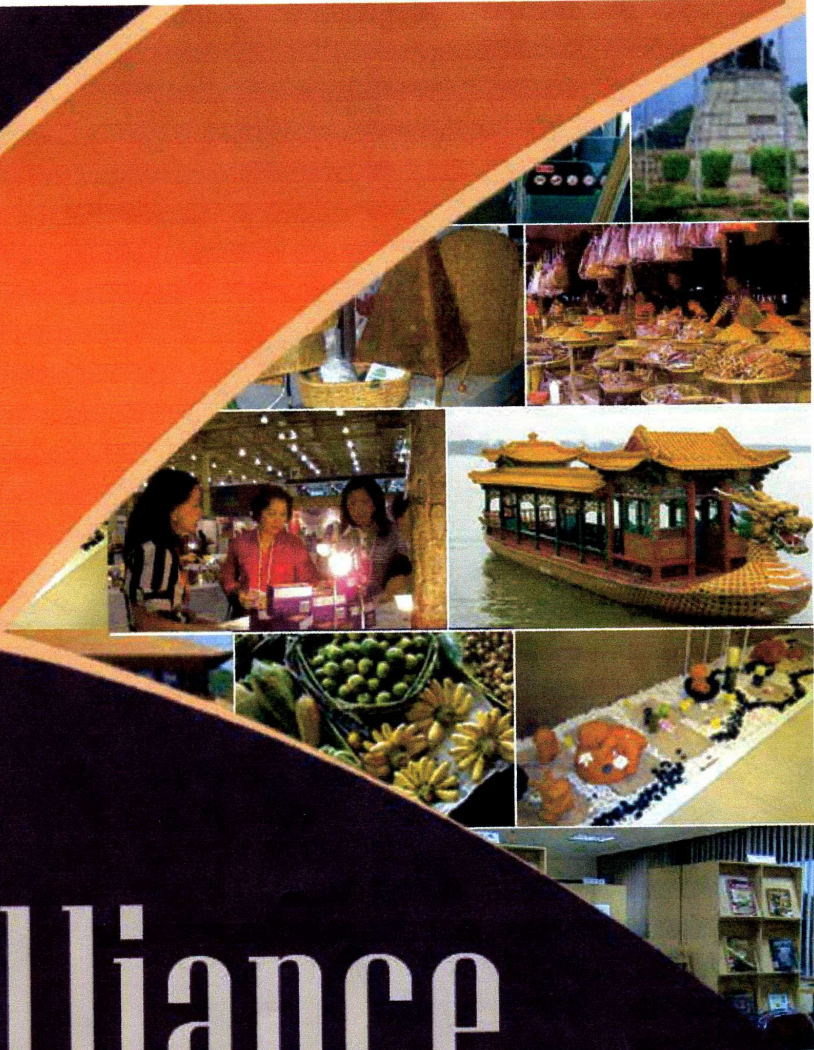




ASIA - PACIFIC
ECONOMIC COOPERATION



Alliance in Practice

BUILDING THE CORE OF TRADE PROMOTION



ACKNOWLEDGMENT

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Malaysia: Malaysia External Trade Development Corp.; ME Industries; Beryl's Chocolate & Confectionery; Fella Design

People's Republic of China: China Council for the Promotion of International Trade; Xianghe Boyuan Classic Furnishings Co., Ltd.; Beijing Eastar Co., Ltd.; Citic International Co., Ltd.

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Viet Nam: Philippine Embassy-Hanoi, Vietnam Trade Promotion Agency; Hanoi Trade Corporation; Nhat Thang Co., Ltd.; Sannam Food Stuff Joint Stock Company

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Asia-Pacific
Economic Cooperation

Alliance in Practice

BUILDING THE CORE OF TRADE PROMOTION

Co-sponsors: Thailand and Vietnam
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Anthology of Trade Promotion Practices of Selected APEC Economies-TP05/2005T

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EXECUTIVE SUMMARY

The practice of international trade depends on how each country evaluates their resources as well as their practices in sharing those resources with other parts of the world where they are needed. Institutions have realized these important elements of international trade and have organized themselves to do their business with some economic gains in objective. However, the vicissitudes of history and the implications of environmental changes combines with the changing of technology have raised the need to look at a closer range the current trends and issues in international trade.

Various players in the international trade act differently. Some countries have institutionalized the concept of international trade and some have fragmented the concept.

With these factors in background, the present study seeks to compile the best trade practices, strategies and skills. Being a pioneering study it is limited to selected APEC economies in the Asian Region. The TPOs and their related Model Exporters (MEs) were identified for their study.

The fundamental concept of this study was that the Trade Promotion organizations have their own nature, policy and development strategies. At the same time, the Model Exporters have their own products, goals and objectives. This study attempts to study how these two public and private organizations play their role to develop and improve international trade with their respective gains in the background.

Through this study the following factors were identified with the convergence of both the TPOs and MEs in view.

- Consistency of product quality and service
- Buyer-supplier relationship
- Growth factors in business opportunities
- Efficiency in information management
- Relevant promotion activities

Based on the findings of this study a very few recommendations have been extended.

1. The need to organize and streamline TPOs and MEs.
2. The extent of financial assistance that the organizations should get.
3. The need for continuous dialogues between these two key organizations
4. Exploration of non-traditional products and non-traditional markets
5. Improvement of communication and management of data.

CHAPTER I INTRODUCTION

Since the formation of APEC in 1989, trade promotion has been identified as an area having significant potential for enhancing regional cooperation. The first SOM in Singapore in 1990 adopted trade promotion as one of APEC's projects. A year after APEC was formed, the Working Group on Trade Promotion (WGTP) was established in conclusion of the second SOM.

Over the years, WGTP's meetings and projects were focused on promoting the dynamism of intra-regional trade through pursuing better understanding of the roles and functions of the Trade Promotion Organizations (TPOs) in APEC. WGTP's centered on trade and skills training, exchanging trade-related information, experience and good practice. Trade promotion was one area of economic and technical cooperation, which was the third pillar of the Osaka Action Agenda. Under the section on Common Policy Concepts of the Trade Promotion Area, joint activities and dialogues of APEC economies will compile information on measures supporting and facilitating import and export activities in each APEC economy, and disseminate these information to the business private sector and trade promotion organizations.

During the 5th Steering Group meeting in Phuket (Thailand) on August 2003, some major points were raised regarding its future activities. The Steering Group expressed the importance of joint projects among member economies and the importance of internet-based projects. Japan highlighted that joint projects would bring scale merits, efficiency and effectiveness in WGTP activities and enhance confidence in trade promotions.

This theory paved the way to establish a common platform of member TPOs to augment their trade promotion skills. This process of skill enhancement of TPOs can be done by sharing, combining and disseminating TPOs experiences, advanced and applied technologies in both APEC projects and within the individual TPOs projects. Aligning with the Lead Shepherd's significant ideas in Phuket meeting, the Philippines spearheaded the task of compiling the best trade promotion practices from selected APEC economies and disseminating them to every economy within APEC and to the world at large.

BACKGROUND

Trade promotion is a common practice in international commerce and industry. Different players in the market apply different trade promotion activities. Some economies have institutionalized the concept by creating core trade promotion organizations, more popularly known as TPOs, and some use fragmented models. Invariably, TPOs are extensions of their respective governments. TPOs are necessary in the promotional efforts of SMEs of their export products. In fact, SMEs have been contributing significantly to both domestic and international

economy. TPOs are becoming areas of great concern to governments, trade groups, academe, business investors and business managers; and consumers. They try to understand SMEs' roles in the pursuit of trade and commerce, specifically in export trade, and to draw plans of action to facilitate greater success in the future.

This project seeks to compile and publish the best trade practices, strategies and skills of selected APEC economies in the Asian region ----

People's Republic of China,
Chinese Taipei,
Indonesia,
Malaysia,
Thailand,
Vietnam and
Philippines.

This publication will be distributed to all APEC member economies as part of exchange of trade promotion activities within the context of the regional cooperation. The publication is also intended for global dissemination among the international business communities through different media such as print, website and interactive CD ROMs.

This publication is envisioned to serve as a channel of exchange of trade promotion activities between the regional economies. It is expected to benefit the export and import markets of these economies. The project's output will entice these economies towards strong commitment to trade promotion through the success stories and experiences illustrated in the compendium.

The project will also benefit the national governments of the member economies which serve as catalysts in providing viable business environment. The national governments, through trade promotion activities, can provide appropriate business intra-structure that their respective business communities need.

CONCEPTUAL FRAMEWORK

Competition in the global market has placed relevance on a country's ability to survive by adopting strategic platforms to enhance economic advantages. Trade promotion, thus, has played a key role in achieving such goals by institutionalizing trade promotion organizations (TPOs). The TPOs primarily designed to promote the presence of the local producers to the global arena. As such, these organizations carry a decisive responsibility of generating increased trade exchange to the local producers.

The perpetual relationship with the domestic exporters, otherwise called the base suppliers, must be the integral characteristic of the TPOs operations.. For this kind of relationship the TPOs must define and develop a clear concept of "model exporter (ME)." This definition and development of the concept must involve as

much knowledge of the needs of the global market as possible. By this process the TPOs synthesizes the development of the domestic market's capability to cater to global market needs. Thus, the TPOs create in its own sphere of 'ideal' and global market MEs which they hope to multiply in the local setting. This is done through incessant initiatives pursued by the TPOs which will bring forth a strong and potential segment of MEs of its own.

In creating a segment of MEs of its own, the TPOs must identify successful small and medium-sized exporters that fall within the qualifications it has defined. Upon identification by the TPO of example MEs, a look into the operations of the exporters is necessary to draw out their very own image of how they should be operating, their 'ideal' concept (private ME concept) for their companies. Success factors thus play an important role to understand how the exporters develop its sense of ME. This entire cycle, the development of the public ME concept, defined by the TPO, and the private ME concept, manifested by the exporters, is what can be called "two-pronged mirroring". As the TPO identifies a defined ME, so as the exporters (chosen by the TPO under its own concept) provides its very own image altogether.

Through the two-pronged mirroring, the gaps between ME as conceptualized by the TPO and the existing ME themselves are derived and this would serve as a challenge to harmonize both concepts into a consolidated "**public-private ME**" model, thereby providing a 1st degree analysis of the study. This model provides the underlying movement in particular marketing efforts to maximize gains in the global trade.

There are a number of approaches to gauge the establishment of the public-private ME, to wit:

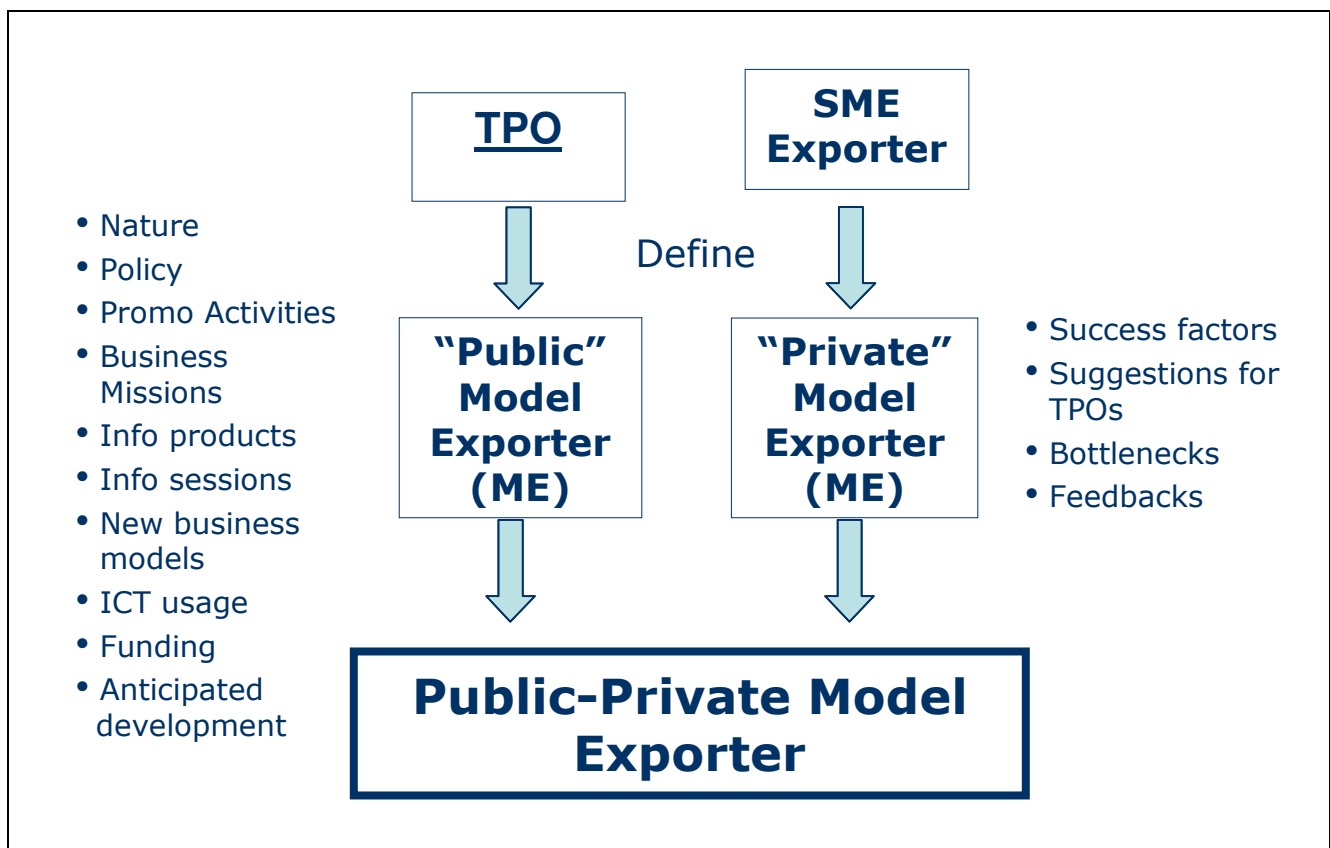
- understanding the TPO itself, its objectives and activities. This would mean looking into the very nature of the TPO, either it is a government, semi-government (merged private and public), or a purely private institution;
- examining the policies supporting the actual existence and direction of the TPO;
- utilizing promotional activities of the TPO to target foreign importers and the domestic exporters;
- utilizing ICT together with TPOs trade financing to the local exporters.

These elements provide the metrics of the TPO which plays an important role to concretize their ME concept. Are they gearing away from their objectives? Does the work program they set move towards the improvement of their local exporters to become MEs? Are things conflicting altogether? By looking into these aspects, we could evaluate the level by which a country reaches its "public-private ME".

The performance appraisal then of a TPO must be reflected back to the concept grasped by the local exporters. This would entail examination of factors contributing to the success of the exporters as drawn out from its own perception. Add to this their TPOs suggestions, on how they think their TPOs ought to be

operating for them to maximize gains. Does the TPO's activities match that of the exporter's idea of how it should be operating?

Ultimately, analyzing the pros and cons of efforts from both sides (TPOs and MEs) to achieve the "public-private ME" model would bring out the key elements of an economic strategy for a particular country. In turn, the collection of different "public-private ME" from different economies can provide a framework that can be used by other TPOs for their future guidance. Best practices thus emerge, at a 2nd degree analysis, upon the presentation of these different (economy's) models, summarizing the experiences gained from the participating economies to come up with a possible ideal model for trade promotion organizations. The fundamental concept of the current study is shown in the figure below:



METHODOLOGY

The compendiums presented in this study are success stories of the private sector of selected APEC economies in the Asian region. The success stories of the private sector were correlated to the country TPO's initiatives. The study undergone six-phase process. Each phase is briefly presented here.

The First Phase was gathering and compiling success stories during the consultation process. The consultation process included survey questionnaires as well as actual interviews with selected exporters identified by the country's TPO. There were 2 batches for the research mission. First batch of the Research Fellows went to Chinese Taipei, China and Vietnam. Second batch of Research Fellows went to Thailand, Indonesia and Malaysia.

Survey and interview questionnaires were sent to the respective countries prior to the Research Fellows' visits. The surveys and interviews were designed to:

- elicit the success stories of the MEs
- know the extent of TPO's help in achieving the success
- know the problems and bottlenecks experienced by the MEs
- identify the areas where the TPOs can facilitate MEs better than now in exporting their products to foreign markets

The Second Phase was an actual interview with the respective countries TPOs. This interview probed into the nature of TPOs objectives and the initiatives of the TPOs to achieve their objectives. The interviews posed the following questions:

- What were the objectives of TPOs in promoting MEs and their products? and
- If the TPOs were able to achieve their objectives.

The probe into the initiatives of TPOs contained

- programs and activities on export promotion (business missions, trade fairs, information products, information sessions and other new models),
- Adoption of ICT (extent of paperless trading),
- Development of trade finance infrastructure and other relevant facilitation on trade promotion.

The Third Phase was gathering of data through surveys and interviews of exporters and TPO of the Philippines. The same process was done as in first two phases.

The Fourth Phase was interpretation and analysis of the data gathered. The analysis part explored TPO's goals and objectives vis-à-vis the general objectives of the selected exporters. This study investigated if there was a correlation between them. This is to recognize and appreciate the initiatives of TPOs to exporters in their success in export trade.

The Fifth Phase was editing of the compilation into the final format of the compendium. This compilation was done by industry consultants and experts of the respective economies. Follow-up meetings were scheduled to discuss the compendium. This phase of the study was facilitated by the co-sponsor economies.

The Sixth Phase was the dissemination of the compendium among all the participating economies, APEC economies and WGTP officials. Ten copies for each member economy were given for distribution to their constituents. The dissemination was in the form of printed volumes, interactive CD ROMs and internet uploading. All participants of the workshops and consultations conducted under this project were also provided with a printed volume of the compendium.

CHAPTER II FINDINGS

1. Indonesia

The name Indonesia was derived from 'indos nesos', meaning island near India. The country is in fact the largest archipelago in the world with 17,508 islands, nestled between two continents, Asia and Australia, and two oceans, the Indian and the Pacific.

The country is rich in natural resources. While 75% of the population is engaged in agriculture, oil and gas contribute 50% of total exports earnings and 40% of the government revenues.

However, fluctuations in world prices of traditional export commodities have led to a change in recent years in the structure of the economy. Tourism is gaining a more important sector as a foreign exchange earner. For production and growth in the industry, the government has formulated new policies and improved facilities. Significant progress has been made in communications and transportations and since 1976, Indonesia has had its own communications satellite system which has enabled rapid expansion of telephone, television and broadcast facilities in all its 27 provinces.

Air and sea ports are being extended to cater to the growing traffic on both domestic and international sectors, of passengers as well as freight.

Besides oil and liquefied natural gas (LNG), forestry products, rubber, coffee, tea, tin, nickel, copper, palm products and fish make important contributions to export earnings.

In recent years a number of steps have been taken to promote and stimulate non-oil exports which include handicrafts, textiles, precious metals, tea, tobacco, cement, fertilizers as well as manufactured goods.

Success stories and testimonials from 3 Indonesian Model exporters as well as the National Agency for Export Development (Indonesia's Trade Promotion Organization) are shown below to establish the cooperation between the private and public sectors working together towards export development.

*Source: Tourism Indonesia website (www.tourismindonesia.com)
National Agency For Export Development website (www.nafed.go.id)*

TRADE FACTS (2005)	
Export to the World	: US\$ 85.66 Billion
Top Export Markets	: Japan, USA, Singapore, Korea, China
Top Export Products	: Petroleum Gases; Crude Petroleum Oils; Coals, Briquettes, Ovoids, etc; Palm Oil; Copper Ores & Concentrates
Import from the World	: US\$ 57.70 Billion
Top Import Sources	: Singapore, Japan, China, USA, Thailand
Top Import Products	: Petroleum Oils, Not Crude; Crude Petroleum Oils; Motor Vehicle Parts & Accessories; Television Camera; Cyclic Hydrocarbons

NATIONAL AGENCY FOR EXPORT DEVELOPMENT (NAFED)
Indonesia's Trade Promotion Organization

"We have to make sure that the information they [MEs] received from us are substantial."

