



Department for
International Trade

Analysis

COMPARATIVE REVIEW OF TRADE PROMOTION ORGANISATIONS

Phase 1 Report

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1. Introduction

1.1 Context and objectives of this report

The Department for International Trade (DIT) has retained Frontier Economics to undertake a comparative analysis of Trade Promotion Organisations (TPOs) across a sample of countries. The overall purposes of this research are:

- to understand the strategies pursued by TPOs and the activities they undertake,
- to analyse the relationship between these strategies and activities, on one hand, to wider trade policy issues,
- to derive lessons that may be learned about best practice.

The countries that are the subject of this comparative study are listed in table 1 below.

Table 1 Proposed list of countries for study

Country	Number of times previously reviewed	Latest review year
Australia	3	2017
Canada	2	2017
Denmark	3	2017
Finland	3	2017
France	6	2017
Germany	5	2017
Ireland	1	2017
Italy	3	2017
Japan	5	2017
Netherlands	3	2017
New Zealand	1	2014
Norway	3	2017
Singapore	1	2014
South Korea	1	2017
Spain	1	2017
Sweden	3	2017
Switzerland	0	Not applicable
USA	6	2017

(a) The reviews in questions are ones commissioned or produced by UK authorities responsible for trade promotion

The comparative study is structured in two phases. The first phase, which is the subject of this report, provides a cross-country review of the countries in table 1 by implementing the approach presented in section 2.1 below. Based on this initial review, the report presents a short list of countries selected for a further, in-depth phase of study. This is done in section 4.2.

The selection of the countries for this second “deep-dive” phase has been made on the basis that the TPOs in these countries are particularly likely to be sources of applicable lessons of experience for the UK. The approach taken to identify the short list is also described in section 2 below.

1.2 Structure of this report

The report is structured in the following manner:

- Section 2 describes our approach to the comparative review, and to the evaluation of the suitability of a particular TPO as a source of lessons of experience for the UK
- Section 3 presents a synthesis of our findings for each of the countries based on the methodology set out in section 2 - the detailed findings for each country are reported in a series of country reports that have been provided in the annex
- Section 4 concludes with recommendations for Phase 2 of the study
- Annexes present, respectively, information on the membership of reviewed countries in regional trade agreements, bibliographical references and information sources, and country reports containing a more detailed narrative of the information presented in sections 3 and 4

2. Approach to the comparative study

2.1 Analytical framework

The analytical framework for this study is based on five thematic clusters summarised in the Table 2 below.

Table 2 Components of analytical framework

Thematic cluster	Indicators and Questions
Country context	
- Economic structure	GDP per capita; structure of GDP; structure of merchandise trade; Openness (ratio of trade to GDP)
- Policy and Institutional context	Average tariffs; Ease of Doing Business; extent and nature of export diversification strategies; linkages to wider policy initiatives
TPO Institutional Structure	Status of TPO (for example, agency, part of government department) and relationship to other government institutions. Extent of regional or sub-national focus. Relationship to private sector.
TPO Scope	Resourcing (financial and human). Are market failures explicitly targeted? Specific barriers to export that are targeted (as per DIT logic model). Scope of export markets targeted. Are global value chains targeted? Is Investment Promotion within the scope?
TPO Strategy	Is there a focus on particular beneficiary groups, and which ones? Is there a process for impact evaluation and what form does it take?
TPO Product and Services Offerings	Key types of financial and non-financial assistance. Any links to export finance and insurance?

The country context questions provide an initial set of filters against which to assess comparator TPOs. The remaining questions deal mainly with operation of the TPOs themselves. The selection of questions within these categories reflects inputs from DIT and Frontier's own research into factors that are important for effective trade promotion. In

particular, we draw on recent research into the links between firm-level dynamics and trade performance¹, and the role of global value chain linkages in trade.²

2.2 Formats for the reporting of findings

For each country and TPO we provide answers against these questions. A few of the questions require answers in the form of data points, the rest require narrative answers. For that reason, the detailed responses to these questions are found in the individual country reports. For the purposes of synthesising the information in this Phase 1 report, and in order to facilitate cross-country comparison, we present summary information in the form of tables for each cluster.

To provide an indication of how far specific countries and their trade promotion initiatives might be suitable comparators to the UK we use a “traffic light” system. For each cluster, we assign a “green”, “amber”, or “red” reading based on the information collected. “Green” means that, for that cluster, the country provides a useful comparator with a high likelihood of providing useful policy lessons. “Amber” means more limited use as a comparator, while “red” means little or no use. In addition to the review of the country concerned, our assessment is determined by previous research we have conducted into trade promotion activities in the UK.

We also provide an overall assessment based on the ratings for each cluster. In selecting the overall rating, we attach more weight to scope, strategy, and product and service offerings. This is because the institutional structures of TPOs typically vary and are a function of historical development pathways. Moreover, many TPOs have recently undergone significant changes to their institutional nature or are in the process of doing so, as observed in section 3. However, it did not seem opportune to completely rule out the possibility that TPOs from a range of different, and often evolving, institutional specifications could nevertheless provide important insights to the UK.

¹ See for example, Melitz, Marc J. “The impact of intra-industry reallocations and aggregate industry productivity”, *Econometrica*, Vol. 71 No.6 and Schank, Thorsten, Claus Schnabel, and Joachim Wagner, “Higher wages in exporting firms: self-selection, export effect, or both? First evidence from linked employer –employee data”, *Review of World Economics*, Vol 146. No.2

² See for example, Elms, Deborah K. and Patrick Low (eds) (2013), *Global Value Chains in a Changing World*.

3. Summary of findings

The findings in each of these sections are necessarily presented in summary form for the purposes of cross-country comparisons. The findings should be read in conjunction with the country reports found in the annexes to this document.

3.1 Country context

All countries considered fall within the high-income bracket, and most have liberal or highly liberal trade regimes. Overall openness to trade, as measured by trade to GDP ratios, varies. This is in part a function of size, with the US (at a little over 26%) and Singapore (at over 300%) at opposite ends of the “openness” spectrum (though both have low or zero average tariffs). Most economies in the sample display a dominance of manufactures in trade. The clear exceptions are Australia, Canada, New Zealand and Norway, which all display a heavy concentration in primary products - natural resources for Australia, Canada and Norway, and agriculture for New Zealand.

Not surprisingly, export diversification strategies in these countries emphasise reducing primary sector dependence. In some other cases, export diversification strategies are motivated by different concerns. In the case of Spain, the motivation is to reduce dependence on the EU, while in Canada it is to reduce dependence on the United States. In the case of both South Korea and Finland, the aim has been to reduce dependence on large producers – or a single producer for Finland.

Linkages between trade promotion and skills, research, development, and innovation policy feature prominently in the sample of countries, and particularly in Australia, Canada, the Nordic countries in Europe, Germany, the Netherlands, Singapore and New Zealand. In Singapore, a connection has been drawn between export promotion and start-up incubation, a link that also seems to be emerging in France. Linkages to wider trade policy objectives are more explicit in non-EU countries, for the simple reason that in the EU trade policy is determined via the common commercial policy.

Table 3 Comparison of country contexts

Country	Income per head (PPP, constant 2011 US \$) ³	Composition of GDP	Structure of trade	Trade and GDP	Average nominal tariffs	Private sector activity, ease of doing business	Export diversification strategies	Linkages to wider initiatives
Australia	44, 414.03	Agriculture (Agric.)3% Industry 24% (of which manuf. 7%); Services 73%.	Primary products 80.4% (of which Mining 64.6%) Manufactures: 11.7%	40%	Simple applied MFN average 2.5%; trade weighted 4.0% (agriculture 2.4%, non-agriculture 4.1%).	Ranked 14th overall, 95th in trade across borders.	Yes – see country report for details.	Yes, to trade, industrial and innovation policies (see country report for details).
Canada	43,088	Agric 2%; Industry 29% (of which manufacturing 11%); Services 69%.	Agricultural products 15.6%; Fuels and mining products 25.6%; Manufactures: 51.1%; Other 7.8%	64%	Simple applied MFN average 4.1%; trade weighted 3.1% (agriculture 12.4%).	Ranked 18th overall, 46th in trade across borders.	Yes, primarily through Global Market Action Plan. See country report for more details.	Yes, to trade, investment and skills (see country report for details).
Denmark	45,966.3	Agric. 0.9%; Industry 23.5% (of which manuf. 15.3%); Services 75.6%.	Primary products 29.1% (of which Fuels 7.7%, Agriculture 19.9%); Manufactures: 70.9%.	101?	Simple applied MFN average 5.2%; trade weighted 3% (agriculture 7.8%).	Ranked 3rd overall, 1st in trade across borders.	Not explicit. See country report for details.	Overarching aim is to increase productivity through enhanced trade. See country report for details.

³ PPP, constant 2011 international \$. Source: World Bank World Development Indicators. PPP refers to Purchasing Power Parity exchange rates i.e. rates that equalise prices across a pair of countries. International dollars are the product of this conversion using PPP exchange rates. “Constant 2011” means the exchange rate is calculated on the basis of 2011 price indices to filter out the effects of inflation. PPP, constant 2011 international \$. Source: World Bank World Development Indicators. PPP refers to Purchasing Power Parity exchange rates i.e. rates that equalise prices across a pair of countries. International dollars are the product of this conversion using PPP exchange rates. “Constant 2011” means the exchange rate is calculated on the basis of 2011 price indices to filter out the effects of inflation.

Comparative Review of Trade Promotion Organisations – Phase 1

Country	Income per head (PPP, constant 2011 US \$) ³	Composition of GDP	Structure of trade	Trade and GDP	Average nominal tariffs	Private sector activity, ease of doing business	Export diversification strategies	Linkages to wider initiatives
Finland	39,523	Industry 27% (of which manufacturing 17%); Services 70%, Agriculture 3%.	Agriculture products 10.5%; Fuels and mining products 11.9%; Manufactures 76%; Other 1.6%.	72%	Simple applied MFN average 5.2% (agriculture 11.1%); trade weighted 3% (agriculture 7.8%).	Ranked 13th overall, 34th in trade across borders.	Prompted by the “Nokia effect”, but details are scarce. See country report.	Linkages to R&D and skills policy. See country report for details.
France	38,058.6	Industry 20% (of which manufacturing 11%); Services 79%.	Agricultural products 13.6%; Manufactures: 79.3%.	60%	Simple applied MFN average 5%; agriculture 11.1%, non-agriculture 4.25%.	Ranked 31 overall, 54th in trade across borders.	Yes, targeting specific sectors. See country report for details.	Overall concern with loss of competitiveness.
Germany	44,260	Industry 30% (of which manufacturing 23%); Services 69%, Agriculture 1%.	Agriculture products 6.5%; Fuels and mining products 4.9%; Manufactures 86.5%; Other 2.1%.	84%	Simple applied MFN average 5.2% (agriculture 11.1%); trade weighted 3% (agriculture 7.8%).	Ranked 20th overall, 39th in trade across borders.	Yes, targeting selected “forward looking industries”. See country report for details.	Skills and R&D. Private sector development activities sponsored by chambers of commerce.
Ireland	62,992	Agriculture 1%; Industry 42% (of which manufacturing 37%); Services 58%.	Agricultural products 10.9%; Fuels and mining products 2.1%; Manufactures: 87%.	221%	Simple applied MFN average 5.2%; trade weighted 3% (agriculture 7.8%).	Ranked 17th overall, 47th in trade across borders.	No explicit strategy.	Links to skills and research and development. Inward investment promotion conducted by IDA.
Italy	34,715.3	Agriculture 2.1%; Industry 23.9% (of which manufacturing 16.3%); Services 74%.	Agriculture 9.3%; Manufactures: 83.2%.	28.1%	Simple applied MFN average 5.2%; trade weighted 3% (agriculture 7.8%).	Ranked 46th overall, 1st in trade across borders.	Outside the work of ICE, there is little evidence of a cross-government export strategy.	Some links to skills and research and development policy.

Comparative Review of Trade Promotion Organisations – Phase 1

Country	Income per head (PPP, constant 2011 US \$) ³	Composition of GDP	Structure of trade	Trade and GDP	Average nominal tariffs	Private sector activity, ease of doing business	Export diversification strategies	Linkages to wider initiatives
Japan	38,252.3	Agriculture 1.1%; Industry 28.9% (of which manufacturing 20.5%); Services 70%.	Primary products 30.2% (of which Fuels 19.3%, Agriculture 6.2%); Manufactures: 66.3%.	31.2%	Simple applied MFN average 4.0%; trade weighted 2.1% (agriculture 11.6%).	Ranked 34th overall, 68th in trade across borders.	No explicit strategy.	Some linkages to sectoral initiatives. See country report for details.
Netherlands	47,303	Industry 20% (of which manufacturing 12%); Services 78%, Agriculture 2%.	Agriculture products 16.8%; Fuels and mining products 16.4%; Manufactures 66.2%.	154%	Simple applied MFN average 5.2% (agriculture 11.1%); trade weighted 3% (agriculture 7.8%).	Ranked 32nd overall, 1st in trade across borders.	No explicit strategy.	Linkages to skills and research and development.
New Zealand	35,271.4	Agriculture 7% Industry 12% (of which manufacturing 12%); Services 71%.	Primary products 75.7% (of which Agriculture 69.6%); Manufactures: 19.9% (of which Machinery and transport equipment 6.2%, Chemicals 5%).	52.5%	Simple applied MFN average 2.0%; trade weighted 2.5% (agriculture 2.2%, non-agriculture 2.6%).	Ranked 1st overall, 56th in trade across borders.	Mainly to reduce dependence on primary products and to stimulate high value-added sectors. See country report for details.	Connections to skills, research and development, and productivity policies. See country report for details.
Norway	64,179	Industry 32% (of which manufacturing 7.6%); Services 66%; Agriculture 2%.	Primary products 78.4% (of which Fuels 64.6%, Agricultural 10.2%); Manufactures: 21.6%.	67.4%	Simple applied MFN average 6.1%; trade weighted 2.8% (agriculture 28.1%).	Ranked 8th overall, 28th in trade across borders.	Reduce oil dependence.	“Team Norway” initiative to develop national brand and competitiveness. Links to skills, research and development.

Comparative Review of Trade Promotion Organisations – Phase 1

Country	Income per head (PPP, constant 2011 US \$) ³	Composition of GDP	Structure of trade	Trade and GDP	Average nominal tariffs	Private sector activity, ease of doing business	Export diversification strategies	Linkages to wider initiatives
Singapore	81, 600.6	Industry 26% (of which manufacturing 20%); Services 74%.	Primary products 20.8% (of which Fuels 16.8%); Manufactures: 70,8% (of which chemicals 12.9%), office machines and telecoms equipment 30,7%.	318%	Simple applied MFN average 0%; trade weighted 0,5% (agriculture 11.9%).	Ranked 2nd overall, 42nd in trade across borders.	Target high skills and high-value added, with strong links to services sectors.	Links to innovation and investment policy. Links to national skills policy.
South Korea	34,985.8	Agriculture 2.2%; Industry 38.6% (of which manufacturing 29.3%); Services 59.2%.	Primary products 29.5% (of which Fuels 20.8%, Agriculture 4.3%); Manufactures: 70.1% (of which chemicals 10.5%), Machinery and transport equipment 41.6%.	77.7%	Simple applied MFN average 13.9%; trade weighted 6.9% (agriculture 13.8%).	Ranked 4th overall, 24th in trade across borders.	Mainly focused on SMEs.	An emphasis on SMEs to reduce dependence on Chaebol. See country report for detail.
Spain	33,349	Industry 29% (of which manufacturing 13%); Services 69%.	Agricultural products: 17.4%; Fuels and mining: 9.8% Manufactures: 70.9%.	63%	Simple applied MFN average 6.3%; trade weighted 2% (agriculture 29.8%).	Ranked 28th overall, 34th in trade across borders.	Main focus on geographic market diversification.	Linked to a wider 6-point plan for the internationalisation of the Spanish economy. See country report for more details.

Comparative Review of Trade Promotion Organisations – Phase 1

Country	Income per head (PPP, constant 2011 US \$) ³	Composition of GDP	Structure of trade	Trade and GDP	Average nominal tariffs	Private sector activity, ease of doing business	Export diversification strategies	Linkages to wider initiatives
Sweden	46,662.1	Agriculture 1.3%; Industry 24.5% (of which manufacturing 15.3%); Services 74.2%.	Primary products 23.9% (of which Fuels 11.6%, Agriculture 11.4%); Manufactures: 76.1%.	83.7%	Simple applied MFN average 5.2%; trade weighted 3% (agriculture 7.8%).	Ranked 10th overall, 34th in trade across borders.	National sector plans for including food, forestry, maritime and life sciences.	Linked to broader industrial development strategies and skills. See country report for details.
Switzerland	57,430	Industry 26% (of which manufacturing 18%); Services 74%.	80% (of which pharmaceuticals 41.7%, precision instruments 23% and machines, appliances and electronics 15.3%).	66%	Simple applied MFN average 6.3%; trade weighted 2% (agriculture 29.8%).	Ranked 33rd overall, 38th in trade across borders (costs associated with border formality compliance).	No explicit strategy.	Productivity growth the main overarching objective.
USA	53,341.8	Industry 20% (of which manufacturing is 12%); Services 79%; Agriculture 1%.	Animal & Vegetable Products or Foodstuffs: 9.2%; Minerals, Chemicals and Plastics: 23.4%; Machinery, Appliances, Vehicles and Arms: 48.7%.	26.5%	Simple applied MFN average 3.5%; trade weighted 2.4% (agriculture 3.8%).	Ranked 6th overall, 36th in trade across borders.	No explicit strategy.	No specific linkages made.

3.2 TPO Institutional Structure

In many cases, TPOs are agencies or state-owned bodies that come under the authority of a specific Ministry or Ministries, which are the main source of finance and principal shareholder. In several cases, notably France, Finland, Germany, Spain, the Netherlands, and Norway, the TPO is the result of a relatively recent merger between organisations previously separately responsible for trade and investment, and in some cases innovation. This consolidation reflects an ambition to follow an integrated approach to the “internationalisation of businesses”. In the case of Singapore, the TPO is the result of a merger between the existing export promotion agency and an enterprise development agency, a move which makes sense given Singapore’s high degree of openness to trade.

Some countries, notably the Nordics, have developed a “Team” concept (for example, Team Sweden), of which the TPO is a part, and which seeks to develop a whole-of-government approach to trade and investment promotion. France has recently decided to emulate this approach.

Interaction with the private sector occurs in different ways. Finland, France, Ireland, Singapore and Switzerland have private sector representatives on the board of the TPO, though this is far from being a universal practice. In some countries, notably Denmark, France, Germany, Italy and Japan, the private sector runs its own export promotion activities, often in competition with TPO activity. In France, Germany and Italy, private sector involvement is through the chambers of commerce. In recent years, formal partnership agreements have been struck to try and coordinate the TPOs activities with those of the Chambers, to minimise duplication.

Regional coordination can occur through regional offices, collaboration with regional trade promotion authorities, and through chambers of commerce.

The United States is an outlier insofar as it does not have a national organisation, but rather an initiative that coordinates the actions of a multitude of federal agencies on trade and investment.

Table 4 Synthesis of findings on Institutional Structure

Country	Status	Relationship to other government institutions	Regional Focus	Relationship to private sector
Australia Australian Trade and Investment Commission (Austrade)	Statutory agency under the portfolio of Foreign Affairs and Trade.	CEO reports to Trade Minister. Close working relationships with several other departments.	Specific initiative to support regional exporters (TradeStart Network) Works with State and Territory authorities, particularly on investment Close cooperation with Tourism and Education promotion agencies.	Ongoing dialogue. Inputs into regulatory reform agenda.
Canada Trade Commissioner Service	Part of Global Affairs Canada (formerly the Department for Foreign Affairs and Trade).	Trade Commissioners report to minister responsible for Global Affairs Canada.	TCS works with trade promotion bodies operating at provincial level.	Global Affairs Canada maintains several consultative bodies that engage the private sector, which contribute to government policy and specifically to operations of TCS. A small number of sector groups as well.
Denmark Trade Council of Denmark	Organisation under Ministry of Foreign Affairs.	Participates in cross-government strategy on SMEs.	Works with 5 regional councils.	Some limited private sector export promotion; trade council tries to coordinate with these.
Finland Business Finland	State-owned company recently formed through the merger of trade promotion agency and agency for innovation.	Part of the Team Finland network of public sector actors providing internationalisation services.	Through Team Finland.	Board of Business Finland to include private sector representatives. Partnerships with private sector consultants in Finland and oversees to deliver bespoke advice on a fee-paying basis.
France Business France	State agency with legal personality. Created in 2015 through merger of agency for export promotion and that for investment.	Under the tutelage of three ministries. Budget under the Ministry of Economics and Finance.	Agreement with regional authorities to coordinate export promotion with regional initiatives.	Partnership agreement signed with Chambers of Commerce that have historically run their own export promotion programmes. Private sector representation on Business France board.

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Country	Status	Relationship to other government institutions	Regional Focus	Relationship to private sector
Germany Germany Trade and Invest	State owned company, resulting from 2009 merger between Invest in Germany (GmbH) and the German Office for Foreign Trade (BfAI).	GTAI's Supervisory Board is chaired by the State Secretary at the Federal Ministry for Economic Affairs and Energy, and is composed of seven public and seven private sector representatives. GTAI is supported in its activities by the Foreign Trade Advisory Board and the Investment Promotion Advisory Board.	Investment Promotion Advisory Board supports the coordination between GTAI and state-level export promotion boards.	Chambers of commerce historically more active at the regional level. A framework agreement between the chambers and GTAI attempts to coordinate activities. GTAI board has 7 public sector and 7 private sector representatives.
Ireland Enterprise Ireland	Government Agency	Minister for Jobs, Enterprise & Innovation appoints board and CEO.	Mainly in collaboration with IDA on investment.	Private sector representatives on the board.
Italy International Trade Agency (ICE)	Government Agency	A "Board of Institutions for Internationalisation" was established in 2012, of which ICE is a part. A cross-government initiative, the 'Extraordinary Plan – Made in Italy', was launched in 2015.	ICE runs regionally focused "Export Labs" in collaboration with partners, notably regional institutions. The Export Sud strategy, an offshoot of the 'Extraordinary Plan', focuses on selected regions in southern Italy.	Various private sector organisations are listed as partners. Some are linked by an institutional agreement and provide specific services (for example, export financing). The role of organisations not party to such agreements is not clear. There are no private sector representatives on the board, although the president and the director-general both have extensive private sector experience.
Japan Japan External Trade Organisation (JETRO)	Government Agency under the portfolio of the Ministry of Economics, Trade and Industry.	Some collaboration with Agriculture and Foreign affairs.	Limited	JFTC is the private sector export promotion body, sometimes seen as a competitor. Lately efforts made to coordinate activities of JETRO and JFTC.

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Country	Status	Relationship to other government institutions	Regional Focus	Relationship to private sector
Netherlands Netherlands Enterprise Agency (RVO)	Agency within Ministry of Economics and Climate Policy, resulting from a 2014 merger between agency dealing with international business and another dealing with agriculture.	Works with other government departments via its sponsoring Ministry.	Limited	No private sector representative on board.
New Zealand New Zealand Trade and Enterprise	Crown Entity established by the New Zealand Trade and Enterprise Act 2003.	The Minister for Economic Development, and the Minister of Trade jointly oversee organisation. NZTE works closely with departments and agencies that have an international focus. Export NZ specialises in early stage export assistance.	Managers based in regions.	No private sector representative on board Export NZ, a division of Business NZ (the representative body for New Zealand businesses) is involved in export promotion.
Norway Innovation Norway	State owned company resulting from the merger of 4 different bodies.	Team Norway concept through which Innovation Norway works with government on internationalisation issues.	Limited. Some of the major cities have their own business development authorities (for example, Oslo Business Region) whose activities partially overlap with Innovation Norway.	Team Norway concept brings Innovation Norway into contact with private sector.
Singapore Enterprise Singapore (formerly, International Enterprise Singapore (IES))	Statutory board under the purview of the Ministry of Trade On 1 April 2018, IES and SPRING – an enterprise development agency – merged to form Enterprise Singapore.	Board has representatives from Economic Development Board, private sector and tertiary institutions. Under the provisions of the Enterprise Singapore Board Act, Board is empowered to advise and assist the Government or any public authority on matters of trade policy and regulation.	Not applicable	Private sector representatives on the board. Enterprise Singapore has specific functions relating to the regulation of the rubber trade and industry and administers the Singapore Rubber Fund. The latter aims to support the commodity trading industry in Singapore.
South Korea Korea Trade Investment Promotion Agency (KOTRA)	Government Agency under Ministry of Trade, Industry and Energy (MOTIE).	Ad hoc	Limited	No private sector representation on board.

