotion; specifically, programs which decrease initial export start up costs for businesses and broaden the base of exporters.

In an environment in which global trade is increasing and local support through donor organizations and trade associations recently has been mobilized, the questions facing the GOE, and MOTS in particular, are whether it is up to the challenge of providing useful services and, if so, how should its programs be positioned.

This study takes a hard look at the MOTS trade promotion programs and provides recommendations to address their shortcomings. Its findings are based on analysis of existing MOTS programs, reviews of past studies on the subject, interviews with MOTS staff, non government organizations (NGO's), and donor organizations as well as meetings with over 25 private and public businesses. Its conclusion is that, since the GOE reorganization in 1996, MOTS has begun to make constructive changes to its programs and management structure. There is hope that the MOTS can play a useful role in both reducing firm export start up costs and broadening the base of exporters, provided that the MOTS takes significantly further steps to addresses its organization and program shortcomings, upgrades the skill base of its employees, and works in full partnership with existing not-for-profit organizations and business leaders.

Recommendations to address organizational issues are:

- Create one export promotion unit where there are now four
- Establish specific program objectives for the unit
- Establish a multi-year strategy and annual work plans with measurable outputs for the unit and for each program within it
- Develop consistent periodic program evaluations against such measurable outputs
- Focus efforts on selected industries within the multi-year strategy framework
- Develop dynamic partnerships with the private sector, associations and donor organizations where they actively participate program planning and execution.
- Enhance institutional marketing

Operationally, MOTS should:

- Target priority markets (those most likely to generate incremental exports) and reallocate overseas personnel and resources to them in proportion to their estimated export potential

- Expand its domestic outreach (one on one counseling) efforts to Egyptian firms capable of exporting
- Modify the format and objectives of its direct trade promotion events (trade missions, trade fairs, foreign buyer missions)
- Centralize its data base development and take advantage of data available on the Internet
- Permit fees for service

Human resource development is a key component of the effort. The study summarizes the relevant skill sets which its personnel need to acquire. A prior study done under USAID's DT2 program in September, 1997 provides additional details regarding this area. It is understood that the recommendations under the DT2 program have been or shortly will be approved providing much needed training.

A word of caution. If the organizational, programmatic and human resource development challenges are not addressed properly, and the sooner the better, the MOTS export promotion program may well lead to a misuse of scarce public funds on misdirected activities providing minimal benefit to the business community.

1.0 OBJECTIVES

The Egyptian Government has set a goal of a 10% growth rate in exports over the next decade as the major catalyst for job creation and economic growth and development --- a goal shared by major international donors, including USAID.

The objectives of this study are to survey and evaluate the current Ministry of Trade and Supply (MOTS) export promotion programs and policies. Specifically, the study assesses their efficiency and effectiveness, provides recommendations for enhanced, more effective export promotion structure, strategies and human resource development in order to the Government's export expansion goals.

This study does not examine the implications of governmental commercial policy and laws affecting international trade. These are addressed in a related DEPRA Project study entitled "Macro-Economic Factors Affecting Export Growth" dated July, 1998. Nevertheless, it is clear that establishing, implementing and enforcing policies which, at a minimum eliminate disincentives to export, are a necessity if any country is to actively engage in export promotion activities for the benefit of local business.

Neither does this study attempt to identify fiscal resources or personnel necessary for each unit - it assumes that both will remain in scarce supply. *More than anything else, the challenge to MOTS is to establish priorities within a framework of limited fiscal resources and a fast changing international environment.* Rather, this study concentrates on actions which can be taken in the relatively short term (up to one year) which will have an immediate impact on the export effectiveness and efficiency of MOTS programs.

2.0 EFFECTIVE EXPORT PROMOTION PROGRAMS

There have been a number of recent studies which analyzed export behavior during times of rapid national export increases.¹ Following large numbers of firms over time and describing their behavior during rapid rises in exports in Colombia, Mexico and Morocco, the following was found:

- The rapid export rise involved many firms breaking into foreign markets. In Colombia and Morocco more than ½ of the total growth in manufactured exports came from new exporters and the export boom would not have materialized without their involvement.
- Firms which had been actively exporting before the burst of export growth did not dramatically increase their shipments during the rise.
- Breaking into foreign markets involved significant “start-up” costs to include:
 1. Market research (client identification, foreign prices, market selection, customs practices and standards)
 2. Product and packaging development or modification
 3. Establishing distribution channels
 4. Education (export process, long term marketing, foreign culture, language, methods of payment, finance, documentation, etc.)
- Start up costs declined as more firms became exporters, because newer exporters learned from their colleagues’ experiences and/or export promotion services became more efficient when delivered on a larger scale.
- Once firms were profitably involved in exporting, they continued to trade so long as production costs were covered. Firms seem to be changed by the experience of becoming an exporter, acquiring tangible as well as intangible benefits which they are reluctant to give up unless marginal costs cannot be covered over the long term.

¹ Roberts, Mark J. and Tybout, James R., “What Makes Exports Boom?”. *The World Bank*, 1997.

2.1 Implications for Egypt

The implications of the recent studies provide insight into the design and direction of export promotion programs:

- Rapid export growth often requires convincing businesses that initial start up costs will be offset by future profits.
- There is a strong role for governments to play in mitigating the export start up costs of businesses and assisting them to focus on long term marketing strategies.
- Temporary support programs may lead to permanent changes in export supply.

Ideally, therefore, the Government's export promotion programs should:

1. Decrease export start up costs (and associated time) of firms capable of exporting:
2. Motivate and educate firms to take a long term outlook in developing markets abroad (thereby recouping costs of start up) and;
3. Broaden the base of exporters.

In meetings with small or medium size enterprises, all agreed that they needed more market entry knowledge and skills to enable them to successfully penetrate foreign markets. The need is for product or sub industry sector information and is applicable to both developed and developing markets. In meetings with non governmental organizations (NGO's) and international donor organizations (IDO's), they also pointed to the necessity to change the mindset of many export capable firms from a day-to-day trading mentality to one of developing and implementing a long term marketing strategy. A recent World Bank report² reinforces this important point in providing market entry assistance to Egyptian firms.

Estimates vary on the number of Egyptian exporters ranging from a high of 1,500 to a low of 500. When limiting the list to those which export on a consistent basis, i.e., not sporadically or merely reacting to unsolicited orders from overseas, there is general agreement among NGO's and donor organizations that the number is less than 500 and may be as few as 200. Based on this rough estimate and taking into account that significant increases in exports come largely from newer exporters, a successful Egypt export promotion program will require a significant increase in the base of exporters.

² Schouten, Bastiaan, "Transaction Costs to Private Exports," Draft Report, February 1995

3.0 STATUS OF EXPORT PROMOTION PROGRAMS

The 1996 government reorganization creating the Ministry of Trade and Supply (MOTS) placed the following four major export promotion units under its authority and responsibility:

- Commercial Representation Sector (CRS)
- Egyptian Export Promotion Centre (EEPC)
- Egyptian International Trade Points (EITP)
- General Organization for International Exhibitions and Fairs (GOIEF)

Since the reorganization, MOTS has attempted to enhance the productivity of the Government's export promotion efforts. And many such efforts appear to have been successful.

3.1 Findings

A series of interviews were held with the heads of each of the above units, personnel within unit offices, non-government organizations, international donor organizations and businesses, including large and small producers and manufacturers. A number of positive generalizations regarding unit effectiveness can be made:

- MOTS has a complement of export promotion activities, many common to most developed as well as developing economies. These function include promotion offices in a number of countries, market information, education and motivation and, direct trade promotion events.
- There is tremendous respect for the Minister, MOTS for his management skills and commitment to business development. The favorable sentiment is shared by government officials, NGO's as well as the private. To a significant degree this respect is also held for the heads of the four units.
- There is the general feeling that the four units are trying to improve their services in an environment replete with a lack of funds, under-trained personnel, insufficient staff, and government hiring and procurement policies which inhibit creativity, flexibility, and effectiveness.
- The broad goals of the Minister (e.g., increase exports by 10%, concentrate efforts on markets within Africa and East Europe) have been communicated to the units and their staffs.

- Annual work plans have been or are now beginning to be established by unit heads and, through meetings, are reviewed by one another.
- There is an increasing willingness to work with relevant NGO's like the Egyptian Exporters Association as well as the Federation of Chambers of Commerce (FCOC) and the Federation of Egyptian Industries (FEI). A reciprocal feeling is shared by most NGO's.
- One of the units has forged working relationships with international donor organizations like the GTZ (Germany), CBI (the Netherlands) and JETRO (Japan). These bilateral trade promotion agreements have expanded the unit's capabilities and enhanced its export promotion programs.

As can be expected in any organization, a review of activities suggests areas that can be improved. The following are general distractions to the Government's efforts to increase exports by 10% over the coming decade. In section 5.0 the following shortcomings will be addressed together with opportunities for improvement specific to individual units.

- The four units were created in three different economic environments. The regulations, policies and personnel in differing degrees, still reflect the era in which they were created. For example, the CRS was created in the mid fifties when its duties and responsibilities dealt principally with countertrade and materials and product allocations and bilateral trade policy issues. To a large degree the personnel have not been trained to provide assistance to the business community in market driven economies. Many employees have been self motivated and have become self educated. However, it is far too common to find under-trained staff or, at best, inconsistencies of services due to a lack of staff training.
- While each unit has a work plan that is shared with other units, it seems that the goal of combining activities and unit objectives into a single, common strategy is not materializing. Furthermore, where work plans exist, measurement criteria are usually lacking, irrelevant or are incomplete.
- Unit work plans do not seem to be effectively communicated to the working staff and sharing of information across unit lines is limited. This has hindered the ability to take advantage of others' work and activities, institutionalize much needed and business-appreciated information, and establish "teams" to assist the export efforts of the business community.
- There is significant duplication of effort. For example, each unit has a market research unit, most have a separate data base of Egyptian companies, and three of the four units take on the responsibility of contacting Egyptian companies with similar, if not the same, information. As an example, some of the businessmen interviewed told stories of receiving trade leads directly from CRS as well as EITP.