Mr. Ari Satria, Head of Development Program Sub

Division

To help Indonesian manufacturers and exporters, the National Agency for Export Development (NAFED) was set up in 1971 as a special service agency of the Ministry of Trade, which is now called the Ministry of Industry and Trade.

Since 1971, over 300 NAFED expert staff have built 30-years experience in assisting thousands of companies, large and small, to sell their products in markets around the world.

NAFED provides a comprehensive range of services including market research and identification, advice on export procedures, regulations and financing as well as invitations to take part in trade missions at home and abroad.

To create a central pool of information, NAFED has developed a computerized Trade Information Network, online with several regional offices as well as international data banks assisting both buyers and sellers. According to Mr. Ari Satria, Head of Development Program Sub Division, *'we have to make sure that the information they received from us are substantial.'* The Agency maintains a database of thousands of Indonesian manufacturers classified by product as well as another database of foreign buyers, who may be of interest to Indonesian exporters.

Other export information provided by NAFED are Market Intelligence and Analysis (MIA), annual export consultation forum, workshops and seminars on a particular product/sector, business consultations for small and medium enterprises.

In particular, the Export Forum is a very important tool for market intelligence. It is a string of activities as a seminar, talk show, and workshop, functioning as a means of direct communication between NAFED and the Indonesian exporter communities. Its objective is to develop two-way communication between NAFED and exporter communities on product and market information, transfer of knowledge and technology, export facilitation, mapping out of potential supplies and threats in the global market. Export Forum, in addition, is expected as well to house socialization of NAFED's programs and activities to the public.¹

Believing that information is the main service package to its exporters, NAFED also has introduced a 'virtual' exhibition wherein it provides customers a convenient online gallery of many of the high-performing products produced by Indonesian entrepreneurs.

NAFED also offers Product Adaptation and Development. Major modules include the quality, appearance, material processing/workmanship, production equipment, packaging, style and model. The role and participation of the entrepreneurs and commodity associations in product adaptation and development are very important. Through market tests, it has been proved that products developed have increasingly been able to complete and meet the standards of International markets.

NAFED has been making efforts to help international buyers to obtain products and to locate the right business partners in Indonesia by establishing a Buyers Reception Desk (BRD) service. Services provided by BRD are arranging visit programs, meeting buyers at the airport, and accompanying buyers to potential manufacturers and exporters. Established in 1986, BRD has assisted numerous overseas buyers' business visits to Indonesia. BRD services were used by the foreign buyers to establish business relationships with potential exporters in Indonesia. The visit of buyers, either individually or in groups, were from 97 countries such as Japan, Spain, Malaysia, Saudi Arabia, United Kingdom, Australia, USA, Italy, Netherlands, India, Hong Kong, Nigeria, Iran, Germany and Canada.

The agency is also proactive to export promotion. NAFED also helps exporters by organizing annual activity programs and coordinating Indonesian exporters' participation in overseas trade fairs, mission and exhibitions. It is through such participation that Indonesia can more actively attract recognition as an alternative supplier of various primary products, industrial good and services, and develop market and product diversification.

All NAFED's services are free of charge and as a non-profit organization; NAFED acts as a facilitator linking buyers and sellers through their business matching activity. The Agency places special emphasis on expanding the export of non-oil and gas commodities, once the mainstay of the economy.

¹ NAFED Website

As of date, NAFED has 4 regional offices plus one main office located at JI Kramat Raya in Jakarta and has 26 overseas offices which employ over 250 employees, where they do match making with Indonesian exporter to potential buyer.

According to Mr. Satria, success of NAFED is defined for the organization is defined by the increase in number of exporters joining trade fairs every year. *'I think we have to measure how many previously are not exporters but are exports now. It's not really the value of transactions made because high level officers realized that it is really hard to monitor their sales.'*

In the end, NAFED sees to it that it facilitates the exporters towards their improve competence and [effective] competitiveness in the global market.

P.T. GKJS (Genii Kurir Jauhar Servisindo)

Manufacturer and Exporter of Basketwares and Boxes

"There are only 3 factors to be successful in this type of business: honesty, determination and creativity." –

Ms. Indrawati,

Owner and Director

About the Company

P.T. GKJS started in the year 1996 as a local producer of basketwares and boxes. The company started with the owner's motivation to contribute to Indonesian economy by creating jobs for others (or simply making their dreams come true). In 1998, PT GJKS ventured into export business.

With an initial workforce of 20 employees for its daily production and operations, the company has grown to a total of 200 employees by year 2006. As for the asset size, the company started with only Rph 20.000.000 (or US\$ 2,000.00) and it grew by 800% by this year to Rph 160.000.000 (or US\$ 16,000.00).

The organizational structure of the company is really flat and consisted of 8 divisions, namely,

- a) Production and Operation
- b) Marketing
- c) Human Resource Development
- d) Finance
- e) Accounting
- f) Research and Development
- g) Administration
- h) Distribution and Logistics

With two factories located in the West Java area, P.T. GKJS has a production capacity of three 20-footer containers of products per month and adopts international product standards such as the six sigma program. Six Sigma program is basically a standard of minimizing the errors, especially in the production effort of

increasing the quality results. The program consists of the following methods: Defining, Measuring, Analyzing, Improving, and Controlling.

The company's first export markets are Arab countries, such as Saudi Arabia, and some of Latin European countries, like Italy and Austria. Sixty percent (60%) of their export products goes to Italy and Austria while the other 40% goes to Saudi Arabia. The shares of local market and export markets are 55% and 45%, respectively. In addition, the company entertains customization of products incorporating the clients demand.

The company provides budget for its employees' capacity building. Majority of their budget are allocated for managerial trainings and staff development and training. The production, research and development, and quality improvement are PT. GKJS's second priority. Advertising budget is based on certain percentage of their total sales.

Path to Success

According to Mrs. Indrawati, there are 3 factors to be successful in this kind of business: honesty, determination and creativity. *'It is important to be honest in business. We don't accept business deals from our clients if we know we cannot supply the required quantity of order. We always check our capacity first before we [promise] supply to customers'*. Moreover, her determination and perseverance in the business helped the business succeed.

Creativity is also an important factor of success in this kind of business. According to Ms. Indrawati, in the handicraft business, concept and uniqueness of design is very important to succeed. *'There should also be consistent innovation of product so the clients will not get used to the design'* she added.

Getting Acts Together

By joining and participating in international trade exhibitions in Indonesia (Indonesia Resource Exhibition) through the help of the National Agency for Export Development (NAFED), they were able to penetrate their overseas markets.

They have been joining NAFED's annual export forum where a group of experts are present for consultations at each forum including domestic and/or international trade experts and consultants, who have carried out market research, Indonesian Industrial and Trade Attaches and Directors of Indonesian Trade Promotion Centers.

'We never stop asking help from NAFED for assistance regarding the global business. Even in small things, we sought their help. We have been joining local as well as international trade fairs. True enough, we have received awards and recognition because of our consistent determination and patience and NAFED's continuous support to our company'. Such awards are the 'Indonesia Good Design Award 2002 as the Most Prospective Export Product', 'Good Design Award 2003 (G

Mark) ASEAN Design' Selection 2003 from Japan Industrial Design Promotion Organization (JIDPO), 'Seal of Excellence of Handicraft Products in South East Asia 2003' from United Nations Educational Scientific and Cultural Organization (UNESCO) and ASEAN Handicraft Promotion and Development Association (AHPADA), 'Indonesia Good Design Nominee Award 2004 category Gift Item' and 'Indonesia Good Design Award 2005 category Interior Accessories & Furniture'.

P.T. ANINDO PERMATA BUANA

Manufacturer and Exporter of Wood and Rattan Furniture

"Quality Commitment is important in establishing long-term relationship with foreign buyers."

Ms. Yani Supriyani, Director

About the Company

P.T. Anindo Permata Buana started in 1998 as a local supplier of wood and rattan furniture in Indonesia. A year after, the company tried to enter the export market as a trading company, with guidance from the NAFED. After getting international the company was motivated to switch from trading to manufacturing and to be an exporter of wood and rattan furniture. They realized that 'quality commitment' is very important especially that the company is now dealing with foreign markets.

Ms. Yani Supriyani, the director of P.T. Anindo and her husband put up the business with only Rp 62,500.000. The husband and the wife were the only ones who managed the business. As export orders increase, they eventually hired additional employees for the business. They have now approximately 50 employees. The company hires additional 250 employees for every peak season. From an asset size of 62.500 thousand, it grew to 5 billion Rupiah (or \$1.5 million) in 2005.

All raw materials come from Indonesia. They make sure quality of wood is good before they ship it to their importers because they know that there is a very high risk of wood cracking.

There are two reasons why the couple was motivated to put up the business. Primarily, it was for the welfare of their family. Secondly, it was to help fellow Indonesians job opportunities. The couple would like to see them enjoy the work in the company. Thirdly, they believe that this is a clean business venture since there was no room for bribery incidents.

Path to Success

According to Ms. Supriyani, the goal of the company is to develop export quality. Commitment to quality, according to her, is a very significant factor to

establish long-term relationship with buyers. *'We see to it that we deliver quality products to our importers.'*

Getting Acts Together

Ms. Supriyani and her husband met a retired woman from NAFED. This event started their interest to venture into exporting. They received helpful assistance from NAFED especially on market and export information. The couple later realized that without the help of NAFED, it would be hard for them to survive in the exporting business. They believed that there is a very high risk when one is in the export business.

Like any business, the couple experienced problems especially in their first phase of the business. Finance and manpower were two of the major difficulties they encountered. This was an important reason for them to have close coordination with NAFED. NAFED being proactive for promotion and facilitation, it helped them survive in the export business. Having close contact with NAFED enabled them to find contacts on borrowing small amount of fund with low interest rate. True enough, they were able to borrow from Sucofindo and Bank Negara Indonesia (BNI). At first, it was very hard to borrow money because the bank still did not recognize the company. Eventually, they became a reliable borrower, hence finding it easy to obtain loans.

P.T. Anindo started their export business with France, and eventually explored the markets in US, UK, Spain, South Korea, the Philippines, and Algiers. The largest export destination of P.T. Anindo is US with 50% share, Europe with 40% and 10% to other markets. Penetrating these export markets was made possible through direct contact with importers and through NAFED's assistance such as a list of importers, trade exhibition participation, and contacts through overseas offices. *'NAFED always invited us to join exhibitions for us to introduce our products to foreign markets. Now I participate in trade shows in countries every year.'*

P.T. Anindo wouldn't survive without the assistance and guidance NAFED. According to Ms. Supriyani, NAFED helped the company in terms of promotion, training courses, relevant information on export markets and how to become a good exporter. *'As a whole, NAFED has been very supportive to our company; that is why I am very grateful that I was able to know them.'*

P.T. DOLPHIN

Manufacturer and Exporter of Chocolate and Confectionery

"To find a new customer is easy but to maintain them is difficult. Success in a business is measured through your long-term clients."

- Ms. Taurina Jumiati, Marketing Export

Development Head

About the Company

P.T. Dolphin has been manufacturing and marketing chocolates, candies and snack foods since 1983 and has continued to grow in the processed food business. The company's ultimate goal is to manufacture and provide products that are affordable to the mass market and yet, still provide the same quality care and hygiene level as in the case of expensive products.

Some products manufactured by P.T. Dolphin are Bella Chocolate Wafer, Bella Milk Chocolate, Cho Cho Wafer Stick, Cho Cho Nyem Nyem Chocolate Paste, Garibori Peppermint, Menta Cool Mint, Menta Chewing Gum, Menta Chewy Candy, Bella Chocolate Rice, Eterna Wafer Stick, and Cho Cho Bis.

After 12 years of domestic operation, the company took further steps and pursued the exporting business. To date, P.T. Dolphin products are already exported to the US, Japan, Taiwan, Korea, India, Pakistan, Sri Lanka, Nepal, the Philippines, Fiji, New Zealand, Australia, Ghana, Mauritania, Cameron Dubai (UAE), Jordan, Yemen and Bangladesh.

Path to Success

According to Ms. Taurina Jumiati, Marketing Export Development Head, one of Dolphin's success factors is the ability to retain old customers and always add new ones. *'To find a new customer is easy but to maintain them is difficult. Success in a business is measured through your long-term clients'*. She also emphasized that there are many customers who are already shifting to a cheaper sources, hence P.T. Dolphin has to double its effort to maintain their competitiveness both in pricing and quality of product and service. *'With tough competition in the global market, especially from China, we are now focusing not only on product quality, which deals with the taste of our chocolates, but also service quality. We just don't sell our product. We provide them excellent service too.'*

Getting Acts Together

NAFED assisted them throughout the years of their exporting business. NAFED regularly provided the company the buyers' list through which it gets long-time clients. The agency also facilitated P.T. Dolphin's request of verifying the credibility and status of certain buyers from particular countries. For example, the company had to ask assistance from NAFED to verify a buyer from South Korea. NAFED examined and verified the Korean buyer, placing its seal of recommendation to carry out transaction.

Moreover, NAFED consistently informs P.T. Dolphin with export market news and new regulations, making the company always updated with regard to developments on foreign market. What Ms. Jumiati also appreciated about NAFED

to personally introduced the company to the buyers through match-making activities. *'There was once a potential buyer from Africa. NAFED accompanied the buyer to our office and after which closed a deal with us'*

'NAFED has been very helpful to us in order to find new buyers. The information they provide is very accessible since you can find them in their respective websites. They also encouraged us to join exhibitions to further promote our products to foreign markets. That is why it is very important for every exporter to approach NAFED for assistance' according to Ms. Jumiati.

2. MALAYSIA

Malaysia, famous for its towering skyscrapers, is among the world's top 20 trading nations. Malaysia was ranked as world's 18th export market and its exports represent 1% of the total world exports. Manufacturing constitutes the largest single component of Malaysia's economy. Tourism, petroleum, palm oil, natural rubber and timber are other major contributors to the economy.

The country has a well-established manufacturing industry, a steadily growing SME sector, and increasingly significant services industry, all committed to export excellence. Motivated by strong export performance, Malaysia's total trade continued on an upward trend, reaching a 9.9% growth. Strong external demand, had spurred growth of Malaysia's exports to all major markets, in 2005. Exports in 2005 continued to remain strong, expanding by 11%, while Imports grew by 8.5%. As a result, Malaysia's trade balance in 2005 widened, registering an increase of 23.7% over the previous year. Export growth was seen for most product sectors. Exports of manufactured products continued to dominate Malaysia's exports. The main contributors to exports growth are Electrical and Electronic (E&E) products, specifically, automatic data processing machines and parts; hybrid and digital integrated circuits, and other semi-conductor devices; and telecommunication equipment and parts. The USA remained as Malaysia's largest single country market for E&E products, with exports surging by 19.3%. In 2005, Malaysia was ranked as the fourth largest import source of E&E products for the USA, accounting for nine per cent of its total E&E imports. Major sources of imports were: Japan, The USA, Singapore, The PRC, and Chinese Taipei.²

Currently, the Malaysian government's efforts are focused, among others, to export promotion and accelerating development of Small and Medium Industries (SMIs). The government has recently launched two strategic plans aimed to facilitate greater export growth, the Ninth Malaysian Plan (9MP, 2006-2010) and the Third Industrial Master Plan (IMP3, 2006-2020)³. These include programs to benefit the business community, including exporters. The Ministry of International Trade and Industry (MITI) is one and among the government agencies that will execute these programs. MITI oversees Malaysia External Trade Development

² MATRADE (www.matrade.gov.my)

³ Malaysia Government (www.gov.my)

Corporation (MATRADE) whose aim is to expand exports and Small and Medium Industries Development Corporation (SMIDEC), which focuses on fostering of SMEs.

MATRADE is the national trade promotion agency of Malaysia and the government’s partner in assisting Malaysian exporters. In 2006, MATRADE implemented a wide range of promotional programs which covered both products and services. It was important for the government to demonstrate that the private sectors should take advantage of these initiatives to enhance their export performance. The Malaysian Government and MATRADE believed that stronger public-private sector partnerships are important to achieve the goal of enhancing Malaysia’s exports. The government continued to provide an enabling environment for the success of trade and industry, and the business community positioned itself to benefit from the conducive operating environment.

The development of SMEs is one of the priorities of the Malaysian government. The SMIDEC was established in recognition of the need of a specialised agency to objectively promote the development of SMIs in the manufacturing sector. It was through the provision of advisory services, fiscal and [financial assistance](#), infrastructural facilities, market access and other support programs. The government believed that SMEs play an important role for the vitality of the economy as they contribute significantly to the growth of the nation through employment, investments and exports.

TRADE FACTS (2005)	
Export to the World	: US\$ 141.21 Billion
Top Export Markets	: USA, Singapore, Japan, China, Hong Kong
Top Export Products	: Transistors, Valves etc; Automatic Data Processing Equipt; Office Machines Parts & Acce; Crude Petroleum Oils; Telecomm. Equipt Parts
Import from the World	: US\$ 114.82 Billion
Top Import Sources	: Japan, USA, Singapore, China, Chinese Taipei
Top Import Products	: Transistors, Valves, etc; Office Machines Parts & Acce; Petroleum Products; Electrical Switcher Relays, Circuits; Telecomm. Equipt Parts

MALAYSIA EXTERNAL TRADE DEVELOPMENT CORPORATION (MATRADE)
Malaysia’s Trade Promotion Agency

“ICT is a pervasive tool in export promotion that we have in this organization. I see ICT as indispensable. We believe in information sharing, we use ICT to train our exporters, to disseminate information to them”-

Madam Wong Lai Sum, Director,

Planning & Strategy

Formerly, the Malaysia External Trade Development Corporation (MATRADE) existed as Malaysian Export Promotion Organization (MEXPO), which was a division under the Ministry of International Trade and Industry (MITI), established under an Act of Parliament in 1980, MEXPO consisted of three units: the trade information unit, the exporters registry unit and the exhibition unit. Generally, MEXPO performed the same functions in terms of promoting trade and export, but as the world of trade evolves and economic dynamic changes, the Ministry found a need to have a strategic approach for trade promotion. As a result, the Ministry decided to establish MATRADE in 1992, and subsequently launched it in March 1, 1993 as the external trade promotion arm of MITI.

MATRADE functions as an interface between Malaysian exporters and foreign importers in sourcing and disseminating information on trade. By providing market research data and relevant advice, MATRADE assists Malaysian exporters to better position their products and services in the highly competitive global markets. Its mission is to develop and promote Malaysia's export to the world.

Specifically, the organization provides assistance through these four core activities with supporting facilities and services, namely:

- a) Trade Information (Business Library, Website, Electronic Publications, Exporters Registry and Market Information);
- b) Trade Promotion (Trade Missions, Specialized Marketing Missions, Promotion Booths, Overseas Trade Fairs, Products Exhibition, In-store Promotion, Export of Services, and Exhibition Centers);
- c) Business Matching (Business-Matching following trade enquiries, Incoming Buying Missions, and Incoming Trade Delegations); and
- d) Exporters Development (Training Programs, Export Excellence Awards and Client Services).

Currently, MATRADE has thirty-one (31) network offices located in commercial cities worldwide, which consist of an average of four to five workforce per office. To support regional development, the organization set up two (2) offices in Malaysia located in Penang (covering the northern region) and in Kotakinabalu Saba (covering the eastern area). Under the main office, there are a total of three hundred eight (308) employees, with women comprising 35% of those in the management level and about 25% in the senior management level. As for the overseas offices, there are around one hundred (100) staff members.