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Country	Status	Relationship to other government institutions	Regional Focus	Relationship to private sector
Spain ICEX Espana	Public enterprise, under the portfolio of the Trade Ministry. The Secretary of State for Trade is the Chairperson of ICEX.	Ad hoc	There is a network of 31 ICEX offices across the autonomous regions and provinces of Spain. Interterritorial council coordinates ICEX activities with those of regional trade authorities.	No private sector representation on board.
Sweden Business Sweden	Agency reporting to Minister for foreign affairs and minister for innovation.	Part of Team Sweden concept, a variety of government agencies, organisations and ministries. These include, but are not limited to, Almi Företagspartner AB, Business Sweden, the Swedish Export Credits Guarantee Board, Swedish Export Credit Corporation and the Swedish Agency for Economic and Regional Growth.	Via Team Sweden.	Via Team Sweden.
Switzerland Switzerland Global Enterprise	Not-for-profit association under the portfolio of Department for the Economy (SECO).	Ad hoc	Regional offices reflecting linguistic differences across Switzerland. Each Canton of Switzerland also has its enterprise development (or equivalent) office that is integrated with the cantonal administration.	S-GE's supervisory board has representatives of the private sector.
USA National Export Initiative	No single federal agency. NIE set up by President Obama to coordinate trade promotion at the Federal Level.	Some 20 departments and agencies involved in NIE.	Each state has export development authority working with state departments of commerce. State Trade Export Promotion (STEP) programme, a collaborative initiative with state agencies (notably the state departments of commerce) and federal agencies.	Limited involvement in NIE.

3.3 TPO scope

TPOs depend very heavily on central government financing, usually through the ministry or department that has the TPO within its portfolio. Some cost recovery does occur. France, Singapore and Switzerland meet close to half of their budgets through revenues generated by fees.

Market failures are not explicitly targeted by many TPOs, except for Australia and Denmark where the concept is explicitly mentioned. However, the targeting of market failures is implicit when one considers the specific areas of intervention, all of which are concerned with question of market failure. The lack of an explicit reference to market failures may reflect the fact that historically, trade promotion has been justified on a *sui generis* basis. The requirement to adopt value for money and market failure paradigms, common in other areas of public policy, is a relatively recent development.

The scope of products and services by and large covers the main thematic areas listed in the DIT export pathway logic model: marketing and outreach; information provision; tailored advice and support; financial support; matchmaking; and influencing government and regulatory policy. The main limitations are around financial support and influencing government and regulatory policy. The latter is especially true in the EU where trade policy is not within the national government's remit. By contrast, in Singapore the TPO is required by its statutes to make inputs into trade and regulatory policy.

The majority of the TPOs target global value chains to some extent, with Sweden (especially), Spain and France devoting considerable attention to the issue in their national trade promotion and-or export strategy plans. The majority of TPOs also have investment within their functions, though in a substantial number of cases this reflects a recent development (France, Finland and Sweden being notable examples).

Table 5 TPO scope summary information

TPO	Resourcing	Are market failures explicitly targeted?	Specific barriers to export that are targeted (as per DIT logic model)	Scope of export markets targeted	Global value chains targeted?	Investment promotion in scope?
Australia Australian Trade and Investment Commission (Austrade)	Overall budget for expenditures was AUD 241. 4 million in 2017. Revenues from Government covered the major part of its cost of services, at around AUD 197. 3 million.	Yes	Marketing and Outreach; Information provision; Tailored advice and support; Financial support; Matchmaking; Influencing government and regulatory policy (limited).	83 offices located across 49 markets. 60% of Austrade employees based in Asia.	Yes	Outward investment; inward FDI falls to other agencies.
Canada Trade Commissioner Service	TCS spent Can\$164 million in 2015-16 and employed 1,311 workers (FTE equivalent).	Not explicitly mentioned.	Marketing and Outreach; Information provision; Tailored advice and support; Financial support; Matchmaking; Influencing government and regulatory policy.	TCS has 161 offices around the world and across Canada, including 36 in Europe.	Yes	Yes
Denmark Trade Council of Denmark	The budget for 2017 was 344 million Danish Krona and for 2018 was 332 million Danish Krona.	Explicitly addressed in strategy.	Marketing and Outreach; Information provision; Tailored advice and support; Financial support; Matchmaking; Influencing government and regulatory policy (limited).	The Trade Council of Denmark has 65 offices around the world, usually as part of the embassy or consulates.	Yes	Not a primary responsibility.

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TPO	Resourcing	Are market failures explicitly targeted?	Specific barriers to export that are targeted (as per DIT logic model)	Scope of export markets targeted	Global value chains targeted?	Investment promotion in scope?
Finland Business Finland	Information not publicly available.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support Financial support; Matchmaking; Influencing government and regulatory policy (limited).	Business Finland employs 600 experts in 40 offices overseas and 18 offices in counties within Finland.	Yes	Yes
France Business France	For 2017, financing through the central ministerial budget of €98.1 million. Revenues raised by Business France in 2016 through fees for service provision amounted to around €84.7 million.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Financial support; Matchmaking; Influencing government and regulatory policy.	Business France has a network of 70 field offices and over 1,500 staff.	Yes	Yes

Comparative Review of Trade Promotion Organisations – Phase 1

TPO	Resourcing	Are market failures explicitly targeted?	Specific barriers to export that are targeted (as per DIT logic model)	Scope of export markets targeted	Global value chains targeted?	Investment promotion in scope?
Germany Germany Trade and Invest	Information not publicly available.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Financial support; Matchmaking; Influencing government and regulatory policy (limited).	GTAI has 50 offices in Germany and abroad, including 5 in North America, 5 in South America, 5 in Africa, 9 in Western Europe (outside Germany), 9 in Central and Eastern Europe (including Russia), 3 in the Middle East, 12 in the rest of Asia, and 1 in Australia. GTAI employs 264 staff in Germany and 98 abroad.	Yes	Yes
Ireland Enterprise Ireland	In 2016, Enterprise Ireland received €285 million in funding from the Irish Government.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Financial support; Matchmaking; Influencing government and regulatory policy (limited).	Enterprise Ireland has nine regional offices throughout Ireland and over 30 international locations, facilitating access to more than 60 countries worldwide.	Yes	No
Italy	Information not publicly available.	Not explicitly	Market and outreach, information provision, tailored advice and support match-making.	The ICE has a total of 79 offices around the world, spanning 65 different countries.	Not explicitly	Yes

Comparative Review of Trade Promotion Organisations – Phase 1

TPO	Resourcing	Are market failures explicitly targeted?	Specific barriers to export that are targeted (as per DIT logic model)	Scope of export markets targeted	Global value chains targeted?	Investment promotion in scope?
Japan Japan External Trade Organisation (JETRO)	METI financing of around 90% of total funding for JETRO (¥32 billion, or approximately £220 million), with the other 10% (¥3.3 billion, or £23 million) through revenue from services.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Financial support (limited); Matchmaking; Influencing government and regulatory policy (limited).	JETRO has offices in 37 countries, with a total of 74 offices around the world. (27 Asia, 2 Oceania, 8 North America, 7 South and Central America, 14 in Europe, 3 in Russia and Central Asia, 5 in Middle East, 8 in Africa).	Yes	Not directly
Netherlands Netherlands Enterprise Agency (RVO)	Information not publicly available.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Financial support (limited); Matchmaking; Influencing government and regulatory policy (limited).	The RVO itself does not maintain offices overseas, instead it acts as the gateway to the worldwide network of over 150 offices run by the Dutch Ministry of Foreign Affairs, including embassies, consulates, and trade offices.	Limited	Under the remit of Invest Holland.

Comparative Review of Trade Promotion Organisations – Phase 1

TPO	Resourcing	Are market failures explicitly targeted?	Specific barriers to export that are targeted (as per DIT logic model)	Scope of export markets targeted	Global value chains targeted?	Investment promotion in scope?
New Zealand New Zealand Trade and Enterprise	Total budget for 2016 to 2017 was 205.817 NZ dollars.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Financial support (limited); Matchmaking; Influencing government and regulatory policy (limited).	NZTE's has 600 staff located across 40 markets worldwide; 46% of NZTE's staff are located outside of New Zealand. The government is particularly focused on leveraging growing trade and investment opportunities in the Asia-Pacific region and with APEC countries in particular.	Yes	Yes, through a cross-government taskforce.
Norway Innovation Norway	2015 Annual Report IN receives around Krona 3.4 billion in state funding. Around two thirds of this comes from the Ministry of Trade. Local authorities – in the form of county councils – provided around Krona 400 million.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Financial support (limited); Matchmaking; Influencing government and regulatory policy (limited).	IN has 37 overseas offices, with 16 in Europe, 12 in Asia, 5 in North America, 3 in Africa and 1 in South America. However, IN also works under Team Norway, and had explicit links with an additional 24 general consulates across the world.	Yes	Yes

Comparative Review of Trade Promotion Organisations – Phase 1

TPO	Resourcing	Are market failures explicitly targeted?	Specific barriers to export that are targeted (as per DIT logic model)	Scope of export markets targeted	Global value chains targeted?	Investment promotion in scope?
Singapore Enterprise Singapore	Numbers for Enterprise Singapore are not yet available. According to the 2017 Annual Report, overall IES expenditure amounted to Singapore Dollars 231.3 million and 228.0 million in 2016 and 2017. Of this envelop, a little over half was covered by revenues, and the remainder by government grants.	Not explicitly. However, the inclusion of enterprise development, and innovation within the mandate of the agency means that market failures are in practice an important policy focus.	Marketing and Outreach; Information provision; Tailored advice and support; Financial support; Matchmaking; Influencing government and regulatory policy.	Network of 35 overseas centres. The list of geographic markets on its website lists some 40 countries, 20 of which are in the middle east and Africa, and four in Europe (including the UK). It lists 4 sector clusters: infrastructure, lifestyle; technology; and transport and logistics.	Yes	Yes.
South Korea Korea Trade Investment Promotion Agency (KOTRA)	Information not publicly available.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Financial support (limited); Matchmaking; Influencing government and regulatory policy (limited).	KOTRA have a wide network of global offices, being present in 86 countries, with a total of 127 offices (45 Asia, 10 North America, 14 South and Central America, 23 in Europe, 10 in Russia and Central Asia, 15 in Middle East, 10 in Africa).	Yes	No, KOTRA works with Invest in Korea.

Comparative Review of Trade Promotion Organisations – Phase 1

TPO	Resourcing	Are market failures explicitly targeted?	Specific barriers to export that are targeted (as per DIT logic model)	Scope of export markets targeted	Global value chains targeted?	Investment promotion in scope?
Spain ICEX Espana	Information on resourcing is limited. Information for 2016 suggests that overall expenditures were around €111 million, of which a little under €30 million was attributable to staff costs.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Financial support (limited); Matchmaking; Influencing government and regulatory policy (limited).	ICEX has a network of around 100 offices across the world, usually co-located with Spain's diplomatic or consular network. In addition, it has a network of 28 centres, which are presented as "incubators for internationalisation". The centres provide access to office infrastructure and networking opportunities. There are 6 in the Americas (of which two are in the US); 3 in Africa (of which 2 in North Africa); 9 in Europe; and 9 in Asia and Oceania (of which 3 are in China).	Yes	Yes
Sweden	Information not publicly available.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Financial support (limited); Matchmaking; Influencing government and regulatory policy (limited).		Yes.	Yes

Comparative Review of Trade Promotion Organisations – Phase 1

TPO	Resourcing	Are market failures explicitly targeted?	Specific barriers to export that are targeted (as per DIT logic model)	Scope of export markets targeted	Global value chains targeted?	Investment promotion in scope?
Switzerland	The Swiss Government reportedly contributed around Swiss Francs 21 million in 2014 and 2015, or around half of S-GE's revenue.	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Matchmaking.	S-GE has a network of business hubs that span the following countries: ASEAN, Austria, Brazil, Canada, China, France, Germany, Gulf States, Hong Kong, India, Indonesia, Italy, Japan, Korea, Mexico, Poland, Russia, South Africa, Spain, Turkey, UK, Ireland and USA.	Yes	Yes
USA	Not applicable	Not explicitly	Marketing and Outreach; Information provision; Tailored advice and support; Matchmaking.	No specific geographic focus for the National Export Initiative as a whole.	Yes	No

3.4 TPO strategy and product and service offerings

The vast majority of TPOs retain a strong focus on small and medium enterprises (SMEs), though this is usually not to the exclusion of other types of businesses. Explicit justifications for the focus on SMEs are not generally provided in TPO strategic documents. The focus may reflect historical practice, and it may also reflect the fact that the bulk of firms in the economies in question are SMEs.

Many TPOs also list sectoral priorities, which reflect broader trade strategies.

Formal impact evaluation has yet to be adopted in most countries. Canada, Denmark, and Norway are examples of jurisdictions that have used formal econometric methods to measure the efficacy of their trade promotion efforts. In other cases, however, it is difficult to detect evidence of formal research into the incremental impact of TPO activity.

In terms of non-financial services and products, while the specifics vary, most TPOs offer a range that begins with free, off-the shelf products and graduate to fee-paying bespoke services. Networking opportunities and trade fairs also play an important role. Certain TPOs, notably Australia, Norway and Singapore, have developed links between trade promotion and enterprise incubation and acceleration.

A number of TPOs offer financial products in the form of grants to defray costs associated with market entry. Export credit and insurance tends to fall to specialist state-owned agencies. In the case of Singapore, the private sector is responsible for lending and insurance but the TPO plays a role in helping to match businesses to lenders.

Table 6 Summary table: strategy and products and services

Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
<p>Australia Australian Trade and Investment Commission (Austrade)</p>	<p>Austrade's assistance focuses on export-ready SMEs that sell to multiple markets. This equates to a target market of roughly 10,000 companies that represent approximately 13% of Australia's exports.</p>	<p>Recipients of Austrade's assistance are surveyed annually in order to measure the performance of particular trade promotion activities. The results are published in the Austrade's Annual Report. Impact evaluations of select programmes (for example, the Export Market Development Grants) are occasionally undertaken.</p>	<p>Facilitating business missions and events Providing connections and information: including tailored services, as well as providing introductions to key contacts and networks. Linking with innovation ecosystems: incubator and accelerator programs and source funding. TradeStart network: offers a network of 28 offices located mainly in regional centres that have access to Austrade's resources and offer information and advice to exporters. Outreach and promotional programmes Boosting e-commerce: helps companies leverage e-commerce platforms with a focus on food and consumer products.</p>	<p>Export Market Development Grants (EMDG) Scheme: offers financial assistance to Australian SMEs to encourage exporters to increase their international marketing and promotion expenditure to achieve more sustainable international sales. Austrade reimburses up to 50% of eligible export promotion expenses above a specified level. In 2016 to 17, payments were made to 3,166 EMDG participants totalling AUD 131.4 million</p>

Comparative Review of Trade Promotion Organisations – Phase 1

Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
<p>Canada Trade Commissioner Service</p>	<p>In 2015 to16, TCS spent Can\$164 million, conducted 1,220 trade initiatives, facilitated the conclusion of 963 commercial agreements, and facilitated 109 successful FDI projects.</p>	<p>Van Biesebroeck, Yu and Chen (2015) evaluate the impact of the programmes delivered by TCS on the export performance of Canadian firms. They conclude that TCS programmes 'have a consistent and positive impact on Canadian exporter performance, both in terms of the value of exports and the growth of exports'. They estimate that exporters accessing TCS services can expect to export, on average, 17.9% more than comparable exporters that do not access these services. They also find that TCS assistance benefits exporters in terms of product and market diversification.</p>	<p>Preparing for international markets: determining if a firm is internationally competitive and helping to decide on a target market.</p> <p>Assessing market potential: providing market intelligence and advice on implementing market strategies.</p> <p>Finding qualified contacts: helping firms find key players in the export country of interest</p> <p>Resolving business problems: giving advice on issues that arise when conducting business abroad.</p> <p>Registering trade barriers: helping firms register a trade barrier that is holding back their export business and talking the issue through with overseas agencies.</p>	<p>Global Opportunities for Associations (GOA): non-repayable support to associations starting or expanding international business development activities. Can\$6.8 million disbursed 2010 to 14.</p> <p>Going Global Innovation (GGI): matching funds of up to 75% of eligible expenses incurred in pursuing international collaborative research and development opportunities, up to a maximum of Can\$75,000 for any approved project. Eligible beneficiaries are SMEs, universities, and non-government research centres. Can\$2.3 million disbursed 2010 to 14.</p> <p>International Science and Technology Partnership Program (ISTPP): support to research and development collaboration programmes with Brazil, China, India, and Israel. Can\$15 million disbursed 2010 to 14. The programme was undergoing renewal as of April 2015.</p> <p>Export financing: under the remit of Export Development Canada.</p> <p>Business Development Bank Canada is responsible for more general (non -export-specific) forms of financing, especially to SMEs</p>

Comparative Review of Trade Promotion Organisations – Phase 1

Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
Denmark Trade Council of Denmark	One of the measures cited in the government's export promotion strategy is boosting SME internationalisation and exports, because they "do not possess the necessary resources to overcome even minor trade barriers".	Munch and Schaur (2015) evaluated Denmark's public-sector trade promotion services, finding that small firms are most positively impacted by Denmark's trade promotion services. The export promotion services are likely to raise the likelihood of a firm exporting, and for a firm to increase their quantity of exports, whilst there are other positive effects on labour productivity. However, it is noted that for medium and large firms, the evidence is inconclusive.	There is a range of market information on country- and sector-specific exports, free to download for all firms. More specific programmes are found on the government's integrated portal, which categorises services into four categories with over 100 different services provided: Counselling; Subsidies; Financing; and Other (which includes IP rights, hiring an international student, and so on).	Denmark's official export credit agency, EKF, works closely with the Trade Council, providing a variety of services for domestic and international firms, such as: Financing for foreign buyers of Danish goods and services; Protecting domestic exporters against loss; and Help with domestic finance and guarantees.
Finland Business Finland	Most of Business Finland's funding goes to SMEs. In 2014, 78% of Finpro's customers were SMEs.	FinPro's 2014 Annual Report states that it facilitated EUR 299 million in investments creating 173 jobs. Some discussion of the evidence underlying the effectiveness of Business Finland's activities is available on the organisation website, which also states that further effectiveness evaluations will be published soon.	Business Finland offers a range of non-financial assistance to firms. This includes: general information on export markets, introducing firms to key contacts and networks, helping to assess firms' global competitiveness, and identifying target markets. These services target informational constraints, internal exporter constraints, and coordination failures.	A wide variety of funding is available, to support research and development, and business development more generally. Most funding goes to SMEs, but support is also available to other organisations. See country report for details.

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Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
<p>France Business France</p>	<p>The focus is primarily on SMEs and “intermediate sized firms”. Data presented for the purposes of evaluation against the objectives in the Performance Contract for 2015 show that 4,798 SMEs and Intermediate Size firms benefitted from export services, and 726 businesses benefited from a tailored service and follow-up.</p>	<p>Impact evaluation is primarily through monitoring against targets agreed in the Performance Contract (see above). French Senate also conducts hearings in the context of the appropriations bill.</p>	<p>Informational: market opportunities, public procurement opportunities; and information on regulatory frameworks.</p> <p>“Prospecting”: detailed market information (including tailored information) and business to business connection events</p> <p>Communications support: public relations, government relations and media.</p> <p>International Business Volunteers (VIE): a scheme under which businesses can select a person under the age of 28 for a specific task or job overseas (for example, market study) for a period of 6-24 months.</p> <p>Specialised partnerships for example with the National Intellectual Property Institute (INPI) to evaluate IP protection needs.</p>	<p>Business France, in collaboration with BPIFrance, a public investment bank focused on business lending, and COFACE (Compagnie Française d'Assurance pour le Commerce Extérieur, focused on trade insurance) developed a service known as BPIFrance export. Under this umbrella, the following products are offered:</p> <p>Market prospections insurance: expenses incurred during prospection are insured.</p> <p>Default risk insurance for credits given to buyers.</p> <p>Exchange rate risk insurance.</p> <p>Political risk insurance</p> <p>Pre-financing risk insurance</p> <p>Export credits to cover current costs associated with exporting.</p>

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Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
Germany Germany Trade and Invest	SMEs	None	<p>GTAI experts analyse the latest trends and developments in all strategic growth markets around the world, offering to businesses:</p> <ul style="list-style-type: none"> a database on these trends and developments, and a diverse variety of status reports and analyses, with around 3,000 new articles each year. <p>This standardised information range allows GTAI to present the basic knowledge needed for foreign business planning and implementation in important markets, facilitating comparisons between different markets.</p>	None

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Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
Ireland Enterprise Ireland	<p>Between 2003 and 2013, Enterprise Ireland approved €1.1bn of funding (including €127m in 2013), of which:</p> <ul style="list-style-type: none"> 37% went to Research, Development and Innovation; 24% supported company expansion; 23% supported start-ups; 12% supported management and skills development; and 5% supported internationalisation. <p>In 2016, Enterprise Ireland allocated funds of €358m, of which:</p> <ul style="list-style-type: none"> €244m went to funding for enterprise development (for example capacity building, equity and venture capital funds, technology and scientific infrastructure) €75m went to client and corporate services (for example client services network, science and innovation support) €39m went to funds administered on behalf of third parties (for example Local Enterprise Offices). 	<p>The Irish Department of Jobs, Enterprise and Innovation produced Evaluations of State Supports for Enterprise in July 2015, which included an assessment of support offered by Enterprise Ireland. The report found that employment in the cohort of Enterprise Ireland companies that received support increased from 76,600 in 2003 to 111,750 in 2014, while employment in non-supported firms decreased from 71,700 to 43,800. However, this report does not account for selection bias (for example, the fact that firms receiving support may have performed better regardless of the support received) and therefore should be treated with caution</p>	<p>Enterprise Ireland offers a range of non-financial assistance to firms. This includes:</p> <ul style="list-style-type: none"> general information on export markets, introducing firms to key contacts and networks, and helping to assess firms' global competitiveness. <p>There are also specific programmes designed to help Irish firms win sales in international markets, such as 'Go Global 4 Growth', a programme delivered by Dublin City University offering SME-customised management education to help support global growth.</p>	<p>High Potential Start-Up (HPSU) Companies. HPSUs are defined as start-up businesses with the potential to develop an innovative product and service for sale on international markets and the potential to create 10 jobs and €1m in sales within 3 to 4 years of starting up.</p> <p>Market Assistance Grant: For established SMEs (less than 10 employees) and large companies (more than 250 employees). The Market Access Grant assists clients in developing a viable marketing strategy for a new market (maximum grant is 50% of eligible expenditure up to a maximum grant of €150,000).</p>

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Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
Italy (ICE)	SMEs, and within these, very small family businesses, are a priority. Sectoral prioritisation under the 'Extraordinary Plan – Made in Italy'.	Not through formal econometric studies that are publicly available.	Forty services divided across 3 clusters: orientation, access, and taking root. The first of these clusters is primarily free, the second and third primarily free-paying.	SACE – export credit agency in support of internationalisation through a dedicated programme (SIMEST)
Japan Japan External Trade Organisation (JETRO)	SMEs form a priority focus	Not through formal econometric studies that are publicly available.	Trade Tie-up Promotion Program is a matching service, looking to match sellers of Japanese products to foreign buyers. This is a free service that facilitates foreign and domestic trading Trade exhibitions Trade consultations Research reports Market research Business appointment acquisition service Business support centres Temporary international internships	Through credit agencies

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Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
Netherlands Netherlands Enterprise Agency (RVO)	No specific information	None	The RVO offers a range of non-financial assistance to firms. This includes general information on export markets, introducing firms to key contacts and networks, and identifying target markets. Support for Dutch firms facing local obstacles in export markets and-or unfair competition abroad is available, for example, putting firms in touch with lawyers and tax advisers.	The Dutch Trade and Investment Fund (DTIF) offers loans, guarantees, and export financing to help firms expand their business internationally. The total budget of the DTIF is €102 million, and each project can receive up to €15 million. The Dutch Good Growth Fund (DGGF) provides Dutch SMEs doing business in developing countries and emerging markets with customised financing and guarantees. The maximum funding allowed per project is €10 million.
New Zealand New Zealand Trade and Enterprise	NZTE's provides services to roughly 5,000 internationalising companies and groups of companies.	NZTE has a broad performance measuring system that links high-level results with detailed operational measures. These measures include metrics such as company portfolio growth rate, trade deals and investment impacts for New Zealand. NZTE undergoes regular Performance Improvement Framework (PIF) reviews, which identify how the organisation can improve its offering and outcomes	NZTE offers tools and services including: getting started in export workshops, market research, in-market immersion as well as tailored services for more experienced exporters such as connections to potential customers, distributors and partners. NZTE also organises special events and trade missions. The Beachheads Programme connects participating companies to a network of private sector advisors in New Zealand and around the world who can provide insights and advice.	International Growth Fund: NZTE co-invests with Focus 700 and Coalition businesses in projects that are predicted to have a positive impact on the economy, such as new market entry and product development. Grants for up to 50% of the costs of approved activities. Research and Development grants: Callaghan Innovation offers research and development grants including 'getting started' grants, project grants and growth grants. Strategic Investment Fund: co-funds feasibility studies that are used to develop and present the business case for investment in New Zealand.