- Administration (including finance and personnel operations) consume disproportionate resources of each unit. For example, approximately 70 percent of EEPC staff are considered administrative.
- Units lack qualified staff to match functions.
- Units lack sufficient fiscal resources, plant and equipment to effectively perform their duties.
- There is a lack of focus on activities both in terms of sector and markets. However, this is changing as a result of Ministerial policies and the initiative of unit heads.
- While there are some notable exceptions, actual personal involvement with business clients is limited. Most client interface is done by phone, fax, e-mail, etc., or by infrequent conferences, or meetings (usually held in unit offices).

4.0 SUMMARY OF UNIT FUNCTIONS WITHIN MOTS

MOTS is organized into four export promotion units. The function of each is briefly reviewed below.

4.1 Commercial Representation Sector

4.1.1 Overview - The Commercial Representation Sector (CRS), established in 1958, is the agent for Egyptian foreign commercial policy and promotion functions overseas. It operates under the umbrella of the Ministry of Foreign Affairs' representation offices abroad. Its commercial officers abroad receive diplomatic accreditation. CRS supports, coordinates or initiates most commercial policy and promotion functions of the MOTS, including much of Egypt's representation before the WTO. Commercial policy functions (bilateral, regional or multilateral) may be determined by MOTS or other agencies (e.g., Ministry of Foreign Affairs) either as the result of inter-ministerial negotiation or as directed by the President. Commercial promotional functions include export development and promotion, import facilitation (especially components for incorporation or transfer into final product) and, promotion of foreign direct investment.

CRS has about 115 foreign commercial officers and technical support personnel stationed in 68 Embassies or Consulates in 60 countries. Supporting the overseas offices is a headquarters office of an additional 50 persons. CRS headquarters is broken down into the following functional units:

- Departments of Administration, Finance and Inspection. This unit performs the necessary administrative, financial, personnel and audit functions.
- Department of Computer and Export Services which develops overall work unit strategies and priorities for approval of the Unit Manager and communicates foreign market commercial information/opportunities to the Egyptian business community.
- Department of International and Regional Organizations which provides GOE professional commercial diplomatic staffing for regional and bilateral trade negotiations and for the WTO Commercial Office in Geneva and its support unit in Cairo; and similar support for other international multilateral organizations.
- Department of East Europe; Department of the Americas, Department of the EU; Department of Arab Countries; Department of Asia and, Department of Africa which provide support and direction to offices within respective regions.

4.1.2 CRS Priority Objectives – Discussions with the CRS Unit head elicited that it is modifying its strategy and related annual work plans to better match country post import needs

against Egyptian product export possibilities and to allocate its personnel resources accordingly. In line with this strategy, its objectives, in priority order, are as follows:

- Devise and implement regional or country commercial policies to address trade deficits.
- Increase exports by at least 10% in sub industry sectors by identifying product opportunities and matching Egyptian sellers with potential customers.
- Increase foreign direct investment (FDI) in Egypt in accordance with GOE sectoral and/or geographic development priorities.
- Rationalize imports (either by regional/bilateral commercial policy negotiations or through identifying inputs to enable Egypt to manufacture substitutes).

4.1.3 Work Strategy - CRS has identified Africa and East Europe as having the highest potential for Egyptian exports of high value products and services and is in the process of reallocating its resources to capitalize on such opportunities. Specifically, within Africa, Algeria, Cote d'Ivoire, Kenya and the Republic of South Africa and Kenya are being targeted. Africa is seen as the last frontier and, although financing is tight, CRS believes that trade in services and commodities have opportunities which can be exploited through policy avenues, reciprocal investments and even countertrade. In support of the effort to increase trade with Africa, Egypt recently joined COMESA, the Common Market for Eastern and Southern Africa. Eastern European nations, as former members of the Soviet Block, share similar backgrounds and means of affecting trade as does Egypt.

In the context of its commercial policy functions, CRS has identified major areas in which it can effect product/industry sector specific change directly, say by negotiating market access for specific Egyptian products, or negotiating a better bilateral trade and investment framework for Egypt's business community.

In carrying out its trade promotion functions, activities are being developed on a country by country basis. Through trade analysis carried out both at country posts and at CRS Headquarters, specific sub-industry sectors are being identified in which Egypt appears to have a competitive advantage. Taking an proactive role, CRS will match country market needs with known Egyptian producers or exporters and initiate direct contact with both parties to effect a transaction.

CRS appears to have a solid working relationship with most MOTS units as well as with other Government ministries involved in international trade and policy. With regard to MOTS Foreign Trade Sector (FTS), it provides policy inputs and acts as the negotiating/ implementing arm for regional and bilateral trade negotiations. CRS identifies to GOIEF products to be promoted through fairs and exhibitions and promotes trade missions in the country as directed by EEPC. CRS also provides trade opportunities to EITP via e-mail or fax, prepares general market data for represented countries, identifies investment opportunities, and identifies major country traders.

4.2 Egyptian Export Promotion Center (EEPC)

4.2.1 Overview - The EEPC was established in 1979 and its charter modified in 1996. It was restructured in 1992 to take on the added responsibilities of trade promotion and, in 1996, incorporated into MOTS. The EEPC has a Board of Directors made up of 20 members, 10 from governmental trade policy and promotion agencies and 10 from the private sector or state owned enterprises. EEPC has a total staff of 160 of which 120 are administrative. The remaining 40 are technical staff located in EEPC's two non administrative departments: Information, Promotion & International Cooperation, and Product & Market Development. Due to severe staffing shortages, some units within sections are not staffed at all or are staffed with only one or two people.

EEPC is a General Authority, with funding coming directly from the Ministry of Finance (MOF). Budget for overseas promotional activities, exclusive of personnel related expenses, is about US\$20,000. EEPC supplements its Government budget allocation with funding and in-kind support from international donor organizations, e.g., GTZ, and user fees. Participating Egyptian firms pay LE 600/yr. for EEPC services. In 1997 about 100 firms paid a total of LE 48,000, 20% of which was returned to the Ministry of Finance (MOF). In 1998, the MOF started taking 100% of fee income leaving EEPC with little incentive to charge fees.

4.2.2 EEPC Priority Objectives - The following are the objectives, in priority order, of EEPC per discussions with the head of the Unit:

(a) Direct Trade Promotion Activities

- Facilitating trade fair participation in overseas trade fairs within the context of cooperation programs with international donor organizations, e.g., JETRO (Japan), GTZ (Germany) and CBI (the Netherlands);
- Organizing overseas trade missions (about 4 per year);
- Receiving foreign buyer trade missions;

(b) Upgrading Capabilities of Egyptian firms through technical assistance provided by international donor organizations

(c) Training

- Organizing and sponsoring export marketing seminars for Egyptian enterprises including specific workshops on such topics as ISO 9000, packaging needs/requirements in specific markets, negotiation skills, etc.
- Training abroad for EEPC staff and marketing executives in export sectors in cooperation with regional and international organizations.

(d) Market Information.

- Responding to inquiries from Egyptian exporters or foreign importers
- Preparing short information pieces on overseas markets

(e) Market Research.

- Gathering and disseminating market studies and other trade related information. The sector or product specific market studies are disseminated to Egyptian businesses, other trade promotion arms within the Ministry, academia and the Egyptian business community. Information or the studies themselves come from a variety of sources, including CRS.

4.2.3 Work Strategies - EEPC works off a one year work plan. The plan takes into account overall goals and objectives of MOTS and past years' experiences. The plan is reviewed by the EEPC governing board of which the Minister of MOTS is chairman. The plan is then reviewed by other export promotion units in MOTS. Like CRS, the EEPC work plan in 1998 emphasizes trade promotion activities to East Europe and Africa. Sector related market research also follows a game plan which identifies the targets of opportunity. The EEPC is set up along industry/agricultural product lines.

Trade missions are horizontal in nature, e.g., they include company representatives from a variety of industrial/agricultural sectors. Selections of products to be included and venues to be visited are based on market research provided by CRS. The research identifies general market conditions and trends, industry/agricultural sector targets of opportunity, regulations affecting them, etc. Additional sector research is done within EEPC using UN and IMF materials, trade publications, etc. EEPC then determines the time frame for the mission and initiates recruitment. Firms expressing an interest are invited to attend meetings to discuss the opportunities and to sign up. EEPC arranges the following on behalf of the 10-20 participating firms: visas, air travel (EEPC gets a 50% discount through Egypt Air), in country hospitality (organized by CRS) and, meeting schedules for each company (organized by CRS). Each mission spends about 3-4 days in each city visited. Research from CRS is requested 5 months in advance and recruitment begins about 45 days before the mission start date. So far in 1998 EEPC organized a mission to Romania, Bosnia, Poland and Russia and is planning a second to Nigeria and Cote d'Ivoire. If funds are available, the unit will organize missions to Scandinavia and East Africa.

Foreign Buyer Trade Missions. About 10 per year are planned in consultation with CRS. In addition, the EEPC organizes visits of foreign buyers sponsored/organized by overseas Chambers of Commerce, IDO's, etc.

