TECHNICAL REPORT

Assessment of a Proposal to Establish an Institute of External Trade (ICEM) in Mozambique

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Assessment of a Proposal to Establish an Institute of External Trade (ICEM) in Mozambique

Introduction

The Confederation of Mozambican Business Associations (CTA) requested assessment to review and comment on a proposal to establish an Institute of External Trade (ICEM) in Mozambique. The assessment evaluates the probably impact on Mozambican exports, the costs of the new institute, and its probable effectiveness in the light of best practice in trade promotion.

The proposal to establish ICEM (details are provided in Appendix A) was requested in April 2004 by the Ministry for Industry and Trade (MIC). The proposal was the second proposal requested by MIC as the first proposal did not adequately present a realistic view of ICEM. The second proposal attempts to examine the current structures of support for trade promotion, and assess the need for the establishment of a new Institute for external trade. The second proposal also had the following objectives:

- Promote exportation,
- Support the development of goods and services for exportation,
- Create mechanisms that plan imports, and
- Support importers in determination of the criteria for acquisition of foreign goods and services under the most favorable conditions for the nation.

It was envisioned that ICEM would build on the resources of the existing Export Promotion Agency (IPEX), and would take a broader role in improving export competitiveness of Mozambican firms than the current relatively narrow focus of IPEX.

On the basis of the attached assessment, it is unlikely that the new Institute would significantly alter the current trend in Mozambican exports, or address the current barriers which obstruct export growth.

Traditionally the components of support for external trade have been seen as (more details of trade promotion organizations worldwide are presented in Appendix B):

- Policy development
- Trade negotiations
- Domestic level activity to further exports (increasing local firm competitiveness and export capability
- Eliminating trade barriers and distortions - lowering the costs of doing business
- Overseas trade promotion activities
- Provision of Information

Increasingly Trade Promotion Organizations are broadening their objectives to take a more proactive role in

- stimulating innovation,
- technology transfer
- facilitating access to finance by stimulating the market for new financial products Making the link between inward investment and export competitiveness ,

ICEM – The Proposed New Institute

The details of the proposed new Institute mission, structure, activities, etc. are set out in Appendix A.

Broad conclusions were

- The role of a possible new institute should place more emphasis on the establishment of an export competitive private sector base rather than in the traditional narrow activities of export promotion – i.e. market development.
- The institute should emphasize the supply side aspect of exporting, providing broad base support across all aspects of export competitiveness including production, technological capability etc. This is in line with the broad direction of change in the role of Trade promotion organizations.
- He cites TISA of RSA as an example of an organization providing across the board support. He neglects to mention that TISA also has Investment promotion as an integral, if not primary part of its brief.

Comments and Analysis on the ICEM Proposal

GENERAL COMMENTS

The proposal for the new institute is to build on IPEX, broadening the role of the existing agency from the current narrow focus of market development, to address the supply side problems with export, and the wider issue of firm competitiveness. For a general overview of trade-related institutions and processes in Mozambique, see Appendix C.

The new institute should also play a stringer and more explicit role in coordinating the activities of all the other agencies involved in external trade.

The administrative structures of IPEX which are currently very burdensome and slow would be simplified, aiming to speed up decision making.

The Institute would continue however to be fully financed as regards operating costs by MIC through the state budget, and would seem to have little real autonomy.

It would appear from the proposal that the existing staff of IPEX will be maintained in the new institute. Both the performance of IPEX and the profile of the staff would suggest that this would be repacking a weak team in a new guise.

Many of the activities suggested for ICEM would overlap directly with activities carried out by the Investment Promotion Center (CPI). In some cases there would be direct duplication of effort that would not only waste scare resources, but would also place a further burden of bureaucracy on firms seeking for example to gain EPZ status.

Other activities would require a much more commercial focus than IPEX has been able to demonstrate; therefore without a radical change of personnel it is implausible that the new institute would for example have real credibility in presenting projects to banks for financing.

The mix of activities proposed is curious, with some highly bureaucratic functions carried out alongside some highly commercial activities in the same department.

LACK OF A FUNDAMENTAL STRUCTURAL RETHINK

The data on trade promotion organizations around the world is generally very much out of date (its simply consists of a photocopy of an UNCTAD report from 1994). The role and activities of trade promotion organizations have changed quite radically in the interval in the light of

- Revolution in information technology – it is easy now to sell fairly complex product over the web, or via interactive three-dimensional CD-ROMs. Data on potential suppliers, markets, prices etc is much more easily available on a global basis.

- The huge increase in the importance of trade as a result of the above, and of multiple other factors pushing companies more and more to expand markets.(improved trade agreements, higher product development costs push for more volume, increasing competition and margin pressure forces more aggressive global purchasing strategies etc)
- The increasingly recognizing importance of broad competitiveness as a basis for successful exports, and the link between competitiveness and investment as technology dominates in so many sectors.

As shown below both in the snapshots of TPOs from around the world, and in the summary of the arguments for and against linking investment promotion and trade promotion, there is a clear shift in best practice thinking on this issue. The traditional view had been that these two functions are very separate, require different people and involve different activities. That thinking has shifted to an acceptance that trade and investment are inherently linked, and that there are synergies to be gained by joining the two. This issue is not even raised or addressed in the current proposal.

FAILURE TO ADDRESS THE REAL TRADE BARRIERS

Currently one of the main barriers to exports according to private sector feedback is the poor business environment, rather than deficiencies in the proactive support structure.

As has been exhaustively analyzed elsewhere, the excessive complexity of registration, licensing and the inspections system, combined with the weakness in commercial law and the lack of enforcement capability in the court system, make Mozambique a very unattractive place to do business.

The investment Climate assessment confirms that there is survey evidence to support the view that for the non location specific investment sectors – in particular sectors such as garments, where Mozambique should be benefiting from AGOA; - Mozambique is failing to attract the necessary investment because of the unattractive business climate.

The poor business climate also encompasses weakness in: transport, customs, utilities provision, training availability, insurance, courts and legal system, accountancy supports.

While the proposal does refer to participation in the formulation of legislation related to exports as part of the brief of the new Institute, this is a very narrow aspect of the current deficiencies in the legislative framework. The laws are also currently lacking in credibility because of the poor ability to pursue through the court system.

It is unlikely that an Institute working against this background, without adequate clout to lead real reform would in fact have much impact.

INTERMINISTERIAL ISSUES

There are identified human resource and system capacity issues in other ministries that are affecting the effectiveness of trade development - ref. WTO Trade Policy review Report (TPR) stated that there are significant human resource capacity limitations at mid-level officialdom in agriculture, fisheries and industry. There is also a serious lack of coordination between Ministries as regards trade promotion, as outlined above. The report does not even refer to the need for an overarching trade strategy, and for a significant improvement in Interministerial coordination of efforts, as outlined in the DTIS report.