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Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
<p>Norway Innovation Norway</p>	<p>IN's forward-looking strategy focuses on six sectors, namely in areas where Norway has international advantages:</p> <ul style="list-style-type: none"> • Clean energy • The ocean space • Smart societies • "Bio-economy" • Health and welfare • Creative industries and tourism 	<p>Summary performance evaluation data are reported in the 2015 Annual Report. Sales revenues are reported to be 12.5 percentage points higher for IN-supported companies, while value added and the number of employees are respectively 5.9 percentage points and 5.4 percentage points higher. According to IN, support activities had a catalytic effect on private sector support, with close to 4 billion in bank and other private financing and 5.5 billion in equity financing raised by beneficiaries in 2015</p>	<p>International market advisory service: Advisors in more than 30 countries to help Norwegian companies with strategic and operational advice and assistance, specifically in relation to their internationalisation process.</p> <p>International networks: IN is part of Enterprise Europe Network, the EU's SME network, an extensive network of advisors to help SMEs trade internationally, finding business partners, connecting to innovation specialists and answering questions around market conditions.</p> <p>Corruption risk abroad: advice on the challenges of dealing with corruption.</p> <p>Horizon 2020 and The Global Entrepreneurship Initiative: building global networks with SMEs and high potential start-ups respectively.</p>	<p>IN focuses on four types of financing:</p> <p>Guarantees</p> <p>Grants</p> <p>Innovation loans</p> <p>Low risk loans – offered to companies in need of financing long-term capital</p>

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<p>Singapore Enterprise Singapore</p>	<p>(Data are for IES) In 2016, IES assisted around 37,000 businesses, of which 80% were SMEs. Higher levels of financial support (as proportion of total business costs) is given to SMEs. To be eligible for IES assistance, firms must be registered in Singapore. Some financing instruments require head-quarters in Singapore.</p>	<p>None</p>	<p>IES operated five clusters:</p> <p>Market knowledge. Market entry. Learning and networking. E-services. Talent services.</p> <p>Enterprise Singapore has retained these, and has added services previously provided by SPRING, primarily geared at start-ups, SMEs and supporting innovation.</p>	<p>Four clusters of financial products</p> <ul style="list-style-type: none"> • Grants • Loans and Insurance • Tax deductions • Investment facilities <p>Two grant schemes targeting financial constraints linked to alleviating informational constraints and internal exporter constraints impeding ability to access markets.</p> <p>Market Readiness Assistance Grant: co-financing of costs (50%, up to 70% for SMEs) associated with hiring a third-party professional for a range of specific activities notably overseas market set-up, identification of business partners, overseas market promotion.</p> <p>Global Company Partnership (GCP) Grant: Mainly on the basis of co-financing (50% of eligible costs, 70% for SMEs) the costs of engaging third party support in four areas – capacity building, market access, manpower development, and tradeshows or activities.</p> <p>Loans and Insurance: Products are sold by private sector partner, with Enterprise Singapore acting as scheme facilitator.</p> <p>Tax deductions and investment facilities: taken over from SPRING and aim at supporting R&D and start-ups.</p>
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Comparative Review of Trade Promotion Organisations – Phase 1

Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
South Korea Korea Trade Investment Promotion Agency (KOTRA)	KOTRA explicitly target SMEs, with a goal to strengthen export competencies of SMEs.	None	KOTRA's main activities are: Business to business e-marketplace exhibitions Trade and market information online resources and FAQs - these are remote, free to use services, that potentially includes consultations with your "trade doctor".	Under the remit of export credit agencies
Spain ICEX Espana	ICEX focuses on the internationalisation of Spanish firms generally and "especially", but not exclusively, SMEs. It conducts over 500 promotion activities per year covering around 3,000 businesses.	No formal evaluation, some metrics presented in annual report.	General one-stop shop functions: country and sector development documents; information on regulation and administrative requirements. These are done free of charge. Country reports are available online. Organisation of trade fairs, trade missions and networking events Bespoke advice and reports charged to the client. For SMEs. ICEX organises events that evaluate financing needs, and that act as first step to securing financing from CESCE.	Export financing and insurance matters are handled by CESCE. An agreement signed by ICEX and CESCE in 2016 covers policy service for Spanish exporting SMEs.

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Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
Sweden Business Sweden	The export strategy specifically focuses on regional export centres, especially for SMEs around the country who find it difficult to access export promotion services. Business Sweden is charged with taking the lead on this initiative.	None	Basic export services: giving basic information and answering enquiries (including 'Steps to Export' material) Programs for small companies: specific advice for SMEs, including professional development and regional export advice Targeted export promotion: advice on targeted export markets, international procurement, and international marketing of strategic industries Consultancy services: customised advisory services.	Through specialist export financing bodies
Switzerland S-GE	Export promotion activities focus on SMEs. No data are publicly available on the numbers of SMEs assisted to date. S-GE has identified sectoral focus areas, typically knowledge-intensive ones: ICTs, life sciences, smart manufacturing and data.	None	General one-stop shop functions: sectoral information and opportunities; information on regulation and administrative requirements; organisation of permits. These are done free of charge. Bespoke advice and reports charged to the client. Trade promotion fairs and events overseas in collaboration with overseas hubs Creation of linkages in export markets and between investors in Switzerland and local firms	Export financing and insurance schemes handled through separate agency

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Country and TPO	Focus on particular beneficiary groups?	Impact evaluation?	Non-financial key products	Financial key products
USA	The National Export Initiative is focused explicitly on SMEs. However due to its structure as a collection of departments, many different institutions focus on different beneficiaries, such as agricultural businesses, veteran-owned businesses and others.	None	The 2016 National Export Strategy outlines four key areas of export assistance and promotion: Information, training and guidance for businesses; Domestic trade-related infrastructure; Export finance; and Enforcement and negotiation of trade agreements and international law.	Through specialised lending agencies.

4. Conclusion

In the concluding section, we present our findings regarding the suitability of each TPO as a comparator and source of policy lessons for the UK. We do this using the traffic light system discussed in section 2.1.

4.1 Traffic-light assessment of each jurisdiction

4.1.1 Australia

Table 7 Summary of assessment of Australia as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	High income, services-dominated economy; merchandise trade reflects dominance of primary products despite efforts at diversification.
Policy and institutional context	Green	Liberal trade regime - more so than UK currently, but reflects a possible future option for the UK. Focus of private sector development. Linkages to skills and knowledge (compare National innovation and Science Agenda).
TPO Institutional structure	Amber	Comes under purview of trade ministry. Some differences in governance structure.
TPO Scope	Green	Wide range of export markets; targets 5 of the 6 barriers to exporting; focus on supply side and internationalisation.
TPO Strategy	Amber	Export-ready SMEs and emerging market focus, particularly East Asian markets. Less emphasis on evaluation.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting. Services and technology exports as well as e-commerce are key areas of focus. Linkages to export financing via specialised agencies.
Overall Assessment	Green	Australia could be a useful source of policy lessons, though the dominance of primary products and resources limits relevance. Austrade's strategic initiatives aimed at increasing exports to emerging markets in Asia could be of particular interest to the UK.

4.1.2 Canada

Table 8 Summary of assessment of Canada as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	High-income, services dominated economy. Merchandise trade reflects high dependency on US (around 70% of export). Significant role of primary sector exports.
Policy and institutional context	Green	Liberal trade regime. Focus on private sector development.
TPO Institutional structure	Green	Institutional structure broadly similar to that in UK. Canada's geographic size means greater scope for regional organisations.
TPO Scope	Green	Wide range of export markets. Some focus on value chains.
TPO Strategy	Green	Broad-based strategy covering export promotion and inward investment. Evidence of rigorous evaluation.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting. Links to export financing.
Overall Assessment	Green	Likely a source of useful policy lessons.

4.1.3 Denmark

Table 9 Summary of assessment of Denmark as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Denmark is an open, service-based economy, with a strong focus on international trade.
Policy and institutional context	Green	Denmark is a very open country and well-regarded as a trading partner.
TPO Institutional structure	Green	Denmark has strong relations across government institutions and is actively focused on improving these relations. Feedback from export promotion evaluation is included in trade policy.
TPO Scope	Green	There is an established export promotion strategy that has been in place for over three years. There are precisely targeted barriers to trade, and recognition of global value chains.
TPO Strategy	Green	There is a clear export promotion strategy, executed by the Trade Council, with targeted beneficiaries and some evidence of evaluation taking place.
TPO products and services	Green	Denmark has an extremely wide range of export promotion services for firms, as well as an export credit agency.
Overall Assessment	Green	Denmark demonstrates many similarities to the UK as a service-based economy, with a strategic emphasis on export promotion and evaluation.

4.1.4 Finland

Table 10 Summary of assessment of Finland as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Services dominated economy; high value-added manufacturing dominates merchandise trade.
Policy and institutional context	Green	Trade policy defined by EU common commercial policy. High ranking for ease of doing business.
TPO Institutional structure	Amber	Some specific characteristics: result of merger of trade promotion and of innovation agency; Team Finland structure.
TPO Scope	Green	Wide range of barriers addressed. Diverse export market focus.
TPO Strategy	Green	Increased focus on evaluation. Predominantly SME focus, but not exclusively.
TPO products and services	Green	Product offering reflects integration of trade promotion and innovation services.
Overall Assessment	Green	Useful source of policy lessons.

4.1.5 France

Table 11 Summary of assessment of France as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	High income services dominated economy; merchandise trade reflects specialisation in high-value add activities.
Policy and institutional context	Green	Same trade regime as the EU's because of participation in common commercial policy. Similar strategic focus in developing exports in high-skills and knowledge areas
TPO Institutional structure	Amber	Multiple ministries overseeing the agency. Differences in governance structure and complicated interaction with private sector-led export promotion initiatives.
TPO Scope	Green	Wide range of export markets; targets all barriers to exporting; focus on supply side and internationalisation.
TPO Strategy	Green	SME focus, but not exclusively. Strong value chain focus, supported by focus on inward investment. Emphasis on evaluation via Performance Contract.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting; network spillovers. Linkages to export financing through partnerships.
Overall Assessment	Green	France's export promotion strategy has undergone a period of rapid restructuring and attempts to rationalise a disparate export promotion structure spanning public and private institutions. Attempts at integrating regional development plans into Business France initiatives may also offer useful lessons.

4.1.6 Germany

Table 12 Summary of assessment of Germany as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Services dominated economy. Merchandise trade dominated by high value-added manufacturing.
Policy and institutional context	Green	Trade policy defined by EU's common commercial policy. Focus on export diversification.
TPO Institutional structure	Amber	Fragmented architecture for export promotion with Chambers of Commerce better funded than GTAI.
TPO Scope	Green	Covers most barriers to export; well-developed export market focus. Inclusion of investment promotion increases value chain focus.
TPO Strategy	Green	Value chain focus; increased focus on evaluation.
TPO products and services	Amber	Range of products and services, with some specifically targeted to SMEs. Focus seems to be on general services with little information on specific ones.
Overall Assessment	Green	Useful source of policy lessons.

4.1.7 Ireland

Table 13 Summary of assessment of Ireland as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	High-income services dominated economy; merchandise trade reflects specialisation in high-value add activities.
Policy and institutional context	Amber	Trade policy defined by EU's common commercial policy. Split between export promotion and inward investment (which is under the purview of IDA).
TPO Institutional structure	Amber	Under the scope of Minister of Enterprise and Jobs. Private sector reps appointed to board.
TPO Scope	Green	Geographical markets reasonably diverse; some focus on global value chains.
TPO Strategy	Amber	Heavy emphasis on research and development grants and general competitiveness.
TPO products and services	Amber	Targeting a range of export barriers, but also a heavy emphasis on general competitiveness. This is possibly a reflection of Ireland's general openness to trade: enterprise development prospects are closely dependent on trade.
Overall Assessment	Amber	Some useful lessons, but important points of divergence.

4.1.8 Italy

Table 14 Summary of assessment of Italy as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	Open service-based economy. But some specific features, including dominance of family-owned firms and corporate governance dominated by banks. Low export propensities.
Policy and institutional context	Amber	EU sets external trade policy. Little evidence of a trade or export stimulation strategy, or links between trade and wider policy objectives. Business environment poses particular constraints.
TPO Institutional structure	Green	Government agency under the remit of Ministry of Economic Development.
TPO Scope	Amber	Little or no evidence of targeting global value chains. Links to wider initiatives unclear. SMEs are the default focus, but rationale not clearly articulated.
TPO Strategy	Amber	Specific focus on SMEs. Targeted initiatives for poorer regions in Southern Italy. Limited impact assessments, but measurement of performance against indicators set out in triennial plans.
TPO products and services	Green	Wide range of products and services, with their role in internationalisation clearly defined. Export financing agency operates separately.
Overall Assessment	Amber	Italy may offer some useful insights, but lack of clearly documented strategic focus, and particularities of the country context constrain its relevance.

4.1.9 Japan

Table 15 Summary of assessment of Japan as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Services dominated economy. Role of high value added manufacturing and global value chains.
Policy and institutional context	Amber	Liberal trade regime; non-tariff measures an issue.
TPO Institutional structure	Green	JETRO is part of a Ministry and works loosely with other organisations and Ministries. However, little evidence of broader oversight. Publicly funded and gives some research and advice on trade policy.
TPO Scope	Amber	JETRO focus mainly on SMEs and others who have traditionally suffered from lack of exports. Strong emphasis on promoting inward investment. Lack of clear emphasis on global value chains.
TPO Strategy	Amber	Seemingly not an overarching export promotion strategy: rather, individual sectors are selected for promotion. There is little evidence of evaluation of JETRO services.
TPO products and services	Green	Similar products and services that focus on the same barriers and market failures identified by DIT. Focus of services is slightly adapted for Japan. Strong links to export finance and credit agencies.
Overall Assessment	Amber	There are some lessons to be learnt from Japan, and some comparisons to be drawn, but the UK has a much broader focus.

4.1.10 Netherlands

Table 16 Summary assessment of the Netherlands as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Service dominated economy; high end manufacturing in exports. Open to trade.
Policy and institutional context	Green	Trade policy set by EU.
TPO Institutional structure	Amber	Merger of business and agriculture related activities.
TPO Scope	Green	Scope of activities broadly comparable.
TPO Strategy	Amber	Limited information available.
TPO products and services	Amber	Limited information on extent of bespoke information services.
Overall Assessment	Amber	Some useful insights constrained by limits on information.

4.1.11 New Zealand

Table 17 Summary of assessment of New Zealand as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	High income services-based economy; merchandise trade remains dominated by primary products.
Policy and institutional context	Green	Liberal trade regime - more so than UK currently, but reflects a possible future option for the UK.
TPO Institutional structure	Amber	Comes under purview of the economic development and trade ministries. Some differences in governance structure.
TPO Scope	Green	Wide range of export markets; services tailored to different exporter segments; focus on supply side and internationalisation.
TPO Strategy	Green	Targets companies that are export ready and new to exporting; supports value-add parts of the economy.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting. Linkages to export financing via NZECO.
Overall Assessment	Green	New Zealand could be a useful source of policy lessons. NZTE's strategic approach and alignment with New Zealand's overarching industrial strategy, BGE, could be of interest to the UK. Lessons could also be drawn from NZTE's relationship with other government agencies (for example, NZ Inc).

4.1.12 Norway

Table 18 Summary of assessment of Norway as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	Openness to trade and high share of services in output. Particular feature is dominance of natural resources (oil) in merchandise exports.
Policy and institutional context	Green	Part of the EEA, so currently an open economy, with close relationships to the EU. Not part of common commercial policy so able to independently set and pursue trade arrangements.
TPO Institutional structure	Amber	Majority owned by ministry of trade, industry and fisheries; although partially owned by regional authorities.
TPO Scope	Amber	Wide range of export markets. Wider scope, focuses on innovation and fundamental firm development.
TPO Strategy	Green	Commonalities in strategic orientation, with some emphases reflecting particular characteristics of Norwegian economy. Evidence of rigorous impact analysis.
TPO products and services	Green	A strong focus on export financing and innovation investment, but there is also a range of advisory services and a strong foreign network of advisors.
Overall Assessment	Green	Some distinctive features, but Norway's need to balance close integration with the EU and the pursuit of wider trade objectives, its emphasis on stimulating high skills sectors, and emphasis on evaluation make it a relatively strong comparator and source of policy lessons.

4.1.13 Singapore

Table 19 Summary of assessment of Singapore as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	High income services dominated economy; merchandise trade reflects specialisation in high-value add activities. Significantly more open to trade because of size.
Policy and institutional context	Green	Liberal trade regime - more so than UK currently, but reflects a possible future option for the UK. Focus of private sector development. Linkages to skills and knowledge (compare White Paper on Industry).
TPO Institutional structure	Amber	Comes under purview of trade ministry. Some differences in governance structure.
TPO Scope	Green	Wide range of export markets; targets 5 of the 6 barriers to exporting; focus on supply side and internationalisation.
TPO Strategy	Amber	SME focus. Less emphasis on evaluation.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting. Linkages to export financing (though no direct financing by government).
Overall Assessment	Green	Singapore could be a useful source of policy lessons. The integration of trade promotion with enterprise development activities, focusing on knowledge and start-ups, may add a valuable perspective.

4.1.14 South Korea

Table 20 Summary of assessment of South Korea as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Korea is an open, service-based economy, and has similar proportion of GDP related to trade.
Policy and institutional context	Amber	KOTRA operates through the Ministry of Trade, Industry and Energy, but has no well-defined strategic target.
TPO Institutional structure	Amber	KOTRA acts purely as an agency, it does not influence government policy.
TPO Scope	Green	KOTRA provides a wide range of services for a wide range of potential clients.
TPO Strategy	Amber	KOTRA provide a wide range of services and is overseen by the Ministry for Trade, Industry and Energy. However, firms are chosen by KOTRA as part of export assistance projects, through an application process.
TPO products and services	Green	KOTRA's products and services are fairly standard, with access to global networks, trade shows, trade missions, and so on. as part of its offer. It offers a wealth of online resources.
Overall Assessment	Green	Overall, Korea is a strong comparator to the UK, with broadly similar economic structures, and similarities in trade promotion policy. However, its structure and strategy are not quite as well-defined compared with the UK.

4.1.14 Spain

Table 21 Summary of assessment of Spain as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	High income, services dominated economy; merchandise trade reflects specialisation in high-value add activities. High trade to GDP ratio.
Policy and institutional context	Green	Trade regime defined by EU's common commercial policy. Albeit for different reasons, shares UK goal of reducing reliance on EU and increasing geographical diversification. Targeting of high value add sectors. Framework for private sector activity requires strengthening.
TPO Institutional structure	Amber	Under purview of trade ministry. Regional structure and need to interact with regional trade promotion authorities that have a high degree of autonomy.
TPO Scope	Green	Wide range of export markets; targets 5 of the 6 barriers to exporting; focus on supply side and internationalisation.
TPO Strategy	Green	Wider focus than SMEs. Global value chains identified as key priority. Limited focus on evaluation.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting; facilitating access to finance without engaging in financing directly.
Overall Assessment	Green	While there are some differences, notably reflecting Spain's more devolved approaches to regional administration, the overall architecture for export promotion can offer plenty of lessons for the UK.

4.1.16 Sweden

Table 22 Summary of assessment of Sweden as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Sweden is an open, service-based economy, and has similar proportion of GDP related to trade.
Policy and institutional context	Green	A very similar institutional context, with the Swedish government having an existing export strategy, which will tie into the overall industrial strategy – much like the UK.
TPO Institutional structure	Amber	Whilst Sweden does not necessarily have a ministry committed solely to trade, it does have an export strategy that covers a variety of ministries and sectors. There is not one single export promotion organisation, dedicated to export promotion, but there are multiple export promotion measures.
TPO Scope	Green	Team Sweden emphasises its position in the global value chain, whilst systematically targeting activities Swedish businesses can compete in.
TPO Strategy	Green	Team Sweden have a targeted export strategy, focused on specific sectors, and explicitly coordinates across government agencies. There is an evaluation approach, where the best public services will be assessed, and the results are fed back into trade policy.
TPO products and services	Green	Business Sweden provides a range of products and services to business.
Overall Assessment	Green	Sweden is a strong comparison to the UK, as it has a similar economic structure, and has a strategic approach to export promotion within the EU, offering similar products and services.

4.1.17 Switzerland

Table 23 Summary of assessment of Switzerland as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	High income, services dominated economy; merchandise trade reflects specialisation in high-value add activities. High trade to GDP ratio.
Policy and institutional context	Amber	Generally open trade regime – though less so than the UK currently. Various internal barriers to competition and limiting effects of regulation and non-tariff measures, reduce competitiveness. Ease of business ratings low compared to per capita income.
TPO Institutional structure	Amber	Comes under purview of economics ministry, which is also responsible for trade policy. Some differences in status (not-for-profit association) and governance.
TPO Scope	Green	Wide range of export markets; targets 4 of the 6 barriers to exporting; focus on supply side and internationalisation.
TPO Strategy	Amber	SME focus. Less emphasis on evaluation.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting.
Overall Assessment	Amber	Switzerland could generate some lessons, but there are important points of difference, in the economic and institutional or policy context and TPO strategy, that act as limiting factors.

5.1.18 USA

Table 24 Summary of assessment of United States as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	High income developed economy, but significantly larger and more decentralized than the UK.
Policy and institutional context	Amber	Ambition for liberal trade, but recent policy changes have altered that. Federal structure much more pronounced than in the UK.
TPO Institutional structure	Amber	Highly decentralized structure means that, while individual programmes may be of interest, general structure is hard to apply.
TPO Scope	Amber	Wide range of export markets and industries, but limited targeting on many of the relevant barriers to trade.
TPO Strategy	Amber	Focus on small and medium sized businesses, but limited targeting, evaluation or direct interaction with businesses.
TPO products and services	Amber	Larger focus on government finance and trade law enforcement, less focus on knowledge spillovers and direct engagement.
Overall Assessment	Amber	United States has a similar economy to the UK, but has drastically different scale, focus and political institutions. The lack of a coherent trade promotion organisation may make comparisons hard.