Bilateral Agreements with Donor Organizations. This activity is supported and largely funded through bilateral agreements with selected international donor organizations like the GTZ (Germany), CBI (the Netherlands) and JETRO (Japan). The agreements are similar in that the EEPC identifies sectors and companies within sectors which could compete effectively overseas

with some technical input (e.g., changes in packaging to meet European standards or preferences).

With foreign technical assistance funded by the donor organization 10-20 Egyptian firms are provided relevant production and/or marketing assistance. During the technical assistance phase, technical experts may give seminars or workshops to a number of firms. Companies absorbing the assistance are further rewarded with an opportunity to exhibit in a foreign industry specific trade fair at the expense of the donor organization. For example, under the agreement with GTZ, the donor organization allocates about DM 25-30,000 for space, construction costs, etc. for approximately 40 sq. m. at a German fair. The Egyptian firm pays its own travel, lodging, freight and misc. expenses. Occasionally, EEPC staff accompanies the delegation to the fair and remains to provide assistance. In the past 5 years EEPC has helped about 30 companies in the shoes/leather garment industries. The plan for the future is to join forces with the Egyptian Export Association (EEA) to support this activity. The program will concentrate on furniture and the processed food industries.

Training. EEPC holds about ten 2-3 day workshops per year. Course content is specific (e.g., packaging requirements and preferences in Europe) and courses are led by its own staff with technical input/experiences many times provided by private businessmen or technical experts. From 20-24 business persons attend each workshop. Courses are free. In discussions with businessmen, most are pleased with the workshops and would be willing to pay for the service. However, because EEPC cannot retain revenues generated, it sees little incentive to charge.

Market Information. EEPC receives and answers requests for information as a reactive service to the business community

Market Research. Aside from the market research prepared for overseas trade missions, each year industry units within EEPC provide to businesses updated research on their area of responsibility. They also prepare a few market studies on specific products within their areas. Usually research consists of assembling data from select list of sources, i.e., ITC, CRS, UN Statistical Yearbook and the IMF.

4.3 Egyptian International Trade Point (EITP)

4.3.1 Overview - The EITP was established in 1994 in response to an UNCTAD agreement to establish a central reference point for trade information within member countries. Its purpose is twofold:

1. To develop and maintain a computerized information reference network to support the objectives of MOTS units and to provide information electronically to Egyptian businessmen and foreign traders (principally trade leads).
2. To organize, staff and manage “One Stop Shops” for small and medium size exporters. The purpose is to provide in one fixed facility all the services needed to assist a firm to

begin or increase its exports. The one stop shops are staffed with EITP staff, along with representatives from entities involved in the international trade process, e.g., shipping agencies, banks, forwarders, insurance companies as well as an officer of GOIEC.

EITP maintains a central office in Cairo and, in June 1997, opened a trade point office in Alexandria. It plans to open other regional facilities in major commercial trading cities of Egypt.

The information captured in its computer system includes trade inquiries and leads received through a variety of sources, Egyptian and foreign country trade figures, research on foreign markets, domestic producers and exporters. The information is presently accessible by units within MOTS with the exception of some CRS offices overseas. Data provided to EITP is either entered into its system in standard format by data entry staff or, if received electronically, is scanned. The information on Egyptian firms is used to:

- Match trade inquiries and opportunities received with the capabilities of Egyptian firms and
- Advertise the products available from Egyptian firms through electronic means, most importantly through a EITP web site and CD-ROM (under development).

4.3.2 Objectives - In interviews with the Unit head and staff, the following are the principle objectives and challenges facing EITP:

- (a) Updating data on Egyptian producers/exporters. Receiving current data on Egyptian companies is very difficult as many companies are reluctant to share information, fearing that the information will be shared with tax authorities, etc.
- (b) Extending its trade information service, specifically:
 - Gaining electronic access to international trade information through other services or data bases found on the Internet;
 - Gaining access to regional trade information and promoting regional trade by increasing the number of smaller producers/exporters.
 - Connecting all CRS offices to the Internet and relevant trade information networks, and upgrading information capabilities in target areas like Africa.
- (c) Expanding regional trade points South of Cairo and by linking all trade points via intranet and e-mail.

4.3.3 Work Strategies - Headquarters staff is available to meet with potential exporters. However, most information is communicated via e-mail, fax or phone. Increasingly, they expect information will be passed via the Internet. Its only outreach office, Alexandria, spends considerable time out of the office meeting with potential clients. According to interviews, clients

are not targeted by product but more on the basis of their interest and capabilities.

EITP bases its success on the number of transactions completed by client firms, although no goals have been established yet. Reports on the activities of each office are prepared monthly for review by the Chairman, EITP and the Minister, MOTS.

In 1997, over 21,000 trade leads were recorded (both imports and exports made up of trade, investment and service opportunities). In 1997 CRS provided EITP with 4000 trade opportunities, 15% of which were executed. The following is the breakdown:

	Received	Distributed	# Clients Served
<u>Export Opportunities</u>			
Cairo	5,400	3,793	11,370
Alexandria	2,537	691	2,596
TOTAL	7,937	4,484	13,966
<u>Import Opportunities</u>			
Cairo	11,310	986	4,981
Alexandria	2,945	209	3,981
TOTAL	13,255	1,195	8,962
<u>Service Opportunities</u>			
Cairo	71	53	147
Alexandria	22	22	65
TOTAL	93	75	212
<u>Investment Opportunities</u>			
Cairo	296	249	742
Alexandria	38	38	115
TOTAL	334	287	857
GRAND TOTAL	21,619	5,041	23,997

Source: Egyptian International Trade Point

Most trade opportunities were received from CRS or the GTN (Global Trade Network). Of the total 21,619 trade opportunities received and 5,041 distributed, EITP shows that about 500 resulted in transactions (390 in Cairo and 102 in Alexandria). This is probably a low figure since companies as a whole are reluctant to share the information. Follow up is done by fax and phone calls to the enterprises.

4.4 General Organization for International Exhibitions and Fairs (GOIEF)

4.3.1 Overview – GOIEF was established in 1956 as the government body responsible for organizing trade exhibitions in Egypt and abroad. In 1980 GOIEF moved to its present facilities located adjacent to the Exhibition Grounds in Nasr City which is a fixed exhibition facility of 500,000 square meters. Specifically, GOIEF is responsible for:

- Maintaining the existing Exhibition Grounds in Nasr City;
- Organizing non industry specific (horizontal) trade fairs per year within Egypt;

- Organizing approximately 30 horizontal trade fairs abroad per year.

GOIEF has a staff of over 520 persons, about 50 of which are supervisors, executives or managers and 120 are technical or professional staff. It receives its funding directly from the MOF and occasionally receives supplemental funding from MOTS. It has authority to charge user fees. However, revenues generated are returned directly to the MOF without assurances that such revenues can be used to offset expenses or fund additional programs.

All overseas fairs are horizontal in scope and most are solo fairs, e.g., Egypt is the only exhibitor. In addition to the 30 or so planned fairs, 8-12 fairs per year are organized with short lead times in response to political decisions or major immediate opportunities.

About 100 companies participate in each fair, occupying on average 7, 000 sq. m. Services provided by GOIEF for Egyptian participants in its foreign fairs include:

- Subsidy of approximately 50% of freight costs
- Space discount of between 25-50%
- Marketing of the event and company products
- Organizing meetings to meet exhibitor needs.

In organizing participation in overseas fairs GOIEF negotiates, designs and allocates space, recruits exhibitors, organizes exhibitor travel and exhibit freight from Egypt to the fair site and return, oversees Egypt pavilion marketing, manages the pavilion at site and, records results. Each firm exhibiting must receive certification that its product(s) meet standards established by GOIEF. In organizing domestic trade fairs, most of which are held at the Exhibition Grounds, GOIEF assigns and designs booth layout and recruits firms.

To support fair organization, GOIEF maintains information on fairs and exhibitions worldwide, has a data file on Egyptian enterprises which have or could be exhibitors in foreign and domestic fairs, monitors overseas market conditions, including customs and other entry requirements and, captures information on exhibitor performance in past exhibitions.

Activities are planned and implemented with the support and input of the CRS and EEPC.

4.3.2 Objectives - General Salleh was appointed to head GOIEF less than one year ago. Since being appointed he has begun to reorganize the GOIEF, eliminating some units, consolidating others and creating additional ones to:

- Place more emphasis on service delivery. He has created a new unit, the Export
- Studies unit, which will develop industry specific studies identifying domestic production trends and domestic producers capable of participating in fairs. He has also created a Technical Office to house industry experts, fully knowledgeable of international standards (quality, packaging, etc.) and the Egyptian industry. So far, this unit is not staffed as

budget constraints and government regulations make it extremely difficult to hire well qualified applicants.

- Reduce overlapping functions. For example, prior to the reorganization, several units had their own administrative sections; they have now been consolidated into one O&A unit.
- Increase throughput. GOIEF is planning to hold about 30 planned foreign fairs each year over the next 3 years. In years past GOIEF organized fewer than 20 foreign fairs annually.

GOIEF objectives for the next year are to:

- Continue to consolidate functions. He has gained approval for the reorganization and will concentrate on effecting the change. However, he recognizes that personnel is limited and ill trained.
- Improve maintenance of the Cairo Fairgrounds. The fairground halls are old and ill maintained. Small buildings have sprouted up over the years and the facilities lack basic business services (banking, telecommunications and easy pedestrian access). While government funds for maintenance are limited, GOIEF has begun working with telecommunications and banking entities to improve fairground conditions. Construction of additional parking facilities and an underground walkway for pedestrians was initiated shortly after his appointment and have now been completed. GOIEF has begun working with larger Egyptian firms for event or building sponsorship and donation of equipment and services.
- Restructure foreign fair operations by increasing the number of shows and the services for each.
- Create industry specific fairs in Egypt (mostly, at the Cairo Fairgrounds).