TRAINING FOCUS TOO NARROW

According to the list of proposed activities for the departments of ICEM, the training courses provided will be in the area of external trade per se. While it is not entirely clear what is meant under this heading, a broader training drive is needed to improve productivity and quality of production in the relevant industries – i.e. training should also aim at the production end of operations.

STRUCTURE AND STATUS

In general successful implementing agencies in the commercial areas of trade and investment development are established as parastatal agencies with a relatively high degree of autonomy from the Ministry to which they report.

Under the proposal the Institute would report to MIC as an autonomous body. The president is named by the prime minister on the basis of a proposal from MIC. The executive director is named by the Minister for Industry and commerce. The Institute would depend on MIC for operating expenses. T is however unclear exactly how much autonomy the institute would have for example in issues such as recruitment and remuneration of staff, operational decision making etc. The proposed statutes should be compared to those of agencies which have a strong track record in effective promotion, and operate well on an autonomous basis within policy guidelines.

LACK OF SECTORAL FOCUS

One of the key criteria for successful industry support agencies is excellent knowledge if target sectors. While the proposal does place identification of target sectors as the first priority of the new Institute, the structure does not reflect this, nor is there any reference to sectoral expertise of staff.

INADEQUATE PRIVATE SECTOR ORIENTATION

Despite the proposed simplification of the administrative council, it continues to have a majority public sector bias. The issue of staff requiring private sector experience and commercial track records is not mentioned at any point in the proposal.

ACTIVITIES

Mix of Activities

The institute would have a curious mixture of bureaucratic administrative functions, and highly commercial dynamic functions. In general it is unwise to house these within a single organization. The Agency with responsibility for trade promotion needs above all to be highly dynamic and commercially oriented. The Company Support Division for example proposes to take on:

- Administration of import and export process documentation- customs and certification
- Continuous process of improvement of procedures to facilitate companies exporting
- Support firms in identifying potential international clients and suppliers, generating business opportunities, in seeking orders and in establishing links with other institutions active in external trade – banks, insurance and customs. This division should focus above all on SMEs.

The last activity requires a completely different type of staffing as compared to the first. This also reflects the general lack throughout the proposal of a sense of the importance of staff profile.

Overlap with the Activities of CPI

Many of the proposed activities of the new institute overlap directly with work that CPI is already carrying out. Feedback would suggest that CPI is fulfilling these roles quite adequately.

For example under strategies of the new institute, the proposal lists: Present business opportunities and investment opportunities to international financial entities. Under activities the Institute should participate in the approval of the main investments in export sectors, and in particular participate in the approval of investments which will qualify under the Free Zone status.

This proposal regarding approval of projects for EPZ status in particular would only duplicate effort in a non cost effective way, but also more worryingly would impose an extra bureaucratic burden on firms seeking EPZ status. CPI already plays the role of administration of the EPZs, which is clearly a crucial role in the development of export capable firms.

CPI already has an effective linkage program, which operates in coordination with the resources available from other units and projects, for example the PoDE fund.

It is unclear from the proposal whether ICEM would duplicate these activities in parallel, would carry them out in collaboration, or would propose that CPI transfer these activities to ICEM. As CPI appears to be fulfilling them satisfactorily the latter would gain little support.

Issues Not Addressed in Proposal

COSTS OF PROPOSED ORGANIZATION

The consultant did not receive Annex 3 of the proposal, referred to on page 36 of the report document and therefore is not able to comment therefore on the proposed costs.

STAFFING OF PROPOSED ORGANIZATION.

It is clear from both general best practice in Trade Promotion and from common sense that the caliber of staff in such an agency is crucial. There is no indication in the proposal of the profile of staff required to staff the new agency. It is therefore unclear how simply repackaging existing staff in a new structure would address the deficiencies that have dogged the performance of IPEX. It would appear that that is what is intended when the consultant states that the new Institute should draw in the resources if the existing IPEX. There is also no reference or explanation as to what would be done with the people in IPEX. Would they automatically be absorbed into the new Institute, regardless of previous performance? If so this repacking is unlikely to have any real impact.

IMPLICATIONS FOR OTHER ORGANIZATIONS

Some of the proposed activities would overlap with CPI as detailed above. This either means duplication of personnel, or redundancy in one or other organization. Likewise some of the direct client interface functions currently carried out by the Directorates in MIC (for example dissemination of information on trade agreements, market studies) would presumably be taken on by the new institute.

The proposal should be clearer on the precise interfaces, and whether the Institute would be taking personnel from other functions, and if not how exactly the duplication of effort would be avoided.

TARGETS AND MEASUREMENT SYSTEMS

There is a strong and increasing emphasis on result measurement in best practice Trade Promotion Organizations. While recognizing that measuring the impact of broad based trade promotion activities is obviously very difficult, many Latin American and European agencies have been focusing on this issue by using control groups, detailed client surveys etc to measure quantifiable impact on exports directly resulting from agency services.

The objectives of the new institute as defined in the proposal do not propose any measurable targets nor any indication of how these would be measured.

SYSTEMS AND ICT REQUIREMENTS

The report does not give any indication of what systems and ICT resources the new institute would need. This may be because the study is still at a very preliminary stage. However given the importance of this area in an agency of this type, would expect more attention to be paid to this subject.

Alternative Proposal

- The need to develop an integrated approach to trade should come first, and the establishment of a national trade strategy is a prerequisite for successful trade development.
- If agreement could be reached on the above that should address many of the current coordination problems in trade promotion. There would however still be a need to strengthen the relevant units within the MIC Directorates
- As so many of the proposed activities of the new institute overlap with activities already carried out by the CPI, and as the CPI is generally recognized as a reasonably dynamic and effective body, one possibility would be to create a new department or departments in CPI which would carry out the implementation functions of the proposed institute, and should take over the remaining roles in trade development that involve direct contact with firms and/or direct support to firms. Where this involves taking on functions currently carried out my MIC directorates, this should be clearly identified, so that there is no duplication of resources, and to identify where affected personnel should be located.
- As this new function could leverage existing back office and information resources of CPI, this would streamline the structure of the new department, and may provide an opportunity for amore radical rethink of staffing and resource requirements.

General Trends in Trade Promotion Organizations Worldwide

BROAD TRENDS

Snapshots of many of the African agencies and some of the most dynamic international agencies are shown in Appendix B.