Annually, MATRADE receives its budget from the government of about US\$30 Million. MATRADE has recognized its primary objective of spreading its overseas network, rather than enlarge offices. MATRADE sees the importance of establishing market presence in 31 markets and in emerging markets. MATRADE also sees the need to create an exporting culture among SMEs. The programs that bring the MATRADE closer to SMEs and identifying their needs and concerns are expected to increase exporters in the country.

In 2004, MATRADE has organized a total of 249 trade promotion programs with 5,468 local companies participating in the events. It has also conducted 6,566 business meetings. Overall, these programs have achieved US\$34.63 million immediate sales with potential sales of up to US\$529 million.

One important tool in export promotion is the availability of trade information to Malaysian exporters. This is done through printed and electronic publications, seminars and workshops like regional workshops, and trade clinics to directly address exporters' concerns and issues. The usage of Information and Communication Technology (ICT) is seen as a highly effective infrastructure to support MATRADE's efforts.

Setting the annual program is based on strategies underscored by both developmental (5 to 10 years of implementation) and industrial (15 years of implementation) plans. Said plans set the direction for the activities that MATRADE has to strategically consider. In fact, MATRADE prepared wide-ranged promotional programs for 2006 comprising trade and investment missions, marketing missions (13), participation to international trade fairs (60) and buying missions to Malaysia.

Overall, MATRADE continues to commit itself in elevating quality Malaysian products in line with the demands of the exporting world. MATRADE's services have lived up to the expectations of its stakeholders both domestic and foreign by keeping up with the times through technology development.

ME INDUSTRIES

Manufacturer and Exporter of Wood-Based Home Furnishings

"For success, we have to meet more friends, get more networks and get more support from our MATRADE counterpart. But the latter needs to extend additional funds for us to know more overseas buyers and maintain our quality."

Mr. L. H. Chong, Director

About the Company

Blessed with an abundance of timber in boundless tropical forests, Malaysia is renowned for an assortment of distinctive woodcrafts. ME Industries is one of those companies that benefits from this bountiful natural resources of Malaysia.

ME industries began its operation in 1989 as an exporting company of timber as raw materials. At present, they moved to a finished products and offers products like dining table, doors, wood floorings, cabinet, and chairs. In addition, the company exports wood flooring from different timber species, sourcing its raw materials from Saba, Indonesia. However, faced with government restrictions, ME

industries now mainly collect timber from Malaysian locals. For other materials like white oak and teak, they sourced them from Russia and Myanmar, respectively.

Path to Success

Currently ME Industry exports to Australia, Europe (particularly France, Poland, Czech Republic, Finland, Italy, and UK) and the USA. The success factors are the following:

Primary among these is the product quality and delivery. This involves on-time arrival and high quality of ordered goods, making sure that the clients' satisfaction is well fulfilled.

Another is the support from the suppliers of raw materials for the production side. It is important to get a more valuable and reliable sourcing of said materials since the quality of the company's exported products depends highly on the actual materials used. The support from local Malaysian banks by way of loans is an additional success factor for the company. Since the business is export-oriented, the company finds it less tedious to have its loans approved by banks. Finally, ME Industries believes in developing good rapport or network with the relevant institutions such as MATRADE, for general concerns, and the Malaysian Timber Council (MTC), for more focused industry programs and initiatives.

Getting Acts Together

ME Industries have been participating in trade fairs organized by MATRADE. It also obtains funding and matching grants under the Market Development Grants (MDGs) program, which aims to assist SMEs in undertaking activities for the development of export markets. MATRADE also helps the company to promote exports in overseas market. And the most important assistance for ME Industries is that it is registered in all MATRADE offices. This provides an advantageous access for and exposure to possible buyers since the company's product samples and brief information are displayed in MATRADE exhibition centres. Overall, MATRADE is considered to provide an excellent service that is highly relevant to ME Industries.

BERYL'S CHOCOLATE & CONFECTIONERY

**Manufacturer and Exporter of Premium Quality Chocolates and Fine Confectionery
Delicacies**

"Quality is the most important factor [especially for chocolate] in order to attract the customers."

Ms. Ng Sing Ee, R & D Executive

About the Company

Beryl's was established in 1995 to produce premium quality chocolates and fine confectionery delicacies. Started as a family-managed mini shop, the company was only buying chocolates and re-packaged it under Beryl's brand name. In 1999, Beryl's began manufacturing its own chocolate. Eventually, it entered the export world. It has penetrated both local and overseas markets with a set of priorities in mind – Quality, Innovation and Good Services an commitment to customers. It employs one hundred fifty (150) staff consisting of the management, operators and contract workers.

While most of its revenue derived from domestic sales through major supermarkets, hypermarkets, convenience stores, duty free shops and souvenir shops, the dominant export destinations were ASEAN countries. The company has successfully penetrated the markets of Japan, Vietnam, the Philippines, Singapore, India, Hong Kong, Macau, Maldives, Brunei, New Zealand and Indonesia.

Path to Success

Contributing to Beryl's success are the finest ingredients and materials used to produce quality products conceptualized by the company's creative and innovative workforce. The major source of raw material is Ghana, one of the countries best known for its high quality cocoa beans. Stringent quality controls and continuous research and development are being done for each product to ensure high quality and meet customers' expectations and requirements. Beryl's distinguishing strategy is seen in its product packaging, while it continues to develop characteristics of chocolate products.

Getting Acts Together

Beryl took advantage of MATRADE's services including trade information, training programs and participation in trade fairs both domestic and abroad. The company has great expectation from MATRADE to provide training programs or informational services on product design and packaging technology.

Beryl's has been an active participant in MATRADE's various programs and activities for a number of years now. Through these activities, easy access to other markets and expansion became possible. Not only was Barly's aim to improve and expand their product varieties but to widen their markets as well. Hence, the company is very grateful that MATRADE that catered to its needs and brought it to its current level of success.

FELLA DESIGN

Manufacturer and Exporter of Quality Furniture

"The challenge for most SME today is to be able to see what is really best for them. It's very challenging, and very tough."

Mr. Andrew Chen, Group CEO

About the Company

Known for manufacturing and exporting quality Malaysian furniture, Fella Design is proud of its 18 years of operation. As a market leader employing 380 workforce, Fella Design offers the most extensive range of products for both local and overseas markets covering a wide collection of fabric sofa sets and recliners, armchairs, coffee tables, furniture for occasions, bedroom and dining sets as well as curtains. The company also provides re-upholstery services to its customers. Naming a few export markets includes Australia, UK, Chinese Taipei, Japan and a few Middle Eastern countries. Their major competitor is China because of its close proximity to Fella Design's products.

The Group CEO of Fella Design, Mr. Andrew Chen, conveys that success in business is best seen in terms of profits generated. As such, they need to plan well particularly recognizing the importance of a good brand name. With a modest growth track pursued, customers will eventually be accustomed to the products and develop their preference towards Fella Design. This brings to mind the need to consider success as not just a stage but as a continuous process for the company. In addition, the human resource development is also given priority by Fella Design. Training of the staff and the succession process were systematically done so that growth would be more or less a process allowing flexibility in terms of possible shifts on available manpower. Of course, the role of the management plays an integral part in making all these things happen. A competent management carried out a more than feasible path to success.

Getting Acts Together

Fella Design has been receiving good support from MATRADE for more than 10 years now, specifically on overseas promotional activities such as exhibitions and overseas buyers link-ups through business meetings. To make exporting less strenuous for the Malaysian companies, MATRADE also arranges bank transactions abroad for quicker transaction. Among these services, Fella Design considers international connectivity as the most important MATRADE assistance. True enough, the latter's officers constantly provide them with market intelligence information such as export competitors and main players in particular markets. Indeed, penetrating export markets remain to be the ultimate goal of companies such as Fella Design.

In the end, Fella Design believes in a two-way success policy. This means that the Malaysian government has to do its share in developing and supporting

local companies to be export-competitive, and that private companies have to continue striving to reach success.

3. Thailand

'Siam' is the name by which the country was known to the world until 1949. On May 11 1949, an official proclamation changed the name of the country to 'Prathet Thai', or Thailand. The word 'Thai' means 'free', and therefore 'Thailand' means 'Land of the Free'.

Thailand is divided into four natural regions: the North, the Central Plain, or the Chao Phraya River Basin; the Northeast, or the Korat Plateau' and the South, or the Southern Peninsula.

Thailand is governed by a constitutional monarchy with a bicameral parliamentary form of government. The country is divided into 76 provinces, such administered by an appointed governor, and subdivided into districts, sub-districts, tambons (groups of villages), and villages. The Bangkok Metropolitan Administration is administered by an elected governor and divided into 38 districts.

The Thai economy in 2005 started off with a slow pace of 3.3% in the first quarter compared to its growth of 6.5% in 2004. Many factors contributed to this downturn both domestically and internationally including the sharp increase in crude oil prices that have pushed up inflation, drought conditions in many parts of Thailand that have cut agricultural production, the after effects of the tsunami, as well as the unrest in the three southern-most provinces. These events resulted in a 10.1% drop in foreign tourism.

The government undertook many initiatives to improve these conditions, such as drought relief programs, restoring tourist destinations affected by the tsunami, tourism promotion, introduction of wholesale and retail price controls, and actively promoting exports. These measures resulted in economic growth of 4.6% in the second quarter of the year 2005 and by 5.3% in the third quarter, averaging 4.4% for the first 3 quarters. Projections for the Thai economy for the year of 2005 are a growth of 4.5% with inflation at 4.5% and current account deficit at US\$3.2 billion, or 1.8% of GDP.

The government implemented dual-track measures to remedy the trade deficit, such as actively promoting exports, while monitoring imports. To increase exports, the government and private sectors cooperated closely to open new markets and expand existing markets, for example, by sending Special Task Forces on missions to target markets; organizing Thailand Exhibitions; arranging Inbound and Outbound Missions; designating September as Export Month with 9 separate trade fairs for health and beauty products, air-conditioners, electrical appliances, automotive components and parts, gems and jewelry, One Tambon (Village) One Product (or OTOP) lifestyle, and garments and leather goods.

OTOP is a novel concept of Government of Thailand to revive the economy at the grass-root level, i.e., at the tambons level. The goods are produced on community basis and wisdom.. The products are intended to create niche in terms of quality and unique characteristics, yet international in standard.

Success stories and testimonials from 3 Thai MEs as well as the Department of Export Promotion (Thailand's Trade Promotion Organization) are shown below to describe the cooperation between the private and public sectors working together towards export development.

Sources: Department of Export Promotion (DEP) website
 (<http://www.thaitrade.com/go/home>)
 DEP Annual Report 2005
 (<http://www.dep.thai.go.th/Annual/th/Annual05/th/index.htm>)

TRADE FACTS (2005)	
Export to the World	: US\$ 110.11 Billion
Top Export Markets	: USA, Japan, China, Singapore, Hong Kong
Top Export Products	: Automatic Data Processing Machines; Electronic Integrated Circuits; Natural Rubber; Computers & Office Machines Parts & Acce; Trucks, Motor Vehicles for transport of goods
Import from the World	: US\$ 118.16 Billion
Top Import Sources	: Japan, China, USA, Malaysia, UAE
Top Import Products	: Crude Petroleum Oils; Electronic Integrated Circuits; Computer & Office Machines Parts & Acce; Motor Vehicles Parts & Acce; Semi-Finished Iron Products

DEPARTMENT OF EXPORT PROMOTION (DEP)

Thailand's Trade Promotion Organization

"As the TPO of Thailand, it is our duty to develop capacity building to our exporters. The more information they know, the better chance they will be successful in the exporting business. " - Mr. Somdet

Susomboon, Director for International Cooperation Division

The Department of Export Promotion (DEP) was established in the year 1952 with a mission to increase export volume for Thailand since export is believed to be a major source of income and a critical for economic growth.

DEP's main objective is to expand export markets and raise the capabilities of Thai businesses to be able to compete in the global market. 'As the TPO of Thailand, it is our duty to develop capacity building to our exporters. The more information they know, the better chance the will be successful in the exporting business' according to Mr. Somdet Susomboon, Director for International Cooperation Division.

The DEP has made a commitment to promote export and enhance the value of Thai products and services by adopting the following pro-active market development strategies:

- a) build international export networks
- b) improve the competitiveness of Thai exporters in the international market
- c) coordinate and drive export-driven departments of both the public and the private sectors to overcome various obstacles by suggesting guidance and measures regarding export procedural facilitation, and
- d) organize various activities to develop and promote export products and services to gain international recognition.⁴

In 2004, various activities were organized to simultaneously develop and promote export products and services through agenda-based, function-based and area-based projects. These activities are conducted to steer the Thai export sectors toward goals set by the Ministry of Commerce and the government.

Aiming to promote Thailand's exports and improve the competitiveness of Thai exporters, the DEP has established network offices set up both in Thailand and overseas to provide services to domestic and international stakeholders. Five regional network offices were set up to support local communities in producing products that meet international standards. Over 53 overseas foreign trade promotion offices worldwide play a significant role in developing new markets as well as maintaining existing traditional markets by arranging various trade events, and conducting continuous up-to-date research work on emerging trends and demands.

Currently, the DEP has two main offices located at the Ministry of Commerce building in Nonthaburi, and at Ratchadapisek Road. The latter provides comprehensive information on various export-related issues for Thai exporters and foreign importers through a number of relevant and current information sources such as the Trade and the Multimedia Libraries.

To further enhance the competitiveness of Thai products, in 1999, Director-General Sanit Vorapanya initiated the 'Thailand's Brand' logo and used it to promote products made in Thailand. The 'Thailand's Brand' oval-shaped logo was created based on the original DEP logo, added to it were the words 'THAILAND: Land of Diversity and Refinement'. The logo projects Thailand as a country abundant in a variety of diverse and refined products as well as the skills in craftsmanship, which have been passed down from generation to generation. To be able to widely publicize Thailand and its products, the DEP endorsed this symbol as its corporate logo.⁵

According to Mr. Susomboon, DEP is divided into three main clusters for efficiency in project implementation:

⁴ Department of Export Promotion Annual Report 2004

⁵ *loc. cit.*

- a) Supporting & HR Development,
- b) Agenda-based, Supply & Activities, and
- c) Demand & Services.

Supporting & HR Development

This group formulates the policies, plans the direction of exports through consultations with exporters; provides training for exporters and staff; and publishes magazines regarding market information, media and public relations, administration office, etc.

Agenda-based, Supply & Activities

It manages the One Tambon One Product (OTOP) project, international trade fairs and missions, product development, International Trading Firm, and International Trade Information Center. According to Mr. Susomboon, DEP organizes 13 trade fairs and participates in more than 100 trade fairs a year.

Dr. Thaksin Shinawatra, former Prime Minister, introduced the idea of OTOP to the Thai export market, reflecting an inspiration he got from the village of Oita in Japan. Presently, OTOP products have not only increased the income of people in various communities, but have also been successful in resuscitating the skills, talent and knowledge of Thais in this modern age. Mr. Susomboon added that DEP vigorously promote OTOP since they would like to help the grassroots of Thailand to make the country strong given that not all OTOP producers are exporters. He mentioned that it is their duty to make these producers exporters in the future and to create a market for them.

Demand & Services

This group is responsible for defining what activities are suitable for each market, dependent solely on market demands. It also manages the one stop office that facilitates exporters' certificates and requirements for exporting. The group also supervises a Special Task Force office, which handles non-traditional export markets.

The DEP has been very proactive in assisting Thai exporters especially in promotion to improve the country image and to be permanently included in the world export map.

CORDIAL CREATIVE CO., LTD.

Publisher and Exporter of Greeting Cards

'Product design & quality product and service are key factors for the greeting cards success.'

Mrs. Sopin

Lertrathakarn, International Executive Director

About the Company

Cordial Creative Co., Ltd. began in 1985 as a greeting card producer and publisher using the brand name 'Cordial'. which has successfully become the best known greeting card brand in Thailand.

In the year 1999, the company took further steps to augment its sales by joining the International Frankfurt Fair in Germany. As a result, it has penetrated important markets such as the EU (France, Italy, Germany, and Denmark), some Eastern European countries (Scandinavia and Croatia), Russia and America.

Operated by 350 employees, the company has grown rapidly and has become the leader in the social expression business in Thailand. Cordial now covers all channels for sending messages by launching the Cordial Club. Cordial Club provides clients message-sending service via mobile phones and the internet. This is an innovation of Cordial Creative Co. in social expression business.

Path to Success

According to Mrs. Sopin Lertrathakarn, International Executive Director of Cordial, the company has been successful because of three factors they continued to develop: 1) Product Design 2) Production Capability and Quality, and 3) Service.

Product design is the most important key to success. Mrs. Lertrathakarn added that Cordial products are original and creatively designed by talented and experienced in-house Thai designers. Each card is unique. Even before starting a design, the designers study well a particular market preferences, and at the same time the designers are highly capable of creating unique texts and designs to match the specific requirements of customers from various countries. Cordial makes sure that the designs of the card suit the tastes of its customers. As an interesting example, buyers from Germany like the color black (and other dark colors) in their greeting cards, because it reflects their strong personality. On the other hand, cards exported to Italy and France is sweeter and refined due to their inclination on light colors as pink, yellow and blue.

Product quality is another success factor for Cordial. The company guarantees the high quality production of greeting cards through efficient and skillful production team and assembly workers. a sophisticated printing technology and technical equipment gained ISO 9001 certification for over-all production system of Cordial Creative.

Maintaining valuable clients through quality product and service is achieved through constant communication with the company's customers and on-time shipment. Teamwork is thus stressed among employees as they all work towards the same direction of achieving the company's goal.

Getting Acts Together

At the beginning of their exporting business, Mrs. Lertrathakarn mentioned about various challenges, specifically on the information on tastes and preferences of the importing markets. As such, Cordial sought the help from the Department of Export Promotion (Thailand's TPO) to get those valuable information about foreign markets preferences through the Department's market researches. She noted DEP's library of designs and the capable staff of DEP assisted the company on product design.

Moreover, what Mrs. Lertrathakarn appreciates about DEP is their constant invitation to exporters to participate in trade fairs and trade missions. DEP vigorously promoted Cordial's export products through different export activities such as joining trade fairs once or twice a year, thus opening up access for potential customers.

As a recommendation to further develop Thai exporters' competitiveness, Cordial believes that DEP should provide more detailed training on market issues and trends by inviting famous designers to give fashion trend seminars. Another is for DEP to encourage banks and other lending institutions to support and facilitate loans of SME exporters.

To sum-up, Cordial Creative believes that DEP has been very helpful to the company. Through the latter's proactive support, Cordial received numerous recognition such as the 'Thai Prime Ministers Award for Distinctive and Marketing of Thai Owned Design' in 1997 & 2004, 'Trend-Setter in Greeting Card Design' (for which many collections have been shown at the Trend Room of the International Frankfurt Fair 'Paper World', Germany) in 2001 and 2003, 'Certificate in Quality Management System ISO 9001' from RWTUV since 1999, and 'URS/UKAS' since 2004.

United Kingdom Accreditation Service (UKAS). UKAS is the sole accreditation body recognized by government to assess, against internationally standards, laboratories that provide test and calibration services. Accreditation by UKAS demonstrates the competence, impartiality and performance capability of the laboratory.

URS- United Registrar of Systms Ltd is a privately owned company offering certification to industry, commerce and the public sector against International, European and National Standards. It was created to provide services to clients, in the knowledge that the auditor takes an active interest in the client's business

operation. Its auditors have been chosen for their ability, not just as auditor, but also for their understanding of general business pressures and problems.

KHAO SHONG INDUSTRY 1979 CO., LTD.