4.3.3 Work Strategies - Working with other MOTS units, Governorates, trade associations (e.g., FEI) and private sector fair organizers, GOIEF develops the scope, location and timing of foreign and national GOIEF supported fairs. Plans are in concert with the Minister's overall strategy of concentrating on selected African (Algeria), Middle East/Arab markets (e.g., Iran, Iraq) and Eastern Europe and the CIS.

It is not GOIEF's intention to compete with private fair organizers but to coordinate schedules and fill gaps where participation falls in line with MOTS strategy and the profit motive is insufficient for a private organizer to undertake the effort.

Regarding fairs held in Egypt, General Salleh is trying to increase utilization of the fixed fairgrounds by:

- Inviting Governorates to hold their national day fairs in Cairo as a way of demonstrating their products to all of Egypt;

- Encouraging industry specific events working with national trade organizations (e.g., new car exhibition and used car sales events each week at grounds);
- Encouraging foreign governments to hold “national days” at the Cairo Exhibition fairgrounds. As of May 1998 Germany, India and 1-2 Middle East nations have agreed to hold a national day at the fairgrounds.

To date, all national fairs, with notable exceptions of the Cairo International Fair and Country National Days, are limited to exhibiting domestic products. As GOIEF feels that the local industry can compete internationally, it will allow foreign participation.

5.0 RECOMMENDATIONS

Sustainable export growth and related overall economic growth is vital to employment creation, the alleviation of poverty and sustainable public expenditures and investment for the general well being. No developing nation has achieved rapid, sustainable economic growth without export growth with the private sector as the principal economic actor.³

The initial start up costs to research markets, become knowledgeable about foreign laws, regulations, customs and distribution channels is high, usually time consuming and rarely financed through traditional means. The GOE has an opportunity to positively affect Egypt's exports by providing relevant, specific market entry information, and focused direct export promotion activities to motivated and committed Egyptian firms possessing the ability to ship exportable products and services to overseas markets.

The challenges facing the GOE are significant. The existing export sector is very small and there are few exporters to emulate. The combination of nationalization and import substitution policies of prior administrations created constraints to exporting. The system of exporter assistance is not well developed to date as shown above. The marketing function (as opposed to the sales function) is not well understood or practiced. In most circumstances it is the seller who differentiates his product to meet overseas desires and creates sales opportunities by implementing long term strategies to make his product known and desired. In Egypt, it appears that far too many firms expect the buyer to initiate contact with the resulting negotiations being confined to price and quantity.

While there is a great deal of respect for many of MOTS leaders, most private businesses are reluctant to invite government agencies to assist them. Most GOE actions are considered regulatory rather than efforts to assist. Exporters are also keen to point out what they consider to be disincentives to export created by or largely supported through GOE policies.⁴ And finally, at least one exporter interviewed noted with concern that many exporters have yet to be paid for GOE-sponsored transactions with Iraq, payment still being blocked or withheld since the Gulf War. Arguably, these are perceptions only. However, taken together, the GOE and MOTS in particular faces an uphill challenge in convincing exporters they can assist in the effort.

Nevertheless, private potential exporters need assistance and, assuming MOTS can gain or maintain the respect and trust of the business community, there is a role which the GOE can play. Its effort will need to be focused, well thought out and, due to restrictive budgets, require the support of NGO's and IDO's. Most importantly, the private businesses, especially those leaders of the community with export experience, will have to be enlisted as active, participatory partners in order for the GOE's export promotion efforts to be successful.

³ *Ibid.*

⁴ See SRI International, "Achieving Egyptian Export Growth", March 1995, Schouten, Bastiaan, "Transaction Costs to Private Exports, Draft Report, February 1995 and Nathan Associates, Inc., "Enhancing Egypt's Exports, Macro Strategies", June 1998

Recent initiatives by NGO's like the EEA and IDO's like the European Community (EU), GTZ, CBI and JETRO have begun (see Appendix I). Yet, they too are relatively new to the scene and they likely could use the cooperation and support of the GOE to succeed.

The following are recommended actions to the above shortcomings which can be effected in the short term (1 year) and can lead to significant export enhancement over the coming decade. Some of these recommendations are not new to the Government and are included in this study as a reminder to the GOE that prior attempts to assist exporters have not been fully successful. Others are new as a result of an in-depth review of MOTS programs and interviews with NGO's, IDO's and private businesses.

5.1 Addressing Organizational Issues

5.1.1 Create One Unit Reporting to the Minister, MOTS - The Minister, MOTS has been very effective in promoting exports and getting the word out that the GOE can assist business in exporting. The effort could be enhanced considerably if it could be combined into one General Organization or Authority which would have a common charter, sources of funding, strategy, and means of conducting their activities.

A single unit would eliminate costly duplicative administrative functions currently carried out separately in each unit. Additionally, the unit could house common organizational functions currently missing, specifically strategic planning and program evaluation.

The office should have a Board of Directors composed of private sector representatives and MOTS officers. To ensure maximum input and direction from business, the Board should have a majority of members coming from the private sector and relevant NGO's.

5.1.2 Establish Objectives - As mentioned in Section II, there are a number of reports which identify export behavior and effective roles for government in export promotion. In line with prior report findings, the MOTS export promotion program should concentrate the vast bulk of its resources to:

- Reducing the significant export startup costs and associated time of firms *capable and motivated* to act on export opportunities;
- Motivating and educating firms to undertake long term marketing strategies to enter foreign markets; and
- Broadening the base of capable exporters.

5.1.3 Establish Multi-Year Goals and Annual Work Plans - Multi-year goals and strategies to meet those goals should be developed by with the approval and support of the Minister. The goals should be achievable, directly tied to the unit's activities, and well communicated throughout the working levels. Measurement criteria to provide accountability for managers must also be assigned. Supporting multi-year goals should be a MOTS Annual Export

Promotion Plan which identifies specific activities, outcomes and measurement criteria for success.

5.1.4 Enlist Support from the Private Sector - MOTS multi-year export development strategies, objectives and the MOTS Annual Export Promotion Plan must have the active input and support of the private sector and those organizations which have active export promotion programs. This not only means that businesses and the NGO's mbe willing to participate in the formulation of objectives but, that they must be willing partners in implementing (and perhaps underwriting the costs of) the supporting activities. The advice and support should initially come through the MOTS Export Promotion Board of Directors and be reinforced at the working level of both MOTS and the represented bodies. MOTS has begun to actively incorporate the advice of private businesses and the effort should be continued under a coordinated overall export promotion plan.

5.1.5 Focus Activities - Personnel and financial resources are limited. To be effective, the MOTS should concentrate its multi-year export promotion strategy on a manageable, select number of economic sub sectors, e.g., frozen foods. Based on industries selected, the effort should be focused on a limited number of high potential countries or regions so as not to disperse the effort. As mentioned above, this focus should have the input and support of the NGO's as well as a cross section of private firms representing a variety of economic sectors and size of business. NGO's should be challenged to contribute and share the workload. Likewise, the private sector, especially the larger companies experienced in exporting, should be encouraged to contribute.

5.1.6 Reflect a Common Image - Marketing materials of each of the operating units should reflect a common image and incorporate the MOTS export promotion mission statement as well as references to sister MOTS units, NGO's and private sector sponsors which are partners in the effort.

5.2 Addressing Programmatic Issues

MOTS has the generic export functions which are used around the world in assisting smaller, export capable firms enter or increase their export sales. And, Egypt has an advantage in being able to capitalize on recently created international donor sponsored programs. It should take this opportunity to modify its set of activities to be in line with the changing and dynamic international global environment. MOTS will need to focus its activities and enhance its skill and delivery mechanism to be an effective tool of business.

The government should continue to staff trade promotion offices overseas (currently within CRS) to act as the organization's eyes and ears overseas, providing insights into foreign markets and assisting traveling businessmen to meet their exporting needs. It should continue to provide a domestic outreach function educating and motivating firms to enter overseas markets through seminars, workshops and individual counseling. Developing, and managing a computerized information network; uncovering, developing, and analyzing trade information and; disseminating market and market entry information are all services which should be continued to guide

businesses in their international transactions and to support the organization in developing short and long term strategies. Finally, the organization should continue its role of organizing and supporting direct trade promotion events (trade fairs, trade mission, foreign buyer missions, etc.)

The following are recommended programmatic changes which should be made as it organizes its program under one roof.

5.2.1 Adjust Functions

a. Reallocate Personnel and Resources According to Priority Markets - Overseas export promotion staff should be allocated according to multi-year export promotion strategies. Certainly there is a strong need to maintain an overseas staff working on bilateral, regional as well as a multilateral trade policy issues. However, staffing for export promotion should be in line with a multi-year strategy as outlined in Section V.A.3 and V.A.5.

Furthermore, MOTS should take advantage of existing NGO's in providing staff overseas. It is possible that affiliates of in-country chambers of commerce, like the Egyptian-American Chamber of Commerce (AmCham) and the Arab-German Chamber of Commerce, can effectively act as MOTS eyes and ears in foreign markets, replacing or significantly decreasing the need for overseas staff in those markets.

The result of the realignment may be that some overseas offices concentrate solely on commercial policy functions, others become involved solely in trade promotion support and some have both.

b. Modify Trade Mission Format - Feedback from staff and business participants is that some of the EEPC organized trade missions are ineffective because they are too large and do not concentrate on a specific industry sectors or industry clusters.

The attraction of an industry focused mission to the overseas audience is that they can meet with more than one company within the same industry in a relatively short period of time. The attraction to local participants is that they can expect devoted attention to concerns and opportunities of their industry. Synergy between participants also can occur and many times is an attraction for going together in a group.