With increasing trade liberalization, global easily accessible information and communication technology, the pattern of trade and hence the role for a TPO has to adapt accordingly. TPOs have broadly moved in recent years from bureaucratic government organizations to become much more client-oriented and business-sector-driven institutions. The focus has moved from a traditional market seeking role to a broad competitiveness agenda.

They now compete with other trade service suppliers, ensuring and redefining their position and role in a network of trade support providers, as well as increasing the competitiveness of their country's exporting community. The key to successful exporting is seen as the technical efficiency of firms – innovation, economies of scale, and exposure to foreign competition and availability of new goods are now seen as positives.

No single agency can provide all of the supports needed for successful exporting. According to UNCTAD 2004 Trade Promotion Conference, the most effective role for the lead agency with specific responsibility for Export promotion (currently IPEX in the context of Mozambique) is to leverage a network of other existing support agencies. The overall direction is towards this sort of loose network of related organizations, facilitated by intelligent use of ICT, rather than to a single monolithic organization, with all of the associated bureaucracy and costs that is likely to entail.

Rather than investing time, money and managerial resources in amalgamating all trade related activities under one roof, priority should be on the establishment of a National Trade Development Strategy. This should be based on a realistic appraisal of medium term export opportunities, and constraints on achieving export competitiveness. This strategy should provide a unifying vision that would then shape the activities of all the other agencies who play a role in achieving the objectives. No single institute can cover all of the activities necessary to support trade development

One of the big open questions remains whether or not it is appropriate to link trade promotion and investment promotion in a single agency. The following is a brief summary of the arguments on both sides. As the brief summaries in the appendix on Trade Promotion Organizations from around the world shows, there is a general trend towards linking the two.

INVESTMENT PROMOTION AND EXPORT PROMOTION – AMALGAMATE?

Like most questions on institutional structures, there is no single right answer – it depends on the size of the country, budget availability, stage of development, political sensitivities and many other factors. However some broad general comments can be made. The question was the main theme of the 2004 UNCTAD conference on the future of Trade Promotion Organizations. The majority of the presentations were from organizations that had recently either established or restructured amalgamating the two functions.

- In the context of many developing counties, to achieve export capability requires significant investment. In many cases by necessity this has o foreign direct investment as opposed to local entrepreneur investment, whether because of shortage of local capital, or most frequently lack of local expertise and technology required to achieve the productivity and competitiveness gains required to be able to reach export competitiveness. This is less likely to be an argument for amalgamation in developed economies who are more
- In a relatively small economy with a low level of competitiveness, one of the other driving forces which should ultimately create firms who are capable of exports is the linkage effect
- A huge percentage of international trade is now in the form of intra firm trade – in other words form setting up overseas subsidiaries through FDI to exploit competitive advantage in a given local for a specific activity I the value chain. Hence much export is automatically fuelled by FDI
- The case of Ireland is revealing. The export development function and all other support agencies for the development of local industry were amalgamated under one roof, creating a one stop shop for local industry, meeting all needs across the value chain, from initial new product idea, through development, financing, manufacturing, marketing, standards and development of overseas markets. The FDI promotion was moved out into a separate agency, with exclusive responsibility for foreign investors.
- However interviews with management reveal that the separation decision was primarily political, to address a public perception that local business was not receiving adequate attention in an amalgamated agency. Managers felt that the most effective structure would have been to keep FDI and local industry support housed within a single agency. In practice there is a very high degree of coordination between the two agencies, they share office premises in many cases, and both have restructured along sectoral lines, ending up with the same sectoral departments in each agency.

INVESTMENT PROMOTION AND EXPORT PROMOTION – SEGREGATE?

The arguments against include the following:

- Amalgamation would create a structure that would be too big, and therefore too unwieldy to manage

- Amalgamation would cause a dilution in focus on the crucial engine of growth – FDI
- Alternatively the opposite view, amalgamation would leave local entrepreneurs poorly attended due to an excessive focus on the high profile acquisition of new FDI projects
- Political considerations are cited, for example export promotion and FDI promotion may report to two different ministries, making amalgamation politically fraught.
- Budget considerations – the budget allocation for a combined entity is often set at less than the total budgets of two separate agency, hence the argument is that some activity suffers the counter argument here is that there are some cost savings due to elimination of duplicated resources, so the state as a whole gains, without any loss of service.
- Export promotion and investment promotion are very different activities and require very different and specialized human and system resources (no more so than two functional areas within a single firm)

Further Possible Work

Examine previous studies which analyzed the structures and workings of both the CPI and IPEX (1998, TSG), which had considerably more resources available to look at the question of amalgamating the two organizations.

Appendix A. ICEM Proposal – Activities and Structure

Top-level Recommendations

Based on analysis of the existing IPEX bureaucratic structure and a diagnosis of the current problems with IPEX effectiveness, the consultant recommended that the new institute must:

- Have real autonomy with regard to the Ministry to whom it reports
- Have adequate financial resources to cover ongoing expenses
- Prioritize training
- Coordinate activities with the other entities involved in the promotion of trade

Detail of Recommendations and Activities

The creation of a competitive export base (according to the proposal) requires the following

- Competition and rivalry between firms
- Availability of adequate human and financial resources to exporting firms
- God quality business support services
- Good purchasing conditions

The consultant therefore recommends the following activities for the ICEM

ESTABLISHING COMPETITIVE CONDITIONS

ICEM should conduct the following activities:

- Identify / define the sectors with most export potential, distinguishing between traditional and non traditional sectors etc.

- participate in the approval of the main investments in export sectors, and in particular participate in the approval of investments which will be qualify under the Free Zone status
- make proposals to simplify export related legislation
- develop proposals to MIC, aiming at negotiating export credit finance credit lines and also develop proposals to the central bank to create and regulate export credit insurance
- Help the Ministry for Foreign Affairs in the training of commercial attaches, and open representation for the institute in some overseas embassies. Also cooperate in the establishment of commercial sections in overseas embassies

INPUT FACTORS – FINANCE

The report distinguishes between finance for export working capital, and financial requirements for investment in productivity/ quality improvements. For investment finance, the institute should acts as interface between the development banks who would finance such projects, and the recipient firms. The Institute should act as agent to carry out market and feasibility studies, and should represent the state in coordination with CPI in negotiations with the financing bodies

INPUT FACTORS – HUMAN RESOURCES

The Institute should seek international partnership from other bodies to establish a centre of training for international trade, which would be the implementing arm of the institute in the area of management training

SUPPORT INDUSTRIES

The report recommends that the institute should define the necessary supports for exporting firms, and jointly with CPI should prioritize FDI that would strengthen support services.