Manufacturer and Exporter of Instant Coffee

"Business-Matching is (a) powerful tool. I think it's the right direction in helping the SMEs. It is one of the best assistance (we received) from DEP".-

Mr. Nantanpong Chiralerspong, Marketing/Research
Development Manager

About the Company

Khao Shong Industry is a privately-owned business with its beginning in 1959. The founder, Mr. Chira Chiralerspong saw the opportunity in the wild coffee beans that were scattered along the road. He experimented with them until he found the perfect match of aroma and taste. In 1962, he introduced in the market sample coffee beans products, under the brand name Khao Shong, to recollect the place where the coffee beans were found. Having established a roasted and ground coffee factory in 1975, Khao Shong Industry is proud to mention of being the first company to introduce instant coffee products in Thailand by year 1979.

With the current support of its 300-strong employees, Khao Shong manufactures and exports instant coffee - Thai coffee beans, assorted and ground, agglomerated instant coffee, coffee mix power and ice coffee - to major markets in the Middle East and Asia. Getting its raw supply locally, the company supports Thai farmers. The company took into consideration the five-year competition it had with Vietnam on Asian markets.

Adopting the ISO 9002 and HACCP-certified production system, the company believes in the basic principle of consumer satisfaction by

- a) high quality standard and continuous product development,
- b) reasonable product pricing, and
- c) concern for the society and protection of the environment by utilizing energy and natural resources efficiently.

Path to Success

According to Mr. Nantanpong Chiralerspong, Marketing/Research Development Manager, the success factors for the company includes:

- customer acceptance
- product quality
- international brand image

- appeal to the younger generation
- good working environment
- efficient management supervision.

Getting Acts Together

Believing that more government support must be poured in for the coffee industry due to strict coffee regulations, the company is fortunate to note assistance by the Ministry of Agriculture in keeping the cost of raw materials affordable for small companies like them. In addition, Mr. Chiralerspong mentioned the support they get from the Department of Export Promotion (DEP) through its several services such as foreign buyers list, business-matching facility, and trade fair participation. Among these, the company maintains that business-matching is the most powerful tool in extending support to SMEs. He added that this is good direction for DEP as it continues to support the cause of improving the expansion of SMEs allover Thailand. It was also noteworthy to mention the premium given on trade fair participation as Khao Shong participates annually on DEP-organized trade fairs.

However, there are still rooms for improvement in the service delivery of DEP by upgrading its business-matching capability, product trend information specifically on coffee on other export markets such as China, and other strategy consultations to expand export markets.

In general, Khao Shong believes on the excellent support from DEP and would continue to maintain a harmonious relationship with it as the company continuously strives to be more competitive in the global market.

BANGKOK DEC-CON CO., LTD.

Manufacturer and Exporter of Home Furnishings

<p><i>"The best way is to participate in international exhibition because of the idea of seeing our products in every way possible".-</i></p>

<p>Ms. Panida Ratanasuwanachart, Director</p>

About the Company

Bangkok Dec-con was established in February 17, 1992. Its beginning was a small business originally owned by a single proprietor. Currently managed as a family business with 300 people employed, the company manufactures and exports wooden furniture, household items, cabinets and tables. It also provides services such as interior design and home decoration, and mass production of furniture like desk and chair for government, school and hospital use.

Having penetrated major markets such as Thailand, USA, UK, Italy, Japan, Australia, UAE and Egypt, Bangkok Dec-con sources its raw materials from local manufacturers of wood and rubber and imports Oakwood from Sweden and Germany. Major competitors in their business are Indonesia, Malaysia, Vietnam and China.

Path to Success

According to Ms. Panida Ratanasuwanachart, Director, success of Bangkok Dec-con lies on the wide-knowledge of the business and the desire to continuously learn for product development. In addition, honesty to customers and government cooperation further paved the company's potential to move towards success. However, just like other businesses, major hurdles have to be faced such as the high cost of raw materials specifically the local wood, high labor cost and import taxes. As such, the company firmly deems it necessary to continue developing its products to address these mentioned challenges.

Getting Acts Together

With the assistance of the Department of Export Promotion (DEP), Bangkok Dec-con has managed to participate in international trade fairs. Annually, they join trade fairs in Dubai, Germany, and Japan. DEP provides booth subsidy for international trade participation. Ms. Ratanasuwanachart believes that for them to be successful, the best way is to participate in international exhibition for the fact that prospective buyers will be able to observe and scrutinize their products personally. At the same time, Bangkok Dec-con acknowledges the enormous benefit of DEP's business-matching service, specifically on in-bound trade missions where DEP set scheduled business meetings.

Bangkok Dec-con appreciates both private and public programs, but it prefers governmental service because of information quality and lower costs.

Overall, the relevance of DEP has proven to be necessary amidst the growing global competition on products such as home furnishings. Bangkok Dec-con firmly aims to continue fighting in this tough global market.

4. VIETNAM

The Socialist Republic of Vietnam (SRV) is located in the heart of South-East Asia. It lies between the People's Republic of China in the North and the Gulf of Thailand in the South. Vietnam is bordered by the Pacific Ocean and the East Sea as well as the People's Democratic Republic of Laos and the Kingdom of Cambodia in the West. Its total area is 331,689 square kilometers and it has territorial waters with an area approximately three times larger than its mainland territory.

Vietnam has existed as an independent country since early history of the South-East Asian region. Through several thousand years, the Vietnamese people have worked hard and with creativity, often struggling heroically in order to build and defend their country. They have developed a national tradition of solidarity, humanity and perseverance that has formed the unique Vietnamese culture.

The world's second largest exporter of rice, fourth largest exporter of footwear, ranks number one for pepper, number two for coffee and cashew nuts in the world market, the Socialist Republic of Vietnam is a home of nearly 80 million inhabitants and spans 330,000 sq. km. with a spectacular coastline of 3,260 km. long. Having significant potential in natural resources and young, well-educated, hardworking workforce, Vietnam can offer favorable conditions for development of trade, investment and tourism. This APEC economy has reaped great achievements in trade since first opening up to foreign market in the late 1980s. Remarkably successful over the last decade in attracting substantial foreign direct investment (FDI) inflows, Vietnam's foreign-invested sector is an important dynamic of economic growth.

Vietnam is one of the fastest growing developing economies in the world. Initiated in the late eighties, the transition from a centrally-planned to a socialist market-oriented economy has had impressive impact on poverty alleviation. For a population of almost 82 million people, poverty was cut in half between 1993 and 2002, from 58% to 29% of the population. During that period, a third of the population was lifted out of poverty, mainly due to job creation in the private sector, and reforms in the agriculture sector, more market-orientated. However poverty was reduced in a much slower pace in the central region, the poorest in the **country** and the Northern mountain and north central coast, while the proportion of ethnic minorities in the overall poor population increased. It is estimated that 85% of the poor live in rural areas. The government has used financial services for the poor as a powerful instrument in poverty alleviation, particularly in the rural regions. Utilizing state-owned banks, the government provides subsidized loans to poor households to achieve poverty alleviation objectives.

Source: - www.bwtp.org/arcm/vietnam
 - Vietrade flyer
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TRADE FACTS (2005)	
Export to the World	: US\$ _____ Billion
Top Export Markets	: USA, Japan, China, Australia, Singapore
Top Export Products	: Crude Oil, Footwear, Marine Products, Coffee, Garments
Import from the World	: US\$ _____ Billion
Top Import Sources	: China, Singapore, Taiwan, Japan, Korea
Top Import Products	: Machinery, Equipment & Parts; Petroleum; Steel; Textile; Computer, electrical goods and components

VIETNAM TRADE PROMOTION AGENCY (VIETRADE)

Sole Trade Promotion Organization of Vietnam

Vietrade's goals are to help business promote international trade especially exporters and provide support and assistance through the (trade) associations.

Mr. Do Kim Lang Director, Trade Information & Market Research Dept., VIETRADE

Vietnam Trade Promotion Agency (Vietrade) is a young trade promotion organization having been established in the year 2000. It is a government organization operating under the Ministry of Trade and is responsible for coordination and development of trade promotion activities in Vietnam. It provides a wide range of services to Vietnam exporters as well as to foreign companies seeking to develop trade relations with Vietnam enterprises.

The support and assistance extended by Vietrade to the exporters are channeled through trade associations. At present, Vietnamese businessmen have organized trade associations by sector such as for the leather, footwear and plastic sectors.

Among the services extended by the Vietrade to these associations are trade and business opportunities information (through cyberspace); seminars and trainings on exporting; overseas trade missions; market and product consultancy; and organized trade fair participation.

As support to foreign enterprises, Vietrade provides relevant assistance through business information, organization of and participation to domestic trade fairs and exhibitions, consultancy service and technical assistance in doing business with Vietnam, and business development opportunities. Apart from having a representative office in Ho Chi Minh City, Vietrade has branch offices in New York and Dubai to further boost the organization's capability to address foreign business inquiries and other trade prospects.

Headed by a Director-General with assistance from a Deputy Director-General, Vietrade is composed of four departments: 1) International Relations, 2) Trade Promotion & Business Support, 3) Information & Market Research, and 4) Administrative and General Affairs. Each department is headed by a Director, assisted by a Deputy Director, and then supported by technical staff called Experts. Each overseas office, on the other hand, is manned by a Director, an Expert and locally hired staff.

Currently supported by 60 personnel, 45 of whom are female, the need to increase its workforce to at least 15 additional personnel is found to be important, according to Mr. Do Kim Lang, Director of Trade Information and Market Research Department, to cater to the growing demands of the business sector. However, the organization believes that one way of addressing this is by providing local and foreign trainings to its human resources to be able to build their analytical skills and further increase in learning on trade management, thus strengthening the organization in the long run.

Getting its annual budget from the government (approximately US\$3M plus 25% of export earnings), Vietrade follows an annual export strategy plan and a 10-year National Branding Program approved by the Prime Minister. "The national brand" is a symbol representing the domestic production and services supply and it is a typical image of a country in the world market. Having attached to the national brand, new export items will find easier ways to penetrate into foreign markets. The purposes of national brand are to:

- Increase awareness of domestic and foreign distributors and consumers of products bearing Vietnamese brands, by which to help them to have more positive attitudes and beliefs in Vietnamese products and manufacturers. It is hoped to have better impression and interest in these products. The final target is to create a habit for consumers in purchasing products bearing Vietnamese brands.
- Increase added value, improve competitiveness for Vietnamese brands in integration process, which help Vietnamese enterprises establish their firm positions in the domestic market and be equipped with favorable conditions to develop their brands in the world market.
- Create awareness in business community to move towards product quality (both goods and services) and high business credit.
- Publicize international standards and the necessity for Vietnamese business enterprises to apply these standards.
- Create close cohesion between the national trade promotion agency and enterprises heading towards community-based trade promotion activities.
- Better promote image of Vietnam, prestige, pride and attractiveness of its land and people, which helps encourage tourism and attract foreign investment.
- Build up image of Vietnam as a nation of high prestige in exporting diversified and high quality goods and services.
- Encourage export of processed products, reduce export rate of raw materials.
- Consider the National Brand in 2010 one of the most efficient marketing tools for Vietnamese business community in the domestic and the world market.

The Ministry of Trade, in general, provides policy direction at the same time.

The application of Information and Communication Technology is one new business model VIETRADE is adopting. It has introduced new models in their business systems such as virtual trade fair and electronic directory and B2B transactions.

VIETRADE clients normally seek assistance through e-mail, but plans to be more proactive in its approach by setting up a frontline service in the near future.

HANOI TRADE CORPORATION (Hapro)

Manufacturer and Exporter of Handicrafts, Fine Art Articles, Agricultural Products,
Food and Beverages

Vietrade helps Hapro to promote brand. It take care of the Vietnamese products image to the world.

Mr. Vu Thanh Son, Deputy Director

General, HAPRO

About the Company

Hanoi Trade Corporation (with short name "HAPRO") is a state-owned company that specializes in exporting handicrafts, fine art articles, agricultural products and food and beverages. Hapro's other business activities include importing machinery, equipment, consumer goods, raw materials; manufacturing and processing agricultural products, foodstuff, alcohol, beverages, ice cream, candies and cakes. It is also engaged in tourism restaurant & hotel services, real estate, office services and trade representation.

In its 50 years of existence, Hapro has expanded to 23 branches and 600 shops in the entire Vietnam territory. Proud to be manufacturing products made of 100% Vietnamese indigenous materials, Hapro exports to almost 60 countries around the world across Europe, Asia, America and Africa. Its export operations are supported by 6,500 regular employees and 25,000 laborers from traditional villages doing handicrafts in several factories. The company's warehouse is situated at Hung Yen province, some 30kms. from Hanoi. The company's asset is valued at US\$500 million.

Path to Success

Hapro had humble beginnings with nearly 4 to 5 employees fourteen years ago. Through the years, it has created a trademark and branding worldwide through extensive trade promotion to foreign buyers. It has established good business character and good working environment. According to Mr. Vu Thanh Son, Hapro's Deputy Director General, the company is proud to be maintaining its 25,000-workforce, with every employee being proud to be part of the company. He described the employees as committed and hardworking and that they have always manifested skills and talents that can be further developed. The company encountered financial difficulties but these were immediately sorted out being a government-owned company. To continue riding in the crest of success, the company ensures annual growth in its revenues

Hapro is capitalizing on trade promotion activities as it intends to maintain its traditional markets for future expansion. Mr. Vu added that whenever foreign companies look for local distributor in Vietnam, they normally come to Hapro.

Getting Acts Together

Hapro appreciates the regular assistance Vietrade is giving the company through the latter's services such as trade promotion activities, market information, and export and import information. The company sees Vietrade as the caretaker of Vietnam's image to the world. However, Hapro suggested that Vietrade should provide information relating to weather (for good harvesting time), right time for product marketability, market surveys, and information on potential buyers, among others. These kind of specific information would not only benefit Hapro but the other exporters too.

NHAT THANG CO. LTD.

Manufacturer and Exporter of Native Handicrafts

"The goal should be for the development of the country, the development of the society, and the development of the economy."
Hang, Vice President

- Ms.Nguyen Thu

About the Company

Having been in business for 6 years now since April 2000, Nhat Thang company has grown to deliver traditional Vietnamese handicrafts to the world's delight. Taking pride on the company's different products from a wide variety of indigenous materials - bamboo, rattan, fern, seagrass, palm leaf, abaca, water hyacinth, creeper, lacquer, embroidery, and ceramic - the viability of placing Vietnam handicrafts in the global trading arena has never been more appropriate.

Founded by Mr. Do Manh Tai with an initial support staff of 5 people and capital of US\$600,000, the company has been set up for the exclusive export business of Vietnam traditional handicraft and art products. Beyond such business purpose lies the true vision of the company as quoted from Ms. Nguyen Thu Hang (Vice President), *"The goal should be for the development of the company, the development of the society, and the development of the economy; overall, we should reduce unemployment and bring about the welfare of the society."* True enough, employing almost a thousand workers in all its 9 factories located mostly in northern part of Vietnam, it can be said that they are living up to the cause of business beyond mere profit.

Path to Success

Reaching success is a continuous process the company needs to address. Preparing for future challenges means meeting the daily requirements of the business. Each day must be a movement towards improving the various aspects of the company, from people management to quality production, from client satisfaction to export market expansion. Ms. Hang mentioned three main problems they are currently facing, namely: a) the accessibility of capital sources, b) availability of raw materials, and c) transparency on government policy on customs procedure and taxes.

Access to financing, just like in other small enterprises, is a problem that needs a lot of patience and budgeting skill. Due to the difficulty of getting loans and other financing support, the company has managed to look at its other strengths to keep the growth momentum of the business on track. By focusing on designs through innovation and modification, they are able to release new product items every quarter, based on the four seasons. In fact, the various materials used such as bamboo, rattan, fern, seagrass, water hyacinth, abaca, palm leaf, to name a few, make it more convenient for them to come up with new concepts. Such design strategy also caters to the second problem of dwindling source of raw materials, mainly due to export of these materials to China. But this challenge will not stop the company from excelling and delivering quality products to its clients. In fact, Ms. Hang mentioned that they are solving this by designing products using raw materials other than those exported to China, thus concentrating on the importance of creativity as a tool for success.

Getting Acts Together

Having expanded markets areas from Japan (30%), as the initial export destination, to USA (30%), EU (30%), and Australia, Canada, and India (collectively comprise 10%), and reaching its current asset estimated at US\$1M, Nhat Thang considered the assistance of the Vietrade as very relevant. Through Vietrade, export expansion is on the high roll. Several trade fair activities were attended by the company, such as the Tokyo Gift Show and Fukuoka Fairs (2003) and the New York Source Fairs 92003 and 2004). They have also pushed for active promotion through Ambiente and Tendence Lifestyle Fairs (Germany) and Hong Kong Housewares Fairs (Hong Kong).

There are other Vietrade services the company availed of, such as trainings/seminars, information materials on trade fairs, exhibits and buyers, and design competition. Nhat Thang believes that having a close dialogue with Vietrade is a great help for SMEs. In the end, the company calls for wider involvement of Vietrade in the business promotion of fellow SME exporter. "They should do this not just for us but for others too", added Ms. Hang.

SANNAM FOOD STUFF JOINT STOCK COMPANY

Manufacturer and Exporter of Dried Fruits

"Our mission is to develop the organic product, to benefit the company, farmers, and society as a whole."
Ms. Duong
Thuy Quyen, Marketing Manager

About the Company

Proud to be the first company in northern Vietnam that invested in advanced technology to research and produce hygienic food, Sannam Food was established in 2001 as a division under its mother company, the Sannam Group of Companies founded by Mr. Haing Dinh Phi. With an asset size of approximately US\$700,000, the company has managed to increase its asset threefold to about US\$2M in 2004 and barely stopping from its current momentum. By year 2003, the former division was transformed to a full-blown company after wide-acceptance by the local market. Such transformation was based on the goal of expanding the business and client relationship, mobilizing more invested capital, and taking advantage of the labor skills present.

At present, Sannam Food offers a variety of products from dried fruits, dried vegetables, and fruit powders under the brand name Sunfarm. They have 10 varieties of dried fruit namely pineapple, mango, star fruit, longan, plum, apricot, litchi, calamondin, banana, and papaya. Dried vegetables are bamboo shoots, carrot, and cabbage among others. They also have fruit powders made from papaya, pumpkin, pineapple, and mango.

Path to Success

According to Ms. Quyen, Marketing Manager, success must be based on several factors that deal with, a) exploring new market opportunities, b) increasing profit, c) benefiting the society, d) trying to meet the needs of the market, and d) finding the shortest way to achieve all these factors. The company focuses on these yardsticks as guidance in planning its present and future direction.

With the domestic market as the initial sales target, offering a wide selection of packaged dried products, the company decided to venture into the exporting business by joining international exhibitions and trade fairs in Chinese Taipei. Thus, in 2003, it was able to penetrate said market. To date, of the current total production size of 200 tons per year valued at US\$500,000-700,000, 30% goes to international markets while the remaining 70% caters to local customers. Major export markets are the Netherlands, Czech, Chinese Taipei, Japan, China, and Singapore as the recent client. With a processing plant in Bavi, Ha Tay, Sannam Food has been investing in plantation for harvest in several Northern provinces of Vietnam such as Hoa Binh, Lao Cai, Son La, and Ha Tay. Ms. Quyen believes that these plantations help not just the company but the farmers in the area. She mentioned that the seasonal fruits they get from them are preserved for exports,

thus, preventing crop wastage and opening up job opportunities for these small farmers all year round.

By Vietnamese standards, the company is still small and has yet to mature fully. However, although it has penetrated a few major export markets, myriad of challenges are still faced by Sannam Food. Ms. Quyen cited several challenges such as the problem encountered in the agricultural sector of Vietnam, being underdeveloped in terms of materials, infrastructure, and technology. Another challenge is on the lack of an international brand not just for the company but also on Vietnamese products in general. Lastly, hard competition was posed from countries having more experience like Thailand, Indonesia, and China which offer lower prices but with competitive quality standards. The company admits that they are still learning from its past mistakes and would definitely focus on improving the products they offer to their clients.