Inherently, trade missions are extremely difficult to organize and execute. Getting 10-15 business executives to travel identical itineraries is fraught with administrative and logistical nightmares. A mission of greater than 15 persons becomes more of a political agenda for the sponsors and/or participants or a group vacation for all but those left to organize it. Many countries have eliminated or significantly reduced the number of trade missions organized, specifically for these reasons. In their place, governments have encouraged industry trade organizations to recruit and set the parameters of the missions based on member input. Governments in turn, have promised more in-country support where a serious trade development agenda is evidenced.

Therefore, MOTS sponsored or organized trade missions should be industry sector oriented, and where possible, they should be recruited and organized by local trade organizations or existing

NGO's and IDO's. Such focus and arrangements will allow the overseas staff to concentrate marketing activities, attracting proper audiences. Furthermore, it will permit the staff in Egypt to concentrate efforts on other areas of importance. potential customers which have opportunities to meet with more than one company within the sector.

Trade missions should be limited to no more than 10 participating businessmen so that targeted appointments can be made, effectively utilizing scarce resources. Groups larger than 10 tend to become difficult to move about and manage, distorting the role of the overseas staff to "nursemaid".

Furthermore, experience with missions in the USA and elsewhere shows that most serious businessmen rarely can be away from the office for more than 2-3 weeks. Therefore, missions should rarely make more than 3 stops with a maximum of 4 days at each stop.

Trade mission planning needs to take into account resource allocations (budget, time and personnel). High priority activities such as missions cannot afford to risk business mistrust and official embarrassment overseas due to under funding, a lack of personnel, or time.

Ideally, missions should be placed on the agenda at least six months in advance. This allows time to plan the concept, identify the sponsors, allocate or secure funding domestically and overseas, recruit and execute.

c. Enhance Planning of Foreign Buyer Missions - Foreign buyer missions can be cost effective marketing tools usually requiring less staff time to organize than standard trade missions. The foreign buyer missions should continue to be encouraged. However, to the degree possible, MOTS should support those which fit its annual and multi year strategic objectives and are identified and planned well in advance so they can be properly supported by MOTS, supporting NGO's and Egyptian enterprises.

d. Restructure Trade Lead Program - The number of actions taken in response to trade leads disseminated is low. A low ratio of successful actions from trade leads received may reflect: a lack of sufficient information in the captured lead, an inability to match overseas need with Egyptian capabilities, an insincere interest on the part of the firm initiating the lead or a combination of the above. This is not unusufor trade opportunity programs, especially where the program does not, or is unable to qualify the lead being reported.

As a government supported function, a trade lead program can discredit other export promotion activities in the view of the business client. Meetings with businesses strongly indicated that the MOTS trade lead program did not provide results and created or reinforced their concept that government run export promotion programs, *in their entirety*, are ineffective.

Additionally, trade lead programs can encourage a short term trading mentality where the objective of a program should be to instill a long term marketing approach.

Finally, with the proliferation of computers and modems in Egypt and elsewhere in the world,

companies can easily access trade leads on their own, should they deem the service worthwhile.

In summary, unless there is extensive qualification of the businesses which are registering the need to buy product or services, MOTS should eliminate the program or restrict it to reporting leads received or generated from meetings with overseas clientele whose objectives have been qualified and MOTS can provide a high level assurance that it can match need with Egyptian capabilities. In its place, MOTS should use personnel for other needed programs.

e. Expand Counseling Role - MOTS has created a domestic outreach program through the EITP. This effort should be expanded so that offices in Alexandria and others planned to be opened soon provide one on one counseling to potential as well as sporadic exporters to increase the base and mitigate the start up costs of exporting. Services should include providing marketing information, assistance in developing marketing strategies, market research as well as counseling on other MOTS, NGO and IDO programs and activities which can benefit the Egyptian client. Unfortunately, in reviewing the operations of the unit in Alexandria, most of the staff was not only unaware of the services provided by NGO's and IDO's (to some degree this is understandable) but, had little knowledge of its sister organizations within MOTS and their programs.

f. Data Base Development/Effective Data Searches on the Internet - Here MOTS not only needs to establish an effective intranet among all its trade promotion units, it needs to develop a comprehensive market intelligence system, capturing information on domestic and overseas firms, market research, identifying and utilizing existing information on the internet, as well as tracking development of clientele.

At the same time MOTS should create *one* comprehensive, easily navigated web site. This review of MOTS export promotion activities uncovered the development of no fewer than three web sites within the same unit.

g. Eliminate Horizontal Trade Fairs Overseas - While horizontal solo trade fairs, like an "Egypt Day" in Paris were a novel concept in the 1960's and 1970's, their popularity as events drawing representatives in host countries is past. Replacing horizontal and solo events are industry specific, multi-country trade fairs. Representatives, large and small buyers all attend these specific fairs to learn about new products, technology and sources of supply. In today's global marketplace there is a truly global trade fair for almost every product. The few remaining solo and horizontal fairs usually draw only the end customer in an environment which more closely resembles a bazaar rather than a trade fair. It is recommended that MOTS restructure itself to organize participation in industry oriented fairs overseas and limit participation to those which fit its multi year strategy and annual work plan. Here too MOTS should capitalize on the recent development of trade fair programs developed by NGO's (e.g., EEA) and IDO's (e.g., GTZ, CBI and JETRO).

In the longer term MOTS may find that organizing participation in industry oriented fairs may be a service which could be provided more effectively at less cost by private organizers.

Under this scenario GOIEF activities should be concentrated more on upgrading and maintaining

the Exhibition grounds in Nasr City, encouraging greater utilization of the facility. As mentioned in Section IV.D., GOIEF is doing an excellent job in devoting attention to this area.

Where MOTS does organize participation in overseas, industry specific fairs, it needs to greatly enhance both the image, marketing and participant market entry support functions. According to interviewed businesses who participated in GOIEF supported events, the fairs suffered from:

- *Poor image.* Stands or areas reflected poorly on Egypt's image. The design dissuaded dealers to the area rather than attract new clientele to the exhibitors;
- *Poor marketing support.* Few if any relevant business appointments were set up; participants had little knowledge of country markets, distribution channels, dealers, importers, wholesalers or agents.
- *Poor event marketing.* In Egypt pavilions within existing fairs, many times the fair catalog did not include the names of Egyptian exhibitors; there was little if any marketing of events to known representatives within the market.
- *Poor logistics.* Sometimes, exhibits were late in arriving, did not arrive or arrived damaged.
- *Improper event objectives.* Most times exhibitors were directed or encouraged to sell their products during the fair when the exhibitor's objective was to identify and negotiate with representatives.
- *Inexperienced personnel at the fair.* Some businesses complained that MOTS personnel working in the pavilion were not knowledgeable of local customs, means of doing business, language.

Similar to trade missions, trade fair participation has to be planned well ahead of time. In this regard, GOIEF, on the whole is doing a commendable job. Events are now being identified three years in advance. Under the proposed realignment and organization, such event planning should incorporate the need for assistance by other areas within MOTS such as the overseas offices, where their participation in event marketing and exhibitor support are crucial to success.

5.2.2 Eliminate Duplicative Functions –

Eliminate duplicative administrative functions which could be carried out more efficiently centrally. This includes personnel as well as plant and equipment maintenance.

Eliminate separate data bases. With one large data base shared by all, each unit would have the opportunity to learn more and be able to target its services more effectively. Where information is sensitive or provided on a confidential basis, security codes can be put in place. Regardless, there is no reason for each unit to develop a similar data base on Egyptian firms.

Eliminate Duplicative Market Research Activities. Currently, all four of the existing units have a market research unit which in part or in whole identifies market characteristics of foreign countries (trade data, customs, regulations, industry potentials, distribution channels, major dealers/wholesalers/agents acting within selected economic sectors, etc.). It appears that this function is not only duplicative but detracts from the need for more detailed information regarding foreign markets.

5.2.3 Permit Fees for Service - Currently two units, GOIEF and EEPC, can charge fees for services. However, neither is permitted to retain the fees generated and the revenue collection authorities are limited. In most cases, businesses are willing to pay for services and feel that anything for free is not worth having. While it is not expected that a fee for services will generate significant new resources to MOTS, any financial support should be welcomed in an environment which universally suffers from lack of funding.

Caution is warranted here as MOTS should adhere to its objective of helping firms reduce start up costs, not add to them. Most businesses will not object to paying fees so long as the services received are of real value. Revenues received should both exceed the administrative costs of accounting for them, while allowing MOTS to retain them for its trade promotion activities.

5.2.4 Share Information - Encourage sharing of information at all levels. is extremely important to a government service promoting exports. Information is key but only useful if current.

There are a number of instances in which good information gathered is not shared to allow other units to better assist the Egyptian business person. The Alexandria office is accessing relevant information via the Internet to assist its clientele. Some of this information on overseas market trends for a sub industry sector could benefit many firms, without compromising the interests of the client for which it was retrieved. This type of information should be captured in the central data base and be available to other areas within MOTS. Up to date means of sharing information, e.g., computers with modems and access to e-mail/intranet services should be available to every work unit. And, the centrally administered data base should have the ability to properly capture and classify the information, store it as well as have the ability to disseminate it.

5.3 Human Resource Development

A recently concluded training needs assessment was conducted in MOTS⁵ which identified specific knowledge, skills and aptitudes (KSA) which would greatly enhance the effectiveness of the MOTS export promotion staff. Below is highlighted those areas of particular need (see extracts relevant to the MOTS sectors assessed herein in Appendix II).