Financing for ICEM Activities

The activities of the new Institute should be financed by a combination of direct state aid for fixed costs, as well as the sale of services where possible – internet services, publications, photocopying, training courses, language courses, conference services, translation services, consultancy services, trade fair organization and market studies

STRATEGIC POSITIONING OF ICEM

ICEM should play the lead role in coordinating the activities of al the other agencies with a role in External Trade (IDIL, CPI etc.)

ICEM should promote the production of goods aimed for export, and not only in developing new markets as is currently the narrower focus of IPEX.

ICEM should collect and disseminate information on products, markets, suppliers etc which is relevant to Mozambican exporters.

MISSION OF ICEM

Create a private sector base to develop external trade.

Objectives

- Increase quality and value of exports
- Increase the market share of Mozambican firms in target markets
- Diversify export product range
- Improve the quality of imported goods

Strategy

- Encourage use of structured finance to finance export related investment projects
- Present business opportunities and investment opportunities to international financial entities
- Participate in the creation of legislation on external trade
- Coordinate means of export promotion
- Identify sectors/ projects/ firms with export potential
- Identify business opportunities overseas
- Develop support services to private sector
- Support firms in the development and adaptation of products, brands and packaging for international markets

Instruments

- Export development program
- Training courses
- Trade point (I do not have any further information on this)
- International fairs
- Commercial Missions
- Funds t promote specific export projects
- Market Studies
- Management (jointly with other entities) of financial and fiscal incentives aimed at export firms

ICEM ORGANIZATIONAL STRUCTURE

Given the status of the Mozambican economy and Mozambican firms, ICEM should be established as a public entity. ICEM should incorporate the existing IPEX, but with a much simpler and more efficient administrative structure.

The Administrative Council should consist of 3 members, one each from MIC and MPF and one from the Private Sector. The executive Board should consist of the Executive Director and the directors of the various services of ICEM. The executive director should be recruited on the basis of proven competence in external trade.

ICEM should have access to the necessary resources to carry out it functions, namely financial and human resources, and to establish regional delegations.

Fixed ongoing expenses should be covered by the state budget, and the export fund should be maintained and supplemented by money from the state budget and from international donors.

The structure should reflect the activities defined above for ICEM:

Company Support Division

This should incorporate all activities involving direct contact with firms, including:

- Administration of import and export process documentation- customs and certification
- Continuous process of improvement of procedures to facilitate companies exporting
- Support firms in identifying potential international clients and suppliers, generating business opportunities, in seeking orders and in establishing links with other institutions active in external trade – banks, insurance and customs. This division should focus above all on SMEs

Market Studies and Projects Division

This unit would be responsible for the identification of target sectors and criteria for target sectors, as well as developing proposals to the Central Bank as regards export credit, insurance etc

Market Development Division

This would group all of the promotional activities related to market development – fairs, exhibitions, commercial missions etc

Information and Publications Division

Responsible for gathering and disseminating information related to external trade (imports and exports). Also responsible for Trade Point, and for collaborating with Customs and the National Directorate of statistics to gather reliable information on external trade

Human Resources and Training Division

This division would be responsible for human resources of ICEM, and would also promote training in external trade for both ICEM staff and for firms. IN collaboration with INNOQ and other institutions

Administration and Finance

Division responsible for the administration and financial management of the institute

Regional Delegations

Should be located in the main export ports – i.e. Beira and Nacala. Possible further delegations should be located in regions with significant export potential – Cabo Delgado, Zambezia and Manica.

RELATIONSHIP BETWEEN ICEM AND OTHER EXPORT-RELATED ENTITIES

ICEM should coordinate and harmonize the activities of the multiple agencies active in export development. It should undertake activities in partnership with other entities, for example county shows, commercial missions and other promotional activities,

This coordination necessitates a high level of communication. It should also avoid duplication of effort – for example at the moment MIC and IPEX both carry out market studies. The report specifically refers to the possibility of CPI and the new ICEM collaborating in the opening of offices together. At an international level ICEM should collaborate with the main bilateral and multilateral agencies in negotiating financial supports and in presenting export development projects.

Appendix B. Overview of Trade Promotion Organizational Activities Worldwide

It is noticeable in the following overview that the younger organizations and the organizations that have recently undergone significant restructuring tend towards amalgamation of Investment Promotion and Trade Promotion activities, or at a minimum recognizing the strong links between the two. There is also a clear trend towards a much more broad- based competitiveness agenda, providing services to industry in the home country across the value chain spectrum, as opposed to just the final stage of export promotion

The following are some brief sketches of the organizations that have registered with UNCTAD as the national "Trade Promotion Organization" in each country. In South Africa there are multiple agencies covering various aspects of this function. It is interesting to note that all 3 of the South African Agencies, all relatively young, have all been established housing Investment Promotion and Trade development under a single roof.

The data for European Agencies such as Malta, United Kingdom and Estonia is included because these are either very young agencies (Estonia) and/or the result of recent radical restructuring changes (Malta, United Kingdom).

South Africa: The ECDC – East Cape Development Corporation

The ECDC defines its objectives as being to facilitate and support private sector development in the Eastern Cape Province through

- Expansion of existing business;
- Creation of new business;
- Expansion of existing markets;
- Development of new markets; and
- Advocacy and lobbying for a conducive business environment in the province.

The strategy is to ensure that conditions are favourable for continued manufacturing growth. Better road, air, rail and telecommunication links and investment in the IDZs are key strategies to continue to build business growth and competitiveness. Another priority is foreign and local investment promotion targeted at higher-value production for export, at key gaps in supply and at natural resource processing.

Mauritius – MIDA, (Mauritius Industrial development Authority) formerly MEDIA (Mauritius Export Development and Investment Authority)

MIDA defines itself as the focal point for the promotion of goods and services from Mauritius to overseas markets. MIDA also constructs and manages industrial estates in Mauritius. The information provided on the website explicitly positions Mauritius both as an important export hub, and also as an attractive destination for investment projects

Botswana, BEDIA Botswana Export Development and Investment Agency

The Botswana Export Development and Investment Authority (BEDIA) is an autonomous private sector led organization mandated by an act of parliament (1997) to encourage, promote and facilitate the establishment of export-oriented enterprises and selected services which will result in economic diversification, rapid economic growth and creation of sustained employment opportunities.

The Authority is also entrusted with the task of identifying market outlets for locally manufactured products and construct factory building for setting up of manufacturing enterprises. BEDIA also works closely with the Government of Botswana to ensure that the country has a conducive investment climate.