4.2 Recommendations for Deep Dive in Phase 2

We observe that 12 of the comparator countries recorded an overall assessment of “Green”. These are: Australia, Canada, Denmark, France, Finland, Germany, New Zealand, Norway, Singapore, South Korea, Spain, and Sweden. Of the others, all recorded green lights in two or more clusters, apart from the USA, which recorded amber across all categories.

Of the countries that were given an overall green light, only Denmark scored green on all categories. This warrants its selection for the deep dive phase.

Given timelines for the project, we propose to select 4 other countries for the deep dive phase. One way to prioritise the selection would be to accord more weight to countries that had the most number of green light assessments across the categories. However, we

caution against reducing the selection to a mechanical exercise and accept the need for some geographic variation and to avoid selecting European or EU-member countries only.

Canada, France, Finland, Spain and Sweden register green in all but one category. Having already selected Denmark, we are inclined not to select another Nordic country. This leaves the choice of Canada, France or Spain. The advantage of the latter two is that Canada's export structure is heavily influenced by primary industries, and it is also heavily dependent on the USA as a trade partner. France and Spain have export structure more similar to the UK and are also jurisdictions that are seeking to revitalise their exports via the extensive margin of trade (new geographic markets specifically).

Moving to countries with two or more "amber" ratings, and considering the need for geographic variation, both Singapore and New Zealand invite consideration.

We therefore propose that our shortlist for the deep dive phase consist of: Denmark; France or Spain; New Zealand; and Singapore. Canada could be a substitute for Spain or France.

Annex A: Membership of Preferential Trade Agreements

This annex presents the reciprocal preferential trade agreements to which the countries reviewed in this report are parties. The agreements refer to ones negotiated in accordance with the provisions of GATT Article XXIV, GATS Article V, or the Enabling Clause,⁴ and notified to the WTO. They do not include unilateral preferential schemes (such as the Generalised System of Preferences). The information in this section has been retrieved from the WTO's database on preferential trade agreements notified to the WTO under the legal instruments mentioned above.⁵

Because trade policy for EU member states is the competence of the European Commission, we list agreements concluded by the EU. These agreements would cease to apply to any state that withdraws from the EU's common commercial policy.

Agreements concluded by the European Union

This section applies to the countries reviewed that as at 30 April 2018 were EU member states. These countries are: Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Spain, and Sweden.

EC Treaty, European Economic Area (EEA)
 EU – Albania,
 EU – Algeria,
 EU - Andorra
 EU - Bosnia and Herzegovina
 EU - Cameroon
 EU - Canada
 EU - CARIFORUM States EPA
 EU - Central America
 EU - Chile
 EU - Colombia and Peru
 EU - Colombia and Peru - Accession of Ecuador
 EU - Côte d'Ivoire
 EU - Eastern and Southern Africa States Interim EPA
 EU - Egypt
 EU - Faroe Islands
 EU - Georgia
 EU - Ghana
 EU - Iceland
 EU - Israel
 EU - Jordan
 EU - Korea, Republic of

⁴ Formally known as the "Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries", it allows for greater flexibility in the type of free trade agreement concluded between developing countries. For the purposes of this report, it applies to certain agreements entered in to.

⁵ https://www.wto.org/english/tratop_e/region_e/rta_pta_e.htm

EU - Lebanon
EU - Mexico
EU - Moldova, Republic of
EU - Montenegro
EU - Morocco
EU - Norway
EU – Overseas Countries and Territories (OCT)
EU - Palestinian Authority
EU - Papua New Guinea / Fiji
EU – Southern African Development Cooperation
EU - San Marino
EU - Serbia
EU - South Africa
EU - Switzerland - Liechtenstein
EU - Syria
EU - The former Yugoslav Republic of Macedonia
EU - Tunisie
EU - Turquie
EU – Ukraine

Agreements concluded by non-EU countries under review

Australia

ASEAN - Australia - New Zealand
Australia - Chile
Australia - China
Australia - New Zealand Closer Economic Relations Trade Agreement (ANZCERTA)
Australia - Papua New Guinea (PATCRA)
Japan - Australia
Korea, Republic of - Australia
Malaysia - Australia
Singapore - Australia
South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA)
Thailand - Australia
United States – Australia

Canada

Canada - Chile
Canada - Colombia
Canada - Costa Rica
Canada - Honduras
Canada - Israel
Canada - Jordan
Canada - Korea, Republic of
Canada - Panama
Canada - Peru
Canada - Ukraine
EFTA - Canada
EU - Canada

North American Free Trade Agreement (NAFTA)

Japan

ASEAN - Japan
Brunei Darussalam - Japan
Chile - Japan
India - Japan
Japan - Australia
Japan - Indonesia
Japan - Malaysia
Japan - Mexico
Japan - Mongolia
Japan - Peru
Japan - Philippines
Japan - Singapore
Japan - Switzerland
Japan - Thailand
Japan - Viet Nam

Korea

ASEAN - Korea, Republic of
Asia Pacific Trade Agreement (APTA)
Asia Pacific Trade Agreement (APTA) - Accession of China
Canada - Korea, Republic of
China - Korea, Republic of
EFTA - Korea, Republic of
EU - Korea, Republic of
Korea, Republic of - Colombia
Korea, Republic of - Australia
Korea, Republic of - Chile
Korea, Republic of - India
Korea, Republic of - New Zealand
Korea, Republic of - Singapore
Korea, Republic of - Turkey
Korea, Republic of - United States
Korea, Republic of - Viet Nam
Peru - Korea, Republic of
Protocol on Trade Negotiations (PTN) (various developing nations)

New Zealand

ASEAN - Australia - New Zealand
Australia - New Zealand Closer Economic Relations Trade Agreement (ANZCERTA)
China - New Zealand
Hong Kong, China - New Zealand
Korea, Republic of - New Zealand
New Zealand - Chinese Taipei
New Zealand – Malaysia
New Zealand - Singapore
South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA)
Thailand - New Zealand
Trans-Pacific Strategic Economic Partnership (Brunei, Singapore).

Norway

Many of

European Free Trade Association (EFTA) (Iceland, Lichtenstein, Switzerland)

EFTA - Accession of Iceland

EFTA - Albania

EFTA - Bosnia and Herzegovina

EFTA - Canada

EFTA - Central America (Costa Rica and Panama)

EFTA - Chile

EFTA - Colombia

EFTA - Egypt

EFTA - Georgia

EFTA - Hong Kong, China

EFTA - Israel

EFTA - Jordan

EFTA - Korea, Republic of

EFTA - Lebanon

EFTA - Mexico

EFTA - Montenegro

EFTA - Morocco

EFTA - Palestinian Authority

EFTA - Peru

EFTA - SACU

EFTA - Serbia

EFTA - Singapore

EFTA - The former Yugoslav Republic of Macedonia

EFTA - Tunisia

EFTA - Turkey

EFTA - Ukraine

EU - Norway

European Economic Area (EEA)

Faroe Islands – Norway

Singapore

ASEAN - Australia - New Zealand

ASEAN - China

ASEAN - India

ASEAN - Japan

ASEAN - Korea, Republic of

ASEAN Free Trade Area (AFTA)

China - Singapore

Costa Rica - Singapore

EFTA - Singapore

Gulf Cooperation Council (GCC) - Singapore

India - Singapore

Japan - Singapore

Jordan - Singapore

Korea, Republic of - Singapore

New Zealand - Singapore

Panama - Singapore

Peru - Singapore
Singapore - Australia
Singapore - Chinese Taipei
Trans-Pacific Strategic Economic Partnership (New Zealand, Brunei)
United States – Singapore

Switzerland

EFTA – Iceland, Lichtenstein, Norway
EFTA - Accession of Iceland
EFTA - Albania
EFTA - Bosnia and Herzegovina
EFTA - Canada
EFTA - Central America (Costa Rica and Panama)
EFTA - Chile
EFTA - Colombia
EFTA - Egypt
EFTA - Georgia
EFTA - Hong Kong, China
EFTA - Israel
EFTA - Jordan
EFTA - Korea, Republic of
EFTA - Lebanon
EFTA - Mexico
EFTA - Montenegro
EFTA - Morocco
EFTA - Palestinian Authority
EFTA - Peru
EFTA - SACU
EFTA - Serbia
EFTA - Singapore
EFTA - The former Yugoslav Republic of Macedonia
EFTA - Tunisia
EFTA - Turkey
EFTA - Ukraine
EU - Switzerland - Liechtenstein
Faroe Islands - Switzerland
Japan - Switzerland
Switzerland – China

USA

Dominican Republic - Central America - United States Free Trade Agreement (CAFTA-DR)
Korea, Republic of - United States
North American Free Trade Agreement (NAFTA)
United States - Australia
United States - Bahrain
United States - Chile
United States - Colombia
United States - Israel
United States - Jordan
United States - Morocco

United States - Oman
United States - Panama
United States - Peru
United States - Singapore

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Source: WTO (2015), Trade Policy Review: Japan

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<http://www.maff.go.jp/>

<http://www.nexi.go.jp/en/products/types/index.html>

<http://www.smri.go.jp/english/>

<https://www.tokyo-trade-center.or.jp/TTC/en>

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World Bank (2017), World Development Indicators

WTO (2017), World Trade Profiles, p.258

<https://ec.europa.eu/programmes/horizon2020/what-horizon-2020>

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New Zealand Trade and Enterprise, Statement of Intent 2017-2021

World Bank (2017), World Development Indicators

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WTO (2017), World Tariff Profiles

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World Bank (2017) World Development Indicators

WTO (2016), Trade Policy Review: Korea, p157-158.

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<http://www.investkorea.org/>
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World Bank (2017), World Development Indicators
WTO (2017) World Trade Profiles

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World Bank (2017) World Development Indicators
World Trade Organisation (2017), World Trade Profiles

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<https://citd.org/castep/>

<http://www.doingbusiness.org/rankings>

<http://www.commerce.wa.gov/promoting-washington-state/export-assistance/>

Annex C: Australia country report

Name of Organisation: Australian Trade and Investment Commission (Austrade)

Country context

Economic structure:

Income Level: High income. GDP per capita: 2016: 44, 414.03⁶. Composition of GDP: Agriculture 3% Industry 24% (of which manufacturing 7%); Services 73%⁷. Structure of merchandise trade: Primary products 80.4% (of which Mining 64.6.8% and Fuels 25.8%); Manufactures: 11.7% (of which Gold 5.3%, Machinery and transport equipment 5.2%).⁸ Trade as % of GDP: 39.95%.⁹

Policy and institutional context

Average tariffs: Simple applied MFN average 2.5%; trade weighted 4.0% (agriculture 2.4%, non-agriculture 4.1%).¹⁰

Ease of doing business: Ranked 14th overall, 95th in trade across borders (costs associated with border formality compliance).¹¹

Export diversification: Authorities are focusing on increasing non-resource exports, particularly in the areas of advanced manufacturing, premium food and agribusiness, services and technology (for example, fintech and cyber security), and health related products and services.¹²

Linkages to wider policy initiatives:

Austrade's strategy for 2018 to 22 states that the agency will use its insights into international markets to influence policy.¹³

Austrade's Corporate Plan is aligned with national policy initiatives such as the Government's National Innovation and Science Agenda. Austrade's 'Landing Pads' initiative, which assists start-ups in their commercialisation efforts by offering a short-term operational base in global innovation hotspots, forms part of this agenda and highlights the Government's focus on supporting small businesses, particularly technology focused start-ups. Promoting science, technology, engineering and mathematics skills, in schools and at the tertiary level, also forms part of the Innovation and Science Strategy.

⁶ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

⁷ Source: World Development Indicators: Structure of Output

⁸ Source: WTO (2015), Trade Policy Review: Australia, p.139

⁹ Source: World Bank World Development Indicators

¹⁰ WTO (2017), World Tariff Profiles, p 42

¹¹ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>)

¹² WTO (2015) Trade Policy Review, Australia – Report by the Government of Australia, pp 4
Australian Trade and Investment Commission (2017) Corporate Plan 2017–18 pp 17.

¹³ Austrade (2017), Strategy 2018-2022

Other noteworthy initiatives that are targeting Australia's supply-side constraints include:

- The Research and Development Tax Incentive scheme: encourages companies to engage in research and development benefiting Australia, by providing a tax offset for eligible research and development activities¹⁴
- Export Finance and Insurance Corporation (EFIC) Small Business Export Loan: an unsecured, government-backed loan solution for businesses with a turnover of more than \$250K¹⁵
- Australian Infrastructure Plan: a 15-year reform and investment roadmap for infrastructure, including an infrastructure priority list¹⁶
- White paper on developing Northern Australia: outlines plans to deepen trade, strategic and cultural links, including through improving Northern Australia's production and export capacity¹⁷

These initiatives are all designed to facilitate the shift towards non-resources driven economic growth.

TPO Institutional Structure

Resourcing

Austrade's overall budget for expenditures was AUD 241.4 million in 2017. Revenues from Government covered the major part of its cost of services, at around AUD 197.3 million. Own source revenue amounted to around 27 million.¹⁸

Organisation and relationship to other government institutions

Austrade operates as a statutory agency within the portfolio of the Department of Foreign Affairs and Trade (DFAT), with Austrade's Chief Executive Officer reporting directly to the Minister for Trade, Tourism and Investment.

Austrade maintains close working relationships with agencies within the Foreign Affairs and Trade portfolio such as Tourism Australia and EFIC, as well as a number of other Australian Government departments, including the Department of Industry, Innovation and Science, the Department of the Prime Minister and Cabinet, the Treasury, the Department of Education and Training, the Department of Immigration and Border Protection, the Department of Agriculture and Water Resources, and the Department of Infrastructure and Regional Development.

Austrade also works with state and territory governments, particularly in investment attraction. To help coordinate their activities, leaders from federal and state and territory trade bodies regularly engage in the following fora:

- The Senior Officials' Trade and Investment Group: co-chaired by Austrade and DFAT - this implements decisions from the Trade and Investment Ministers' meetings and helps improve coordination between the Australian Government and state and territory governments on trade and investment

¹⁴ <https://www.ato.gov.au/Business/Research-and-development-tax-incentive/>

¹⁵ <https://www.efic.gov.au/business-solutions/small-business-export-loan/>

¹⁶ <http://infrastructureaustralia.gov.au/policy-publications/publications/Australian-Infrastructure-Plan.aspx>

¹⁷ <http://www.northernaustralia.gov.au/sites/prod.office-northern-australia.gov.au/files/files/WhitePaperSummary.pdf>

¹⁸ Austrade (2017), Annual Report, p 174

- The Australian Standing Committee on Tourism: Chaired by Austrade - the committee develops and coordinates tourism policies, providing advice and making recommendations to tourism ministers
- The International Education Forum: Chaired by Austrade - the forum comprises state and territory agencies responsible for promoting international education and training, it focuses on increasing alignment and cooperation in the strategies and market activities of different jurisdictions¹⁹

Inputs into trade policy: Austrade provides advice to the Australian Government on its trade, tourism, international education and training, and investment policy agendas. Policy decisions relating to trade and investment are made by the Minister for Trade, Tourism and Investment and Minister for Foreign Affairs and Trade.

Relationship to private sector

The Trade, Tourism and Investment Policy Advisory Council was established in 2014 by the Minister for Trade, Tourism and Investment to facilitate ongoing dialogue between the Minister and the business community. The group provides informal advice to the Minister in the areas of trade and investment policy as well as regulatory reform.²⁰

TPO Scope

Targeting market failures

In its most recent strategic positioning document, Austrade has identified market failure as the rationale for its intervention. Austrade emphasises that market failure is not a static concept. Its discussion of market failure also includes a discussion of what are probably more appropriately called policy-induced barriers (in overseas markets) that impede the development of export opportunities.²¹

Targeting other barriers to export – product and service matrix

Austrade focuses most of its support on markets where language, cultural and commercial barriers make it particularly challenging for businesses to maintain or expand their market share or develop new markets.

¹⁹ Australian Trade and Investment Commission (2017) Corporate Plan 2017–18 pp 14

²⁰ <https://www.directory.gov.au/portfolios/foreign-affairs-and-trade/department-foreign-affairs-and-trade/trade-tourism-and-investment-policy-advisory-council>

²¹ Australian Government (2017), *Organisational Capability Assessment – Positioning Austrade for the Future*, p 24

Table 25 Product and service matrix

Designation	Provision by Austrade
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Yes. Separate agency for export credit
Matchmaking	Yes
Influencing government and regulatory policy	Yes, to a limited extent

Export market scope

Austrade's international network is comprised of 83 offices located across 49 markets. It also offers consular support on behalf of the Australian Government in 15 of those locations. Austrade's trade support activities are concentrated in emerging markets, particularly East Asian markets, which have high commercial potential but are challenging for businesses to operate in (60% of Austrade's employees based overseas are in Asia). The focus on these markets stems from a reform of Austrade that was finalised in 2011.²² In established markets such as the USA and Europe, Austrade relies more heavily on partners, referrals and online services.²³

Global Value Chains

Austrade helps companies integrate into Global Value Chains (GVCs) by connecting Australian suppliers across the mining, automotive, aerospace, marine and defence sectors with major multinational corporations. One of the programmes delivered under Austrade's GVC strategy is the 'Mining Technology Access Program', which provides major foreign mining companies with access to proven Australian technologies and industry expertise.²⁴

Investment promotion

Austrade leads a whole-of-government investment promotion and attraction strategy. Its investment activities are concentrated in North America, Western Europe and Japan as well as high growth markets including China, India, ASEAN, Korea and the Middle East.²⁵ Austrade offers assistance through information provision, inter-governmental coordination, tailored advice, and the identification of investment locations, projects or partners. Australia's national investment priorities are advanced manufacturing, services and technology, agribusiness and food, major infrastructure, resources and energy, and tourism infrastructure.²⁶

²² Australian Government (2011), Reform of the Australian Trade Commission

²³ Australian Trade and Investment Commission (2017) Corporate Plan 2017–18 pp 10

²⁴ Austrade Annual Report 2016-17 pp 56

²⁵ Australian Trade and Investment Commission (2017) Corporate Plan 2017–18 pp 11

²⁶ Austrade Annual Report 2016-17 pp 101

TPO Strategy

Beneficiary focus

Austrade's assistance focuses on export-ready businesses, and especially SMEs, which sell to multiple markets. This equates to a target market of roughly 10,000 companies that represent approximately 13% of Australia's exports by value.²⁷

A specific initiative, the TradeStart Network, focuses in regional exporters. Some state and territory governments offer support services to businesses that are new to exporting. To be eligible for Austrade assistance, firms must be registered in Australia.

Austrade's Strategy for 2018 to 22 states that, in addition to working with Australian businesses, Austrade will also work with foreign businesses that purchase Australian goods and services, and foreign businesses that seek to invest in Australia.²⁸

Impact evaluation

Recipients of Austrade's assistance are surveyed annually to measure the performance of particular trade promotion activities. The results are published in the Austrade Annual Report. Impact evaluations of select programmes (for example, the Export Market Development Grants) are occasionally undertaken.

Products and Services

Non-financial assistance:²⁹

Facilitating business missions and events: organises trade missions and other major events such as 'Australia Week' events.

Providing connections and information: offers commercially relevant information and advice including tailored services, as well as providing introductions to key contacts and networks.

Linking with innovation ecosystems: facilitates introductions for start-ups, scale-ups and innovative companies into incubator and accelerator programs and source funding.

Growing services engagement in Asia-Pacific: focuses on leveraging existing relationships with overseas customers to cross-sell value added services as well as helping companies to strategically locate their businesses to better access procurement and production hubs.

TradeStart network³⁰: offers a network of 28 offices located mainly in regional centres that have access to Austrade's resources and offer information and advice to exporters.

Outreach and promotional programmes: delivers events and produces industry capability reports to promote Australia's strengths.

²⁷ Australian Trade and Investment Commission (2017) Corporate Plan 2017–18 pp 10

²⁸ Austrade (2017), Austrade Strategy 2018-2022

²⁹ Austrade Annual Report 2016-17 pp 55-59

³⁰ Delivered in partnership with state, territory and local governments as well as industry associations and chambers of commerce.

Boosting e-commerce: helps companies leverage e-commerce platforms with a focus on food and consumer products. Signed strategic collaboration with Alibaba to promote Australian products.

Financial:

Export Market Development Grants (EMDG) Scheme: offers financial assistance to Australian SMEs to encourage exporters to increase their international marketing and promotion expenditure to achieve more sustainable international sales. Austrade reimburses up to 50% of eligible export promotion expenses above a specified level. In 2016 to 17, payments were made to 3,166 EMDG participants totalling AUD 131.4 million.³¹

Austrade assesses applications for tax exemptions under Section 23AF of the Income Tax Assessment Act 1936, which enables Australians working outside of the country for at least three months to be exempt from paying income tax.

Export Finance:

Australia's export credit agency, EFIC, is a corporate Commonwealth entity and is governed under the provisions of the Export Finance and Insurance Corporation Act 1991 (EFIC Act) and the Public Governance and Accountability Act 2013 (PGPA Act). It is part of the Australian Government's Foreign Affairs and Trade Portfolio and the Minister for Trade, Tourism and Investment is responsible for the organisation.

The EFIC Board is responsible for corporate governance, managing the organisations affairs and overseeing its operations. The organisation operates on a commercial basis and partners with banks to provide financial solutions for:

- SMEs that are exporters
- Australian companies in an export supply chain
- Australian companies looking to expand their business operations overseas to better service their clients
- Australian companies operating in emerging and frontier markets³²

Conclusion

We present a “traffic-light” assessment of Australia in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

³¹ Austrade Annual Report 2016-17 pp 76

³² <https://www.efic.gov.au/about-efic/our-organisation/about-efic/>

Table 26 Summary of assessment of Australia as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	High income, services -dominated economy; merchandise trade reflects dominance of primary products despite efforts at diversification
Policy and institutional context	Green	Liberal trade regime - more so than UK currently, but reflects a possible future option for the UK. Focus of private sector development. Linkages to skills and knowledge (compare National innovation and Science Agenda)
TPO Institutional structure	Amber	Comes under purview of trade ministry. Some differences in governance structure.
TPO Scope	Green	Wide range of export markets; targets 5 of the 6 barriers to exporting; focus on supply side and internationalisation.
TPO Strategy	Amber	Export ready SME and emerging market focus, particularly East Asian markets. Less emphasis on evaluation.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting. Services and technology exports as well as e-commerce are key areas of focus. Linkages to export financing via EFIC.
Overall Assessment	Green	Australia could be a useful source of policy lessons, though the dominance of primary products and resources limits relevance. Austrade's strategic initiatives aimed at increasing exports to emerging markets in Asia could be of particular interest to the UK.