5.3.1 Overseas Staff – Organizational management skills are apparent within CRS,

⁵ Training Needs Assessment for the Development Economic Policy Reform Analysis Project (DEPRA II), September 1997. The draft report is extracted in Appendix II because, upon request, the training contractor for the USAID/Egypt DT2 Training Project has refused to supply a final training needs assessment report.

perhaps because commercial officers are rotated both overseas and in headquarters. While this helps in understanding the needs and abilities to work together toward a common end, the relatively small commercial staff means that program consistency suffers both overseas and within headquarters. Lack of an overall training program and strategy creates inequities in the skills and abilities of same level officers. The following opportunities were uncovered that could be addressed by further training:

- Ability to conduct market research studies on targeted economic sectors or products
- Introductory international marketing techniques for junior staff; training for trainers on the above subject
- Communications/networking skills
- Knowledge of specific industry/agricultural sector health, safety and environmental standards in targeted markets
- Foreign language/business culture

5.3.2 Domestic Export Promotion Staff - With a more industry focused agenda, the need to capitalize on the relationships with NGO's and IDO's, and necessity to efficiently use computers and the Internet, the domestic staff has a significant challenge and opportunity to upgrade its human resource capabilities. Below are mentioned major areas of human resource development.

- Industry/product market research skills
- Training for trainers and for junior staff:
 - Beginning and advanced international marketing techniques
 - Technology transfer mechanics
- Global product and commodity standards and trends in target markets
- Basic computer skills/ability to efficiently search data through the Internet
- Development/maintenance of commercial libraries
- Beginning and advanced international marketing techniques and strategies
- Global product and commodity standards and trends in target markets
- Database development/management
- Efficient trade fair planning and operations skills
- Trade fair pavilion/stand design, layout and graphics

Appendix I
Non Government and International Donor Organizations
With Export Promotion Programs

Non Governmental Organizations

Alexandria Business Association

Hussein Harrawi, Chairman, International Trade
52 El Horreya Ave.
Attarin, 6th floor
Alexandria, Egypt
Tel.: (03) 597-0294
Fax: (03) 596-8805

Activities: Represents the export interests of firms in the Alexandria area. Sponsors/supports foreign buyer missions, organizes trade missions.

German-Arab Chamber of Commerce (Cairo)

Heinrich Lieser, Deputy Executive Director
3 Abu El Feda St.,
Zamalek, Cairo, Egypt
Tel.: 341-3662/4
Fax: 341-3663

Activities: Provides consulting services on a fee basis. In some cases the technical assistance is provided free or at less than full cost through grants received by donor organizations. Technical assistance is on management, marketing, and specifically, German market demands and general European marketing trends. Technical assistance can be one on one or via workshops or a combination of the two. It also identifies specific topics concern, i.e., environmental and production automation and logistics, and brings in for a 1-2 year assignment technical persons to lend assistance to firms. Provides other services on a fee basis to include: export seminars, German-Egyptian business dispute resolution, German-Egyptian contract review, economic consulting.

Egypt Business Link

American Chamber of Commerce in Egypt (AMCHAM)

Dina El Ebiary, Administrative Assistant
26 Mohamed Mazhar Street
Zamalek, Cairo, 6th floor appt. # 61
Tel.: 341-5871, 340-2083
Fax: 340-1820
Debiary@amcham.org.eg
<http://www.amcham.org.eg>

Activities: Business link is a multi-user electronic business network that will connect Egyptian business association to AmCham's Cairo-based central access point. This computer-based system will enable Egyptian businesses to integrate their operations more effectively into global markets, gain access to relevant, accurate and up-to-date information, promote exports and business opportunities, and provide state-of-the-art connectivity among the Egyptian business community. Business Link staff will collaborate with other private sector organizations and programs, which will not only benefit as users of the system, but also will contribute information to database. Business Link will function as a wholesaler of the most important subscription based business information services on the internet.

Egyptian Exporters Association (EEA)

Galal El Zorba, Cahirman
14 Gazirat El Arab st.,
Mohandessin, Cairo
Tel: 354-4277
Fax: 345-4523
Office@rite.com.eg

Activities: Develop, organize and manage programs to provide technical assistance and introduce advanced technology, provide market information and trends, create awareness and information in world markets of the opportunities in Egypt, enhance domestic and international joint research and development programs, link Egypt to the world via an effective information system and issue a newsletter that provides recent developments dealing with exports. EEA will encourage SMEs to enter the export. Provide firm-level assistance to approximately 300 firms which will increase non-traditional exports by \$200 million over the term of USAID support. EEA will extend the following services to exporters: firm-level or industry-level technical assistance, export marketing and development assistance, the provision of market information and materials, the advocacy for export policy and regulatory improvements. EEA is currently concentrating on five export subsectors – textiles and apparel; fresh fruit, vegetables and processed foods; furniture; leather footwear; and soft ware – but additional product groupings will be considered in the future.

Federation of Egyptian Industries (FEI)

Ahmed Ezz, Deputy Chairman, FEI
Bob Van Horn, CIPE
Dr. Alaa Ezz, Project Coordinator
Shera Coucil Building
Tahrir, Cairo
Tel.: 395-4496/7
Tel.: 574-0762
578-2367/8/9
Fax: 574-0728
Ezztips@intouch.com

Activities: The Federation of Egyptian Industries is the premier business federation in Egypt, with 18,000 member companies represented through 14 major industrial sector chambers. FEI

undertakes a range of activities as services to its members. These include publications, conferences and seminars, training workshops, and research and analysis on business and policy issues.

International Donor Organization Programs

Centers for Quality Assurance (CQAs)

Khaled Hamdy, Managing Director
21 Youssef El Guindy st., 3rd floor
Bab El Louk, Cairo
Tel.: 395-0952, 395-0953
Fax: 395-0954

Activities: CQAs help companies implement quality assurance systems, that operate with customer satisfaction as the goal, and systematically address how to improve product quality. CQA staff prepare diagnostic assessments to evaluate client's current Quality Assurance Systems, design strategies to bridge the gap between current systems and clients quality goals, assist with quality documentation, present workshops on quality assurance, and offer assistance in selecting an entity to provide ISO 9000 certification. Clients are charged between 10 and 30% of the cost of the services provided leading to certification.

Manufacturing Technology Centers (MTCs)

International Executive Service Crops (IESC)
Karen Muir, Managing Director
10th floor, Suite 18, El Boustan St.,
El Boustan Commercial Center, Cairo
Tel.: 390-2209
Fax: 390-9115

MTC Alexandria
411 El Horeya Avenue
3rd floor, Apt. 32
Roushdi, Alexandria
Tel.: (20-3) 848-437, 545-3206
Fax: (20-3) 546-740

Activities: MTCs help clients by identifying their technology needs, developing business strategies to meet those needs, searching for technology sources available in Egypt and abroad, and assisting with technology acquisition, installation and on-going adaptation. Specialists conduct needs assessments of clients' business objectives, management systems, production processes and market (domestic and international) requirements. Advisors then carry out sourcing for appropriate materials, equipment, training and other technology resources. Clients are then provided business connections and on-going assistance to adapt and continually evaluate their business technology in order to maintain competitiveness.

Technical Assistance Program (TAP)

International Executive Service Corps (IESC)
Tarek Nabhan, Executive Director, TAP
10th floor, Suite 18, El Boustan St.,
El Boustan Commercial Center, Cairo
Tel.: 390-3232
Fax: 390-2929

TAP Alexandria
2, Kafr Abdou St., 12th floor, Apr. 1204
Roushdi, Alexandria
Tel.: (20-3) 546-7470, 545-4768
Fax: (20-3) 543-0332

Activities: The program draws on the skills of over 13,000 American business executives who furnish technical assistance to Egyptian clients seeking to increase productivity, develop new markets, upgrade management skills and increase exports. Projects average one to three months. Egyptian clients pay a small portion of the actual costs

Agricultural Technology Utilization & Transfer Project (ATUT)

Dr. Kelly Harrison, Chief of Party/RONCO
Agricultural Research Center
9 Gamaa St.,
Giza
Tel.: 569-3234/5/6/7
Fax: 569-3238
Ronco@brainy1.ie-eg.com

Activities: ATUT's technical assistance programs help producers and exporters to adopt technologies to improve the production and quality of their crops, identify potential markets, remove constraints to horticultural exports, and lower the cost of production through on-farm water management. ATUT programs ensure the private and public sectors' full participation in the design, implementation, and evaluation of ATUT activities. ATUT also coordinates the development of long-term action plans to finance competitive horticultural research that is demand-driven and responsive to market forces.

Private Sector Commodity Import Program (CIP)

Arthur Lammerzahl
USAID Cairo
Tel: 357-2143, 357-3789

Adel Arif
USAID Alexandria
Tel: 482-9301, 482-8458

Activities: The U.S. suppliers, through U.S. bank, of equipment and non-capital goods sold to Egyptian private sector companies. The Egyptian borrower repays Egyptian banks, who are liable for repayment, and the banks deposit the proceeds in a Central Bank fund that in turn is used for U.S. and Egyptian government agreed development purposes. For companies exporting more than 50% of their production there is a two year interest free grace period for imported capital equipment and a 12 month interest free grace period for non-capital equipment. The maximum repayment period for borrowers exporting more than 50% of their production there is a two-year interest free grace period for imported capital equipment and a 12 month interest free grace period for non-capital equipment. The maximum repayment period for borrowers exporting more than 50% of their production is 18 months for non-capital equipment loans and 8 years for capital equipment loans. The loan is extended in U.S. dollars, the interest and exchange rate are fixed, repayment is in Egyptian pounds and it is not necessary to use the purchase as collateral. The minimum loan is \$ 15 million for an end user importing capital equipment. Around \$ 250 million per year is available under this program.