BEDIA acts as the first point of contact for potential investors in Botswana and literally takes the investor by hand and helps him clear all formalities. BEDIA prides itself in the professional service that it provides to investors and it is 'THE FRIEND OF THE INVESTOR'.

The services offered by BEDIA are:

- Identifying ***investment opportunities*** in the country;
- Providing investment advice;
- Identifying joint venture partners;
- Organizing visits and meetings between economic operators in the country and potential investors;

- Assisting in obtaining factory shells;
- Assisting in obtaining pre-investment clearances (work and residence permits, licenses etc);
- Providing both economic and trade statistics;
- Organizing both ***inward and outward investment missions*** to familiarize potential investors with the investment climate in the country;
- Organizing fairs, exhibitions and contact missions to market Botswana products.

It is noticeable that the traditional functions of a Trade Promotion Organization come last in all the listings of the service offering. BEDIA places enormous emphasis in external communications on the detail of the staff of the agency. CVS for all staff are on the website, showing full detail of educational and work experience credentials

TISA, Trade and Investment South Africa

The objectives of TISA are to actively:

- Increase foreign direct investment through targeting investors in particular, and in general enhancing government policies and processes that impact on South Africa's investment attractiveness.
- Increase the exports of goods by increasing the number of exporters through specific export development programs and enhancing national supply chain processes so as to make selected export industries more competitive.

TISA seeks to meet these objectives through the provision of various products and services to the export sector, including financial and technical support. It also works closely with the rest of government on logistics and improving the infrastructure and regulatory environment for investors. TISA also engages in promotional activities, including investment missions, to establish South Africa as an investment

Specifically to Exports TISA offers advice on how to export; – how to assess whether you are ready to export; how to register to export; advice on export incentives, and access to a range of information services both databasing South African firms with an interest in exporting and access to the Kompass database and other databases which give South African firms access to overseas buyers.

South Africa, West Cape, WESGRO

WESGRO is the official Trade and Investment Promotion Agency for the Western Cape Province. We are the first point of contact for foreign importers, local exporters, and investors wishing to take advantage of the unlimited opportunities in the Growing Cape. Wesgro

works closely with key partners in the Province, including the Provincial Government, the City of Cape Town, district municipalities, rural local authorities, business, and labour.

Wesgro's Mission is to

- Promote the business image of the Western Cape
- Market business opportunities in the Western Cape
- Retain and significantly increase foreign and domestic investment
- Increase exports from targeted sectors to key global markets
- Provide excellent facilitation services to investors, foreign importers and exporters
- Co-ordinate and integrate the marketing of the Western Cape's priority sectors in collaboration with our strategic partners
- Contribute to job creation and broad-based black economic empowerment

TRADE SERVICES

- Exporter readiness assessment, capacity building, seminars and workshop
- Facilitation of trade fairs, exhibitions and inward/outward missions.
- Promotion of Western Cape products and sectors.
- Follow-up trade inquiries, leads and sourcing of product.
- Export marketing, financial and logistical advice and referrals
- Market intelligence, country briefs and target market opportunities.
- Information on trade standards and technical barriers to trade
- Export statistics and surveys.
- Linking foreign buyers to local exporters
- Follow-up of trade enquiries, leads and sourcing of products.

INVESTMENT SERVICES

- Customized information on the Western Cape investment climate.
- Packaged sector opportunities and project information. Facilitating access to incentives.
- Facilitation of inward investment missions.
- Business retention and expansion support.

Tanzania, Board of External Trade

The Board of External Trade of Tanzania, established 1978 is dedicated to establishing global business partnership through

- Organising and managing international and specialised trade fairs, solo exhibitions, product and market research development missions, buyer-seller meetings and contact marketing programmes.
- Regular trade information dissemination

- Consultancy services to producers, exporters and importers to enable them to effectively participate in the global market place.

OBJECTIVES

- To help industries select and find markets for their products throughout the world.
- Actively opening up new markets. Introducing the exporter to foreign buyers and providing information on opportunities for products;

Services include:

- Working with the exporter on product development, promotion, and marketing plans;
- Advising on packaging and freight;
- Planning the production of export publicity materials such as brochures, catalogues, samples and other exhibits;
- Advising on prices, costing and relevant export requirements;
- Assisting in after-sale and follow-up promotion.
- Provides overseas businessmen wishing to trade with Tanzania with the ***information*** they need on Tanzania's economy, business and ***investment opportunities,*** in addition to Tanzania's import and export trends.
- Participation in Overseas Trade Fairs and Trade Missions as part of export promotion
- Export market surveys and selling missions by arranging contacts and appointments abroad:
- Notifies exporters of any incoming trade missions to Tanzania, ensuring that relevant meetings are properly arranged.

BET in close co-operation with other export trade supporting Ministries, undertakes all aspects of Research and Development of external trade such as:-

- Analysis of national export performance for generating inputs to the Government for the formulation of national external trade policy and strategy:
- Monitoring the performance of Tanzanian products in export markets in order to help exporters set targets and formulate suitable strategies to achieve those targets;
- Formulating and administering incentives to exporters. These include Export Financing, and Presidential Export Awards as well as simplification of export procedures and documentation.
- Co-ordinating export facilitation services in the fields of documentation and transport;
- Advising on prices, standards, product adaptation, packaging distribution and competition.

Barbados Investment and Development Corporation (BIDC)

BIDC is a statutory body reporting to the Ministry of Industry which was created from a merger in 1992 between the Industrial Corporation and the Export Promotion Corporation. The combined agency now covers ***trade promotion***, ***investment promotion*** and ***SME development***. The restructuring was carried out in recognition of a need to be more commercial, client oriented and business friendly

Uganda Export Promotion Board

UEPB was the winner of the UNCTAD TPO 2004 award for best TPO from a less developed country. The board was established in 1996 by Parliamentary Statute and is Uganda's focal point for facilitation and co-ordination of all export development activities. The Board operates under the Ministry of Tourism, Trade and Industry and is governed by a twelve member Board of Directors with equal representation from the private and public sectors.

TRADE INFORMATION AND EXPORT DATA DELIVERY SERVICES

UEPB provides information services addressing the business needs of the exporters. The Trade Information Centre has a library with data on international trade, sector reports, business journals and market information publications, both electronic and hard copy.

MARKET RESEARCH AND DEVELOPMENT

UEPB assists and advises exporters in identifying, developing and diversifying their markets through research and development activities.

PRODUCT DEVELOPMENT, ADAPTATION AND PROMOTION

UEPB assists exporters in product identification, improvement, packaging and other interventions tailored to the improvement of post harvest handling, standards, sanitary and phytosanitary issues in a bid to enhance the exporters and Uganda's competitive edge.