Hardwork proved to bear its fruits through the quality standards set by the company. Its quality management system and food hygienic conditions are strictly controlled by ISO 9001-2000 and HACCP (Hazard Analysis and Critical Control Point), the latter being certified by TUV, Germany. It also received the Gold Star Award both in 2003 and 2004, issued by the Government of Vietnam on products and brands with the highest international competitive advantage.

Getting Acts Together

The company believes that the country's leading TPO is still relevant. Sannam Food availed of services from Vietrade such as trainings on the basics of exporting and trade fair participation. It also receives financial assistance on trade exhibits, having participated annually in 6 domestic and 2 international fairs. Free promotion of the company under the official publication of Vietrade called Vietbiz Magazine was also a good way of expanding client awareness of Sannam Food's products. The company believes that although Vietrade is newly established and requires a lot of effort to help SMEs, it can still be proud of the presence of high quality personnel serving the needs of its various clientele. Ms. Quyen could not say it any better when she said that if there's no Vietrade today, it will be very difficult for the SMEs.

5. CHINESE TAIPEI

Chinese Taipei is an archipelago of 86 islands, the largest of which is the leaf shaped Taiwan Island itself, comprising, at 35,280 sq kms, 98% of the country's approximate 36,000 sq km land mass. The other islands in the archipelago are the Pescadores, a group of 64 islands and 21 others including Green Island, Liuchiu and Lanyu.

Chinese Taipei has become one of the world's biggest trading nations. Currently it is the world's 20th largest economy, with real GDP growth estimated to average 4.1% until the end of 2007. Its leading export markets are China,

21%; Hong Kong, 16.2%; US, 15.1%; Japan, 7.6% and Singapore, 4%. Nearly half of its exports in 2005 were machinery and electrical equipment and it has become one of the world's top producers of IT equipment. Its other main exports are textiles, basic metals, plastic and rubber products and cars.

Chinese Taipei had an estimated budget deficit of 3.1% of GDP in 2005, but analysts predict this will narrow to 2.8% in 2007 driven by respectable economic growth rates.

Many around the world consider Chinese Taipei's achievement as an economic miracle - one of Asia's 'tiger' economies. According to the World Bank its GNI per capita is \$16,170 - this compares to a GNI per capita of \$1740 for China.

Chinese Taipei's tourism industry, which made up 3.4% of the country's GDP in 2005, is set to receive a boost when cross-strait travel between Chinese Taipei and China is opened up, possibly by the end of 2006. One thousand Chinese tourists a day will be allowed to enter the island, which boasts pulls for holidaymakers such as the world's tallest building in Taipei, the National Palace museum, possessing one of the world's most impressive art collections and a host of natural attractions: beaches and lakes, forests and mountains.

Chinese Taipei has a fragmented and overcrowded banking market consisting of domestic banks, branches of foreign banks and medium sized business banks - around 50 banks in all, meaning it is difficult for any one to emerge as a market leader. The government, despite some opposition, is currently seeking to reform the banking sector, privatising state run institutions such as Taiwan Cooperative Bank.

Historically it has been tricky for foreign investors to operate in Chinese Taipei, but at the start of 2006 foreign capital surpassed 30% of the value of Chinese Taipei stock market

Chinese Taipei has been enjoying something of a real estate boom over recent years but analysts differ in their views on whether it will continue. Some predict that house prices will rise between 5-10% annually over the next four years while others are more reticent, citing the high prices of construction materials and rising interest rates as possible brakes on further rapid growth in the market.

One of the major factors influencing the economy in Taiwan is the tax system. Under a five year WTO tariff reduction programme, Taiwan is reducing tariffs by up to 40% on a wide range of products- for example, the average tariff on industrial products will decrease from 6 to 4.1%. Also since joining the WTO a process of liberalisation has begun, including companies being allowed to employ technical experts from overseas and 100% foreign ownership of mining interests deemed acceptable. Other reforms include an opening up of the insurance sector and tax breaks for businesses and investors

The media in Taiwan is a vibrant sector - in fact it is one of the most liberal in Asia. Taiwan is home to hundreds of newspapers, which are privately owned and free to express their views. Meanwhile the take-up of multi channel cable television in Taiwan is the highest in Asia

Source: www.oxfordbusinessgroup.com

TRADE FACTS (2005)	
Export to the World	: US\$ 189.39 Billion
Top Export Markets	: China, Hong Kong, USA, Japan, Singapore
Top Export Products	: Electrical, Electronic equipment; Nuclear reactors, etc; Optical apparatus; Plastic & other articles; Mineral fuels
Import from the World	: US\$ 181.59 Billion
Top Import Sources	: Japan, USA, China, Korea, Saudi Arabia
Top Import Products	: Electrical, electronic equipment; Mineral fuels; Nuclear reactors, etc; Optical apparatus; Iron & steel

**TAIWAN EXTERNAL TRADE DEVELOPMENT COUNCIL (TAITRA)
Chinese Taipei Trade Promotion Organization**

"TAITRA will try to do everything to satisfy their needs. If they need to develop international markets, then we will do our best (to help them). Just come to us."
Mr. David Lin, Manager, Planning & Finance Department

With the vision of becoming a world-class international trade promotion organization, the Taiwan External Trade Development Council (TAITRA) was established in 1970 as a non-profit organization jointly sponsored by the private sector, represented by various associations, and the government of the Republic of China (ROC). Its mission was to a) assist Taiwan businesses and manufacturers in developing their international markets, b) work closely with the Taiwan government to promote international trade, and c) provide business alliance consultation to connect international firms with Taiwanese partners.⁶

Receiving approximately fifty percent of its annual budget from the government, TAITRA is proud to deliver relevant and high-quality services through its 600-strong trained specialist present in its headquarters in Taipei, four local branch offices in Taichung, Kaoshiung, Hsinchi, and Tainan, and over 40 overseas offices worldwide.

Leading the organization is a Board of Directors headed by a chairman and a vice-chairman that provides policy and program direction. In terms of operations, TAITRA is directly supervised by a President and two Vice-Presidents on its respective departments and sister organizations, namely, Planning and Finance Department, Market Development Department, Strategic Marketing Department,

⁶ TAITRA Annual Report 2004

Exhibition Department, General Administration Department, International Trade Information Center, Trade Net Center, Taipei International Exhibition Center, International Trade Institute, Taipei International Convention Center, and Domestic and Overseas Branch Offices. Working closely with the Bureau of Foreign Trade (BoFT), TAITRA is able to harmonize its annual work program with the trade policies set by the government.

TAITRA currently offers a wide-range of services that cater to all industries, namely, a) Overseas Market Development, b) Strategic Marketing, c) International Trade Exhibitions and Convention Services, d) E-Trading Hub Services, e) International Trade Information and Education, f) Product Image Enhancement Plan (IEP), and g) Global and Domestic Network Office Services.

According to Mr. David Lin, Manager, Planning and Finance Department, TAITRA places premium on client satisfaction by developing new services to continuously address the growing needs of its various stakeholders. Among these new services is the "Business Alliance Program", a unique service in which TAITRA works closely with the ROC government in inviting foreign and overseas Chinese investors to Taiwan. Offering comprehensive trade and investment counseling and matchmaking services, the Business Alliance program paves the way for long term partnerships between foreign investors and Taiwan enterprises. Another notable service is the International Business Center, a one-stop service solution that assists foreign companies that are interested in pursuing investment opportunities in Taiwan. It provides comprehensive facilities and on-site consultants, delivering the latest and most complete information on Taiwan investment laws and industry information.

To offer a wide selection of Taipei trade fairs, TAITRA programmed seven new trade shows for 2006 to present the latest developments on Taiwan industries, namely, 1) Taipei Int'l Furniture Show (TIFS), 2) DigiTronics Taipei, 3) AutoTronics Taipei, 4) Nano Tech Taiwan, 5) Motorcycle Taiwan, 6) Taipei Int'l TV, Film & Digital Contents Exhibition (Taipei TFCOM), and 7) Taiwan Int'l Boat & Watersports Show (TIBWS). In addition, TAITRA for the first time will conduct an overseas trade show called the Taitronics Bangkok, to help Taiwan traders explore more the South East Asian markets.

To fully take advantage of the need to expand export markets through the overseas market development service, TAITRA has introduced the "International Brand Alliance (IBA) Project". The project aims to bring together international brand companies from similar and cross-related industries and consumer groups and the top-rated manufacturers in Taiwan for possible business agreement. Intervention of TAITRA includes, among others, professional services and expert recommendations on international marketing and commercial law for companies to meet the licensing requirements of these foreign brands. In 2004, the project has successfully coordinated 15 buyer-supplier matching cases, and has concluded 10 more cases by 2005.

To keep up with ever-changing dynamics of global trade, the organization has identified business tourism and agricultural products as emerging priority sectors

that need to be developed on. Taking advantage of an annual rate of 60,000 foreign business visitors attending Taipei Trade Shows, the government plans to double this figure by providing leisure tours customized based on their business schedule, thus prolonging their stay and increasing spending in Taiwan. In conjunction with Taipei's 12 major international trade shows, TAITRA initiates a couple of all-in-one industry, cultural, and leisure tours that range from either half-day, whole day, or even three to five days. And to efficiently facilitate such program, TAITRA has launched a useful website called "Taiwan Biz Tour" (www.taiwanbiztour.com) wherein business travelers could directly register online and join package tours that fit the business traveler's time in the island. As for the promotion of agricultural products, the organization has organized a series of overseas promotional activities that includes trade fair participation and cooperation with overseas retailers to stage Taiwan Food Fairs. To develop long-term partnerships with importers, TAITRA has invited foreign buyers to Taiwan for sourcing/procurement, and has continuously worked with said retailers to set up a Taiwan food/agricultural products showcase center.

Proud to be a leader in innovation on trade promotion practices, TAITRA, through its sister organization the Taipei World Trade Center (TWTC), has received various awards from the World Trade Center Association (WTCA). In particular, it was given the Award of Excellence in six categories, namely, a) Trade Technology Innovations, b) Trade Information Services, c) Group Trade Missions, d) Exhibit Facilities and Services, e) Conference Facilities, and f) WTC Club Facilities.

Overall, Mr. Lin has emphasized the desire of TAITRA to constantly fulfill the needs of the organization's various stakeholders, from small and medium enterprises to large-scale industry associations, to be able to show to the world the best of what Chinese Taipei can offer.

True to the excellence in the exporting world, TAITRA is pleased to identify three companies namely, Well Hand Industrial Corp., Golden Root Co. Ltd., and Alcon Telecommunications Co. Ltd. as among the increasing number of model export companies that have made impressive strides in exploring the overseas markets.

WELL HAND INDUSTRIAL CORPORATION

An Agro-based Export Trading Firm

"How to set up a business is difficult; how to maintain a booming business is even more difficult."

-Mr. Robert Chen, Owner/Manager

Well Hand Industrial Corp. is an open-type of corporation, wherein shareholders are relatives. The company, an export trader, started exporting general merchandise, moved to textile, switched to machinery, parts, industrial supply, packaging machine and food. At present, the company is into agro-based business (pineapple canning and radish). According to the owner, the diversification of products is due

to competition with China. But Well Hand can easily switch business being a trading company.

The Owner-Manager, Mr. Robert Chen, has an engineering background and came from a poor family in the province. He was employed in a general trading house of the government before and was able to save. Even without background in business, he started the business by buying an office space and a mini-computer more than twenty years ago, having an initial capitalization of 10 million NT. Mr. Chen preferred to maintain Well hand as an SME company for easy management of the business.

Most of the products exported by Well Hand are manufactured in Taiwan. At times, Well Hand also buys from other countries if it can find reliable sources. With employees of no more than 10, the company also does subcontracting in order to concentrate on one aspect of the business.

Well Hand has adopted a variety of business traditions and practices in its operations. In general, Taiwanese follows the Confucian teaching of good teamwork and finance management. Putting investment at the right time and place is what really matters. Through the years, Well Hand simply look for and talk to foreign buyers, and as a middleman, understands very well the buyers requirements. It then negotiates with factories for product supply. It is "finding the right person to do business with". It is also imperative to always maintain good reputation especially in credit standing. In the trading business, Mr. Chen has emphasized the importance of starting slowly but surely. In reality, setting up a business is difficult and maintaining a thriving business is even more difficult. One has to understand himself and the business competencies and build confidence. Being optimistic, forward thinking, setting targets and following good values in business are also important. Based on Mr. Chen's personal experience, politics give trouble to business. Mr. Chen compared himself to a bird flying everywhere and continues discovering things. His determination and ambition has brought him to where he is now.

Well Hand has also encountered some problems. Inherently, Taiwan is not an English-speaking economy and this remains as a constraint. Time came that Well Hand could not find suppliers and sources of merchandise as many factories have closed because of high cost of production. This compelled to switch products and markets from time to time. Another difficulty is selling to Middle East countries as Arabs are tough price negotiator and meticulous when it comes to quality.

Well Hand described TAITRA like a general trade information house ---- very functional, giving newsletter every week and has international trading promotion program --- providing everything such as exhibition, promotion and cataloging. "Even if you get into trouble, TAITRA will help", he added. A piece of encouragement he has given to fellow SMEs ---- do things without hesitation and that SMEs should no be afraid of the "giants", small fish can eat big fish. As recommendation to TAITRA, Well Han suggested that the former should upgrade themselves and to be helpful in the high-tech sector.

GOLDEN ROOT CO. LTD.

Manufacturer and Exporter of Hardware Tools

"Not easy to find a right partner in foreign countries because of different philosophies and ideas."-
Mr. Robin Chien, Overseas Manager

With products, under the label 'Panrico', ranging from hex wrenches, cordless drills/drivers, screwdrivers and bits, sockets, and pliers, Golden Root Co. Ltd. was founded by Mr. Michael Chen in the early 90s as an exporting arm of its mother company Panrico Trading Co. Ltd. From an initial staff size of 3, the company now boasts itself of 65 personnel covering its three offices in Taipei, Kaoshiung, and Taichung, with 2 factories located on the latter. With an average annual sale of US\$8.4M from 2001-2004, its export markets include China, Republic of Korea, Japan, Singapore, Indonesia, India, Canada, USA, UK, France, Germany, Russia, UAE, Turkey, Iran, and Lebanon.

It all began when Mr. Chen established Panrico in 1989 after seeing the opportunity in the booming construction sector in Chinese Taipei during that time. Since there were a lot of buildings and infrastructures rising as the economy accelerated, the idea of importing construction tools made a promising mark in his initial business venture. Thus, 5 years after focusing on the importation of construction materials for the domestic market, Mr. Chen decided to export hardware tools to some clients whom he developed good relationships with throughout the years. This gave way to Golden Root Co. Ltd. with the main goal of expanding business through exports.

According to Mr. Chien, Overseas Manager of Golden Root, setting-up an exporting venture is no easy task. It also depends on the willingness and cooperation of the client from the other end of the sales cycle. Knowing that Panrico label is of high quality that comes with a high product price, it is the philosophy of the company to make their export partners (importers) understand that they cannot compete with the cheaper products coming from China, but rather promises to deliver quality in all its exported goods. He added that with the global problem encountered due to the increasing price of steel, they are more bent in expressing to their clients the need to maintain quality but with a higher price, rather than on those tools mass-produced at cheaper value. In the end, the decision remains on the importers themselves but Golden Root is proud to note that they have sustained a reliable number of partners throughout these years.

Fully aware that the company's success was formed through endless trials and hard work, Golden Root acknowledges the role of Taiwan External Trade Development Council (TAITRA) in delivering more opportunities for its business. Specifically, TAITRA has assisted the company through promotional activities such as trade fairs. Golden Root receives regular information on exhibitions worldwide and customer profiles that match with its product qualifications. The company participates at an average of 3-4 international trade exhibits organized by TAITRA. To sum up, Mr. Chien has high regards to the quality of service TAITRA offers due to the regularity and relevance of information provided to Golden Root.

ALCON TELECOMMUNICATION CO. LTD.

Manufacturer and Exporter of Telecommunication and Wireless
Radio System Products

"We participate in exhibitions and shows organized by TAITRA to explore new markets; but we also participate in international shows by ourselves. TAITRA takes part in Alcon's success."

Mr.

Rickey Lu, President

Alcon Telecommunication Co. Ltd. (Alcon) coined its name from an Arabic word "alcon", meaning "universal". It was formed in 1990 in Taipei by a group of friends who are technical and sales persons. Alcon is engaged in manufacturing telecom and wireless radio system. Its key products are long-range telecom systems, walky-talky, DECT system, 2.4 Ghz wireless radio system; 2.4 Ghz pen booster (smallest power amplifier in the world). The telecom system focuses on long range/extra long range in 60, 100, 200 km; transmitted by analog signals and not digital. Mr. Rickey Lu, company president, was proud to say that Alcon products are compliant with the standards of Europe (CE), America (FCC) and Chinese Taipei (DGT). Almost 100% of Alcon products are manufactured in Chinese Taipei but some parts are imported from Japan. With a total of 70 employees and an asset size valued at US\$5 million, Alcon products are currently present in Iraq, Indonesia, Jeddah, Canada, Cameroon, West Africa, Honduras, Sudan, Nigeria, Venezuela, Ecuador and Vietnam.

Alcon established its Dubai office in 1997 that takes charge of Middle East Countries and some African countries. Its Miami office meanwhile was put up in 1999, responsible for America, Central and South American markets. Alcon has selling agents as well in Singapore and the Philippines. Its agents are local dealers and distributors in the market. Its first overseas market, the Middle East, remains to be the company's top market. In 1993, the Philippine agent helped to promote products in the Philippines and apply approvals in local area. Alcon has likewise big projects in Sudan and Cameroon. At present, 90% of Alcon's products are directly exported and the 10% goes to traders supplying to export market.

Alcon started as a small manufacturer of telecom equipment catering locally and began exporting to the Middle East in 1993. Its high selling product is cordless telephone. The prices are considered very competitive since 100% are made in Chinese Taipei, compared to manufacturers in the US and EU. It has strict quality control requirements and has taken pride in itself for product stability and competitive pricing with its competent engineers and technicians who have more than 10 years of experience in telecom. Its products have minimum faulty performance after long years of use and the company has always accepted product returns for repair. Generally, Alcon's products are reliable.

The top management is all-out support to the company's Research and Development team; hence, always following the trend of new technology, developing new products to match the present condition of the market. Even the

Board of Directors themselves keeps searching for new products such as new wire max technology and new tastes of same technology and devices. Along the process, Alcon has encountered some problems described as ladderized growth, difficulty in wireless market and difficulty in operations and development.

Alcon came to know TAITRA through the latter's advertisement for exhibition to which the former responded. Since then, Alcon has participated in small exhibitions and shows organized by TAITRA in order to explore new markets. Alcon however also participates in international shows and events by itself (through direct invitation) in going to the market that it has not touched yet. Alcon has already participated in Dubai, Saudi Arabia, Singapore, Asia and some North American shows.

Alcon admits that TAITRA takes part of the former's success, accounting for about 10%. Large part of Alcon's success can be attributed to the company's core competencies and strategy to help their products spread to other areas and increase sales territory. As a matter of policy, the company has kept good relationship with allies. In addition, employees stay for a long period of time. Nevertheless, the company recognizes that TAITRA does a lot of effort for the companies in Chinese Taipei and also did a lot for it; thus appreciates TAITRA's efforts.