European Union Private Sector Development Project (PSDP)

Philip Corish, Project Manager
Project Management Unit
Private Sector Development Program
3 A, Mohamed Mazhar St.,
Zamalek, Cairo
Tel.: 341-1764
Fax: 341-1767
psdpl@idscl.gov.eg

Activities: PSDP provides assistance on a demand driven basis. It includes two main components, the Business Support Program (BSP) and the Institutional Development Program (IDP). BSP has two elements; business upgrading for individual beneficiary companies by the provision of expert assistance, and consulting and training services provided to groups of beneficiary companies sharing a common need for assistance. The key support services provided are a) management training, b) human resources development and d) information and business cooperation. IDP assists business associations and investors' societies to improve services to their members.

European Commission Multi-Sector Support Program (MSSP)

39 Mohamed Al Gazaly St.,
Dokki, Giza 12311
Tel: 336-9139/9763/9764
Fax: 349-6597

Activities: The MSSP is a development program of the Ministry of Agriculture and Land Reclamation funded by the EU. It provides credit facilities from a Credit Line to farmers and agricultural entrepreneurs, co-operatives and companies for investment in various aspects of production, processing and marketing operations in four specific sub-sectors namely: aquaculture,

horticulture, poultry and on farm irrigation and drainage. The Program Management Unit (PMU) of MSSP offers technical advice. Short (one year), medium (up to three years) and long term (up to five years) loans are available to individuals for up to LE 250,000 and to companies and co-operatives for up to LE 5 million with grace period of up to one year for short and medium term loans and up to two years for long term loans. Companies dealing in horticultural products are eligible for MSSP support for the development of improved production systems and practices, development of post-harvest collection, processing packing and transport systems, increasing the export capacity of horticultural crops and establishing and developing technical service companies.

German Agency for Technical Cooperation (GTZ)

Dr. Burghard Claus

GTZ Office Cairo

4 d, El Gezira St.,

Zamalek, Cairo

Tel.: 340-9750/342-0714

Fax: 341-2445

Activities: GTZ offers services in planning and implementing German contributions to partner projects, selection of and assistance to expatriate and local experts, training for partners and procurement of equipment. GTZ has developed and uses specific management and planning methods. Whenever and wherever expedient, GTZ works with consulting firms or as part of a consortium or group. GTZ receives the bulk of its commissions from the German Federal Ministry of Economic Cooperation and Development (BMZ), but other German Ministries also avail themselves of its services.

Project supported by GTZ are implemented by independent the executing organizations operating under their own responsibility with due regard to the dictates of commercial efficiency and economy, and in accordance with the financial and other stipulations made by the Federal German Government.

A trade development promotion program was designed by GTZ and implemented in cooperation with the Egyptian Exports Promotion Center (EEPC), with small and medium-sized manufacturers whose products are eligible for exports. The program is now supporting exports of leather goods, shoes, furniture, textiles and garments.

Appendix II

**Extracts from MOTS Training Need
Assessment Report**

TRAINING NEEDS ASSESSMENT

**Results Package DEPRA
SO-1 Accelerated Private Sector Led
Export-Oriented Economic Growth**

**I.R. 1.1.1. Liberalization Trade
I.R. 1.2.1. Liberalized Markets**

By

Dr. James H. Cassing

Harold Zassenhaus

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Commercial Representation Sector (CRS)

The commercial Representation Sector (CRS) is the agent for all Egyptian foreign commercial policy and promotion functions overseas. It operates under the umbrella of the Egyptian representation offices abroad. As such, it support, coordinates or initiates all commercial policy and promotion function of the MOTS, including representation before WTO. Commercial policy function (bilateral, regional or multilateral) may be determined by MOTS or other agencies (e.g., Ministry of Foreign Affairs) as directed by inter ministerial negotiation or as directed by the President. Commercial promotional functions include export development and promotion, especially components for incorporation or transfer into final product and foreign direct investment.

CRS has 97 foreign commercial officers stationed in 66 Embassies or Consulates in 60 countries. Supporting the overseas offices is a headquarters office of about 50 persons. The headquarters is broken down into the following functional units.

- Departments of Administration and Information: Performs the necessary administrative financial and personnel functions.
- Department of Computer and Export Services: Develops overall work unit strategies and priorities or approval of the Unit Manager; communicates foreign market commercial information/opportunities to the Egyptian business community.
- Departments of World Trade Organization, International Organizations and Regional Organizations; Department of East Europe; Department of the Americas, Department of the EU; Department of Arab Countries; Department of Asia; Department of Africa Liaisons with other MOTS commercial policy and promotion units and sub-units and other Ministries to coordinate functions.

Macro Level Opportunities for Improvement

The work unit appear to have a good understanding of its role and the need to work with other units within MOTS as well as other Ministries. Sharing of information between units and sub-units within MOTS needs improvement to enable CRS to efficiently perform its duties. Organization management skills are apparent within CRS, perhaps because commercial officers are rotated both overseas and in headquarters. While this helps in understanding the needs and abilities to work together towards a common end, the relatively small commercial staff mean that program consistency suffers, especially in headquarters functions (e.g., computer and export services). Lack of an overall training program and strategy creates inequities in the skill and abilities of same level officers. Many of these areas can be addressed by training. However, senior MOTS leadership needs to provide incentives for units within the Ministry to work together to tackle problems or take advantage of opportunities.

Micro Level Opportunities for Improvement

CRS has the ability to absorb practical training in both commercial policy and promotional functions. It further has the need as staff is small and the functions carried out overseas as well as

domestically are varied. The following opportunities were uncovered which could be addressed by further training:

- Ability to conduct market research studies on targeted economic sector or products.
- Introductory international marketing techniques for junior staff; training for trainers on the above subject.
- Ability to convey potential effects of trade policies (domestically as well as in targeted overseas markets)
- Communications/networking skills.
- Negotiation Skills.
- Ability to design/maintain database systems covering specific industries or agricultural sectors.
- Knowledge of specific industry/agricultural sector health, safety and environmental standards in targeted markets

Egyptian Export Promotion Center (EEPC)

The EEPC was established in 1979 and restructured in 1992 to take on the added responsibilities of trade promotion. The EEPC as a Board of Directors made up of 20 members, 10 from governmental trade policy and promotion agencies and 10 from the private sector or state owned enterprises.

The EEPC has two principal departments headed by Undersecretaries: Information, Promotion and International Cooperation; and, Product and Market Development. Together, the work units have about 40 technicians and supervisors/executives.

The EEPC has responsibilities for:

- Organizing trade fair participation in a number of overseas trade fairs in which the GOIEF does not play a role;
- Organizing overseas trade missions (about 6 per year), foreign buyer trade mission, solo company trade exhibits overseas;
- Gathering and disseminating market studies and other trade related information. The sector or product specific market studies are disseminated to Egyptian business, other trade promotion arms within the Ministry academia and the Egyptian business community. Information or the studies themselves come from a variety of source including the Commercial Representation Sector;
- Disseminating trade opportunities and other market intelligence received from the Commercial Representation sector to Egyptian exporters.
- Organizing and sponsoring export marketing seminars for Egyptian enterprises.
- Maintaining liaison with other country trade promotion arms to further bilateral trade promotion activities (e.g., JETRO in Japan).

Macro Level Opportunities for Improvement

The EEPC appears to be a fully functioning unit. It appears to effectively plan its workload. However, the technically qualified staff seems thin with even the Undersecretary carrying primary operational responsibilities for individual events. Human capacity development is needed and basic skills in computer applications is no-existent even through the unit will shortly be taking delivery of some 25 additional computers.

Some areas of involvement seem to be duplicative with other work units within MOTS (e.g., market research, trade fair planning and administration). Work units should increase cooperation and joint planning at the very least.

Micro Level Opportunities for Improvement

- Market Research Skills and Abilities
- Training for trainers and for junior staff:
 - * Beginning and advanced international marketing techniques.
 - * Technology transfer mechanics.
 - * Global product and commodity standards and trends in target markets.
- Basic computer skills.
- Development/maintenance of commercial libraries.
- Efficient trade fair planning and operation skills.
- Human capacity development: communications skills.

Egyptian International Trade Point (EIPT)

The EIPT was established in 1994 in response to an UNCTAD agreement to establish a central reference point for trade information within member countries.

The EIPT is developing a computerized information reference network which includes Egyptian trade figures, producers, exporters, market research, trade opportunities, and so on. Data provided to EIPT is either entered into its system in standard format by data entry staff or, if received electronically, is scanned. The EIPT system is linked to other work units within MOTS (including the Commercial Representation units overseas) and to 99 other country Trade Points in 90 countries via the Internet.

In addition, EIPT is responsible for managing “one stop shops” for small and medium size exporters. These one-stop shops are staffed with EIPT staff, export Promotion Center employees along with representatives from private entities involved in the international trade process, e.g., shipping agencies, banks, forwarders and insurance companies. The purpose is to provide in one fixed facility all the services needed to assist a SME exporter to begin or increase its exports. It has recently opened an additional trade point office in Alexandria and has plans to open others in major commercial trading cities of Egypt.

EIPT states that it receives about 300-400 opportunities each month. However, the number of inquiries received daily is quite low (8-10 per day). This low rate may be due to a number of issues both external and internal to the unit. It is safe to say, however, that to become more effective, it will need computer skills to upgrade its product.

Using information in the system and through its one stop Centers, EIPT would like to expand its services by providing a website, which would include pages on Egyptian firms and links to their sites.