Annex D: Canada country report

Name of organisation: The Trade Commissioner Service (TCS)

Country context

Economic structure:

GDP per capita: 2016: US\$43,088³³. Composition of GDP: Agriculture 2%; Industry 29% (of which manufacturing 11%); Services 69%.³⁴ Structure of merchandise exports: Agricultural products 15.6%; Fuels and mining products 25.6%; Manufactures: 51.1%; Other 7.8%.³⁵ Trade as % of GDP: 65% (services: 12%).³⁶

Policy and institutional context

Average tariffs: Simple applied MFN average 4.1%; trade weighted 3.1% (agriculture 12.4%).³⁷

Ease of doing business: Ranked 18th overall, 46th in trade across borders (costs associated with border formality compliance).³⁸

Export diversification: The Global Markets Action Plan, a strategic plan to support commercial success in trade, prioritises sectors where Canada has a strong competitive advantage and plans to help these sectors flourish. These sectors range from oil & gas and mining, to financial services and ICT. Canada's Department of Trade also sets priorities for the work of export promotion, including "expanding and diversifying commercial relationships with emerging and high-growth markets" and "[increasing] Canada's economic and political engagement in Asia".³⁹

Linkages to wider policy initiatives: Canada has 28 bilateral agreements on investment, known as Foreign Investment Promotion and Protection Agreements (FIPAs), whose purpose is to protect and promote foreign investments through legally-binding rights and obligations.⁴⁰ The Canadian Trade Commissioner Service (TCS) is responsible for foreign direct investment promotion activities (in addition to its role in export promotion).⁴¹ Canada has been implementing Economic Action Plans (EAPs) since 2009, which have included a focus on ensuring that Canadians can acquire the skills needed to become employed or access better jobs.⁴²

³³ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

³⁴ 2013 data. Source: World Bank World Development Indicators

³⁵ Source: WTO (2017), Trade Profiles, p.70

³⁶ Source: World Bank World Development Indicators

³⁷ WTO (2017), World Tariff Profiles, p.62

³⁸ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>)

³⁹ WTO (2015), Trade Policy Review, Canada, pp.34-36

⁴⁰ WTO (2015), Trade Policy Review, Canada p.41

⁴¹ WTO (2015), Trade Policy Review, Canada p.44

⁴² WTO (2015), Trade Policy Review, Canada pp.15-16

TPO Institutional Structure

Organisation and relationship to other government institutions

The TCS was established in 1894 and is part of Global Affairs Canada, formerly the Department of Foreign Affairs, Trade and Development (DFATD). The TCS therefore reports to the Minister of International Trade, in addition to having its own Chief Trade Commissioner and First Trade Commissioner.

As well as the national TPO, there are provincial bodies promoting trade and inward investment at the local level.⁴³

- Alberta (Alberta international offices, World Trade Centre Edmonton, Global Business Centre)⁴⁴
- British Columbia (Trade and Invest British Columbia)⁴⁵
- Manitoba (Manitoba Trade and Investment, World Trade Centre Winnipeg)⁴⁶
- New Brunswick (Opportunities New Brunswick)⁴⁷
- Nova Scotia (Nova Scotia Business Inc.)⁴⁸
- Ontario (Invest in Ontario)⁴⁹
- Prince Edward Island (Trade Team PEI)⁵⁰
- Quebec (Quebec International)⁵¹
- Saskatchewan (Saskatchewan Trade and Export Partnership)⁵²

These bodies generally aim to promote provincial business growth, attract inward investment, and help local businesses become successful exporters. These provincial initiatives take place alongside the national programmes run by the TCS.

Some provincial bodies have a particular focus on specific sectors. For example, Trade and Invest British Columbia has specialists active in the Natural Resources, Clean Tech and Green Economy, Technology, and Transportation sectors.⁵³ Quebec International, on the other hand, focuses on ICT and electronics; Life sciences; Food and nutrition; Insurance and financial services; Green and Smart Building; and Value-added materials and transportation equipment.⁵⁴

Other institutions that operate at the national level and that link into export promotion include, notably, the Canadian Commercial Corporation (CCC). This is a Crown corporation and the Minister of International Trade is accountable to Parliament for its governance and performance. Through a government-to-government (G2G) approach, the

⁴³ <https://canadabusiness.ca/growing/exporting-and-importing/exporting/starting-to-export/organizations-that-can-help-you-export/>

⁴⁴ <https://investalberta.ca/>; <https://www.edmontonchamber.com/world-trade-centre/>;
<https://www.calgaryeconomicdevelopment.com/industries/global-development/global-business-centre/>

⁴⁵ <https://www.britishcolumbia.ca/>

⁴⁶ <http://www.gov.mb.ca/trade/>; <http://www.wtcwinnipeg.com/en/>

⁴⁷ <https://onbcanada.ca/>

⁴⁸ <https://www.novascotiabusiness.com/>

⁴⁹ <https://www.investinontario.com/>

⁵⁰ <http://tradeteampei.com/>

⁵¹ <http://www.quebecinternational.ca/business-services/>

⁵² <https://www.sasktrade.com/index.php/services.html>

⁵³ <https://www.britishcolumbia.ca/export/our-services/>

⁵⁴ <http://www.quebecinternational.ca/key-industries/>

CCC helps Canadian exporters gain access to foreign government procurement markets, particularly in the infrastructure and defence sectors, on a fee-paying basis. It also sources Canadian solutions when approached by foreign government buyers.

Relationship to private sector

Global Affairs Canada maintains several consultative bodies that engage the private sector, that contribute to government policy and specifically to operations of the TCS. For example, the Small and Medium-Sized Enterprises Advisory Board (SMEAB) is comprised of 18 private sector leaders from small and medium-sized enterprises (SMEs), and meets biannually.

Global Affairs Canada also maintains a limited number of sector-orientated consultation bodies that annually bring together government and industry representatives and chairs the Tariff Quote Advisory Committees (TQACs) that serve as consultation bodies to specifically discuss Canada’s trade control regime.⁵⁵

TPO Scope

Targeting market failures

The expression “market failures” is not explicitly mentioned but the main products and services (see below) target key areas of market failures in exports, such as informational constraints and missing markets for credit.

Targeting other barriers to export – product and service matrix

Products and services (see section below) target informational constraints, internal exporter constraints, financial constraints, and co-ordination failures. Policy and regulatory failures are also targeted to a limited extent – firms can register trade barriers with the TCS, which will then be raised with the relevant overseas agencies.

Table 26 Product and service matrix

Designation	Provision by TCS
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Yes (but no direct export financing)
Matchmaking	Yes
Influencing government and regulatory policy	Yes, by helping firms to register trade barriers holding back export barriers

Export market scope

The TCS has 161 offices around the world and across Canada, including 36 in Europe (including the UK).⁵⁶

⁵⁵ WTO (2015), Trade Policy Review, Canada p.32

⁵⁶ <http://tradecommissioner.gc.ca/office-bureau/international.aspx?lang=eng>

Global Value Chains

The TCS aims to help firms participate in global value chains. The inclusion of inward investment promotion activities in the TCS' remit adds to the organisation's value chain focus.⁵⁷

Investment promotion

Foreign direct investment promotion is part of the remit of the TCS. Trade commissioners in Canada and abroad serve as advocates and provide advice to potential investors in areas such as establishing a business in Canada, the strengths of particular sectors, and the overall Canadian business environment.

The Invest Canada-Community Initiatives (ICCI) programme provides funding and financial support to communities seeking to improve their capacity to attract, retain, and expand FDI in order to create jobs and growth. ICCI distributes over Can\$3 million annually among 85 to 90 communities.

The Foreign Trade Zones – Marketing Program (FTZ-MP) is a five-year pilot programme, with a Canada Dollars (Can\$) 1 million annual budget, designed to provide funding to regional or community organisations in order to promote investment in Canada's Foreign Trade Zones.

There are also five basic funding programmes applicable to all business sectors, offering incentives such as tax credits, lower taxes, direct funding, and financing support.⁵⁸

Resourcing

The TCS spent Can\$164 million in 2015-16 and employed 1,311 workers (FTE equivalent).⁵⁹

TPO Strategy

Beneficiary focus

In 2015 to 16, the TCS spent Can\$164 million, conducted 1,220 trade initiatives, facilitated the conclusion of 963 commercial agreements, and facilitated 109 successful FDI projects. The TCS also leveraged financial contributions from partners totalling Can\$4 million. 85% of Canadian businesses were satisfied or very satisfied with the TCS' commercial services.⁶⁰

Impact evaluation

Van Biesebroeck, Yu and Chen (2015) evaluated the impact of the programmes delivered by the TCS on the export performance of Canadian firms. They concluded that the TCS programmes "have a consistent and positive impact on Canadian exporter performance, both in terms of the value of exports and the growth of exports". They estimated that exporters accessing the TCS services can expect to export, on average, 17.9% more than

⁵⁷ <http://tradecommissioner.gc.ca/assess-market-potential-evaluation-potentiel-marche.aspx?lang=eng>

⁵⁸ WTO (2015): Trade Policy Review, Canada, pp.44-45

⁵⁹ http://www.international.gc.ca/gac-amc/assets/pdfs/publications/plans/dpr-rmr/dpr-rmr_2015-2016-eng.pdf, p44

⁶⁰ http://www.international.gc.ca/gac-amc/assets/pdfs/publications/plans/dpr-rmr/dpr-rmr_2015-2016-eng.pdf, p44

comparable exporters that do not access these services. They also found that the TCS assistance benefits exporters in terms of product and market diversification.⁶¹

Products and Services

Range and linkage to export credit and finance

Non-financial assistance

The TCS offers a range of services to firms:

- Preparing for international markets – determining if a firm is internationally competitive and helping to decide on a target market⁶²
- Assessing market potential – providing market intelligence and advice on implementing market strategies⁶³
- Finding qualified contacts – helping firms find key players in the export country of interest, or within Canada itself, helping connect firms to industry associations, federal, provincial, or municipal contacts⁶⁴
- Resolving business problems – giving advice on issues that arise when conducting business abroad⁶⁵
- Registering trade barriers – helping firms register a trade barrier that is holding back their export business and talking the issue through with overseas agencies⁶⁶

Financial assistance

There are three main TCS funding programmes related to export promotion:

- Global Opportunities for Associations (GOA): non-repayable support to associations starting or expanding international business development activities - Can\$6.8 million disbursed 2010 to 14
- Going Global Innovation (GGI): matching funds of up to 75% of eligible expenses incurred in pursuing international collaborative research and development opportunities, up to a maximum of Can\$75,000 for any approved project - eligible beneficiaries are SMEs, universities, and non-government research centres - Can\$2.3 million disbursed 2010 to 14
- International Science and Technology Partnership Program (ISTPP): support to R&D collaboration programmes with Brazil, China, India, and Israel - Can\$15 million disbursed 2010 to 14 - the programme was undergoing renewal as of April 2015⁶⁷

Export financing

This falls under the remit of Export Development Canada. It provides a range of export credit instruments, insurance products, and bond or guarantee programmes. It also provides some market research services.⁶⁸ A separate institution, Business Development

⁶¹ Van Biesebroeck, Yu & Chen (2015) – *The impact of trade promotion services on Canadian exporter performance*, Canadian Journal of Economics

⁶² <http://tradecommissioner.gc.ca/prepare-international-markets-preparation-marches-mondiaux.aspx?lang=eng>

⁶³ <http://tradecommissioner.gc.ca/assess-market-potential-evaluation-potentiel-marche.aspx?lang=eng>

⁶⁴ <http://tradecommissioner.gc.ca/exporters-exportateurs/find-qualified-contacts-trouver-contacts-qualifies.aspx?lang=eng>

⁶⁵ <http://tradecommissioner.gc.ca/resolve-problems-resoudre-des-problemes.aspx?lang=eng>

⁶⁶ http://www.international.gc.ca/gac-amc/campaign-campagne/trade_barriers-barrieres_commerciales/index.aspx?lang=eng

⁶⁷ WTO (2015): Trade Policy Review, Canada, p.76

⁶⁸ <https://www.edc.ca/en/Pages/default.aspx>

Bank Canada, operates financing for private sector development generally – primarily SMEs.⁶⁹

Conclusion

We present a “traffic-light” assessment of Canada in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

Table 27 Summary of assessment of Canada as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	High-income, services dominated economy. Merchandise trade reflects high dependency on US (around 70% of export). Significant role of primary sector exports.
Policy and institutional context	Green	Liberal trade regime. Focus on private sector development.
TPO Institutional structure	Green	Institutional structure broadly similar to that in UK. Canada’s geographic size means greater scope for regional organisations.
TPO Scope	Green	Wide range of export markets. Some focus on value chains.
TPO Strategy	Green	Broad-based strategy covering export promotion and inward investment. Evidence of rigorous evaluation.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting. Links to export financing.
Overall Assessment	Green	Likely a source of useful policy lessons.

⁶⁹ <https://www.bdc.ca/en/financing/pages/default.aspx>

Annex E: Denmark country report

Name of Organisation: The Trade Council of Denmark

Country context

Economic structure:

GDP per capita: 2016: 45,966.3⁷⁰. Composition of GDP: Agriculture 0.9%; Industry 23.5% (of which manufacturing 15.3%); Services 75.6%.⁷¹ Structure of merchandise trade: Primary products 29.1% (of which Fuels 7.7%, Agriculture 19.9%); Manufactures: 70.9%.⁷² Trade as% of GDP: 101.0% (services: 38.8%).⁷³

Policy and institutional context

Average tariffs: Simple applied MFN average 5.2%; trade weighted 3% (agriculture 7.8%).⁷⁴

Ease of doing business: Ranked 3rd overall, 1st in trade across borders.⁷⁵

Export diversification: Denmark does not necessarily have sector specific targets for export promotion, although it does focus on specific sectors when promoting investment.

Linkages to wider policy initiatives: The export strategy promotion was established⁷⁶ in response to the Productivity Commission's Interim Report on Competition, Internationalisation and Regulation, published in May 2013. The Productivity Commission identified Denmark's potential for boosting productivity growth through increased international trade. The Commission also noted the lack of a comprehensive overview of the Danish state's export promotion programmes and their impact. On this basis, the Productivity Commission recommended the introduction of proposals for more efficient organisation and coordination of Danish export promotion efforts.

TPO Institutional Structure

Organisation and relationship to other government institutions

According to the government's export promotion strategy⁷⁷, there is renewed focused on strengthening the coordination between the five Regional Business Development Centres, for a coordinated internationalisation process for SMEs. The export promotion strategy not

⁷⁰ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

⁷¹ Source: World Development Indicators: Structure of Output, 2015

⁷² Source: WTO World Trade Profiles, Denmark <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=DK>

⁷³ Source: World Bank World Development Indicators

⁷⁴ WTO (2017), World Tariff Profiles, EU level

⁷⁵ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>)

⁷⁶ <http://um.dk/en/tradecouncil/about/strategy/>

⁷⁷ <http://um.dk/en/tradecouncil/about/strategy/~media/UM/English-site/Documents/The-Trade-Council/Publications/GovernmentStrategyOnExportPromotionAndEconomicDiplomacy.pdf>, p. 11

only promotes regional relationships in government, but also encourages relationships with other government ministries.⁷⁸ One of the actions to be taken is funding for “strategic sector cooperation”, to help different parts of the Danish government to work together on projects related to export promotion.

Inputs into trade policy: Evaluation of export promotion in the past has led to adjusting the focus of trade policy. For example, targeting SMEs comes as a result of an impact assessment for the period 2001 to 2011, which showed that advisory services for SMEs had a 4% to 8% positive impact compared with corresponding SMEs.⁷⁹

Relationship to private sector

There are currently some export promotion agencies in the private sector in Denmark, which the Trade Council attempts to align itself with to provide coherent advice to business.

TPO Scope

Targeting market failures

The export strategy explicitly references market failures⁸⁰, and how addressing these failures can add value to Danish firms.

Targeting other barriers to export

Denmark explicitly focuses on removing barriers to trade.⁸¹ The Trade Council asks firms to submit any barriers to trade that they experience⁸², and has experience in helping to dismantle trade barriers.

Export market scope

The Trade Council of Denmark has 65 offices around the world, usually as part of the embassy or consulates. Additional embassies may not have Trade Council presence, but they can still add value, and work with the Danish Trade Council.

Global Value Chains

The export promotion strategy recognises the need to promote sectors where Denmark has the biggest value-add, whilst there is acknowledgement that firms will need advice dependent on where they are in the global value chains.⁸³ Invest in Denmark⁸⁴ acknowledges that Danish firms tends to specialise in high value-added sectors.

⁷⁸ <http://um.dk/en/tradecouncil/about/strategy//~/media/UM/English-site/Documents/The-Trade-Council/Publications/GovernmentStrategyOnExportPromotionAndEconomicDiplomacy.pdf>, p. 12

⁷⁹ <http://um.dk/en/tradecouncil/about/strategy//~/media/UM/English-site/Documents/The-Trade-Council/Publications/GovernmentStrategyOnExportPromotionAndEconomicDiplomacy.pdf>, p. 30

⁸⁰⁸⁰ <http://um.dk/en/tradecouncil/about/strategy//~/media/UM/English-site/Documents/The-Trade-Council/Publications/GovernmentStrategyOnExportPromotionAndEconomicDiplomacy.pdf>, p. 9

⁸¹ <http://um.dk/en/tradecouncil/barriers/>

⁸² <http://um.dk/en/tradecouncil/barriers/what-is//~/media/UM/Danish-site/Documents/Eksporttraadet/Markeder/Barriersenglish.pdf>

⁸³ <http://um.dk/en/tradecouncil/about/strategy//~/media/UM/English-site/Documents/The-Trade-Council/Publications/GovernmentStrategyOnExportPromotionAndEconomicDiplomacy.pdf>, p. 6

⁸⁴ <http://um.dk/en/tradecouncil/investindk/>

Investment promotion

Investment promotion falls under the remit of the Trade Council of Denmark⁸⁵, which works to remove trade barriers as a way of enhancing Denmark’s reputation as a place to do business. It has a particular focus on the following industries where Denmark has existing competitive strengths:

- clean technologies
- information computer technology
- life sciences
- maritime
- design
- food

TPO Strategy

Resources

The budget for 2017 was 334 million Danish Krona and for 2018 was 332 million Danish Krona.⁸⁶

Beneficiary focus

One of the measures cited in the government’s export promotion strategy is boosting SME internationalisation and exports⁸⁷, because they “do not possess the necessary resources to overcome even minor trade barriers”. The strategy sees the most effective technique to help SMEs internationalise is to focus on “value creation through long-term collaborations”, as well as more tailored advice for regional SMEs.

A separate measure of the strategy⁸⁸ is to focus on exporting to growth and volume markets, based on where Denmark can add the most amount of value, and where the greatest volume of exports can reach. The high-volume markets referenced include the USA, Germany and Japan, where specific action plans are in place.

Impact evaluation

Munch and Schaur (2015)⁸⁹ evaluated Denmark’s public-sector trade promotion services, finding that small firms are most positively impacted by these services. The export promotion services are likely to raise the likelihood of a firm exporting, and for a firm to increase their quantity of exports, whilst there are other positive effects on labour productivity. However, it is noted that for medium and large firms the evidence is inconclusive.

Denmark planned a systematic evaluation of their services in their export promotion strategy⁹⁰, although these are not publicly available.

⁸⁵ <http://www.investindk.com/>

⁸⁶ https://www.fm.dk/~media/publikationer/imported/2015/ffl16-sep/ffl16_06_web.ashx?la=da p.17

⁸⁷ <http://um.dk/en/tradecouncil/about/strategy/~media/UM/English-site/Documents/The-Trade-Council/Publications/GovernmentStrategyOnExportPromotionAndEconomicDiplomacy.pdf>, p. 30

⁸⁸ <http://um.dk/en/tradecouncil/about/strategy/~media/UM/English-site/Documents/The-Trade-Council/Publications/GovernmentStrategyOnExportPromotionAndEconomicDiplomacy.pdf>, p. 23

⁸⁹ Munch, J., R., and Schaur, G., (2015), “The effect of export promotion on firm-level performance”, University of Copenhagen Working Paper.

⁹⁰ <http://um.dk/en/tradecouncil/about/strategy/~media/UM/English-site/Documents/The-Trade-Council/Publications/GovernmentStrategyOnExportPromotionAndEconomicDiplomacy.pdf>, p. 11

Products and Services

Range and linkage to export credit and finance

Non-financial assistance.

There is a range of market information⁹¹ on country- and sector-specific exports, free to download for all firms. More specific programmes are found on the government's integrated portal⁹², which categorises services into four categories with over 100 different services provided:

- counselling
- subsidies
- financing
- other (which includes IP rights, hiring an international student, and so on)

There are also separate links to trade fairs and trade missions to other countries listed.

Financial:

Denmark's official export credit agency, EKF⁹³, works closely with the Trade Council, providing a variety of services for domestic and international firms, such as:

- financing for foreign buyers of Danish goods and services
- protecting domestic exporters against loss
- help with domestic finance and guarantees

Future developments:

It is unclear what Denmark is developing next following the export promotion strategy of 2014, other than a continual evaluation and refinement of the services on offer.

Conclusion

We present a "traffic-light" assessment of Denmark in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

⁹¹ <http://um.dk/da/eksportraadet/markeder/markedsinformation>

⁹² <http://eksportguiden.um.dk/da/stotteordninger>

⁹³ Eksport Kredit Fonden (EKF)

Table 27 Summary of assessment of Denmark as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Denmark is an open, service-based economy, with a strong focus on international trade.
Policy and institutional context	Green	Denmark is a very open country and is well-regarded as a trading partner.
TPO Institutional structure	Green	Denmark has strong relations across government institutions and are actively focused on improving these relations. Feedback from export promotion evaluation is included in trade policy.
TPO Scope	Green	There is an established export promotion strategy that has been in place for over three years. There are precisely targeted barriers to trade, and recognition of global value chains.
TPO Strategy	Green	There is a clear export promotion strategy, executed by the Trade Council, with targeted beneficiaries and some evidence of evaluation taking place.
TPO products and services	Green	Denmark has an extremely wide range of export promotion services for firms, as well as an export credit agency.
Overall Assessment	Green	Denmark demonstrates many similarities to the UK as a service-based economy, with a strategic emphasis on export promotion and evaluation.

Annex F: Finland country report

Name of Organisation: Business Finland⁹⁴

Country context

Economic structure:

GDP per capita: 2016: 39,523.⁹⁵ Composition of GDP: Industry 27% (of which manufacturing 17%); Services 70%, Agriculture 3%.⁹⁶ Structure of merchandise trade: Agriculture products 10.5%; Fuels and mining products 11.9%; Manufactures 76%; Other 1.6%. Trade as % of GDP: 72% (services: 23%).⁹⁷

Policy and institutional context

Average tariffs: Simple applied MFN average 5.2% (agriculture 11.1%); trade weighted 3% (agriculture 7.8%).⁹⁸

Ease of doing business: Ranked 13th overall, 34th in trade across borders.

Export diversification: The dominance of one firm, Nokia, which accounted for a quarter of Finnish growth and a third of its exports between 1998 and 2007, caused problems for Finland when Nokia was undermined by increased competition from smart phones.⁹⁹ This stimulated Finland to develop diversification strategies.

Linkages to wider policy initiatives: External trade policy is a competence of the EU. While Business Finland promotes exports as part of its work, this links to its general promotion of Finnish businesses, for example through its investment promotion activities undertaken through Invest in Finland.

The activities of Business Finland also link with the EU Horizon 2020 programme, the biggest EU Research and Innovation programme with nearly €80 billion of funding available across 2014 to 2020 (in addition to the private investment that this money will attract). The EU Horizon 2020 programme funds research and innovation to secure Europe's global competitiveness.¹⁰⁰

⁹⁴ Business Finland Limited. This is the agency responsible for export promotion per se. The limited company is one part of a government agency, called Business Finland, which is also responsible for innovation and research funding. For the purposes of this report, "Business Finland" refers to the activities of the limited company dealing with export promotion.

⁹⁵ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

⁹⁶ Source: World Development Indicators: Structure of Output

⁹⁷ World Bank World Development Indicators

⁹⁸ European Union data. Source: WTO (2017), World Tariff Profiles, p.82

⁹⁹ "The Nokia Effect" in the Economist, 25 August 2012

¹⁰⁰ <https://ec.europa.eu/programmes/horizon2020/what-horizon-2020>

TPO Institutional Structure

Organisation and relationship to other government institutions

Business Finland was established in 2018 from the merger of Finpro (the Finnish trade promotion organisation) and Tekes (the Finnish Funding Agency for Innovation).