6. PEOPLE'S REPUBLIC OF CHINA

China is a country with an early civilization and a long and rich history. The compass, gunpowder, the art of paper-making and block printing invented by the ancient Chinese have contributed immensely to the progress of mankind. The Great Wall, Grand Canal and other projects built by the Chinese people are regarded as engineering feats in the world. China, economically extremely backward before 1949, has become one of the world's major economic powers with the greatest potential, and the overall living standard has reached that of a fairly well-off society. In the 22 years following reform and opening-up in 1979 in particular, China's economy developed at an unprecedented rate, and that momentum has been held steady into the 21st century. In 2004, the government further strengthened and improved its macro economy, and the economy entered its best ever development period of recent years. The gross domestic product (GDP) for 2004 amounted to 13,687.59 billion Yuan, 9.5 percent higher than the previous year.

China adopts the "five-year-plan" strategy for economic development. The 9th Five-Year Plan (1996-2000) was outstandingly successful, and the 10th Five-Year Plan (2001-2005) mapped out the first plan for the new century, setting these main targets:

- Sustaining fairly rapid growth, strategic restructuring, improving the quality and benefits of economic growth so as to lay firm foundations for doubling

the 2000 GDP by 2010; substantial perfection of the socialist market economy and putting state-owned enterprises on a modern enterprise footing, thus allowing greater participation in international cooperation and competition.

- GDP to reach some 12,500 billion Yuan, and per capita GDP 9,400 Yuan by 2005 (at 2000 prices assuming annual economic growth of around 7 percent). A marked improvement in quality of life, with 5 percent annual growth in the disposable income of urban residents and in the net income of rural residents; keeping the registered urban unemployment rate stable at around 5 percent; maintaining generally stable prices and basically balancing international revenue and expenditure.
- Optimizing and upgrading the industrial structure to sharpen China's competitive edge. By 2005, the added value of the primary, secondary and tertiary industries will account for 13 percent, 51 percent and 36 percent, respectively, of GDP; employing 44 percent, 23 percent and 33 percent, respectively, of the labor force. Further improvement to infrastructure; increased urbanization and bringing the widening development disparity between regions under effective control.

Most of these targets have already been achieved ahead of schedule. At present, the government is drafting the 11th Five-Year Plan (2006-2010).

Economic restructuring is one of the most crucial elements of China's reform and opening-up policy. For the first 30 years of the PRC, the government practiced a planned economy system, whereby industrial production, agricultural production, and the stocking and selling of goods in commercial departments were all controlled by state plan. The variety, quantity and prices in every sphere of the economy were fixed by state planners. While this contributed to the planned, focused and steady development of China's economy, it also sapped its vitality and limited its growth. Economic reforms began with the rural areas in 1978, and were extended to the cities in 1984. In 1992, after some 10 years of reform in the clear direction of the establishment of a socialist market economy, the government set out the main principles of economic restructuring: encouraging the development of diversified economic elements whilst retaining the dominance of the public sector; creation of a modern enterprise system to meet the requirements of the market economy; a unified and open market system across China, linking domestic and international markets, and promoting the optimization of resources; transformation of government economic management in order to establish a complete macro-control system; encouraging certain lead groups and areas to become rich first, enabling them to help others towards prosperity too; the formulation of a China-appropriate social security system for both urban and rural residents, so as to promote overall economic development and ensure social stability. In 1997, the government stressed the importance of the non-public sector to China's national economy, in which profitability is encouraged for such essential factors of production as capital and technology, so as to further progress economic reforms.

A socialist market economic system has now taken shape, and the basic role played by the market has been improved in the sphere of resource allocation. At the same time, the macro-control system continues to be perfected. The pattern has basically been formed in which the public sector plays the main role alongside non-public sectors such as individual and private companies to achieve common development. According to the plan, China is forecast to have a relatively complete socialist market economy in place by 2010 and this will become comparatively mature by 2020.

Source: www.oxfordbusinessgroup.com

TRADE FACTS (2005)	
Export to the World	: US\$ 761.95 Billion
Top Export Markets	: USA, Hong Kong, Japan, Korea, Germany
Top Export Products	: Machinery & electronic products; High & New technology products; Garment acce; Automatic Data Processing equipt; Yarn and fabric products
Import from the World	: US\$ 659.95 Billion
Top Import Sources	: Japan, Korea, Chinese Taipei, USA, Germany
Top Import Products	: Electromechanical Products; High & New Technology Products; Integrated Circuit Components; Crude Oil; LCD Board

CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE
(CCPIT)

People's Republic of China Trade Promotion Organization

"It is important for TPOs from developed economies and developing economies to share experiences and best trade practices so that TPOs can serve the business community better."-

Mr. Qu Pengcheng, Deputy Director, Division for

International

Organizations Department of

International Relations

The China Council for the Promotion of International Trade (CCPIT) was established in 1952 as a quasi-government organization reporting directly to the Vice-Premier of China. It was established based on the country's need to address the embargo sanctioned before by major western countries due to the rise of the socialist China back in 1949. Conducting trade with the US, UK, and Germany was difficult and CCPIT became the answer to counter the said embargo.

The goals of CCPIT change according to the international environment and China's national development strategy. In the 1950s, the organization's main mission was to establish trade contacts with other countries, serving as well as a diplomatic

channel to those without diplomatic relations with China. After the reform in 1979, the country had an enormous strategy transformation; opened doors to foreign countries and sought foreign investments and expanded trade relations with foreign countries. CCPIT thus served as a forerunner in expanding establishing trade relations with foreign countries.

Main functions of CCPIT include trade promotion ---- organizing business delegation to visit other countries to establish good relation; receiving business delegation from other countries; holding matchmaking events for the business delegation and local Chinese people ---- trade missions both inbound and outbound, and domestic and overseas exhibitions. CCPIT has been authorized to host exhibition outside China, e.g. Frankfurt, Las Vegas. In addition, the organization provides legal service, arbitration (through the China International Arbitration Commission under the Dept. of Legal Service) and economic information. CCPIT sponsored the establishment of China International Arbitration Commission, which is the largest one in China with the longest history and the number of cases lodged are number 1 in the world. The functions of CCPIT expand relative to China's economic integration with the world economy. During the early years of CCPIT, it only served the purpose of trade. With the maturity of Chinese economy, the demand from the businesses increased and CCPIT expanded its businesses to cover other areas.

CCPIT has representative offices in 15 cities worldwide such as US, UK, France, Belgium, Germany, Russia, Singapore and many more. The personnel in overseas offices collect market information, industry information and the same are converted into monthly journals, published and distributed to CCPIT members in China. They also look for business leads from the Internet and other media sources; and publish and give the same information to members.

In terms of organizational structure, CCPIT has a Chairman, 5 Vice-Chairmen respectively responsible for various departments, namely, a) Department of International Relations, b) Department of Arbitration, c) Department of Economic Relations, d) Department of Legal Service, and e) Department of Publicity. A Director General and 2 Deputy Director-Generals, directly supervising the various divisions under it, head each department.

CCPIT has 50 sub-councils within China. Each province in mainland China has provincial level sub-council. There are also industrial sub-councils such as textile and automobile sub-councils. Industrial sub-councils are under a different Ministry but CCPIT provides guidance and directions to these industrial sub-councils.

Generally, CCPIT services are provided for free to its members since part of its funding come from the government, receiving approximately half of annual budget from the latter. There are charges however for publications such as market reports. CCPIT currently has 235 warm bodies. Some departments need to increase manpower while some departments can decrease staff size. Out of 235 personnel, 71 are female, the rest are male.

CCPIT drafts its annual programs 3 months preceding a year. As a TPO, CCPIT sets the national strategy on export and import trade -- what China will do in the next 5 years. The 5-year plan serves as a general guidance to the organization's work. CCPIT also refers to the working plan of the Ministry of Commerce. There are informal consultations and feedback mechanism before the drafting of the plan.

CCPIT provides the following services to exporters - exhibitions, matchmaking of events (China and overseas), information dissemination to Chinese industries, industrial matchmaking activities, seminars and business conferences and trainings. It also helps create opportunities for investors and those who seek investments. CCPIT disseminates information through its website. Events invitations are sent by email. ICT application makes CCPIT more efficient and effective; activities and some programs are done online.

There is no quantitative measure for success of CCPIT. CCPIT's goal is to assist government strategically. CCPIT's achievements can be seen by how many events it has organized. For exhibitions, there are measurements such as number of participants, attractiveness of exhibits, etc. For representative offices, they are required to submit certain number of reports. CCPIT gives assistance in whatever way it can. For instance, an exporter came to CCPIT requesting market information on Sweden; CCPIT will provide a local contact - Swedish Chamber of Commerce or sector association.

In order to be responsive to the changing needs of the business sector, the China International Chamber of Commerce will be separated from CCPIT, a kind of step forward. National trade strategy is CCPIT's main goal. The International Chamber of Commerce will assist businesses specifically. They'll have more interaction with business. The number of members is limited and they pay fees higher than what they pay to CCPIT. They will get better service, thus responding to the companies' needs more accurately.

CCPIT recognized the need for improvement. Among them is the need for CCPIT to follow the economic trend; now that the private enterprises are booming but lacking in international exposure, then CCPIT can provide service to these companies. Since some companies do not know about CCPIT, it needs to promote its image to these matured private companies, exposing them to what CCPIT can offer.

The Chairman of CCPIT, who was new three years ago, wanted very much to reform the CCPIT structure. He established an office for CCPIT reform and development. The reform plan is underway with the help of chambers of commerce and TPOs in other countries. According to Mr. Qu Pengcheng, Deputy Director, Division for International Organizations, Department of International Relations, to better serve the clients, CCPIT needs first to understand their needs and wants. Probably sometimes, what CCPIT provides is not what the clients need.

For CCPIT, economic globalization provides a great challenge for TPOs. In their case, the challenge is to seek what the business needs and to provide tailor-made specific information through IT-based channels.

XIANGHE BOYUAN CLASSIC FURNISHINGS CO. LTD.

Manufacturer and Exporter of Classic Chinese Furniture

"Profit should not only be the focus for you to decide whether to enter the market. You should also ask yourself whether you are ready to devote yourself in this undertaking, whether you'll love this undertaking. That is a factor for you to succeed. "-

Mr. Zhang

Xuecai, Chairman

About the Company

Established on October 24, 2000, XiangHe Boyuan Classic Furnishings grew out of the former Xianghe Jade Inlay Factory which was founded in 1989. Experiencing business slowdown, the latter had to sell all its assets covering 15,000 square meters of land area with 6,000 square meters of infrastructures such as plants, workshops, warehouses and offices. Thus, Mr. Zhang Xuecai took advantage of the opportunity in assuming the business and eventually bought the company. Such move was old news for him since he himself started out working in this company since he was 15, serving as a jade-cutting technician for the different furniture designs. With a registered capital of US\$1.05M, XiangHe Boyuan employs approximately 300 employees, 200 of which are located inside the main factory and office, while 100 are employed on outside factories that provide production support.

Mentioning the company's vision, Mr.Zhang wants the company to further 'internationalize'. For him, he doesn't only want to export those classic/traditional Chinese style furniture, but to generally spread the Chinese culture the world over. This vision is seen from the wide-ranged furniture products the company offers, namely, hardwood, lacquer-based, classic reproduction made from Elmwood, and weathering-effect wood-based, among others.

Path to Success

The company's export success is attributed to several factors Mr. Zhang highly considers. Topping the list is on one's capacity to care and love the business. He mentioned that, as an example, before one enters a particular market, one has to ask one's self whether one can fully devote all efforts on this undertaking. Without the desire and the decision to commit, business ventures will be futile. Another factor is to maintain good rapport with clients, which also translates to honesty as a good business practice. This was the reason why they were able to get the trust of their clients abroad since such practice allows them to be very transparent and open to their needs and suggestions. Lastly, any product must serve up to the

highest level of quality. XiangHe Boyuan assures the delivery of high quality furniture products, made by authentic craftsmen out of pure labor done intricately. This is manifested in the different designs, from carved wood to cut-jade embellishments on tables, chairs, drawers and huge cabinets among the primary product items. These factors continue to provide the company with the right attitude to pursue success vigorously.

True enough, penetrating the company's first export market was just on its way. Being granted the direct foreign trade right, the company linked up with a trading firm in the USA to showcase its products and attract would-be customers. With an initial shipped goods amounting to US\$40,000 in 2000, the company has increased its shipment per year by an average of US\$300,000, and currently partnering with more trading firms to boost export sales. Based on export market shares, USA and Korea both contribute 40% each of the total shipped goods, while UK gets roughly 20%.

Mr. Zhang still admits the presence of major tumbling blocks to be fully addressed in harmonizing the operations of the company. He mentioned capital as one of the problems, in consideration of their desire to expand their production capacity due to increasing market demand. However, it was he who easily rebutted that he would rather not rely on bank loans. Acting seemingly as conservative, he would instead depend on the current flow of profit to strategically infuse expansion in the production. Another problem to deal with is the declining number of available craftsmen/technician in the villages. Knowing that the furniture business is entirely reliant on these craftsmen, Mr. Zhang found a solution by attracting university graduates to work in the factories. As such, He firmly believes that company will easily address such hurdle. Overall, XiangHe Boyan is able to cope-up with the demands of a growing company by making sure that it remains realistic to its goals and aware of the challenges along the way. In fact, as a sign of success, XiangHe Boyan received recognition awards from the government for the high tax contribution due to its export earnings.

Getting Acts Together

In terms of seeking assistance from the government, Mr. Zhang believes that the greatest policy a company can adopt is to be self-reliant. Though there are struggles along the way, XiangHe Boyan maintains the wisdom behind doing business independently, fully reliant on the company's own capacity to maintain the mature channels, the mature clients.

BEIJING EASTAR CO. LTD.

Exporter of Jeans

<p><i>"What is your advantage? This is very important. If you don't know what is your advantage, you (your business) will die."</i></p> <p>Qun, General Manager</p>	<p>Mr. Dang</p>
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About the Company

Taking advantage of the ever-popular 'jeans' market, Beijing Eastar Co. Ltd. was established by Mr. Anshi Gao in 2000 as a trading company that imports technical machines from Germany and Australia and exports jeans to Russia, Hong Kong, and Japan. With the aid of its current staff size of 20, the company aims to expand business through the establishment of its own manufacturing factory.

Path to Success

The company has its humble export-business beginnings in 2002 when after three months upon application, the Chinese government granted it with an exporting license. A year after, it ventured on its first export market in Russia with a shipment of approximately 5,000 pairs of jeans, increasing to 100,000 pairs by year 2005. According to Mr. Qun, the opportunity in the jeans market is seen everywhere such as in France, Germany and Spain wherein most people wear jeans all-year round, be it in autumn, spring, summer and even in winter. To add, he mentioned that a person usually buys 3-4 pairs a year that makes this business more attractive. However, the challenge is a mixture of several factors composed of, among others, the right quality of jeans, the suitable market price, and the attractiveness of style to cater to different clients. To begin with, the company knew nothing about jeans as an export product. But after several months of negotiations with possible buyers, through a series of product sampling and modification based on order specifications, Beijing Eastar was able to penetrate the export market.

With the garment sector experiencing a quota-free regime, competition is thus tightened across the globe. As such, companies must be wise enough to survive by looking into their own advantages over the others. It is because of such competitive business environment that Beijing Eastar would like to focus on design as a tool to maintain export momentum. Fully aware that sustaining a set of stable designers is difficult at the moment due to competitive salaries across the industry, the company has managed to solve this by hiring even just a single designer with full support on current fashion trends exposure. Attending fashion shows and purchasing design books and magazines among other design-oriented activities, the company knows that the battle is on 'ideas', predicting where the trend is going and easily coming up with designs to follow such trend.

Getting Acts Together

At present, the company has not yet asked the assistance of the China Council for the Promotion of International Trade (CCPIT), but is definitely clear as to what the latter can provide. Realizing that CCPIT has a vast network of offices worldwide, Beijing Eastar will find it beneficial to receive market intelligence reports on selected countries of interest which might include the political and business environment, and even on transaction risks. The trade promotion organization could also provide verification of buyers' profiles to forewarn Chinese companies on possible business risks they might encounter with their dealings.

In the end, Mr. Qun stated that every business must be done with little help from others. It is all about doing it with one's self and learning to survive amidst all struggles.

CITIC INTERNATIONAL CO., LTD.

Exporter of Electric Equipment and Metals

"Before starting the business, select the right type (of business)s, attract the right persons / talents and keep them together to maintain the teamwork to make perseverance efforts to attain the goal of the business".

Ms. Liu Yu, Vice President, CITIC

International Co. Ltd.

About the Company

CITIC International Company Limited, founded in 2002, is a wholly owned subsidiary company of CITIC Group. The company exports electric equipment and metals to major markets such as Japan, US, Russia, Europe and other small markets in Southeast Asia. As an export trader, CITIC gets the products from several parts of China provinces; other export products are manufactured by sister companies in the CITIC Group.

The company's mission is to to become a larger export company in China; to find the product where the company would have advantage so the company can compete in the international market; and to increase the profit rate of the capital.

With an asset size of US\$140M and supported by seventy-two employees, CITIC is headed by a President, three Vice-Presidents responsible for different functions, and a Chief Finance Officer. It has six functional departments and four internal departments. There are support staffs in each department.

Path to Success

CITIC's success can be attributed to factors such as good job on risk control; good management team --- teamwork has been good, execution of regulations; good business environment for exports and good reputation in the market and banks. Like any other business enterprise, CITIC also encountered problems in their operations. These are shortage of supply of products, departure of middle level managers and rising market prices of the products. These issues have been addressed through mutual understanding with the clients and maintaining long-term good relation with CITIC.

Getting Acts Together

First interaction with CCPIT could be dated back as early as 1980s with the mother company, CITIC Group, which was founded in 1979. Since the founding of the company, it has maintained good relationship/partnership with CCPIT. The kinds of assistance received from CCPIT were related to good platform for communication with foreign partners; regular economic information, invitations for business events hosted by CCPIT, business delegation to other countries. CCPIT services have their own advantage, with all its services equally important. However, CITIC admits on usually relying on its own resources rather than going too CCPIT for assistance.

In future, CITIC hopes to receive free economic information of certain markets.

7. PHILIPPINES

The Philippines is a large archipelago of seven thousand islands near the coast of Asia. With its 7,107 islands, the Philippines has a very diverse range of products. The primary commercial products are hemp, sugar cane, tobacco, coconut, rubber, gold and copper deposits. The Philippines is also one of the largest producers of coconut, cassava, mango, pineapple, tilapia, tuna, shrimps, and prawns and considered as the world's third largest producer of bananas, after Costa Rica and Ecuador. Much of its trade is done with the two major trading partners, the U.S.A and Japan.

According to the Department of Trade and Industry (DTI), the Philippines traded some US\$88.17 billion worth of merchandise goods with the rest of the world in 2005. Total exports reached US\$41.22 billion while imports amounted to US\$46.95 billion, resulting in a trade surplus of US\$5.73 billion. Generally, the Philippines ranks 39th as export market and 37th as import source with the world. Key exports are semiconductor devices and computer peripherals, automobile parts, electric machinery, textiles and garments, wheat and animal feeds, and coconut oil. In addition to other goods, the Philippines imports rice, raw and semi-processed materials for the manufacture of semiconductors, electronics and electrical machinery, transport equipment, and cereals and cereal preparations.

In response to the vision of "Development and Industrialization" as stated in Medium-Term Philippine Development Plan ,1987-1992 (MTPDP), the policy plan in relation to SME and export promotion was organized in 1989. Currently, the National SME Development Plan 2004-2010 is being implemented where contribution to the export development is listed as a goal of strategy development. SME development and export promotion are distinctly connected to this development.

On the other hand, as to the export promotion, there enforced the creation of the Philippine Export Development Plan (PEDP), which provides the guide to boost export performance for the next three years and lay the groundwork to develop a

sustainable and globally-competitive export industry; and the establishment of Export Development Council that oversees the implementation of the plan, and the export development law defining the preferential treatment to companies engaging in export business. The PEDP is continually revised as the new plan is made every three (3) years. Along with this, the Small and Medium Enterprise Development Council (SMEDC) is the country's primary agency responsible for the promotion and growth of SMEs.