EIPT has 65 persons, 43 in Cairo and an additional 22 in Alexandria broken down as follows:

Position	Cairo	Alexandria
Programmers	8	4
Data Entry Personnel	15	12
Trade Specialists (technicians)	20	6
TOTAL	43	22

Macro Level Opportunities for Improvement

The basic function of the unit is database design and maintenance. It is in this areas where training can be of assistance. In developing and expanding its capabilities, EIPT should be encouraged to train other units in using its system and freely sharing the information to other units within MOTS which promote trade or affect trade policy.

Micro Level Opportunities for Improvement

EIPT Priority is centered around its need to upgrade is database management abilities and to provide a product or series of products which can be easily used and fed by other MOTS units and the Egyptian business community.

General Organization for International Exhibitions and Fairs (GOIEF)

GOIEF was established in 1956 as the primary government body responsible for organizing trade exhibitions in Egypt and abroad. In 1980 GOIEF moved to its present facilities located adjacent to the Exhibition Grounds in Nasr City, which is a fixed exhibition facility of 500,000 square meters.

GOIEF is responsible for:

Maintaining the existing Exhibition Grounds in Nasr City;

Organizing approximately 15 horizontal (all sectors of the economy) trade fairs per year within Egypt;

Organizing approximately 15 industry specific and horizontal trade fairs abroad per year.

GOIEF is organized into nine functional sub-units reporting to the Vice Chairman, GOIEF, four of which directly support SO-1 and supporting IR 1.1.1. and 1.2.1.

Foreign Fairs Department: Responsible for identifying overseas fairs in which Egypt and private businesses exhibit. The unit negotiates space, recruits exhibitors, allocates space, organizes exhibitor and exhibit freight from Egypt to the fair site and return and, records results. Egyptian pavilions in overseas fairs may reach 5, 000 square meters. Overseas fairs are broken down into two types: industry specific fairs at which the primary objectives are establishing business contacts (agents, distributors, joint venture partners, etc.) and at which products are rarely sold and, general or specific product fairs at which a primary objective is spot sales. The department has about 20 professionals/technicians.

Engineering Department: Maintains fixed exhibit facilities at the Exhibition Grounds, designs pavilions and booth layout for each domestic and foreign fair. The department has about 100 employees, 40 of which are professionals/technicians or supervisors.

Information Center: Responsible for marketing and maintaining information on fairs and exhibitions worldwide as well as capturing information on exhibitor performance in past exhibitions.

Research and Contacts Department: responsible for maintaining information on Egyptian enterprises which have or could be exhibitors in foreign and domestic fairs, identifying overseas market conditions, target market customs and other requirements, identifying and capturing information on past and potential exhibitors, etc. The department has about 20 professionals/technicians.

GOIEF has a staff of over 520 persons, about 50 of which are supervisors; executives or managers and 120 are technical or professional staff.

Activities are planned and implemented with the support and input of the Commercial Representation Sector, the Export Promotion Center and other units with MOTS.

Macro Level Opportunities for Improvement

GOIEF has over 40 years of trade fair experience. However, from discussions with private businesses and the head of the GOIEF sub units, human capacity development could and should be improved to increase awareness of Egyptian products and services abroad and probably utilize computers on hand.

Two MOTS work units, EEPC and GOIEF are involved in organizing overseas trade fairs. It is not clear why the division of responsibilities have been drawn up and it is unclear how closely the two units collaborate in such common areas as design, planning and developing and analyzing market information.

Micro Level Opportunities for Improvement

Basic K/S/A seem to be present in GOIEF. However, most computer related K/S to assist efforts in design, marketing, planning, market analysis are non existent and senior staff appear to be unaware of new methodologies. Pavilion design, layout and presentation are increasingly important components in trade fair participation. It appears that K/S could and should be improved in this area.

The following are the micro level opportunities for improvement:

- Upgrade existing graphics capabilities.
- Enhance both layout and interior design knowledge and skills for pavilions and permanent displays.
- Ability to design pavilions incorporating current construction and architectural methodologies.
- Increase knowledge and skills in maintaining fixed exhibition facilities.
- Increase abilities to plan for exhibitions.
- Gathering and analyzing market intelligence.
- Knowledge and application of exhibition management skills.
- Increase ability to communicate in English.

ملخص تنفيذى وتوصيات

على مدى أكثر من أربعين عاما ، قامت الحكومة المصرية بإنشاء أربع وحدات لترويج الصادرات كعناصر متكاملة من إستراتيجيتها لخلق فرص عمل من خلال التجارة العالمية. وفى سنة ١٩٩٦ قامت الحكومة المصرية بإعادة تنظيم جهودها بوضع البرامج الأربعة تحت مظلة وزارة التجارة والتموين المنشأة حديثا . وقد أشارت الدراسات إلى ضرورة إضطلاع الحكومات بدور قوى لتنشيط الصادرات ، وعلى وجه التحديد ، برامج تقلل التكاليف الأساسية لبدء التصدير للمؤسسات التجارية وتوسيع قاعدة المصدرين.

وفى مناخ تتزايد فيه التجارة العالمية ويعبأ فيه الدعم المحلى من خلال الهيئات المانحة والاتحادات المهنية ، فإن الأسئلة التى تواجه الحكومة المصرية، ووزارة التجارة والتموين على وجه التحديد، هى ما إذا كانت الحكومة على مستوى التحدى وقادرة على توفير خدمات مفيدة ، وإذا كانت قادرة على ذلك ، فكيف يمكن وضع برامجها.

وتلقى هذه الدراسة نظرة ثاقبة على برامج وزارة التجارة والتموين لتنشيط التجارة وتطرح توصيات لمواجهة عيوبها. إن نتائج الدراسة مبنية على تحليل البرامج الحالية لوزارة التجارة والتموين ، ومراجعة الدراسات السابقة على الموضوع ، ومقابلة موظفى الوزارة ، والهيئات غير الحكومية والهيئات المانحة وأيضا الإجتماعات مع أكثر من ٢٥ من المؤسسات التجارية الخاصة والعامة. وخلاصة الدراسة هى ، أنه منذ إعادة تنظيم الحكومة المصرية فى ١٩٩٦ ، فلقد بدأت وزارة التجارة والتموين فى عمل تغييرات بناءه على برامجها وعلى هيكلها الإدارى . وهناك أمل فى أن تلعب وزارة التجارة والتموين دورا فعالا فى مجال خفض تكلفة بدأ التصدير وتوسيع قاعدة المصدرين، بشرط أن تقوم وزارة التجارة والتموين بإتخاذ خطوات إضافية فعالة لمواجهة العيوب التى تشوب هيكلها التنظيمى وبرامجها ، ورفع درجة مهارة موظفيها ، والعمل بالمشاركة الكاملة مع الهيئات القائمة (التي لا تهدف الى تحقيق أرباح) وقادة المؤسسات التجارية.

التوصيات الخاصة لمواجهة القضايا التنظيمية هى:

- إنشاء جهة واحدة لتنشيط الصادرات حيث يوجد الآن أربع جهات .
- وضع برنامج له أهداف محددة لكل جهة من هذه الجهات.

- وضع إستراتيجية لعدة سنوات ، وخطط عمل سنوية ذات نتائج يمكن قياسها لكل من هذه الجهات ولكل برنامج داخلها.
- تطوير برنامج دورى يتسم بالاتساق لتقييم أداء الجهات المعنية طبقا للمعايير الموضوعية.
- تركيز الجهود على الصناعات المختارة داخل إطار الإستراتيجية طويلة المدى.
- خلق مشاركات فعالة مع القطاع الخاص والشركات والهيئات المانحة ، طالما يشاركون بفاعلية فى تخطيط وتنفيذ البرامج.
- تعزيز الإطار المؤسسى للتسويق.

ومن الناحية العملية ، يجب على وزارة التجارة والتموين:

- أن تستهدف الأسواق التى لها أفضلية (تلك الأسواق المرجو منها أن تؤدى إلى زيادة الصادرات) مع إعادة تخصيص الموظفين والموارد لها بشكل يتناسب مع إمكانياتها التصديرية.
- مد جهودها المنتشرة محليا (من خلال التشاور الفردى) إلى المؤسسات المصرية القادرة على التصدير.
- تعديل شكل وأهداف آليات التنشيط التجارى المباشرة (البعثات التجارية والمعارض التجارية وبعثات المشتري الأجنبى) .
- تطوير قاعدة بياناتها وجعلها مركزية ، والإستفادة من المعلومات المتاحة على شبكة الإنترنت.
- التصريح بتحصيل رسوم نظير الخدمات .

يعتبر تطوير الموارد البشرية عنصرا رئيسيا فى جهود الوزارة . وتلخص الدراسة مجموعة المهارات التى يحتاج موظفو الوزارة الى إكتسابها . إن الدراسة السابقة التسي

أجرتها الوكالة الأمريكية للتنمية الدولية من خلال برنامجها للتدريب المحلي (DT2) فى سبتمبر ١٩٩٧ تعطى تفاصيل إضافية فى هذا الخصوص. ومن المعلوم أن التوصيات التى طرحها برنامج التدريب المحلي (DT2) التى تمت أو التى سوف يتم الموافقة عليها قريبا، تقدم التدريب المطلوب.

كلمة تحذير ، إذا لم يتم مواجهة التحديات التنظيمية والبرامجية والبشرية بصورة ملائمة ، وبأسرع صورة ممكنه ، فإن برنامج وزارة التجارة والتموين لتنشيط الصادرات، قد يؤدي إلى إساءة إستخدام الأموال العامة التى تتصف بالندرة، فى أنشطة موجهة بشكل خاطئ، الأمر الذى يؤدي الى فائدة محدودة لمجتمع الأعمال فى مصر.