Business Finland is a wholly state-owned limited company¹⁰¹, with Pekka Soini – the former head of Tekes – as its Business President and CEO.¹⁰² The management team will be formed during Spring 2018, but its Executive Board includes representatives from both the public and private sector.¹⁰³

Business Finland also includes Visit Finland, the tourism promotion agency.¹⁰⁴

Business Finland is part of the Team Finland network, a network of institutions and actors providing internationalisation services. The aim of the network is to provide businesses with a smooth service chain, ranging from advisory services to financing. Members include the Ministry of Economic Affairs and Employment, Ministry for Foreign Affairs, and the Ministry of Education and Culture. Team Finland also works with chambers of commerce, both Finnish and overseas.¹⁰⁵

Relationship to private sector

The management team of Business Finland is yet to be determined, but its Executive Board is made up of both public and private sector representatives.¹⁰⁶

Business Finland has also developed relationships with private-sector consulting businesses in Finland and in export markets which provide specialist advice on a fee-paying basis.¹⁰⁷

TPO Scope

Targeting market failures

The expression “market failures” is not explicitly mentioned but the main products and services (see below) target the main known areas of market failures in exports: informational constraints, knowledge spillovers and missing markets for credit.

Targeting other barriers to export

Products (see section below) target informational constraints, internal exporter constraints, financial constraints, and co-ordination failures. Policy and regulatory failures are not explicitly targeted.

¹⁰¹ As explained in footnote 94 Business Finland Oy, the limited company that is focused on export promotion, is part of a broader government agency, Business Finland

¹⁰² <https://scandasia.com/business-finland-to-start-in-2018-with-pekka-soini-as-director-general/>

¹⁰³ <https://www.businessfinland.fi/suomalaisille-asiakkaille/tietoa-meista/lyhyesti/>

¹⁰⁴ <http://www.visitfinland.fi/news/business-finlandin-visit-finland-yksikon-resurssit-ja-aktiiviteetit-kasvatat-maailmalla/>

¹⁰⁵ <http://team.finland.fi/en/team-finland-in-brief>

¹⁰⁶ <https://www.businessfinland.fi/suomalaisille-asiakkaille/tietoa-meista/lyhyesti/>

¹⁰⁷ <https://expertsearch.finpro.fi/#/search>

Table 28 Product and service matrix

Designation	Provision by Business Finland
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Yes
Matchmaking	Yes
Influencing government and regulatory policy	Limited; partly because trade policy is an EU competence

Export market scope

Business Finland employs 600 experts in 40 offices overseas and 18 offices in counties within Finland.¹⁰⁸

The Team Finland network is represented by more than 80 local teams, each of which gathers together the Finnish authorities, publicly-funded organisations, and other key actors representing Finland in the particular region.

Global Value Chains

Business Finland aims to help firms participate in global value chains. The inclusion of inward investment promotion activities in Business Finland's remit adds to the organisation's value chain focus.

Investment promotion

Business Finland's investment promotion activities are undertaken through Invest in Finland, which is part of the broader Business Finland organisation.¹⁰⁹

Invest in Finland helps foreign companies set up their business in Finland through several free services:

- data collection - provision of data to help firms make decisions regarding investments in Finland
- opportunity analysis - advisory services for firms looking for business opportunities.
- matchmaking - support in networking between private companies, the public sector, and educational institutions
- entry alternatives - evaluation of the most suitable market entry strategies
- location management - helping firms select the best site for setting up their business
- Setting up a business - bespoke services for establishing or expanding a business in Finland¹¹⁰

¹⁰⁸ <https://www.businessfinland.fi/suomalaisille-asiakkaille/tietoa-meista/lyhyesti/>

¹⁰⁹ <https://www.investinfinland.fi/home>

¹¹⁰ <https://www.investinfinland.fi/our-services>

TPO Strategy

Beneficiary focus

Most of Business Finland's funding goes to SMEs.¹¹¹ In 2014, 78% of Finpro's customers were SMEs.¹¹²

In 2014, total state funding for Finpro's internationalisation programmes was around €25 million.¹¹³

From 2012, the operations of the Invest in Finland foundation came under Finpro. In 2014, total state funding for Finpro's 'Invest-in' operations was around €4.5 million. These operations successfully facilitated investments worth €299 million in Finland in 2014, creating an estimated 173 jobs.¹¹⁴

Impact evaluation

Some discussion of the evidence underlying the effectiveness of Business Finland's activities is available on the organisation website, which also states that further effectiveness evaluations will be published soon.¹¹⁵

Annual reports on Finpro's activities are available up to 2014.¹¹⁶ No annual reports for Business Finland are yet available.

Products and Services

Range and linkage to export credit and finance

Non-financial assistance

Business Finland offers a range of non-financial assistance to firms. This includes general information on export markets, introducing firms to key contacts and networks, helping to assess firms' global competitiveness, and identifying target markets.

Business Finland partners with a range of institutions to deliver some aspects of its programmes. For example, for certain markets, bespoke market access plans are developed by drawing on tailored research carried out by in-country institutions (such as National University of Singapore).¹¹⁷ Business Finland also partners with accelerator programmes in particular countries (for example the US). These services are fee-paying but some of the costs can be offset through the various grant facilities described below.

These services target informational constraints, internal exporter constraints, and coordination failures.

¹¹¹ <https://www.businessfinland.fi/suomalaisille-asiakkaille/palvelut/rahoitus/lyhyesti/>

¹¹² <http://www.exportfinland.fi/documents/1436112/0/Finpro-Association-Annual-Report-2014.pdf>

¹¹³ The reorganisation that led to the creation of Business Finland means that these figures are not likely to be representative of current trends.

¹¹⁴ <http://www.exportfinland.fi/documents/1436112/0/Finpro-Association-Annual-Report-2014.pdf>

¹¹⁵ <https://www.businessfinland.fi/suomalaisille-asiakkaille/tietoa-meista/tulokset-ja-vaikutukset/>

¹¹⁶ 2014 report: <http://www.exportfinland.fi/documents/1436112/0/Finpro-Association-Annual-Report-2014.pdf>

¹¹⁷ <https://www.businessfinland.fi/en/for-finnish-customers/services/go-to-market/in-brief/>

Financial assistance

A wide variety of funding is available to support research and development, and business development more generally. Most funding goes to SMEs, but support is also available to other organisations.

- Start-ups - programmes include 'Tempo' – funding for start-ups less than five years old who are targeting the export market and whose product or service idea has a competitive advantage - grants of up to €50,000 are available, to cover a maximum of 75% of the total project budget - a range of other programmes are also available.¹¹⁸
- SMEs - programmes include 'Kiito Financial Services' – funding for SMEs over five years old who want to grow their international business - grants of up to €50,000 are available, to cover a maximum of 50% of the total cost of the project - a range of other programmes are also available.¹¹⁹
- Large companies - programmes include financing for research and development projects that have an impact on the company's competitive position, as well as on the development of SMEs - loans of up to 50% of the total cost of the project are available; at least 15% of the project costs must be used for the purchase of services from SMEs or research organisations, or the project must be implemented as a joint project with SMEs and research teams - the interest rate is currently 1% and no collateral is required - if the project fails, Business Finland may allow the loan to not be fully repaid - a range of other programmes are also available.¹²⁰
- Research organisations - programmes include financing for projects to commercialise research ideas - researchers and research organisations who want to build a new business based on their research can access funding to do so, so long as at least 40% of the cost of the project is allocated to the preparation of commercialisation - grants of up to 70% of the total cost of projects with high commercial potential are available - a range of other programmes are also available¹²¹
- Public service providers - business Finland funding is also available to public service organisations who want to develop better-quality services¹²² - for example, funding is available for the modernisation of public procurement – up to 50% of the total cost of the project can be granted

Conclusion

We present a "traffic-light" assessment of Finland in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

¹¹⁸ <https://www.businessfinland.fi/suomalaisille-asiakkaille/palvelut/rahoitus/startup/lyhyesti/>

¹¹⁹ <https://www.businessfinland.fi/suomalaisille-asiakkaille/palvelut/rahoitus/pk-ja-midcap-yrittys/lyhyesti/>

¹²⁰ <https://www.businessfinland.fi/suomalaisille-asiakkaille/palvelut/rahoitus/suuri-yrittys/lyhyesti/>

¹²¹ <https://www.businessfinland.fi/suomalaisille-asiakkaille/palvelut/rahoitus/tutkimusorganisaatio/lyhyesti/>

¹²² <https://www.businessfinland.fi/suomalaisille-asiakkaille/palvelut/rahoitus/julkiset-palvelut/lyhyesti/>

Table 29 Summary of assessment of Finland as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Services dominated economy; high value-added manufacturing dominates merchandise trade.
Policy and institutional context	Green	Trade policy defined by EU common commercial policy. High ranking for ease of doing business.
TPO Institutional structure	Amber	Some specific characteristics: result of merger of trade promotion and of innovation agency; Team Finland structure.
TPO Scope	Green	Wide range of barriers addressed. Diverse export market focus.
TPO Strategy	Green	Increased focus on evaluation. Predominantly SME focus, but not exclusively.
TPO products and services	Green	Product offering reflects integration of trade promotion and innovation services.
Overall Assessment	Green	Useful source of policy lessons.

Annex G: France country report

Name of Organisation: Business France

Country context

Economic structure:

GDP per capita: 2016: 38,061.9.¹²³ Composition of GDP: Industry 20% (of which manufacturing 11%); Services 79%.¹²⁴ Structure of merchandise trade: Agricultural products 13.6%; Manufactures: 79.3%.¹²⁵ Trade as% of GDP: 60%.¹²⁶

Policy and institutional context

Average tariffs: Simple applied MFN average 5%; agriculture 11.1%, non-agriculture 4.25%.¹²⁷

Ease of doing business: Ranked 31 overall, 54 the in trade across borders.¹²⁸

Export diversification: The authorities, under President Hollande's administration, noted that France performed strongly in certain sectors, notably aerospace, chemicals and luxury goods, as well as service sectors such as finance and tourism.¹²⁹ The authorities also detected a drop in the competitiveness of French firms, which they associated with a persistent current account deficit.¹³⁰ With a view to increasing the competitiveness of French firms, the authorities identified the following strategic priorities: SMEs generally; sport and events; "French tech"; agrifoods; health technologies; sustainable cities; cultural and creative industries; and renewables.¹³¹ Since these priorities were articulated under the oversight of the then Economics Minister, Emmanuel Macron (who was elected President in 2017), the overall strategy has been carried over to the current administration with an added emphasis on big data and start-ups.¹³²

Linkages to wider policy initiatives: The creation of Business France in 2015 was explicitly linked to the wider strategic objectives described above.¹³³ ¹³⁴ In addition, the authorities recognised that it was necessary to streamline the pathway followed by exporters in terms of access to assistance, including financial assistance.¹³⁵ Finally, because France's trade

¹²³ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

¹²⁴ Source: World Development Indicators: Structure of Output

¹²⁵ Source: WTO (2017), World Trade Profiles, p 136

¹²⁶ World Bank, World Development Indicators, <https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS>

¹²⁷ WTO (2017), World Tariff Profiles, p 84

¹²⁸ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>) and Country Tables 2018, p 116

¹²⁹ Ministère des affaires étrangères et du développement international (2016), Rapport 2016 sur la stratégie du commerce extérieur de la France et la politique commerciale européenne. pp 13-22

¹³⁰ Ibid, pp 24-31

¹³¹ Ibid, pp 47-59

¹³² <https://www.lebigdata.fr/emmanuel-macron-big-data-priorite-europe>

¹³³ Ibid, p. 33

¹³⁴ <http://www.assemblee-nationale.fr/14/cr-cafe/15-16/c1516088.asp>

¹³⁵ <http://www.assemblee-nationale.fr/14/cr-cafe/15-16/c1516088.asp>

policy is determined via its participation in the EU's common commercial policy, the authorities also made it a priority to ensure EU trade policy was more active in opening markets and supporting trade facilitation measures in overseas markets.¹³⁶

TPO Institutional Structure

Organisation and relationship to other government institutions

Business France is a state agency, under the tutelage of three ministries: Foreign Affairs and International Development; Economy and Finance; and Territorial Cohesion. Its financing comes under the appropriation for the second of these. A Performance Contract (Contrat d'objectifs et performances) binds the Agency to the authorities and sets out targets for export promotion activities and investment promotion activities.¹³⁷

Under the provisions of the decree leading to its creation, Business France's overseas activities are conducted in consultation with the French Ambassador responsible for that jurisdiction.

The Société pour la promotion et l'exportation des produits agricoles (SOPEXA) is responsible for export promotion in agriculture. Having identified that SOPEXA and Business France activities were overlapping, the two agreed in 2015 that trade show and trade fair events would be taken over by Business France.¹³⁸

The French Treasury runs other programmes that support specific aspects of export promotion. The main one is the Fonds d'Aide au Secteur Privé (FASEP) which finances feasibility studies for French firms in specific sectors linked to sustainable development. There is no formal coordination mechanism linking FASEP to Business France.¹³⁹

Regional Focus

The French regions were reorganised in 2017, and as part of this were required to develop regional schemes for economic development, innovation and internalisation.¹⁴⁰ Given the linkages between these objectives and those of Business France, the regions collectively signed an agreement with Business France to coordinate activities and ensure efficiencies in resource allocation.¹⁴¹

Business France has a network of regional delegates and offices, working closely with representative of the Chambers of Commerce (see below).

¹³⁶ Ministère des affaires étrangères et du développement international (2016), Rapport 2016 sur la stratégie du commerce extérieur de la France et la politique commerciale européenne. pp 92-108

¹³⁷ Décret n° 2014-1571 du 22 décembre 2014 relatif à l'agence Business France

¹³⁸ Ministère des affaires étrangères et du développement international (2016), Rapport 2016 sur la stratégie du commerce extérieur de la France et la politique commerciale européenne. Pp 35-5

¹³⁹ <https://www.tresor.economie.gouv.fr/Ressources/fasep>

¹⁴⁰ <http://www.gouvernement.fr/action/la-reforme-territoriale>

¹⁴¹ http://www.businessfrance.fr/Media/Default/BlogPost/CP_BF-ARFsept2016.pdf

Relationship to private sector

The board must comprise one representative of the MEDEF, the representative body for French businesses. There must also be a representative of the confederation of small and medium enterprises, and a representative of a foreign business established in France.¹⁴²

The private sector has its own structure for export promotion based on chambers of commerce, organised around two entities: CCI International and CCI France International. Both offer services that are very similar to Business France, and indeed are in competition with these. To manage inefficiencies arising out of this situation, the two CCI entities and Business France signed a partnership agreement in 2015 to better organise the export pathway. Business France was assigned duties related to prospecting and deepening markets. The CCI entities were assigned the task of dealing with businesses in the pre-export and post-establishment phases.¹⁴³ It is not so far clear to what extent this has helped reduce duplication and inefficiencies in tasks.¹⁴⁴

TPO Scope

Resourcing

In 2017, Business France received financing through the central ministerial budget of €98.1 million. Revenues raised by Business France in 2016 through fees for service provision amounted to around €84.7 million. The share of revenues from fees in the total budget is more than 42%, in line with what is specified in the Performance Contract.¹⁴⁵

Targeting market failures

The expression “market failure” is not explicitly used. The activities of Business France are nevertheless focused on areas where market failures are known to exist: informational spillovers, networking and reputational issues,

Targeting barriers to export – product and service matrix

More detailed information on product and service types is provided in the relevant section below. Here we summarise the product and service offering against the main categories identified in the logic model for DIT services.

¹⁴² <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000029954091&categorieLien=id>

¹⁴³ Ministère des affaires étrangères et du développement international (2016), Rapport 2016 sur la stratégie du commerce extérieur de la France et la politique commerciale européenne. P 37

¹⁴⁴ <http://www.senat.fr/rap/l17-108-312/l17-108-3129.html>

¹⁴⁵ Ministère des affaires étrangères et du développement international (2016), Rapport 2016 sur la stratégie du commerce extérieur de la France et la politique commerciale européenne. P 34

Table 30 Product and service matrix

Designation	Provision by Business France
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes, on cost recovery basis
Financial support	In partnership with BPIFrance
Matchmaking	Yes, primarily via the CCI network
Influencing government and regulatory policy	Yes, through inputs into national trade strategy

Export market scope

Business France has a network of 70 field offices and over 1,500 staff.¹⁴⁶

Global Value Chains

There is a recognition of the operation of global value chains, and of the need to integrate into these, particularly for SMEs. The Business France annual report for 2016 discussed the benefits to French firms and the economy more generally of participation in global value chains.¹⁴⁷

Investment promotion

Inward promotion is one of the attributions of Business France. The main services are: assistance in site and project selection; assistance in understanding the regulatory and policy framework; assistance with financial forecasts; assistance in making business to business contacts; advice on opportunities for business acquisitions.¹⁴⁸

TPO Strategy

Beneficiary focus

The focus is primarily on SMEs and “intermediate sized firms”. Data presented for the purposes of evaluation against the objectives in the Performance Contract for 2015 show that 4,798 SMEs and Intermediate Size firms benefitted from export services, and 726 businesses benefitted from a tailored service and follow-up.¹⁴⁹

Impact evaluation

Impact evaluation is primarily through monitoring against targets agreed in the Performance Contract (see above). The French Senate also conducts hearings in the context of the appropriations bill.¹⁵⁰

¹⁴⁶ Business France (2016), Rapport sur l’Internalisation de l’économie française, p 208

¹⁴⁷ Business France (2016), Rapport sur l’Internalisation de l’économie française, notably pp 144-147

¹⁴⁸ <http://www.businessfrance.fr/investir/mieux-connaître-nos-services>

¹⁴⁹ Ministère des affaires étrangères et du développement international (2016), Rapport 2016 sur la stratégie du commerce extérieur de la France et la politique commerciale européenne.p 34

¹⁵⁰ See for example, <http://www.senat.fr/rap/l17-108-312/l17-108-3129.html>

Products and Services

Range and linkage to export credit and finance

Non-financial assistance

The main product clusters are¹⁵¹:

- informational: market opportunities, public procurement opportunities; and information on regulatory frameworks
- “prospecting”: detailed market information (including tailored information) and business to business connection events
- Communications support: public relations, government relations and media
- International Business Volunteers (VIE): a scheme under which businesses can select a person under the age of 28 for a specific task or job overseas (for example, market study) for a period of 6 to 24 months
- Specialised partnerships, for example, with the National Intellectual Property Institute (INPI) to evaluate IP protection needs

Financial

Business France, in collaboration with BPIFrance (a public investment bank focused on business lending) and COFACE (Compagnie Française d'Assurance pour le Commerce Extérieur, focused on trade insurance) developed a service known as BPIFrance export.

Under this umbrella, the following products are offered¹⁵²:

- market prospecting insurance: expenses incurred during prospecting are insured
- default risk insurance for credits given to buyers
- exchange rate risk insurance
- political risk insurance
- pre-financing risk insurance
- export credits to cover current costs associated with exporting

Conclusion

We present a “traffic-light” assessment of France in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

¹⁵¹ <http://export.businessfrance.fr/default.html#>

¹⁵² <http://export.businessfrance.fr/Galerie/Files/Divers/Plaqueette-bpifrance-export.pdf>

Table 31 Summary of assessment of France as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	High income services dominated economy; merchandise trade reflects specialisation in high-value add activities.
Policy and institutional context	Green	Same trade regime as the EU's because of participation in common commercial policy. Similar strategic focus in developing exports in high-skills and knowledge areas
TPO Institutional structure	Amber	Multiple ministries overseeing the agency. Differences in governance structure and complicated interaction with private sector-led export promotion initiatives.
TPO Scope	Green	Wide range of export markets; targets all 6 barriers to exporting; focus on supply side and internationalisation.
TPO Strategy	Green	SME focus, but not exclusively. Strong value chain focus supported by focus on inward investment. Emphasis on evaluation via Performance Contract.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting; network spillovers. Linkages to export financing through partnerships.
Overall Assessment	Green	France's export promotion strategy has undergone a period of rapid restructuring and attempts to rationalise a disparate export promotion structure spanning public and private institutions. Attempts at integrating regional development plans into Business France initiatives may also offer useful lessons.

Annex H: Germany country report

Name of Organisation: Germany Trade & Invest (GTAI)

Country context

Economic structure:

GDP per capita: 2016: 44,260¹⁵³. Composition of GDP: Industry 30% (of which manufacturing 23%); Services 69%, Agriculture 1%.¹⁵⁴ Structure of merchandise trade: Agriculture products 6.5%; Fuels and mining products 4.9%; Manufactures 86.5%; Other 2.1%. Trade as % of GDP: 84%¹⁵⁵ (services: 17%).¹⁵⁶

Policy and institutional context

Average tariffs: Simple applied MFN average 5.2% (agriculture 11.1%); trade weighted 3% (agriculture 7.8%).¹⁵⁷

Ease of doing business: Ranked 20th overall, 39th in trade across borders (costs associated with border formality compliance).¹⁵⁸

Export diversification: The export promotion services of the Federal Ministry for Economic Affairs and Energy (BMWi) help SMEs to develop new markets abroad, catering to “forward looking industries such as energy, environmental technology, healthcare and civil security, but also to more traditional industries”.¹⁵⁹

Linkages to wider policy initiatives: External trade policy is a competence of the EU. While GTAI promotes exports as part of its work, this links into wider initiatives that it undertakes promoting trade and investment links with countries across the world. GTAI’s work also links in with the work of the Federal Government (for example, export credit guarantees), BMWi (for example, funding for SME exhibition stands at foreign trade fairs), and the promotion of German businesses across the world by the network of the German Chambers of Commerce Abroad (AHKs). As discussed further below (see section ‘Organisation and relationship to other government institutions’), GTAI works closely with the AHK network as well as the German Chambers of Commerce and Industry (DIHK) domestically. The activities of GTAI also link with the EU Horizon 2020 programme, the biggest EU Research and Innovation programme with nearly €80 billion of funding available across 2014 to 2020 (in addition to the private investment that this money will attract). The EU Horizon 2020 programme funds research and innovation in order to secure Europe’s global competitiveness.¹⁶⁰

¹⁵³ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

¹⁵⁴ Source: World Development Indicators: Structure of Output

¹⁵⁵ OECD (2018), Trade in goods and services (indicator). doi: 10.1787/0fe445d9-en (Accessed on 22 January 2018)

¹⁵⁶ <https://data.worldbank.org/indicator/BG.GSR.NFSV.GD.ZS?locations=DE>

¹⁵⁷ European Union data. Source: WTO (2017), World Tariff Profiles, p.82

¹⁵⁸ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>) and Country Tables 2018

¹⁵⁹ <https://www.BMWi.de/Redaktion/EN/Dossier/promotion-of-foreign-trade-and-investment.html>

¹⁶⁰ <https://ec.europa.eu/programmes/horizon2020/what-horizon-2020>

TPO Institutional Structure

Organisation and relationship to other government institutions

GTAI was established in 2009 as part of a merger between ‘Invest in Germany GmbH’ and the German Office for Foreign Trade (BfAI). The Federal Republic of Germany is the sole shareholder and is represented by the Federal Ministry for Economic Affairs and Energy.

GTAI’s Supervisory Board is chaired by the State Secretary at the Federal Ministry for Economic Affairs and Energy and is composed of seven public and seven private sector representatives.

GTAI is supported in its activities by the Foreign Trade Advisory Board and the Investment Promotion Advisory Board. Trade associations, Chambers of Commerce and Industry, and Chambers of Skilled Crafts are particularly active on the Foreign Trade Advisory Board. Cooperation with the economic development agencies of the individual federal states is at the forefront of the activities of the Investment Promotion Advisory Board.

In 2011, a new framework agreement was signed between GTAI, the German Chambers of Commerce and Industry (DIHK), and the German Chambers of Commerce Abroad (AHK). This led to closer integration of the organisations’ respective core competencies domestically and abroad.¹⁶¹

Regional Focus

The regional aspects of trade promotion are primarily undertaken by regional Chambers of Commerce. In addition, each Land has an economics ministry that pursues regional investment and export opportunities.

Relationship to private sector

As outlined above, half of GTAI’s Supervisory Board is made up of private sector representatives. Private sector actors are also involved in GTAI’s activities through its advisory boards, the Foreign Trade Advisory Board and the Investment Promotion Advisory Board (see above for more detail).