EXPORT DEVELOPMENT SKILLS

UEPB considers this as crucial for export development and training programs have been designed in collaboration with development partners and consultancy firms for exporters in areas of export certification, exhibition management, etc.

Iran Trade Promotion Organization

Iran has moved from "traditional activities of trade fair participation" to playing a role in liberalizing the trade regime, removing remaining barriers to trade, contributing to policy development and trade negotiations, and concentrate on participative processes whereby they work with exporters to achieve the stated goals. The next main priority is building competitiveness.

AIMS & OBJECTIVES

- Foreign Trade Development of Islamic Republic of Iran
- Developing Export Markets for Iran's Goods & Services
- Assistance to Iranian SMEs to Expand Internationally
- Enterprise Development and Competitiveness
- Market and Product Development

Economic Development Board, Bahrain

The EDB, an autonomous semi-private agency, was established in April 2000, The Board consists of seven ministers and seven senior executives from the private sector. The composition of the Board was designed to ensure the active participation of the private sector in Bahrain's economic development.

The EDB is responsible for formulating and overseeing the economic development strategy of Bahrain. The EDB aims to attract Foreign Direct Investment (FDI) to Bahrain and has identified six main economic clusters which capitalize on Bahrain's competitive advantages and present significant investment opportunities going forward.

The EDB aims to create the right climate to attract more foreign investment to Bahrain in these key sectors, in order to ensure sustainable GDP growth and to create increased employment opportunities. This mission is with the overall aim of diversifying Bahrain's economy, thereby ensuring continued economic development.

Zambia, Export Board of Zambia

The Export Board of Zambia (EBZ) was established by the Zambian government in 1985 by an Act of Parliament to develop and promote non-traditional exports (NTEs) from Zambia.

EBZ's mission is to broaden Zambia's export base and increase the foreign exchange earnings for the country.

OBJECTIVES

- Expose potential, emerging and established exporters to international commerce by providing accurate market information;
- Expand Zambia's share of the global market;
- Strategically position Zambian non-traditional exports in target markets through the use of effective tools of promotion;
- Stimulate maximum growth of the Zambian export sector by lobbying government for incentives.

PROMOTIONAL ACTIVITIES

- Active participation in specialized and general trade fairs within Zambia and in target export markets to which suitable export oriented firms are invited;
- Conducting research in potential and target markets as a way of expanding Zambia's share of the global market;
- Undertaking trade missions in target markets to identify new vistas of trade for the Zambian exporter;
- Carrying out an annual audit to evaluate and determine the performance of the export sector in Zambia after which a comprehensive report is produced indicating the products, exporting companies, target markets, values in terms of foreign exchange, successes, constraints and recommendations;
- Collaborating with diplomatic missions, import promotion organizations, chambers of commerce, producer associations and trade related bodies to position Zambian exporters in the international market;
- Organizing training programs and seminars/workshops on issues affecting the export sector in Zambia;
- Making recommendations to the government in areas relating to policy, development and promotion of non-traditional exports for possible ratification.

Kenya Export Promotion Council

The KEPC was established on August 19, 1992 by the Government of Kenya. In order to enhance the Council's capacity to develop and promote exports, the Council is registered as a company limited by guarantee having no share capital. It operates in partnership with relevant public and private sector organizations. EPC Board membership is derived from both public and private sectors

The objectives of the Councils are as follows:

- The primary objective of the Council is to address bottlenecks facing exporters and producers of export goods and services in order to increase the performance level of the export sector.
- Formulate export market strategies and endeavor to promote an export culture in order to achieve economic growth for the country through export-led economic strategy.
- Provide a forum for constant dialogue between the exporting fraternity and relevant public and private sector organizations through sectoral panels.

The targets for the future are:

- Implementation of the National Export Strategy
- Trade policy facilitation in relation to growth and development of the export sector
- Diversify Kenya's exports by opening new markets
- Consolidate existing export markets
- Enlarge the export supply base of Kenya by assisting new export enterprises, including MSMEs, and promoting new products for export
- Increase the competitiveness of Kenya's export products and promote value addition
- Create awareness to entrench export culture.

The Council is currently restructuring on an industry sectoral basis.

Jordan Export Development and Commercial Centers Corporation, JEDCO

JEDCO is Jordan's official trade development and promotion organization. Founded in 1972, JEDCO has developed into a full service support organization for Jordan's vibrant private sector.

JEDCO's activities cover trade development and promotion, trade fairs, trade necessary information services, and human resource development. JEDCO also provides specialized support services and advice in areas of packaging, export finance and in the implementation of trade agreements.

JEDCO's main objectives are:

- Strengthening the position of Jordanian exports' in traditional markets and expanding exports of Jordanian products and services to new markets.
- Developing Jordanian exports and assisting companies in enhancing their competitive advantage to meet international standards of quality and price.
- Exploiting the use of information technology in helping Jordanian exporters.

- Establishing specialized services centers to support industrial priority sectors.
- Providing training and human resource development for companies and institutions engaged in exports.
- Establishing and enhancing co-operation between JEDCO and other trade related organizations world-wide.
- Assisting Jordanian exporters in maximizing the use of professional export support services and tools.

Enterprise Estonia

Estonia established a new industrial promotion agency in the year 2000, amalgamating 5 previous agencies, covering FDI promotion, tourism promotion, export promotion, regional development and technology innovation. The overall goal of the new entity is to improve the Estonian business environment providing total support to business and research institutions

Malta Enterprise

Malta Enterprise was established in recognition of the deficiencies in Malta's Private sector – low growth and competitiveness, focused on local market, increasing competition for FDI, increasing global competition, and limited availability of budget resources for private sector support. There was a recognized lack of shared vision among the support agencies, activity overlap, inefficient operations, little client focus (Source, presentation from current CEO)

The new agency was established to replace the previous agency structures, MDC METCO and IPSE, responsible for export promotion and Investment promotion. The new agency is charged with revitalizing growth, upgrading industry skills, and acting as a source of innovation.

The functions of the New Agency are:

NEW OVERSEAS INVESTMENT

- Promote and Encourage ***Foreign Direct Investment*** in Malta.
- Assist overseas clients in the setting up of new Business Ventures in Malta. in Provision of Grants and other Incentives under the Business Promotion Act
- Provision of ongoing support to ensure minimal disruption in operations within a CRM environment.

LOCALLY ESTABLISHED CLIENTS

- Provision of Assistance in promoting ***trade and export market opportunities*** to established clients.
- Facilitating exposure to export market opportunities.
- Facilitating ***commercial opportunities*** arising between ***local suppliers and established FDIs in Malta*** whilst encouraging client diversification to reduce dependency on single customers. Provision of ongoing support to ensure minimal disruption in operations within a CRM environment.