The DTI, which has primary control over establishment of the trading policy and maintenance of the operation, is the important player among government agencies who provide services related to export. DTI has six (6) groups of line departments namely consumer welfare and trade regulation; international trade, industry and investment; SME development and regional operations. The group of promoting SME was constituted in 2004. With the recently organizational restructuring, three (3) organizations from the International trade group (Product Devt and Design Center of the Phils.; Center for International Trade Expositions and Missions; and Phil. Trade and Training Center) have moved to SME group which reflected a focus on fostering export-driven companies as a goal to promote SME.

Micro, small and medium enterprises (MSMEs) play a significant role in Philippines' development. In 2004, MSMEs accounted for 99.7 percent of the country's total business enterprises (811,592) and generated a 69.1 percent share of total employment. While SMEs provide more jobs compared to large enterprises, they however, contribute only 31 percent of value added. (*SME Development Plan, 2004-2010*).

TRADE FACTS (2005)	
Export to the World	: US\$ 41.22 Billion
Top Export Markets	: USA, Japan, China, Netherlands, Hong Kong
Top Export Products	: Electronic Microassemblies; Transistors, etc; Automatic Data Processing Machines Parts & Acce; Monolithic Integrated Circuits; Computer Data Storage
Import from the World	: US\$ 46.95 Billion
Top Import Sources	: USA, Japan, Singapore, Chinese Taipei, China
Top Import Products	: Parts of Electronic Integrated Circuits & Microassemblies; Crude Petroleum Oils; Automatic Data Processing Machines Parts & Acce; Petroleum Oils; Monolithic Integrated Circuits

BUREAU OF EXPORT TRADE PROMOTION (BETP)

The Philippines Trade Promotion Organization

"We are in almost all aspect of an exporter's life."

- Mr. Fernando P. Cala II, Director

As the lead export promotion arm of the Department of Trade and Industry tasked to develop, promote, and expand export trade, the Bureau of Export Trade Promotion (BETP) seeks to enable Philippine exporters to compete with world-class products and services in the international market. Established by virtue of

Executive Order #133 dated February 27, 1987 during the transitory phase in Philippine politics, from the Marcos regime to the democratic Aquino administration, the Bureau's main tasks are to:

- formulate country and product export strategies;
- conduct research on new product development and adaptation opportunities in the export markets, as well as identify the domestic supply base for such products;
- maintain an integrated information system on all aspects of the products and commodities relevant to export marketing;
- review and identify appropriate measures to minimize or deregulate export-import procedures and other foreign trade laws necessary to stimulate the international marketing of Philippine products. These tasks are concretely realized by the support provided by the entire structure of the Bureau and in coordination with the other agencies part of the International Trade Group of the Department.

With a 111-strong workforce, the organization is composed of three functional groups, namely:

- a) Trade Information & Assistance Group (TIAG) – Export Trade Facilitation Division, Communications Division, Electronic Data Processing Division, Administrative Division, and Technical Support Division,
- b) Market Strategy and Consultancy Group (MSCG) – ASEAN Division, Americas Division, Japan and Australasia Division, Europe Division, and Greater China, Korea, Middle East, Africa (GCK-MEA) Division;
- c) Product Research and Strategy Group (PRSG) – Food and Food Preparations Division, Resource-based Commodities Division, Industrial Manufactures Division, Consumer Manufactures Division, and International Services Division.

Offering wide-ranged services, the Bureau prides itself in offering several integrated and relevant frontline services to the country's export industry. This frontline team serves as the customer/exporter relations personnel for export trade-related inquiries, providing real, immediate, and substantial assistance to existing and potential exporters. The Export Assistance Network (EXPONET) is the immediate frontline support provided to the export community. In minimizing the uncertainties of getting started in the export business, EXPONET handles assistance on export-related matters including export procedures and documentation, trade complaints and other general concerns of the sector. This is the most convenient area of interaction for those who plan to venture on exporting their goods to potential markets. In establishing such service, local businesses are propelled to undertake business expansion through exports. Another integral frontline service is the Business Matching Center (BMC). Foreign buyers and local exporters find commonality through this special information service. The center receives inquiries regularly and directly from international importers and the Philippine Foreign Trade Posts abroad. This is where the key role of the various Philippine Trade and Investment Centers (PTICs) strategically located globally enters the integrated international trade cycle exercised by the entire Department. As trade inquiries come to the attention of the competent trade representatives/commercial attachés,

communication is thus sent to the Bureau for immediate matching with the domestic suppliers. There exist then in the Bureau a repository/data base of local exporters/suppliers per identified sector and a counterpart listing of foreign trade importers. What makes this service worthy of an exporter's attention is that the information at-hand is provided for free. Thus, most legitimate local exporters take advantage of such service to expand or penetrate on existing or potential markets. In addition, the Bureau also maintains an interactive online system to cater to those who prefer doing rapid information referencing via the Internet. Known as the Tradeline Philippines, with web address <http://tradelinephil.dti.gov.ph>, the system offers, among other things, a unique service composed of export and import statistics, exporters' directory, product and market profiles, and other valuable industry links. Most clients refer to this online site to check on updates on policies, trends, and other information that affect their business.

On top of the various frontline services presented, there is also an Export Trade Complaints Committee (ETCC) wherein different officers from appropriate offices/agencies sit together to address disputes arising between local suppliers/exporters and foreign buyers. The Bureau has a pool of personnel who are judicially trained to mediate on export-related complaints to hamper further escalation of the problems. This committee serves as a preventive tool to proceed with the normalization of trade among businesses. As an additional service, the Bureau maintains an International Trade Resource Center (ITRC) wherein a wealth of trade information is made available through a specialized library. Ideal for businessmen and the academe, the center holds a comprehensive collection of printed and electronic materials such as books and journals on international trade with emphasis on product and market information. Clients can utilize the library for their own researches, moreso that several materials are purchased by the Bureau to assist those who cannot afford purchasing these publications by themselves.

The Bureau provides specialized services to its clients through the cooperative functions of the Market Strategy and Consultancy Group (MSCG) and the Product Research and Strategy Group (PRSG). These two groups are composed of personnel well trained to address specific issues and concerns on their area of specialization. The MSCG provides exporters with updated information and other valuable tools to increase export sales in identified markets. The group links up with different PTICs, trade organizations, and industry chambers in efficiently delivering necessary service and information. On the otherhand, the PRSG assist exporters on the domestic front. With specialization on product categories such as, among others, food, consumer goods, and international services, the group focuses on trade policy issues, as well as updates on research and development for specific products during consultative meetings with the product officers. Overall, both groups are integral in the establishment of export businesses through their collaborative efforts in business missions abroad.

As a response to the rapid trade liberalization experienced in the international trade arena, the Bureau recognizes the need to arm itself with the necessary tools to safeguard the interest of its stakeholders. This thinking allows a wider room to strategically reinvent the current structures and services to upgrade to an updated

and highly efficient organizational set-up wherein issues are addressed fast and actions are formulated immediately. Thus, as part of the current administration's plan of beefing up the bureaucracy, making it leaner yet more effective, the Bureau is undergoing a thorough review and restructure to eliminate redundancies in functions and sharpen key areas of specialization. This in effect aids in the Bureau's long shot forward as more and more issues are faced by the export sector. An example of such review is the reorganization of the Market Group to cater to the strategic roles of the various key export markets. There will be a re-classification of trade markets, in consideration of the roles they play in the promotion of the Philippine export sector. In addition, products would also be evaluated based on the growing and changing consumption trends of these particular markets. At the same time, the introduction of Knowledge Management as a vital tool to handle such wealth of information gathered daily from the trade posts, Internet sites, trade chambers, and the like will prove to be consistent in this age where knowledge is definitely a powerful instrument. As such, it is acknowledged that IT has a central role to play in the Bureau's re-innovation. At present status, the Bureau aims to hone the IT-capabilities of its different personnel. Trainings and seminars are provided to ensure that no one is left out. At the same time, clients are also encouraged to participate in the re-tooling of IT skills by engaging themselves in paperless trading. As such, the general trust of the Bureau is to guarantee an effective transition of IT integration to the entire system of export trade services.

Overall, the relevance of the Bureau to its export clients is more felt than ever. Competition is fast becoming a validation of the rule of the game, even if integration is poised to address the former. However, the challenge is to reassess the Bureau's line of business, upgrading services by refocusing approach and sharpening system by integrating IT tools. The Bureau is wasting no time to innovate itself and in no less time plans to reap the hard-earned fruits of its progressive approach.

Mega Fishing Corporation

Philippine exporter of canned sardines

'Success is a continuing process. One has to keep on striving. One might get to a certain point of success but competitors are coming in so one should not stop'. –

Mr. William Tiu Lim, President and CEO of

Mega Fishing Corp.

About the Company

Mega Fishing Corporation (MFC), is a commercial deep-sea purse seine fishing company based in Zamboanga City, was formed in 1995. Initially it employs 300 workforce however at present, the company employs over 800 both inland based and fishing ground.

The company has seven (7) sets of commercial deep-sea purse seines totaling 55 fishing vessels. Each fishing vessel is fully equipped with high tech sonar and fish finders to have the competitive edge of locating more fish. Moreover, MFC has its own 175 meters marginal Warf, dry-docking and repair facilities; a 360 tons ice plant (considered as the biggest in the whole Mindanao) and 600 metric tons cold storage plant. Modern steam dry fishmeal plant; semi-automatic, high-tech sardines canning plant, which are all, located in Zamboanga City.

After 4 years in the fishing business, MFC through its own canning factory, started its own brand, which is now called the MEGA SARDINES. According to Mr. Lim, their logo is 'From Catching to Canning', meaning each mega products are guaranteed for its high quality and freshness of all fish being canned. It only takes the company 12 hours after catching to be canned. Also, the owner guarantees that mega sardines are high in Omega 3 fatty acids, which helps maintain a good heart and prevent hypertension. It has a competitive price against leading brands.

Mega sardines product lines include oil based sardines – like Mega Sardines in Natural Oil, Mega Sardines Style, Mega Sardines in Vegetable Oil, Mega Sardines in Hot & Spicy and Mega Sardines Spanish Style in Bottle which is made with first class soya oil and fresh tender, not sun-dried fish. It has also introduced the world's first and latest innovation, the Mega Sardines in Handy Pouch, which answers the consumer/s needs: easy to open, easy to carry and easy to prepare.

Getting Acts Together

According to Mr. Lim, joining trade fairs and selling missions through the Department of Trade and Industry (Philippine TPO), are two important avenues in promoting their products to foreign markets. Through these activities, they were able to get their long term clients. However, Mr. Lim must admit that joining trade fairs and missions are expensive, especially for new exporters since they will be spending on airfare, hotel accommodation, food, booth rental and other miscellaneous fees. This may be difficult but what he is stressing is that one must invest in these kinds of marketing and promotion activities. Through frequent participation, foreign buyers/clients will realize that they are indeed one serious and credible exporter. He cites a concrete example where Mega has a long-time customer from South America. They have not met yet personally until now but according to the foreign buyer, they saw mega on one of the trade fairs.

Value-added information such as markets research, export & import statistics, buyers' contacts, training and product development seminars offered by DTI and other Philippine government agencies are very useful for Mega.

Moreover, the productivity seminar by DTI in Zamboanga City is also one significant venue for getting information, where it discusses the topic of globalization and its advantages/disadvantages to exporters. Mr. Lim realized that with the onset of tough competition, Mega should open its doors to continuous improvement and innovation to gain competitive advantage over its foreign sardines exporters.

Path to Success

On the other hand, Mr. Lim acknowledges that the Philippine government is doing its best to assist exporters however still lagging behind in terms of support compared to its neighboring Asian countries. Support here means financing and better promotion.

This being the fact, he still emphasizes his outlook for success, that, 'Success is a continuing process. One has to keep on striving. One might get to a certain point of success but competitors are coming in so one should not stop' according to Mr. Lim. This is manifested by Mega's providing continued quality product and service to customers. Through the years, Mega has adopted several ways to maintain its excellence in the sardines export business. This can be seen through HACCP, EU, FCE/SID accreditation, Halal certification, automated machineries, obtaining its own ice plant (to guarantee freshness of the fishes), building its own pier, innovative packaging (in collaboration with the DOST) and building an empowered marketing group.

'Although DTI has limited capacity, I know they are doing everything they can to help us exporters. Without DTI, we won't be in this position right now. We won't have direction. We will be lost. I am very helpful to DTI because it helped us succeed in exporting our sardines to the world' he added.

CHIKKA ASIA, INC.

Exporter of Mobile Messaging-Based Applications

"I think success is basically on its people and how the people look at the direction of the company and everyone strive for that same goal." -

Edmundo T. Agcoili, Jr, Chief Corporate

Communications Officer

"The success of the company really depends on how the user's perceive the product, how much they like our products." -

Chito

A. Bustamante, Chief Operating Officer

About the Company

Philippines is being regarded as Short Message Services (SMS) capital of the world and chatting from computer is immensely popular when Chikka Asia, Inc. was founded in 2000. It began when the founders, Dennis Mendiola (Chief Executive Officer) and Alexandra Roxas (Chief Administrative Officer) took up consulting about the viability of the business of marrying two technologies: Instant messaging and SMS in consideration of the volume of text messages a day which is 30 million. In the same year, Chikka Asia Inc. was established with a team of fully competent

engineers and developers comprising the organization. At that time, Chikka started filing multiple patents pertaining to SMS applications, thus, creating a group of young inventors at ages of 24 and 25. In 2001, Chikka officially launched in the Philippines, the "Chikka Messenger", an instant messaging from a mobile phone (allows personal computer users to send text messages to mobile phone users) which is the world's first mobile instant messaging. Chikka is a pioneer in wireless application services development and became the leading provider of enhanced mobile messaging services to mobile carriers around the world.

Primarily, the company's vision is to build the world's first mobile messaging to run in SMS and to launch in the Philippines, however, they were able to achieve it on the first time. At present, they have bent a much larger vision, which is to marry the wired and wireless world regardless of geographical and technological differences and to unite people to one big community.

Chikka is into 5Cs, where their products and services are simply categorize, namely, (1) Communities – mobile auctions and classifieds, mobile matchmaking, personals and anonymous chat; interactive TV, mobile alerts; (2) Communications – Chikka Messenger (brain child of chikka), SMS-collect and txtback; (3) Corporate Solutions – mobile messaging systems, mobile newsletters and hotlines, mobile media advertising and promotions; (4) Content – SMS, Multimedia Message Service (MMS), voice-based value-added service; and (5) Commerce – airtime transfer, and mobile payments. Its affiliates are Bidshot.com (an auction site and mobile-enable for bidding and bid alerts, message boards and classifieds); and Crushcow.com (website introducing the mobile way of dating and matchmaking).

Chikka employs 210 staff members and caters to 25 million subscribers around the world. Chikka is the most widely-used and viewed electronic properties by Filipinos, next to email itself. Globally, on internet side, more than 30% is PC users and the rest are mobile users. India is their main market. Currently, Chikka successfully penetrated the markets of Guam, Singapore, Hong Kong, Indonesia, Malaysia, Thailand, USA, China and Japan, with plans to cover Europe and Latin America for future expansion.

Path to Success

According to Mr. Edmundo Agcoili, Chief Corporate Communications Officer, Success in the business is when users are able to give them feedback and the business and its people are able to turn around and give the users what they want and again the users are able to use these changes. "Having revenue as well define success, but that's a given. But for company who try to do what people say is seemingly very hard or not possible and the company strive to do it no matter what, I think success is basically on its people and how the people look at the direction of the company and everyone strive for that same goal", Mr. Agcoili said.

Chikka became the first mobile-data enabler in the world to achieve global standards certifications such as Information Security Management Systems (BS7799), IT Services Management Systems (BS15000) and ISO 9001:2000 - a

standard for Quality management Systems. Chikka embraced global processes and global certifications to be recognized as company that is capable in developing alongside global players and become a global player themselves. Mr. Chito Bustamante, Chief Operating Officer, further emphasized that it is important to adhere with these standards for the reason that the global community made it known to international partners who recognize these certifications and the processes involve.

Chikka (which translates as "small talk") considers itself an innovator in mobile messaging services, having established its own identity in the Internet where it provides free PC-to-mobile messaging. Chikka considers creativity and commitment of its people the company's premier strengths. The company attributes its success to capitalizing on the company's creative and innovative ideas. Since they are building technologies, the culture is creativity. They gathered ideas from their employees and this culture fueled better cooperation, if not, a better employees.

Getting Acts Together

While Chikka has been documented in several journals, still they consider support would come in terms of information disseminations, they believe it would be a big help for Chikka to be documented. They also consider the need for actual business development or business matching. The company has joined International exhibitions and missions led by the Department of Trade and Industry (DTI); however, they prefer to be a part of a Philippine pavilion due to high cost of participation if they will join separately. Air communications and telecommunications can be part of trade missions as well since they believe that the country leads when it comes to services especially in this type of third world country, which gives value to utility applications like Chikka. Continuously, Chikka has been promoting Philippines as a global hub and they believe the kind of support they will appreciate most is for the government to point the people towards Philippines for wireless applications and mobile messaging based applications.

For Chikka, the Philippines is still the most important market and they appreciated the DTI all these years for fostering a free environment to develop and to market the services via their partners (Globe Telecoms and Smart Communications). More specifically, for launching SMS based applications in the Philippine market through promotional activities. On the whole, Chikka appreciated the DTI for its active support to export expansions.

Juboken Enterprises Exporter of coco-fiber products

'Belief, perseverance and risk-taking are some factors that contributed to the success of the business'. –

President

Dr. Justino Arboleda,

About the Company

Juboken Enterprises started in 1995 as a poverty alleviation research project of Bicol University, Philippines. It was revealed in that research project that the vast poverty in the region is in the coconut plantation areas. The farmers were ignorant on what to do with the farm. While coconut is called the "tree of life", they could only get copra (the dried flesh of the coconut from which coconut oil is extracted) and the residues were thrown away as wastes.

Juboken is the original mother company. Later, Coco Technologies Corp. was created with the development of erosion control nets, including engineering and installation services. Coco Tech, a BBC awardee for best environmental project, is the marketing and engineering company of Juboken. Creation of Coco Technologies Corp. through tie-ups with NGOs who are interested to provide jobs in the countryside with the condition that they divest after 5 yrs. After 5 years, Juboken was able to buy back the shares and that Coco Tech now is fully owned by Juboken.

Path to Success

Dr. Justino Arboleda, an environmental engineer by himself and the owner of Juboken, was confident on the success of his Enterprise in spite of every odds and ends. He did one research on coconut fiber and based on that he was able to obtain research funding from the Canadian Government. He was in a very difficult situation to get funding from the Philippine Government. The coconut fiber was not considered as a priority commodity. At that time, Philippines had no coconut fiber industry.

During the Marketing Study of the poverty alleviation research, Dr. Arboleda was hired as a Consultant by GTZ (German Technical Cooperation). Through the efforts of the Philippine Trade Attaché and the Philippine-German Export Development Project, he met four importers of coconut fiber in Germany. These buyers were capable of purchasing large volume and they even thought that the Philippines can supply coconut fiber continuously. This gave him the hope that there was a high demand for coconut fiber and a big opportunity for the Philippines to do a major export trade. Later, Dr. Arboleda organized a small company that made use of agricultural materials for land erosion and control log. This company wanted to try coco fiber seedling as well. He thought of this technology as a viable one but nobody wanted to invest. However, Dr. Arboleda had the passion on the technology that was developed by Bicol University.