TPO Scope

Targeting market failures

The expression “market failures” is not explicitly mentioned but the main products and services target the main known areas of market failures in exports: informational constraints, knowledge spillovers and missing markets for credit.

Targeting other barriers to export

Products (see section below) target informational constraints, internal exporter constraints, financial constraints, and co-ordination failures. Policy and regulatory failures are not explicitly targeted.

¹⁶¹ <http://www.gtai.de/GTAI/Navigation/EN/Meta/About-us/who-we-are.html>

Table 32 Product and service matrix

Designation	Provision by GTAI or BMWi
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Yes (but no direct export financing)
Matchmaking	Yes
Influencing government and regulatory policy	Limited; partly because trade policy is an EU competence

Export market scope

GTAI has 50 offices in Germany and abroad, including 5 in North America, 5 in South America, 5 in Africa, 9 in Western Europe (outside Germany), 9 in Central and Eastern Europe (including Russia), 3 in the Middle East, 12 in the rest of Asia, and 1 in Australia. GTAI employs 264 staff in Germany and 98 abroad.¹⁶²

Germany's bilateral chambers, delegations and representative offices have 130 branches in 90 countries to support the activities of German firms in foreign markets.¹⁶³

The BMWi's export promotion programme caters to "forward looking industries such as energy, environmental technology, healthcare and civil security, but also to more traditional industries".¹⁶⁴

Global Value Chains

GTAI aims to help firms participate in global value chains. The inclusion of inward investment promotion activities in GTAI's remit adds to the organisation's value chain focus.

Investment promotion

Inward investment promotion is part of GTAI's remit. It offers investor consulting which includes:¹⁶⁵

- Information services:
 - market and industry analyses
 - market entry analyses
 - extensive legal information (tax, labour law, and so on)
 - funding and financing information
- Advisory services:
 - market-entry strategy development support
 - site identification and site visit support
 - tax and legal information and support
 - available funding and financing options advice
 - contact initiation and accompaniment during visits to local partners and networks

¹⁶² <http://www.gtai.de/GTAI/Navigation/EN/Meta/About-us/who-we-are.html>

¹⁶³ <https://www.BMWi.de/Redaktion/EN/Dossier/promotion-of-foreign-trade-and-investment.html>

¹⁶⁴ <https://www.BMWi.de/Redaktion/EN/Dossier/promotion-of-foreign-trade-and-investment.html>

¹⁶⁵ <http://www.gtai.de/GTAI/Navigation/EN/Meta/About-us/What-we-do/investor-consulting.html>

It also carries out promotion activities in the form of location marketing¹⁶⁶ abroad to popularise Germany as an investment destination. The focus is on enforcing the perception that Germany is a prime location for technology and innovation. This is done through a mix of channels (digital, TV, print).

TPO Strategy

Beneficiary focus

In 2015, €25.8 billion of exports were covered by Federal export credit guarantees.¹⁶⁷

Impact evaluation

No publicly documented process or publications relating to the evaluation of GTAI.

Annual reports on the activities of AHKs around the world provide information on projects and activities undertaken. An evaluation of the federal allocations to the AHK network was published by the BMWi in 2016, praising the strong commitment and excellent foreign network of the AHKs.¹⁶⁸

In 2016 the Association of German Chambers of Commerce and Industry, supported by the BMWi, began a structured performance and impact assessment, the results of which will be presented in future annual AHK reports.¹⁶⁹

Products and Services

Range and linkage to export credit and finance

Non-financial assistance

GTAI experts analyse the latest trends and developments in all strategic growth markets around the world, offering to businesses: (i) a database on these trends and developments, and (ii) a diverse variety of status reports and analyses, with around 3,000 new articles each year. This standardised information range allows GTAI to present the basic knowledge needed for foreign business planning and implementation in important markets, facilitating comparisons between different markets.

Developments relevant to foreign trade are assessed at short notice and where required. As well as market and industry information, GTAI also offers information on opening new markets.¹⁷⁰

The BMWi separately supports German SMEs in a variety of ways, for example in the form of trade policy measures which facilitate access to foreign markets or by supporting specific activities at all export stages.¹⁷¹ However there is little detail provided by the BMWi on the specific support available.

¹⁶⁶ <http://www.gtai.de/GTAI/Navigation/EN/Meta/About-us/What-we-do/location-marketing.html>

¹⁶⁷ <https://www.bmwi.de/Redaktion/EN/Dossier/promotion-of-foreign-trade-and-investment.html>

¹⁶⁸ https://www.bmwi.de/Redaktion/DE/Publikationen/Studien/schlussbericht-zur-evaluierung-bundeszuwendungen-an-ahks.pdf?__blob=publicationFile&v=8

¹⁶⁹ https://www.ahk.de/fileadmin/DEinternational/user_upload/AHK_Annual_Report_2016.pdf

¹⁷⁰ <http://www.gtai.de/GTAI/Navigation/EN/Meta/About-us/What-we-do/export-promotion.html>

¹⁷¹ <https://www.BMWi.de/Redaktion/EN/Dossier/export-initiatives.html>

The Federal Government supports German exporters by providing insurance for their claims to payments abroad. German companies use export credit guarantees to insure export transactions against economic and political risks.

Upon application and in exchange for a fee, the Federal Government also provides investment guarantees for companies that are headquartered in Germany and have decided to invest abroad but wish to protect themselves against political risks. The government will only issue guarantees if the investment has an adequate level of protection under the legislation of the relevant country.¹⁷²

Financial assistance

GTAI does not offer financial assistance specific to supporting exports, its main export promotion function appears to be the provision of information about global markets and how to access them. It does, however, offer a range of grants, public loans, and public guarantees to enterprises in Germany, the aim of which is partly to enhance the competitiveness of German businesses in international markets.¹⁷³

Financial assistance is provided by other programmes, often related to the BMWi. For example, the BMWi will cover part of the costs of joint exhibition stands operated by several SMEs together at trade fairs and exhibitions abroad, to support SMEs in gaining access to new markets. In the first semester of each year, the ministry works with the Association of the German Trade Fair industry (AUMA) to decide which trade fairs and exhibitions abroad financing will be made available for in the following year.¹⁷⁴

Conclusion

We present a “traffic-light” assessment of Germany in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

¹⁷² <https://www.BMWi.de/Redaktion/EN/Dossier/promotion-of-foreign-trade-and-investment.html>

¹⁷³ <https://www.gtai.de/GTAI/Navigation/EN/Invest/Investment-guide/incentive-programs.html>

¹⁷⁴ <https://www.BMWi.de/Redaktion/EN/Dossier/promotion-of-foreign-trade-and-investment.html>

Table 33 Summary of assessment of Germany as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Services dominated economy' merchandise trade dominated by high value-added manufacturing.
Policy and institutional context	Green	Trade policy defined by EU's common commercial policy. Focus on export diversification.
TPO Institutional structure	Amber	Fragmented architecture for export promotion with Chambers of Commerce better funded than GTAI.
TPO Scope	Green	Covers most barriers to export; well-developed export market focus. Inclusion of investment promotion increases value chain focus.
TPO Strategy	Green	Value chain focus; increased focus on evaluation.
TPO products and services	Amber	Range of products and services, with some specifically targeted to SMEs. The focus seems to be on general services with little information on specific ones.
Overall Assessment	Green	Useful source of policy lessons.

Annex I: Ireland country report

Name of Organisation: Enterprise Ireland

Country context

Economic context

GDP per capita: 2016: \$62,992.¹⁷⁵ Composition of GDP: Agriculture 1%; Industry 42% (of which manufacturing 37%); Services 58%.¹⁷⁶ Structure of merchandise trade: Agricultural products 10.9%; Fuels and mining products 2.1%; Manufactures: 87%.¹⁷⁷ Trade as % of GDP: 221% (services: 111%).¹⁷⁸

Policy and institutional context

Average tariffs: Simple applied MFN average 5.2%; trade weighted 3% (agriculture 7.8%).¹⁷⁹

Ease of doing business: Ranked 17th overall, 47th in trade across borders (costs associated with border formality compliance).¹⁸⁰

Linkages to wider policy initiatives: External trade policy is a competence of the EU. Enterprise Ireland focuses on helping Irish firms grow in world markets, while IDA Ireland focuses on promoting foreign direct investment (FDI) into Ireland. IDA Ireland offers a range of services to help facilitate inward investment, such as financial incentives for research and development and business asset grants (to upgrade old equipment). In 2016, the Irish government launched the 'National Skills Strategy 2025 – Ireland's Future', which aimed to identify Ireland's current skills profile, provide a vision for Ireland's future skills requirements, and set out a roadmap for how the vision and objectives can be achieved.¹⁸¹

TPO Institutional Structure

Organisation and relationship to other government institutions

Members of the Enterprise Ireland board are appointed by the Minister for Jobs, Enterprise and Innovation and are responsible for setting the broad strategy and policies of Enterprise Ireland. The board delegates responsibility for implementing these policies to the management and sub-committees.

¹⁷⁵ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

¹⁷⁶ World Development Indicators: Structure of Output

¹⁷⁷ WTO (2017), Trade Profiles, p.176

¹⁷⁸ World Bank World Development Indicators

¹⁷⁹ European Union data. Source: WTO (2017), World Tariff Profiles, p.82

¹⁸⁰ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>)

¹⁸¹ https://www.education.ie/en/Publications/Policy-Reports/pub_national_skills_strategy_2025.pdf; <https://www.education.ie/en/Press-Events/Press-Releases/2016-Press-Releases/PR2016-01-27.html>

The Executive Committee of Enterprise Ireland is chaired by the Chief Executive Officer and is made up of the senior management team.¹⁸²

Relationship to private sector

Private sector representatives are on the board.

TPO Scope

Resourcing

In 2016, Enterprise Ireland received €285 million in funding from the Irish Government.¹⁸³

Targeting market failures

The expression “market failures” is not explicitly mentioned but the main products and services (see below) target the main known areas of market failures in exports: informational constraints, knowledge spillovers and missing markets for credit.

Targeting other barriers to export – product and service matrix

Table 34 Product and service matrix

Designation	Provision by EI
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Yes
Matchmaking	Yes
Influencing government and regulatory policy	Limited; partly because trade policy is an EU competence

Products and services (see section below) target informational constraints, internal exporter constraints, financial constraints, and co-ordination failures. Policy and regulatory failures are not explicitly targeted.

Export market scope

Enterprise Ireland has nine regional offices throughout Ireland and over 30 international locations, facilitating access to more than 60 countries worldwide.¹⁸⁴

Global Value Chains

Although inward investment promotion activities are primarily covered separately by IDA Ireland, Enterprise Ireland aims to help firms access global value chains through its extensive network of contacts.

¹⁸² <https://www.enterprise-ireland.com/en/About-Us/Our-People/>

¹⁸³ <https://www.enterprise-ireland.com/en/Publications/Reports-Published-Strategies/Annual-Reports/2016-Annual-Report-and-Accounts-English.pdf>, p.34

¹⁸⁴ <https://www.enterprise-ireland.com/en/About-Us/Our-Locations/>

Investment promotion

Inward investment promotion falls primarily under the remit of IDA Ireland. Enterprise Ireland focuses predominantly on trade promotion activities. IDA Ireland offers funding and grants to foreign firms investing in Ireland, as well as non-financial assistance such as an International Marketing Programme and a Mentor Programme, providing guidance and support through the investment process.¹⁸⁵

TPO Strategy

Beneficiary focus

Between 2003 and 2013, Enterprise Ireland approved €1.1bn of funding (including €127m in 2013), of which:

- 37% went to Research, Development & Innovation (RD&I)
- 24% supported company expansion
- 23% supported start-ups
- 12% supported management and skills development
- 5% supported internationalisation¹⁸⁶

In 2016, Enterprise Ireland allocated funds of €358m, of which:

- €244m went to funding for enterprise development (for example, capacity building, equity and venture capital funds, technology and scientific infrastructure)
- €75m went to client and corporate services (for example, client services network, science and innovation support)
- €39m went to funds administered on behalf of third parties (for example, Local Enterprise Offices)¹⁸⁷

Impact evaluation

The Irish Department of Jobs, Enterprise and Innovation produced its 'Evaluations of State Supports for Enterprise' in July 2015, which included an assessment of support offered by Enterprise Ireland. The report found that employment in the cohort of Enterprise Ireland companies that received support increased from 76,600 in 2003 to 111,750 in 2014, while employment in non-supported firms decreased from 71,700 to 43,800. However, this report does not account for selection bias (such as the fact that firms receiving support may have performed better regardless of the support received) and therefore should be treated with caution.¹⁸⁸

The Irish Department of Jobs, Enterprise and Innovation also produced an evaluation of Enterprise Ireland's internationalisation financial supports in April 2015, looking at the period 2005-2015,¹⁸⁹ while Lenihan and Hart (2018) evaluated Enterprise Ireland's assistance to firms in the period 2000 to 2002.¹⁹⁰

¹⁸⁵ <https://www.idaireland.com/how-we-help>

¹⁸⁶ <https://dbei.gov.ie/en/Publications/Publication-files/Evaluations-of-State-Supports-for-Enterprise-Synthesis-Report-and-Conclusions.pdf>, p.14

¹⁸⁷ <https://www.enterprise-ireland.com/en/Publications/Reports-Published-Strategies/Annual-Reports/2016-Annual-Report-and-Accounts-English.pdf>, p.18

¹⁸⁸ <https://dbei.gov.ie/en/Publications/Publication-files/Evaluations-of-State-Supports-for-Enterprise-Synthesis-Report-and-Conclusions.pdf>, p.17

¹⁸⁹ <https://dbei.gov.ie/en/Publications/Publication-files/2-1-PLM-EI-Internationalisation-Supports.pdf>

¹⁹⁰ Lenihan & Hart (2018) – *Evaluating the Impact of Enterprise Ireland Assistance: methodological considerations when estimating deadweight and displacement*

Products and Services

Range and linkage to export credit and finance

Non-financial assistance

Enterprise Ireland offers a range of non-financial assistance to firms. This includes general information on export markets, introducing firms to key contacts and networks, and helping to assess firms' global competitiveness. There are also specific programmes designed to help Irish firms win sales in international markets, such as Go Global 4 Growth, a programme delivered by Dublin City University offering SME-customised management education to help support global growth.¹⁹¹

These services target informational constraints, internal exporter constraints, and coordination failures.

Financial assistance

Enterprise Ireland offers a wide range of funding support through many different programmes, often tailored to the development level of the company in question. Many programmes aim to boost the development of Irish firms in general in order to improve overall competitiveness, rather than being specifically tailored to supporting international expansion plans.

- High Potential Start-Up (HPSU) Companies - HPSUs are defined as start-up businesses with the potential to develop an innovative product or service for sale on international markets and the potential to create 10 jobs and €1m in sales within 3 to 4 years of starting up - a range of funding support is available for HPSUs, such as Innovation Vouchers (worth €5,000), the Innovative HPSU Fund (offering equity investment on a co-funded basis), and the Business Links Grant (supporting HPSUs to identify potential customers or partners in new markets)
- Established SME funding (>10 employees) and large company funding (>250 employees) - the Market Access Grant assists clients in developing a viable marketing strategy for a new market (maximum grant is 50% of eligible expenditure up to a maximum grant of €150,000) - the Internationalisation Grant supports the cost of researching and exploring new international business opportunities (maximum grant is 50% of eligible expenditures up to a maximum grant of €35,000) - tailored company expansion packages are also available for firms planning to create employment and grow sales in international markets¹⁹²

Grants for research and development projects are also available. For example, the Research, Development & Innovation (RD&I) Fund supports research and development projects and Business Innovation projects. Research and development projects involve the development of new or substantially improved products, services or processes which will have a competitive advantage in their target market. Business Innovation projects involve an improvement in the way in which a company does business. The maximum percentage of eligible expenditure that can be claimed for the RD&I Fund depends on the size of the company, but the overall maximum grant is €650,000 for research and development projects and €150,000 for Business Innovation projects.¹⁹³

¹⁹¹ <https://www.enterprise-ireland.com/en/Management/Leadership-and-Management-Development/Go-Global.html>

¹⁹² <https://www.enterprise-ireland.com/en/funding-supports/Company/>

¹⁹³ <https://www.enterprise-ireland.com/en/funding-supports/Company/Eestablish-SME-Funding/R-D-Fund-Large-Projects-.html>

Conclusion

We present a “traffic-light” assessment of Ireland in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

Table 35 Summary of assessment of Ireland as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	High-income services dominated economy; merchandise trade reflects specialisation in high-value add activities.
Policy and institutional context	Amber	Trade policy defined by EU’s common commercial policy. Split between export promotion and inward investment (which is under the purview of IDA).
TPO Institutional structure	Amber	Under the scope of Minister of Enterprise and Jobs. Private sector reps appointed to board.
TPO Scope	Green	Geographical markets reasonably diverse; some focus on global value chains.
TPO Strategy	Amber	Heavy emphasis on research and development grants and general competitiveness.
TPO products and services	Amber	Targeting of range of export barriers, but also a heavy emphasis on general competitiveness. This is possibly a reflection of Ireland’s general openness to trade: enterprise development prospects are closely dependent on trade.
Overall Assessment	Amber	Some useful lessons, but important points of divergence.

Annex J: Italy country report

Name of Organisation: Italian Trade Agency (ICE)

ICE is the government agency tasked with promoting the internationalisation of Italian companies. The agency falls under the remit of the Ministry of Economic Development. There is also support for firms' internationalisation process through regional offices, various chambers and financial support.

Country context

Economic structure:

GDP per capita: 2016: 34,715.3.¹⁹⁴ Composition of GDP: Agriculture 2.1%; Industry 23.9% (of which manufacturing 16.3%); Services 74.0%.¹⁹⁵ Structure of merchandise trade: Agriculture 9.3%; Manufactures; 83.2 %.¹⁹⁶ Trade as % of GDP: 28.1%.

Policy and institutional context

Average tariffs: Simple applied MFN average 5.2%; trade weighted 3% (agriculture 7.8%).¹⁹⁷

Ease of doing business: Ranked 46th overall, 1st in trade across borders.

Export diversification: Outside the work of ICE, there is little evidence of a cross-government export strategy.

Linkages to wider policy initiatives: Even though Italian firms of all sizes have a much lower propensity to export than other large EU economies¹⁹⁸, there is no evidence of an export promotion plan outside the work of ICE.

TPO Institutional Structure

Organisation and relationship to other government institutions

In 2012 the Italian government established a Board of Institutions for Internationalisation (Cabina di Regia per l'Internazionalizzazione) to coordinate the efforts of different government departments involved in supporting internationalisation, ICE, the private sector, and regional institutions.¹⁹⁹

In 2015, the Government also began to implement an "Extraordinary Plan - Made in Italy" to promote exports in high potential markets (see section [Error! Reference source not

¹⁹⁴ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

¹⁹⁵ Source: World Development Indicators: Structure of Output, 2015

¹⁹⁶ Source: WTO World Trade Profiles, 2017. P 180

¹⁹⁷ WTO (2017), World Tariff Profiles, EU level

¹⁹⁸ <https://www.economist.com/news/business/21637397-businesses-are-looking-abroad-customers-and-saviours-export-or-die>

¹⁹⁹ <http://www.sviluppoeconomico.gov.it/index.php/it/198-notizie-stampa/2037251-cabina-di-regia-per-l-internazionalizzazione>

found.] below for more details).²⁰⁰ The plan brings together government departments and industry bodies.

Inputs into trade policy: Trade policy is the prerogative of the European Commission. There is little evidence of inputs made by ICE or other branches of the Italian government into this.

Relationship to private sector

Various private sector organisations are listed as partners. Some are linked by an institutional agreement and provide specific services (for example, export financing). The role of organisations not party to such agreements is not clear. There are no private sector representatives on the board, although the president and the director-general both have extensive private sector experience.

TPO Scope

Targeting market failures

ICE makes no reference to any market failures.

Targeting other barriers to export – product and service matrix

More detailed information on product and service types is provided in the relevant section below. Here we summarise the product or service offering against the main categories identified in the logic model for DIT services.

Table 36 Product and service matrix

Designation	Provision by ICE
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes, on cost recovery basis and including dispute support services
Financial support	No (export financing through separate agency)
Matchmaking	Yes
Influencing government and regulatory policy	No

Export market scope

The ICE has a total of 79 offices around the world, spanning 65 different countries.

Global Value Chains

ICE makes no reference to global value chains.

²⁰⁰ <http://www.sviluppoeconomico.gov.it/index.php/it/commercio-internazionale/2032775-piano-straordinario-del-made-in-italy>

Investment promotion

ICE is also involved in promoting investment in Italy.

TPO Strategy

Beneficiary focus

SMEs have traditionally played a dominant role in the Italian economy and hence are a priority focus. ICE has a specific focus on SMEs in the southern regions of Italy, known as Export Sud (the South Export Plan), which is currently in its second iteration. The plan focuses on “least developed regions” (Calabria, Campania, Puglia, Basilicata, Sicily) and “regions in transition” (Abruzzo, Molise, Sardinia). It has two main objectives: transforming potentially exporting companies into regular exporters and increasing the share of these regions in Italy’s overall trade.²⁰¹ The programme is funded in part by drawing on €50 million from various EU funds directed at regional development and enterprise development.²⁰²

Impact evaluation

Some limited attempts.²⁰³

Products and Services

Range and linkage to export credit and finance

Non-financial assistance.

ICE list a range of products and services on their website.²⁰⁴ There are over 40 services listed in total, divided into three main themes:

- Orientation – introductory information around internationalisation
- Access – applied advice entering new markets
- “Taking root” – dealing with the practical issues of internationalisation and consolidating relations abroad

The orientation activities include free-of-charge services, mainly market and sector information. More detailed dossiers are subject to a fee. The Access cluster is more tailor-made and includes matchmaking and trade fair services. These are all done on a fee-paying basis. The “taking root” cluster includes services, on a fee basis, such as tailored advice on laws, regulations and customs administration, as well as dispute support.

Financial:

Italy has a dedicated export credit agency known as SACE²⁰⁵, which provides a range of services for the internationalisation process. These include credit insurance, guarantees, advisory services, and foreign debt recovery.

Italy also draws from Horizon 2020, the EU fund for research and innovation projects.

²⁰¹ <https://www.ice.it/it/piano-export-il-sud>

²⁰² Ministerial Decree, 8 February 2017. https://www.ice.it/sites/default/files/inline-files/Decreto_Ministeriale.pdf

²⁰³ http://ec.europa.eu/DocsRoom/documents/9346/attachments/1/translations/en/renditions/pdf_Slide_40

²⁰⁴ <http://www.ice.gov.it/it/servizi>

²⁰⁵ <https://www.sace.it/en>, full name: Servizi Assicurativi del Commercio Estero

Conclusion

We present a “traffic-light” assessment of Italy in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

Table 37 Summary of assessment of Italy as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	Open service-based economy. But some specific features, including dominance of family-owned firms and corporate governance dominated by banks. Low export propensities.
Policy and institutional context	Amber	EU sets external trade policy. Little evidence of a trade or export stimulation strategy, or links between trade and wider policy objectives. The business environment poses particular constraints.
TPO Institutional structure	Green	Government agency under the remit of Ministry of Economic Development.
TPO Scope	Amber	Little or no evidence of targeting global value chains. Links to wider initiatives unclear. SMEs default focus but rationale not clearly articulated.
TPO Strategy	Amber	Specific focus on SMEs. Targeted initiatives for poorer regions in Southern Italy. Limited impact assessments, but measurement of performance against indicators set out in triennial plans.
TPO products and services	Green	Wide range of products and services, with their role in internationalisation clearly defined. Export financing agency operates separately.
Overall Assessment	Amber	Italy may offer some useful insights, but lack of clearly documented strategic focus, and particularities of the country context constrain its relevance.