ENTREPRENEURSHIP AND MICRO ENTERPRISE

Provide ongoing support for business continuity within a CRM environment.

- Provision of support schemes to conform to specific customer requirements.

The restructuring was carried out in recognition of the fact that existing clients provide the best bait to attract new investment. They work with export clients to encourage strategic investments in their industry which, in turn, create Malta's centers of excellence. Linkage to investors creates a demand for clusters and local input, which then become new targets for investment

The argument for amalgamating Investment Promotion and Export Promotion was presented by the CEO as follows:

- Investment and trade promotion teams can feed Investment and trade promotion teams can feed each other invaluable information each other invaluable information
- Shared strategies to penetrate new markets and Shared strategies to penetrate new markets and industry segments
- Shared market research and industry intelligence
- Shared facilities and resources
- • Visible success in either trade or investment promotion areas builds Malta's brand and appeal
- Strong investment from known brands makes Malta's brands makes Malta's
  - trade promotion efforts easier
  - Effective marketing of Malta's products builds potential investor
  - Synergies Across Enterprise Support Areas
- Customers today want more than export support: they want us to take them from their first transaction to their first investment through the life of the project
- Combination of trade and investment

- promotion programs
- In small countries it is financially ineffective to have independent foreign direct investment and trade promotion strategies?

THE VISION FOR MALTA'S FUTURE IS TO

- Create world class centers of excellence in specific niche oriented industry sectors
- Integrate Malta's efforts in support of enterprise, across both the private and public sectors
- Enable all stakeholders to actively work together towards building Malta's prosperity

UK Trade and Investment

UK Trade & Investment is the Government organization that supports both companies in the UK trading internationally and overseas enterprises seeking to locate in the UK.

Known previously as Trade Partners UK and Invest UK, both part of British Trade International, the new single identity aims to more effectively meet the needs of companies operating worldwide.

Enterprise Ireland

Enterprise Ireland is the government agency responsible for the development of Irish industry. Until the most recent restructuring there was a single agency responsible for FDI promotion and local industry support. The recent separation of these two functions was primarily due to political pressure from local business who felt that they were not receiving adequate attention from the IDA who primarily focused on FDI promotion.

EI work in partnership with client companies to help them build a competitive advantage in the global marketplace.

Enterprise Ireland has three strategic priorities:

- Technology Innovation
- Business Development
- Internationalisation

EI aim to bridge the gap between innovation and internationalisation, working with the research community and firms to exploit the benefits of technology innovation. Through a network of 13 Irish offices and 33 international offices, EI works to win more export business by introducing firms to key buyers and decision makers. Target Clients are:

- Manufacturing and internationally traded services companies employing ten or more people.
- Entrepreneurs with the ability to initiate projects that can compete in international markets.
- Irish-based food and natural resource companies that are overseas owned or controlled.
- International companies looking for world-class suppliers.
- International firms aiming to set up food and drink manufacturing operations, in particular high-tech products such as baby food, food ingredients and nutraceutical/functional foods and strong consumer brands.

Innovation Norway

Established 2003 as a statutory company, took over the activities of The Norwegian Industrial and Regional Development Fund (SND), the Norwegian Trade Council, the Norwegian Consultative Office for Inventors (SVO) and the Norwegian Tourist Board.

GOAL

"Innovation Norway shall promote profitable business development on a businesslike and socio-economic basis throughout Norway. It shall trigger Norway's various districts' and regions' business opportunities by contributing to innovation, internationalization and profile-building."

BUSINESS CONCEPT

Innovation Norway provides connects and releases knowledge, networks and venture capital; focuses on entrepreneurs and SME's with ambitions and potential for growth; contributes to and initiates innovation, internationalization and commercialization to ensure increased profitability and a sustainable competitive edge for Norwegian enterprises.

Poland, POLAND Ministry of Economy and Labour

Currently in Poland FDI and Export Promotion are separate, with PAIiIZ responsible for FDI and the Minister of Economy responsible for export promotion. A "Department of ***Foreign Investment and Export Promotion***" is currently under discussion, with legislation due to be discussed before the end of 2004. The rationale is:

- Synergies between the services delivered to customers
- In many cases same customers different services (55% of exports are directly accounted for by FDI)

According to the Ministry there is little support for amalgamation, manly from a fear that the aggregate budget would be cut.

IPEX, Mozambican Export Promotion Institute

By contrast with some of these, particularly the younger or recently restructured agencies, IPEX definition of its role is still very much in the traditional mould:

- Participate on promotion of the Export base entrepreneur in Mozambique;
- Participate on promotion of export production;
- Co-ordinate the state actions for facilitation of penetration of Mozambican products to the external markets;
- Provide specialized trade and market information services for the national exporters community and foreign buyers;

MAIN ACTIVITIES

- Identify and developing export markets;
- Organize trade missions within the country and abroad;
    - Organize trade fairs and exhibitions;
    - Organize training for export operators and other related business;
    - Linkages and collaboration with foreign trade promotion organizations

Appendix C. Overview of Trade-related Institutions in Mozambique

Current Status of Institutional Support for Trade in Mozambique

Both the recent DTIS report, and the proposal for ICEM describe the current institutional support structures in some detail. The following is a brief summary based on these reports and interviews with representatives of the relevant bodies.

FORMULATING, NEGOTIATING AND IMPLEMENTING TRADE POLICY

Development of trade policies and strategies is the responsibility of the Mozambican Government, primarily through the Ministry of Industry and Commerce. Other Ministries as listed in DTUIS include MADER (Agriculture), MPF (Planning and Finance) DGA (Directorate of Customs), Ministry of Transport and Communications, Ministry of Tourism and the Ministry for Coordination of Environmental Affairs. Significant trade policy decisions are made after agreement from the Council of Economic Ministers.

There are 3 directorates in MIC handling trade policy issues:

DNI, (NATIONAL DIRECTORATE FOR INDUSTRY)

The DNI supports MIC in the formulation of industrial and SME policy and handles Intellectual Property protection. The DNI focuses on downstream agri-industry, garment manufacturing, metals and metallurgy, wood products and supplying industries. The directorate informs the industrial sector of opportunities arising from trade agreements, and

also engages with the private sector on trade agreement negotiations. The DNI is currently also administering the tariff exemption scheme for importers.