The breakthrough in Germany happened in 1996 to 1997, the time when Juboken started exporting to Germany as the first market player. German buyers were very happy with the samples made ---- coconut fiber nets and logs. They said that the materials last longer and are more effective than what they were using before. Juboken started shipping 1 container, then 2 containers until they noticed that they were already exporting 50 containers to Europe. When Juboken captured the German market, it was not difficult for them to reach to the US and then to Japan.

In the case of Japan, a German company introduced Dr. Arboleda to some Japanese businessmen. Dr. Arboleda had seven years of schooling in Japan and he could speak Japanese language, he found it so easy to convince the Japanese market.

The company had experienced difficulty during the Asian financial crisis. Consequently, the erosion control products (coco fiber) coming from the Philippines became very uncompetitive against other alternatives markets. Though the buyers somehow preferred Juboken's products that they asked India and Sri Lanka to produce them and therefore, Juboken's products were copied in those two countries and sold to US and Europe. To Juboken's disadvantage, the production of coco fiber net in India and Sri Lanka were fully supported by their respective governments together with the big company consolidators who trade all over the world. As a result, Juboken lost the two potential markets. At this juncture, Juboken tried to develop China and Korea and tried to reach even Japan. Juboken has the great advantage in these marketing due to their proximity to Japan, China, Korea (the main markets) compared to other countries. These countries did not have as much coconut trees as the Philippines did. This was a turning point for Juboken.

Getting Acts Together

At present, the major market for Juboken's products is China. Juboken's being able to penetrate China would not have been possible without the assistance of DTI. It was really DTI's initiative to promote the products in the Chinese market, which Juboken was unaware before. DTI's simple initiative opened very huge market opportunities for coco fiber. The first assistance obtained from DTI was the PHILGED (Philippine-German Export Development) Project. That project helped Dr. Arboleda for possible customers and through the assistance of PHILGED, he was able to get their very first customers. When PHILGED helped him, he has not started a company yet and he had no investors. But his team was already doing the research but not yet decided in organizing a business. But through DTI, he was able to see the opportunity in one foreign market (Germany). At first, it was hard to conclude that the same situation would happen in other economies. He became aware of the opportunities in overseas markets. But if one will benchmark the level of assistance of the trade offices of one economy, they are way ahead of the Philippines. In general, the quality of DTI employees is a lot more different from any other government agencies. Dr. Arboleda wish that DTI had more budget from the national government.

Through DTI, he got to learn about the PS (Product Seasonality) Forum Project. The forum was beneficial to their construction products. Dr. Arboleda was able to conceive another product made of coco net wherein its use is not seasonal ---- doormat. In his view, Dr. Arboleda thinks that DTI is in a very good position to lead the business sector, through information dissemination on market potentials overseas. Logically, DTI can do studies on products which have significant economic advantage. DTI can provide grants as it can also avail foreign funding and technical assistance from foreign governments. Dr. Arboleda thinks that DTI is in a very good position to lead the export business sector.

CHAPTER 3

ANALYSIS

The emergence of trade promotion as a tool in addressing the changing global environment remains to be at its dynamic stage. As trade and governance extend their reach in a seemingly homogenized world, actions must be strategically formulated to achieve the greatest impact towards target markets. The study at the onset has considered Trade Promotion Organizations (TPOs) as a viable tool to achieve the goals set by countries. Their relevance remains to be felt more so that the global trading dialogue under the World Trade Organization (WTO) has come to a stalemate; but slowly progressing at this time through the efforts of those countries wanting to bring everyone back to the negotiating table. Thus, it is no small feat for a nation to continue addressing productivity in the international trading arena through trade promotion. And it is because of this scope that the study was established to bring to mind the possibility and reality of a path that can be valuable for the global economic order.

The effectiveness of TPOs, as presented in the conceptual framework, is related to how the export sector, particularly what we call the 'Model Exporters', identifies success factors for its growth and development. As such, the study has presented various TPOs in the Asia-Pacific region and presented their ways of conducting business via their priority programs and policy directions. Focusing on the trends the study has observed among these TPOs, it can be noted that these institutions are undergoing a two-level shift on the manner they engage global trade promotion. The first shift deals with the "deepening" of current promotional strategies that take into consideration the traditional and tested tools of trade promotion. On the other hand, the second shift provides a creative perspective or 'innovative dynamism' in line with the emerging market trends. These two shifts, as we call them, present the guidelines to recognize the achievements and areas for improvement of TPOs vis-à-vis the movement of the export sector as seen through the Model Exporters' experiences.

The other side of the 'two-pronged mirroring' as discussed in the first part of the study presents the stories of exporters and how they have managed to continuously maintain or expand their success. The main point that needs to be drawn at this part is the various factors affecting the metamorphosis of exporting companies to become 'model exporters'. Here we find the common challenges and key success factors faced by these companies and learn how they were able to cope amidst the changing trading environment. This brings to the picture the challenges the companies have faced or remain to concentrate on, together with the aspects of business growth and success. As such, it is important to know the commonalities of these model exporters given their respective stories. Since they were defined by the TPOs as the specific representative model exporters, the study intensely looks at how the commonalities among these companies are influencing the direction and adjustment made by the TPOs themselves.

Producing an overview of a public-private model exporter speaks of the convergence and innovation among the target set by the TPOs and the significance of the success elements in the stories of said export businesses. Is the question on synchronization of expectations on how to manage and improve the export sector dealt with by the findings of the study? Is there underlying common factors prevalent in the way things are done by the TPOs? These are just few questions to be tackled in the following section.

Trade Promotion Organizations (TPOs): The Role They Play

It must be noted that the various TPOs presented in the study are all at the different stages of their development cycle. However, it can still be deduced that there are common areas wherein convergence of practices are highlighted. To begin with, the 'first-level shift' tackles those activities and practices that are traditional (common knowledge) in nature. Here we find what is considered a 'deepening' of what is already at-hand or practiced by the TPOs. But there also emerges another facet of said institutions, which we call the innovative dynamism brought by the need to establish creative movements that adapt to the changing times. New programs and strategies, as dictated by the trading environment, bring out the capability of TPOs to harness ideas that offer solutions to known problems faced by exporters. These two shifts define the major role of TPOs at the present.

'Deepening' of traditional activities would dwell on those programs commonly associated with trade promotion. Consider business mission as a concrete example of a known strategy implemented by TPOs. The practice is fairly simple to comprehend in terms of having domestic companies participate in a programmed mission abroad to attract potential buyers. However, some TPOs have conducted the reverse mission wherein incoming foreign buyers visit the country to conduct matching sessions with potential suppliers from the domestic market. Malaysia for example performs such activity for its business matching functions under its four core activities. Indonesia, through NAFED, has established a Buyers Reception Desk (BRD) service that provides assistance to buyers, arranging programs and company visits for these people, as well as making sure that everything they need are well-managed.

Network expansion is another aspect relating to the first shift. More and more economies realize the value of immediate presence on their target markets. Vietnam, a relatively new player in the international trading arena sees the need to continuously establish overseas offices abroad. MATRADE also does the same with the principle that having presence in major markets together with emerging ones is far important at the moment rather than enlargement of current offices worldwide. As such, the global market becomes a witness to the growing desire to be felt by these organizations by expanding networks established at various areas (markets) of interest.

The introduction of Information Technology (IT) as an effective tool for trade promotion is another key element that deepens the services of the TPOs. IT has a remarkable role in the assistance provided by the organizations to the exporting

sector. The implementation of such powerful tool allows the TPOs to be handle information at a faster pace vis-à-vis the demand by the domestic market on such information. Indonesia has Trade Information Network, an internet-based application wherein business-matching could take place based on the listing of local exporters (classified by products) and foreign buyers as well. On another hand, the People's Republic of China, through the CCPIT, and the Philippines, as represented by the BETP, also give importance to ICT in further strengthening service delivery. The organization disseminates information through its website and at the same time sent invitations via electronic mail. It was noted by CCPIT that ICT usage makes the entire office more efficient and effective because some activities and programs are done online. Virtual trade fairs together with business-to-business transactions and availability of electronic directory are also part of Vietnam's share in highlighting the necessity of IT in its way of doing business.

Under the second shift on trade promotion activities, several programs have emerged based on the ability of TPOs to provide creative and innovative keys solution to address export growth. One notable example is the phenomenon of "national branding". Thailand and Vietnam lead the economies in terms of prioritizing branding as a valuable instrument for the export sector. Adopted in 1999, the 'Thailand's Brand' logo was created to project a harmonized marketing scheme for the country's export products. The logo symbolizes the country as a source of diverse and abundant products together with the craftsmanship skills handed down from generation to generation. For Vietnam in particular, there is a running 10-year National Branding Program that aims to build up the country's image as a source of quality goods and services, but also functions as a call among the business community to create awareness towards product quality and high business credit.

The Republic of China establishes another innovative practice seen today on what they call the 'Taiwan Biz Tour'. The program allows trade fair foreign participants to enjoy their business trip to the country by adding package tours that vary from either half-day, whole day, or even three to five days. This is very much important due to the level of service provided to potential business partners of local exporters.

Knowledge management as an emerging innovative trend is now being adopted by the Philippines to maximize gains in terms of the myriad of information received by the office on a day-to-day basis. BETP acknowledges the importance of handling information in the right manner to translate them into useful materials that can be used by the local exporters. As such, it is necessary to tie this up with the proper IT tool as an integral process to hone the capabilities of the workforce itself.

The abovementioned factors define the over-all picture of the movement of TPOs on the selected APEC economies. The discussion provided the 1st half of the two-pronged mirroring approach. Now, it is integral that a discussion on the model exporters stories presents the final stage in the entire equation looked into by the study.

Model Exporters (MEs): Success Stories Unfolded

The study has presented various stories of exporters coming from different product segments. Though this may be the case, it is still appropriate to look into the commonalities of these exporters in relation to how they have managed to survive in the business together with the past and present challenges that they have experienced. This will give a background on the way these model exporters view success in relation to the factors that are considered significant to achieve a certain level of stability and achievement for the entire company.

There are several common challenges the Mes have faced at the onset of their exporting life. Among these challenges is access to capital resources. This has always been a problem with most companies starting up a business, much so that they would focus on exporting which demands more capital outlay in the process. A problem on strict government regulations is another challenge. There are cases wherein companies have to get a clearance or a license from the government for them to start an exporting business. The problem is not on the actual license per se, but rather on the process involved in getting such approval. There exists a long list of bureaucratic procedures that need to be complied before one gets the final approval or permit.

In relation to supply and competition, companies have shared their problems regarding lack of sources for raw materials. This is evident especially for those that rely heavily on wood, natural fibers, and the like. Another concern is the growing competition set by big players in the region such as that of China. The matter still remains to be a threat but for some, that can be turned into a challenge to further strengthen their capacity to excel in the exporting business.

On the issue of market information and buyers data, most companies relied heavily on the availability of these pieces of information. Market information plays a significant role in the actual knowledge of which market to target or where exactly to sell export products. At the same time, they also need to close transactions to make profit for the business. Thus, this is where most find it hard to get initial buyer contacts from abroad. Such dilemma will either make or break a company because no outside buyer would mean closure of the door for exports.

All of these concerns and problems are but part of the maturity process experienced by export companies. These are but normal woes confronted by most companies across the globe. However, the highlight of the study deals with the success factors that brought them to where they are now. To sum up, there are six key success factors (KSFs) common to the stories shared by the Model exporters. These KSFs present the benchmarks based on the accomplishments of the studied MEs, to wit:

- a. Cutting-edge innovation (product creativity based on research and development)
- b. Consistent and improving product quality and service
- c. Stable buyer-supplier relationship
- d. Growing business opportunities (network expansion)

- e. Efficient information management
- f. Relevant promotional activities

Competition is always present. As abovementioned, the presence of major international trade players such as China provides a good challenge to the capacity of our MEs to adjust to the situation. This has always been the 'survival of the fittest' so to speak. Hence, MEs that survived through this battle managed to use **cutting-edge innovation** to counter the threats posed by big players. Indonesian company for basketwares and boxes, P.T. GKJS, Thailand's greeting cards exporter Cordial Creative Co. Ltd., Vietnam's Nhat Thang Co. Ltd. For native handicrafts, Chinese Taipei's Golden Root Co. Ltd. (hardware tools), China's Beijing Eastar Co. Ltd. (jeans), and the Philippines' Juboken Enterprises (coconut fibers) all exemplified in their respective sectors due to product innovation that is always a step forward from the rest. Such success factor brings to mind the need to continuously invest on design, research and development to compete against major players.

This leads us then to the second success factor that refers to the **consistency of product quality and service**. When a buyer orders from a particular company, it is understood that s/he will get the same kind of quality in each and every piece of product ordered. There must be consistency in all aspects be it a re-order of that same product item. We find this factor relevant for, among other Mes, P.T. Anindo Permata Buana of Indonesia, Malaysia's ME Industries, Thailand's Khao Shong Industry 1979 Co. Ltd., Vietnam's Sannam Food Stuff Joint Stock Company, and the Philippines Mega Fishing Corp. These companies focused as well on the consistency of product delivery and service management catering to the demands of the buyers or clients. As such, they have maintained good relations with the said clients, bringing to them an image of trustworthiness for business transactions.

Another key success factor is the ability to establish a **stable buyer-supplier relationship**. Due to the trustworthiness of MEs, clients have built rapport with the exporters wherein more business agreements are easier to execute. There already exists a bond that will make the buyers return to the same company to purchase more products. Such factor is very significant considering that it takes a longer period to establish such relationship that will provide stability in the business.

Most MEs, if not all, have shown the need to expand business at its right time. Hence, the question lies on how this will be possible. Therefore, these export companies placed premium on assistance made by the availability of buyers list through the TPOs. In addition, having established stable client-supplier relationship, most of the buyers also give referrals to these exporters for business expansion. This allows companies to increase production capacity and in return increase business profit. Such **growth in business opportunities** manifests an integral aspect in any business – the ability to steadily improve on the status quo.

Efficiency in information management is another facet of the MEs success stories. Indeed there are pieces of information everywhere. However, for them to be useful, one has to know how to analyze and manage such information. Thus,

MEs have considered the information they get from the TPOs, government agencies, and other sources as a very effective tool for business strategy. Knowing more means being able to plan for the company at a lower risk of failure. Market information, buyers' list and other information materials provided by TPOs really function very well for the purposes of business expansion. At the same time, these companies have valued the assistance they get in terms of **relevant promotional activities**. Topping the list among these activities is trade fair participation. As discussed above, such traditional TPO service is still important for the exporters. As initiated by the TPOs themselves, companies find it easy to participate on said activities if they do know that the government sanctions such event. This gives a more legitimate stance on the program, paving the way for greater participation. However, such promotional event must provide continuous benefit for the companies and should always be relevant to the target market of the MEs. Albeit these events are organized by the TPOs, export companies would still study the possible advantages that would make them participate or not.

Overall, the success of these Model Exporters is based not just purely on those six factors. There still remains an environment where daily changes take place, and an export company has to know to maneuver its own sails to be able to reach its desired destination – towards a successful and growing export business.

Convergence: Getting TPOs' and Mes' Acts Together

The study goes back to the 'two-pronged mirroring' framework wherein it seeks to find the synchronization of efforts and activities in establishing a public-private Model Exporter. At the initial layer, it can be deduced that there exists a relationship between the TPOs and the export companies. It is a fact that regardless of the type of relationship, companies and TPOs maintain a certain link between them that facilitates an understood dialogue for both parties. Moreover, it can be observed that this type of relationship exists on varying degrees or levels of interaction. The kind of services offered by the TPOs are acknowledged by the Mes in different ways, be it in, among others, trade promotion activities, market intelligence reports, and business-matching sessions. However, what must be seen here is the potential of the TPOs to address the needs of the Mes based on the six success factors abovementioned.

It can be seen that there is still a very vast space for improvement. However, TPOs must be acknowledged with the fact that they have continuously managed to address the current needs of the export community. The success stories of the Mes are in parallel movement with the initiatives made by the different country TPOs. The direction is towards the same point, towards the same objective. Take as an example the relevance of promotional activities. TPOs still offer such service to its stakeholders but with continuous innovation on the part of planning and execution. At the same time, MEs still find it useful, if not necessary, to engage in said activities because they not just provide areas for business expansion or opportunities, but rather because these activities are organized by the TPOs themselves. The MEs have established a relationship with the said institutions, and thus, provide their seal of trust on these activities.

Another aspect of convergence is with regard to efficient information management. It cannot be denied that information is a very effective tool. As manifested by most MEs, the value of information provided by the TPOs to them is very much recognized since at one point or another, such service allowed the companies to link up with prospective buyers that eventually made their business grow in the process. Not all MEs are able to manage information data in a comprehensive and effective manner. As such, TPOs role in that aspect fits perfectly especially in creating that harmonious business climate effective for export development.

Under the cutting-edge innovation success factor, most TPOs need to enhance their capability of giving such service to the export community. It has always been an ever-changing world and competition dictates that companies must move not just a step but rather a mile ahead of the rest. Attention must be given particularly on this should TPOs decide not just to go with the flow of the trading environment, but rather be the trendsetter where everyone else follows.

In general, the study has seen a parallel convergence of movement from both the TPOs and the MEs. There is synchronization on the objectives and programs set by the TPOs in relation to the expectations of MEs to be successful. However, it doesn't stop here. Nothing stops here. The bigger question is whether such trend will be sustained in the long run. As technology advances and borderless challenges arise, the initiative to manage such changes rest in the hands of the TPOs. For in the end, TPOs are still manning the steering wheel towards greater export participation and promotion.

Chapter 5 **RECOMMENDATIONS**

The study has presented a comprehensive, yet limited (based on the number of economies), discussion on the role of Trade Promotion Organizations at this present time. What sets the study apart is that it gives a fresh reminder to the said institution on the things it thought it ought to do based on the success stories of Model Exporters. The reflected mirror of success factors that can be used by the TPOs to re-assess their current initiatives might improve on the delivery of export services for the target stakeholders. It must be emphasized that between the TPO and the ME, the former is more amenable to realignment and refocusing because of the nature of the institution – it being government or quasi-government. At this present global trade environment, economies need leaders that will step up and improve on the lives of the people. And TPOs do not lag behind in their ability to provide guidance to the exporting community. However, it must be noted that there are several ways for TPOs to improve and better serve its stakeholders.

First of all, there is a need to organize and streamline the organization itself. This doesn't necessarily translate to cutting down on manpower. Rather, there must be a comprehensive review of functions set by each department within the organization and minimize redundancy in that aspect. If there's a need to get more

people to specialize on key service areas, economies must be willing to work towards the realization of such because improvement in the quality of service to the clients would bring good business to the economy in general.

Second, the concern on budget allocation must also be addressed. If economies want to increase trade with their trading partners, they must be willing to invest in terms of financial support for the TPOs. Conducting promotional events, establishing IT linkages, and educating the stakeholders are not easy tasks. Therefore, governments must consider sustaining the programs and initiatives of the TPOs at least in financial terms.

Third, TPOs must never falter in continuously making dialogues with the export community. Policy direction must be drafted based on the actual participation of stakeholders who will be affected by such policies.

Fourthly, TPOs need not confine themselves to explore and promote traditional products with traditional markets. They should also venture into non-traditional products with non-traditional markets. The rationale behind this expansion is that in these changing times (21st century) new products, unknown before, may emerge due to increased knowledge and skill, and therefore, the wisdom of the present society (of any country) which surpasses the traditional and cultural underpinnings.

Lastly, TPOs must embrace IT as an essential tool to improve communication and management of information data. Knowledge is definitely power and economies must be able to expedite adaptation of such technology.

In the end, trade promotion is a business not just by the organization itself but also by the entire economy. As long as export provides a driving force in the economy of the country, efforts to improve on it must not be limited and sporadic. It must be a consistent enhancement of institutional strengthening for the Trade Promotion Organizations, and stakeholder participation for the exporting community.