DNC (NATIONAL TRADE DIRECTORATE)

The DNC includes a policy department, a licensing department and a department for the commercialization of agriculture which recently carried out a study on regional markets for agriculture products with export potential. The DNC also disseminates information on Mozambique's trade agreements to the provinces and keeps producers informed of historical and current market prices and conditions or certain agricultural products

As detailed in the DTIS report, the DNC has identified needs for training in policy, market research, export promotion and trade negotiations. The DNC also requires technical assistance in computerizing, license procedures and records and analytic support for development f a national trade strategy

DRI (DIRECTORATE FOR INTERNATIONAL RELATIONS).

The International Relations Directive coordinates controls and evaluates all activity in the area of international cooperation, including carrying out research or studies to guide trade agreements. The DRI has final responsibility for trade negotiations, evaluates trade policy options

DRI staff need training on specialized issues such as agriculture and rules of origin, in analytical skills, negotiation, international economic relations.

MINISTRY OF PLANNING AND FINANCE

MPF is involved in aspects of trade policy implementation e.g. setting and collecting duties and taxes

OTHER MINISTRIES

The DRI has taken the lead on convening issue specific Inter-ministerial groups which have been quite effective, but outside of specific focus points such as SADC negotiations, the meetings are informal and infrequent. Given the number of trade policy negotiations underway, more involvement from other Ministries is increasingly important.

NATIONAL INSTITUTE FOR STATISTICS

INE collects and disseminates impart and export data to relevant users. Data is currently neither timely nor adequately desegregated

OFFICE FOR THE PROMOTION OF COMMERCIAL AGRICULTURE

Among other functions GPSCA promotes investments in the agricultural and the agri--processing sector, and provides economic analysis and information on markets etc. GCSCA works with IPEX on specific crop studies

CPI – INVESTMENT PROMOTION CENTRE

The CPI operates under MPF with the mandate to attract and facilitate domestic and foreign investment, and stimulate job creation.

- Facilitate investors in obtaining licenses, visas etc
- Administers EPZs and certifies export processing firms
- Operates a linkage program aiming to develop capacity of Mozambican firms to supply directly to the mega projects.

INNOQ – NATIONAL INSTITUTE OF STANDARDS AND QUALITY

INNOQ is responsible for developing rules and regulations on product quality and safety, and is the WTO enquiry point for the agreement on technical barriers to trade. Standard setting so far has been very slow, possibly because of the requirements for clearance from other ministries and agencies. Of 100 standards drafted since mid 2001, none have been adopted so far. INNOQ has taken an active role in training private sector firms to prepare for ISO certification.

INNOQ is currently suffering funding problems as donor assistance has been suspended. The institute is seen as having inadequate facilities, lack of personnel and a lack of equipment. The JITAP report blames poor coordination between and within government institutions who are INNOQ's partners in implementation.

Export Trends

While Exports have risen significantly in recent years, (tripling in US$ over 5 years from 1998 to reach $880m in 2003) this almost entirely due to mega projects. The growth in other export products has been disappointing at 0.5% in US$

The main exports outside of the mega projects sectors are agricultural and food products, all relatively vulnerable to international commodity prices, all well and truly established as export product

The major gap is in exports of internationally competitive goods in labour intensive manufacturing, which

The absence of any increase in footwear, clothing and textile sectors, precisely the sectors which are moving to cheaper labor destinations, mirrors the failure of Mozambique to attract significant incoming investment in these sectors.

Assessment of Current Status of Institutional Support for Trade

The recent Diagnostic Trade Integration Study carried out an assessment of institutional weakness in support structures for Trade development in Mozambique. From the DTIS report, the data in the ICEM proposal itself, and interviews in Mozambique, the following is a snapshot of the current status of support for external trade.

HUMAN CAPACITY

The 2000 WTO Trade Policy Review indicated that trade related institutions in general in Mozambique had limited human capacity. Few outside of the MIC were familiar with the WTO. There was a need to build capacity of individuals implementing trade agreements, especially mid level officials in relevant ministries. Public sector capacity to analyze policy options was identified by the subsequent JITAP submission as weak. Private sector capacity to respond to market opportunities is also deficient. Training in specialist areas related to trade development is very limited in Mozambique.

DATA COLLECTION, DISSEMINATION AND ANALYSIS

Trade and investment statistics are unreliable and inadequate. Collection systems are poor and not timely. The lack of good quality data hinders analysis, and hence hinders good policy making, trade negotiations, and provision of good supports to exporters. Data is collected by several agencies. Where data is available the private sector does not use it, either because they are not aware it exists, or because they do not have the skills to use it properly

AGENCY OVERLAP

There are currently several institutions, all under resourced, participating in setting standards. There is also overlap in that several different agencies are involved in market studies and in providing trade and market information directly to the private sector.

INTERMINISTERIAL COORDINATION

There is a lack of a universally accepted trade policy, and this inevitably gives rise to ordination problems between different Ministries, as each Ministry acts in the interest of their own constituency. There is a need for both a National Trade Strategy and a formal Inter-ministerial body with responsibility for all aspects of trade policy.

IPEX

IPEX is generally regarded as having been ineffective in promoting export development. Other than producing a manual of potential exports (the vast majority of whom have never actually exported anything) the output has been limited. A study on a timber export strategy has been under way for two years but as yet has not delivered results. Opinions differ on the reasons for this.

- Human resources in IPEX are generally regarded as weak: of the 49 employees currently in IPEX, 41% have basic or less education. 26% have higher education, but few have specific training or experience in the area of external trade. As noted above this is a general problem in the area of trade promotion in Mozambique.
- Resources invested in export promotion have not achieved the desired results, due to an inadequate industrial base.
- IPEX has suffered from a lack of adequate financing mechanisms as much of the promised donor financing did not materialize.
- Administrative structures in IPEX are slow, cumbersome and bureaucratic (see detail in proposal) .

FEEDBACK FROM THE PRIVATE SECTOR

From interviews with companies recorded in the ICEM proposal the main issues identified were:

- More support for companies in penetrating new markets
- Better access to information on neighboring markets, and international organizations
- More financial support for participation in international fairs
- Promote better financial supports for firms (subsidies and subsidized bank credit) to finance imports of raw materials for export production
- Promotion of debate on international trade
- Exemption of duties on raw materials and final products destined for export

The feedback as regards gaps in the existing structures of export support included:

- Support agencies are poorly represented in the provinces
- Lack of training/ qualifications among those active in external trade, both at company level and in the state agencies
- Need for training in the garments sector, as the sector has job creation potential
- The Mozambican ports and infrastructure in general must be made more competitive
- There should be more EPZs established in the centre and northern regions of the country

- Utilities are too expensive and power shortages are frequent
- Severe bottlenecks in despatch services
- Lack of financial services/ export credit facilities from the financial institutions.