Annex K: Japan country report

Name of Organisation: Japan External Trade Organisation (JETRO)

Country context

Economic structure:

GDP per capita: 2016: 38,252.3.²⁰⁶ Composition of GDP: Agriculture 1.1%; Industry 28.9% (of which manufacturing 20.5%); Services 70%.²⁰⁷ Structure of merchandise trade: Primary products 30.2% (of which Fuels 19.3%, Agriculture 6.2%); Manufactures: 66.3% (of which chemicals 9.1%, Machinery and transport equipment 39.0%).²⁰⁸ Trade as % of GDP: 31.2% (services: 7.3%).²⁰⁹

Policy and institutional context

Average tariffs: Simple applied MFN average 4.0%; trade weighted 2.1% (agriculture 11.6%).²¹⁰

Ease of doing business: Ranked 34th overall, 68th in trade across borders (costs associated with border formality compliance).²¹¹

Export diversification: JETRO focuses mainly on two activities: promoting foreign direct investment to Japan and supporting Japan's SMEs to reach their export potential. They are also part of promoting "cool Japan"²¹² as part of their push to redefine Japanese fashion, design and entertainment.

Linkages to wider policy initiatives: JETRO's objectives explicitly link to parts of the authorities' trade strategy and focus, although there is not necessarily a thorough integration of Japan's services to link export promotion into policy making. The Ministry of Agriculture, Forestry and Fisheries links to JETRO through the taskforce promoting agriculture, forestry, fisheries and food abroad.

TPO Institutional Structure

Organisation and relationship to other government institutions

JETRO is a government-supported organisation that provides mutual trade and investment services to Japan and the rest of the world. JETRO is sponsored by the Ministry of Economics, Trade and Industry (METI), although there is also some involvement from the

²⁰⁶ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

²⁰⁷ Source: World Development Indicators: Structure of Output, 2015

²⁰⁸ Source: WTO (2015), Trade Policy Review: Japan, p116-117.

²⁰⁹ Source: World Bank World Development Indicators

²¹⁰ WTO (2017), World Tariff Profiles

²¹¹ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>)

²¹² <https://www.cj-fund.co.jp/en/about/cjfund.html>

Ministry of Agriculture, Forestry and Fisheries (to coordinate focus on specific sectors) and the Ministry of Foreign Affairs (for general coordination purposes, although this is limited).

The sponsorship by METI makes up around 90% of total funding for JETRO²¹³ (Yen (¥) 32 billion, or approximately £220 million), with the other 10% (¥3.3 billion, or £23 million) raised through revenue from services. However, the organisation forms connections with other government institutions through trade policy and promotion of particular industries.

Inputs into trade policy:

JETRO conducts research and analysis on their general trade policies, especially in a global context²¹⁴, and appears to dedicate considerable efforts to producing statistics.²¹⁵

Relationship to private sector

JETRO does not have any explicit link to private sector firms, as it links primarily with government and government-funded organisations. The Japanese Foreign Trade Council (JFTC)²¹⁶ is a private sector firm that replicates the job of JETRO, by encouraging foreign direct investment and promoting exports. JETRO has no links with this firm, which often acts as a competitor. However, according to Grant Thornton (2017)²¹⁷, JETRO plays a key role in integrating with private sector assistance available. JETRO usually provide advice at a high level and then recommend private sector or in-country organisations to assist in the later stages of trade and investment.

TPO Scope

Targeting market failures

None of JETRO's online literature²¹⁸ makes explicit reference to market failures or barriers to exporting that firms have to overcome. However, the policies introduced almost directly map onto those market failures and barriers.

Targeting other barriers to export – product and service matrix

JETRO put a lot of emphasis on creating networks, demonstrated by their free services for online business matching, and emphasis on promoting trade fairs.²¹⁹ Many of these barriers are tackled through having membership with JETRO, such as gaining advice on current informational constraints and insight on regulatory failures. However, there are few activities designed to combat internal exporter constraints.

²¹³ Grant Thornton (2017) "Comparative Analysis of International Trade and Investment Support Models" A presentation prepared for DIT, slide 11

²¹⁴ https://www.jetro.go.jp/ext_images/en/reports/white_paper/trade_invest_2017.pdf

²¹⁵ <https://www.jetro.go.jp/en/reports/survey.html>

²¹⁶ http://www.jftc.or.jp/english/home_e.htm

²¹⁷ Grant Thornton (2017) "Comparative Analysis of International Trade and Investment Support Models" A presentation prepared for DIT, slide 52

²¹⁸ Of the literature available in English

²¹⁹ https://www.jetro.go.jp/ext_images/en/jetro/activities/business/rit.pdf

Table 38 Product and service matrix

Designation	Provision by JETRO
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Limited – export credit and financing handled by specialised agencies
Matchmaking	Yes
Influencing government and regulatory policy	Through links to MITI, but evidence of impact is limited

Export market scope

JETRO has offices in 37 countries, with a total of 74 offices around the world (27 Asia, 2 Oceania, 8 North America, 7 South and Central America, 14 in Europe, 3 in Russia and Central Asia, 5 in Middle East, 8 in Africa). JETRO also conducts detailed research into developing countries and their trading regimes via the associated IDE-JETRO. This research institute provides insight on developing countries' trading patterns.

Global Value Chains

There are some references to global value chains in agriculture, forestry, fishery and food trade. The lack of prioritisation may reflect a relatively low level of integration into global value chains. At 14.7%, the share of gross exports accounted for by foreign sources of value added is one of the lowest for developed OECD nations.²²⁰

Investment promotion

JETRO handles investment promotion through a division specifically established for this purpose. This division works with foreign affiliated companies seeking to establish a presence or expand their operations.²²¹ The main activities of JETRO in relation to investment promotion are:

- providing business information, such as reports on market trends, key players and relevant data - bespoke reports can also be prepared
- information on incentives available to investors, such as tax allowances or preferential tax treatment schemes
- introductions to networks of consultants and advisors providing various business services (such as tax advice and law)
- assistance with administrative procedures for licencing and approval
- free temporary office space in Tokyo, Yokohama, Nagoya, Osaka, Kobe, and Fukuoka
- support for finding factory sites or locations for stores
- cooperation in PR activities
- matching with potential business partners
- referral to reputable local service providers and support for recruitment

²²⁰ OECD (2015), Trade in Value Added, Japan.

²²¹ https://www.jetro.go.jp/en/invest/foreign-affiliate_support/

TPO Strategy

Beneficiary focus

JETRO's activities are based broadly on three pillars²²²:

- the first pillar is aimed at companies investing in Japan, connecting overseas companies with Japan - their key message is to “talk to JETRO first”, where they will provide multifaceted support - they also recognise Japan's aim of being the “most business-friendly country in the world” and are part of the support for that
- their second pillar is focused on export promotion services - sectors explicitly mentioned include agricultural, forestry, fishery and food products; as well as “excellent” goods and services produced by SMEs
- the third pillar looks at contributing to the enhancement of global economic partnership through policy studies and research - JETRO contributes to trade negotiations, usually through policy recommendations and value-added research - mostly, the research is done through the Institute of Developing Economies (IDE – JETRO)

When focusing on beneficiaries, a specific “Task Force for Agricultural, Forestry, Fishery and Food Export Promotion” was set up in 2012 to expand these products' exports to “1 trillion yen in 2020”.²²³ Similarly, the Japanese government has launched a campaign called “Cool Japan”²²⁴ to enhance and redefine its reputation as a pioneer in design, fashion and entertainment.

JETRO works with ‘SME Support Japan’²²⁵ as part of the wider SME Agency policy. ‘SME Support Japan’ work on domestic SME issues, with multiple activities²²⁶ depending on the stage of growth for the individual SME.

Similarly, Tokyo SME Support Centre²²⁷ is a specialist centre that offers local support, although it does work across borders. It offers multiple activities such as:

- marketing - experienced ‘Global Marketing Navigators’ assist with the sale of the products in global markets
- business reports – information on key markets
- trade consultations - experienced international trade consultants provide advice
- global business seminars – information on topics include HR, market development and starting up abroad
- global exhibitions support – access to trade shows and visits to prospective buyers and trade offices alongside the exhibitions

However, both are relatively small in comparison with JETRO, and any support offered is on a much smaller scale.

²²² <https://www.jetro.go.jp/en/jetro/profile/message.html>

²²³ <http://www.maff.go.jp/e/data/publish/attach/pdf/index-39.pdf> p. 9

²²⁴ <https://www.jetro.go.jp/en/jetro/activities/business.html>

²²⁵ <http://www.smrj.go.jp/english/>

²²⁶ <http://www.smrj.go.jp/english/activities/>

²²⁷ <https://www.tokyo-trade-center.or.jp/TTC/en/>

Impact evaluation

None published.

Products and Services

Range and linkage to export credit and finance

Non-financial assistance.

Generic JETRO membership²²⁸ can be purchased for a fixed fee per year. With this membership, fee paying members get access to free subscriptions of newsletters and report, special discounts of trade missions, seminars and exhibitions²²⁹, as well as free advice from JETRO's overseas offices.

Trade Tie-up Promotion Program²³⁰ is a matching activity, looking to match sellers of Japanese products to foreign buyers. This is a free service that facilitates foreign and domestic trading.²³¹

Other activities organised and promoted by JETRO include:

- trade exhibitions
- trade consultations
- research reports
- market research
- business appointment acquisition service
- business support centres
- temporary international internships
- regulation and intellectual property

Financial:

Japan has two export credit agencies:

- NEXI – Nippon Export and Investment Insurance is the official credit agency of Japan- they primarily provide different types of guarantees and insurance, most of which are targeted at exporters²³²
- The Japan Bank for International Cooperation²³³ also offer export credit for Japanese firms - their activities include maintaining the competitiveness of Japanese business and promoting overseas businesses that have social benefits using a variety of loans and guarantees²³⁴

Co-financing arrangements include loans to cover 50-60% of goods exported with interest rates at Commercial Interest Reference Rates (CIRR) +0.2.

Other financial incentives

JETRO does not offer any additional financial incentives further to the services listed above.

²²⁸ <https://www.jetro.go.jp/en/jetro/activities/members.html>

²²⁹ Select sectors only pay 30%-50% of the cost of exhibiting – Grant Thornton, Comparative Analysis Trade and Investment Support Models

²³⁰ <https://www.jetro.go.jp/ttppoas/index.html>

²³¹ An online, and similar, version of “Find a Buyer” in the UK

²³² <http://www.nexi.go.jp/en/products/types/index.html>

²³³ <https://www.jbic.go.jp/en/index.html>

²³⁴ <https://www.jbic.go.jp/wp-content/uploads/page/2016/12/57418/jbic-brochure-english.pdf>

Conclusion

We present a “traffic-light” assessment of Japan in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

Table 38 Summary of assessment of Japan as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	Some similarities with UK, especially in terms of services. However, Japan have trade surpluses, and are generally less developed in terms of foreign investment and openness to trade.
Policy and institutional context	Amber	Some linkages to wider targeted sectors, although no evidence of an all-encompassing strategy.
TPO Institutional structure	Green	JETRO is part of a Ministry and works loosely with other organisations and Ministries. However, little evidence of broader oversight. Publicly funded and gives some research and advice on trade policy.
TPO Scope	Amber	JETRO focus mainly on SMEs and others who have traditionally suffered from lack of exports. Strong emphasis on promoting inward investment. Lack of clear emphasis on global value chains.
TPO Strategy	Amber	Seemingly not an overarching export promotion strategy: rather, individual sectors are selected for promotion. There is little evidence of evaluation of JETRO services.
TPO products and services	Green	Similar products and services that focus on the same barriers and market failures identified by DIT. Focus of services is slightly adapted for Japan. Strong links to export finance and credit agencies.
Overall Assessment	Amber	There are some lessons to be learnt from Japan, and some comparisons to be drawn, but the UK has a much broader focus.

Annex L: Netherlands country report

Name of Organisation: Netherlands Enterprise Agency (RVO)

The main state-sponsored organisation engaged in export promotion is the Netherlands Enterprise Agency (RVO). The RVO is part of the Ministry of Economic Affairs and Climate Policy.²³⁵

Country context

Economic structure

GDP per capita: 2016: 47,303.²³⁶ Composition of GDP: Industry 20% (of which manufacturing 12%); Services 78%, Agriculture 2%.²³⁷ Structure of merchandise trade: Agriculture products 16.8%; Fuels and mining products 16.4%; Manufactures 66.2%; Other 0.6%.²³⁸ Trade as % of GDP: 154% (services: 38%).²³⁹

Policy and institutional context

Average tariffs: Simple applied MFN average 5.2% (agriculture 11.1%); trade weighted 3% (agriculture 7.8%).²⁴⁰

Ease of doing business: Ranked 32nd overall, 1st in trade across borders.

Linkages to wider policy initiatives: External trade policy is a competence of the EU. The RVO's work in the area of export promotion ties into the work of Invest in Holland, which promotes foreign direct investment into the Dutch economy. The activities of the RVO also link with the EU Horizon 2020 programme, the biggest EU Research and Innovation programme with nearly €80 billion of funding available across 2014 to 2020 (in addition to the private investment that this money will attract). The EU Horizon 2020 programme funds research and innovation to secure Europe's global competitiveness.²⁴¹

TPO Institutional Structure

Organisation and relationship to other government institutions

The RVO was created in 2014 from a merger between NL Agency and the Dienst Regelingen, agencies respectively responsible for international business policies and agriculture-related affairs.

The RVO is part of the Ministry of Economic Affairs and Climate Policy.²⁴²

²³⁵ <https://english.rvo.nl/home/about-rvonl/what-is-rvonl>

²³⁶ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

²³⁷ Source: World Development Indicators: Structure of Output

²³⁸ WTO (2017), World Trade Profiles, p.258

²³⁹ World Bank World Development Indicators

²⁴⁰ European Union data. Source: WTO (2017), World Tariff Profiles, p.82

²⁴¹ <https://ec.europa.eu/programmes/horizon2020/what-horizon-2020>

²⁴² <https://english.rvo.nl/home/about-rvonl/what-is-rvonl>

Relationship to private sector

The RVO works extensively with the private sector as part of its day-to-day activities, but as part of the Ministry of Economic Affairs and Climate Policy does not appear to have any private representation in its management structure or decision-making processes.

TPO Scope

Targeting market failures

The expression “market failures” is not explicitly mentioned but the main products and services (see below) target the main known areas of market failures in exports: informational constraints, knowledge spillovers, and missing markets for credit.

Targeting other barriers to export

Products (see section below) target informational constraints, internal exporter constraints, financial constraints, and co-ordination failures. Policy and regulatory failures are targeted insofar as Dutch firms are facing obstacles in local markets and-or facing unfair competition – advice and support is offered in such cases to help Dutch firms seek redress.

Table 39 Product and service matrix

Designation	Provision by RVO
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Yes
Matchmaking	Yes
Influencing government and regulatory policy	Limited; partly because trade policy is an EU competence

Export market scope

The RVO itself does not maintain offices overseas; instead it acts as the gateway to the worldwide network of over 150 offices run by the Dutch Ministry of Foreign Affairs, including embassies, consulates, and trade offices.

Global Value Chains

Although inward investment promotion activities are primarily covered separately by Invest in Holland, through its extensive network of contacts the RVO aims to help firms access global value chains.

Investment promotion

Investment promotion activities are undertaken separately through Invest in Holland, which offers help to potential investors through providing useful information, arranging meetings with relevant contacts, and providing personalised guidance on tax, government and permit procedures, location options, and business solutions.²⁴³

²⁴³ <https://uk.investinholland.com/about-nfia/>

TPO Strategy

Beneficiary focus

No information is available regarding the total funding provided by the RVO or details of its recipients. Some information is available on budgets for specific RVO-run programmes. For example, the Dutch Trade and Investment Fund (DTIF) has a total budget of €102 million (each project can receive up to €15 million), and each project funded by the Dutch Good Growth Fund (DGGF) can receive up to €10 million.

Impact evaluation

No publicly documented process or publications are available relating to the evaluation of the RVO.

Products and Services

Range and linkage to export credit and finance

Non-financial assistance

The RVO offers a range of non-financial assistance to firms. This includes general information on export markets, introducing firms to key contacts and networks, and identifying target markets.

Support for Dutch firms facing local obstacles in export markets and-or unfair competition abroad is available, for example, putting firms in touch with lawyers and tax advisers.

The Dutch government also offers export insurance policies and guarantees.²⁴⁴

These services target informational constraints, internal exporter constraints, and coordination failures.

Financial assistance

The Dutch government provides financial support for firms to insure themselves against political risks or a breach of contract, as well as support for investments aimed at local development.²⁴⁵

Some specific programmes are run by the RVO. For example, the Dutch Trade and Investment Fund (DTIF) offers loans, guarantees, and export financing to help firms expand their business internationally. The total budget of the DTIF is €102 million, and each project can receive up to €15 million.²⁴⁶

Another similar programme is the Dutch Good Growth Fund (DGGF), which provides Dutch SMEs doing business in developing countries and emerging markets with customised financing and guarantees. The maximum funding allowed per project is €10 million.²⁴⁷

²⁴⁴ <https://english.rvo.nl/sites/default/files/2016/02/Promoting%20Dutch%20International%20Business%20BZ-ENG.pdf>

²⁴⁵ <https://english.rvo.nl/sites/default/files/2016/02/Promoting%20Dutch%20International%20Business%20BZ-ENG.pdf>

²⁴⁶ <https://english.rvo.nl/subsidies-programmes/dutch-trade-and-investment-fund-dtif>

²⁴⁷ <https://english.rvo.nl/subsidies-programmes/dutch-good-growth-fund-dggf>

The Starters International Business (SIB) programme, run by the RVO, offers three different vouchers, each providing funding for a different service. The “individual coaching voucher” pays for a consultant to look at a firm’s opportunities abroad and work towards a plan of action for exporting; the “collective activity voucher” pays for a firm to participate in an outbound trade delegation or a joint trade fair presentation; and the “knowledge acquisition voucher” pays for a firm to hire an international lawyer or tax consultant.²⁴⁸

Conclusion

We present a “traffic-light” assessment of the Netherlands in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

Table 40 Summary assessment of the Netherlands as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Service dominated economy; high end manufacturing in exports. Open to trade.
Policy and institutional context	Green	Trade policy set by EU.
TPO Institutional structure	Amber	Merger of business and agriculture related activities.
TPO Scope	Green	Scope of activities broadly comparable.
TPO Strategy	Amber	Limited information available.
TPO products and services	Amber	Limited information on extent of bespoke information services.
Overall Assessment	Amber	Some useful insights constrained by limits on information.

²⁴⁸ <https://english.rvo.nl/subsidies-programmes/starters-international-business-sib>

Annex M: New Zealand country report

Name of Organisation: New Zealand Trade and Enterprise (NZTE)

Country context

Economic structure:

Income Level: High income. GDP per capita: 2016: 35, 271.4.²⁴⁹ Composition of GDP: Agriculture 7% Industry 12% (of which manufacturing 12%); Services 71%.²⁵⁰ Structure of merchandise trade: Primary products 75.7% (of which Agriculture 69.6%); Manufactures: 19.9% (of which Machinery and transport equipment 6.2%, Chemicals 5%).²⁵¹ Trade as % of GDP: 52.5%.²⁵²

Policy and institutional context

Average tariffs: Simple applied MFN average 2.0%; trade weighted 2.5% (agriculture 2.2%, non-agriculture 2.6%).²⁵³

Ease of doing business: Ranked 1st overall, 56th in trade across borders (costs associated with border formality compliance).²⁵⁴

Export diversification: The New Zealand Government is focussing on diversifying its exports and export markets as it seeks to lessen the historical reliance on primary commodities for economic growth. NZTE is a key player in the delivery of the Government's Business Growth Agenda (BGA) (see more on the BGA below). As part of this initiative, NZTE focuses its efforts on supporting value-add parts of the economy, specifically value-added food and beverage, knowledge intensive digital and services, and specialised manufacturing, as well as attracting capital to support these activities.²⁵⁵

Linkages to wider policy initiatives:

The New Zealand Government is focused on improving productivity and overcoming its inherent challenges, namely its small size and distance from international markets. The BGA, which sets out targets and interventions across six areas (listed below), is focused on increasing international connections, creating higher skilled jobs and better conditions for investment. The purpose of the BGA is to increase innovation, diversification and capital intensity that will support higher productivity, exports and overall growth.²⁵⁶

The BGA's six focus areas are:

²⁴⁹ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

²⁵⁰ Source: World Development Indicators: Structure of Output

²⁵¹ Source: WTO (2015), Trade Policy Review: New Zealand, p.101

²⁵² Source: World Bank World Development Indicators

²⁵³ WTO (2017), World Tariff Profiles, p 130

²⁵⁴ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>)

²⁵⁵ Source: NZTE, Briefing for Incoming Ministers, December 2016

²⁵⁶ WTO (2015) Trade Policy Review, Report by New Zealand p. 4

- Building exports markets: aims to increase the ratio of exports to GDP to 40% by 2025 - NZTE is actively involved in delivering this workstream
- Building capital markets: aims to increase investment and the flow of capital into export sectors - NZTE leads this workstream
- Building innovation: aims to encourage and enable investment in research and development and lift the value of public investments in science and research - NZTE is actively involved in delivering this workstream
- Building safe and skilled workplaces: aims to improve the safety and increase the skills of the workforce
- Building infrastructure: aims to attract and facilitate investment into target sectors or regions
- Building natural resources: aims to optimise the use of New Zealand's natural resources²⁵⁷

Other national policy initiatives aimed at addressing New Zealand's supply-side constraints are the National Science Challenges, which aim to tackle 11 of New Zealand's most pressing issues, and Callaghan Innovation, which was recently established to help accelerate the commercialisation of innovation by New Zealand companies.²⁵⁸

TPO Institutional Structure

Organisation and relationship to other government institutions

NZTE, a Crown Entity, was established by the New Zealand Trade and Enterprise Act 2003 and is the Government's international business development agency. Two ministers hold joint responsibility for the organisation: The Minister for Economic Development, and the Minister of Trade. A Board governs NZTE and is responsible for strategy and overseeing monitoring and organisational performance. A Chief Executive leads NZTE and implements the strategy set by the Board.²⁵⁹ The chief executives of the Ministry of Business, Innovation and Employment (MBIE) and the Ministry of Foreign Affairs and Trade (MFAT) act as special advisers to the Board.

NZTE works closely with other internationally focused government agencies, namely:

- MBIE: provides the foundations for economic development
- MFAT: market access and entry, negotiates FTAs
- Ministry for Primary Industries (MPI): unlocks constraints to growth, infrastructure, access, regulation
- Callaghan Innovation: accelerates the commercialisation of innovation
- New Zealand Export Credit office: facilitates access to finance for exporters

Together these organisations and ministries, collectively known as NZ Inc, work to deliver the Government's BGA. The Chief Executive of NZTE is a member of the BGA Leadership Group, which governs the overall BGA.

NZTE is funded by the Government under a Business, Science and Innovation non-departmental multi-category appropriation. In 2016 to 17 NZTE had a budget of New

²⁵⁷ WTO (2015) Trade Policy Review, Report by New Zealand p. 6

²⁵⁸ WTO (2015) Trade Policy Review, Report by New Zealand p. 10

²⁵⁹ NZTE, Briefing for Incoming Ministers, December 2016

Zealand Dollars (NZD) 173.1 million for operating expenses and NZD 31.2 million for co-investment (grants).²⁶⁰

Inputs into trade policy: NZTE provides the Minister for Economic Development and the Minister of Trade with information on a ‘no surprises basis’, which includes briefings, fortnightly reports, and 120-day performance reports. Policy decisions relating to trade and investment are made by the Minister for Economic Development and the Minister of Trade.

Relationship to private sector

NZTE is governed by a Board of individuals with extensive business and exporting knowledge, including prominent business executives. NZTE also partners with 200 private sector advisors to aid with the delivery of certain programmes and initiatives.

Business NZ, the representative private sector body in New Zealand, has a division known as Export NZ. The aims of Export NZ are to: provide advocacy and lobbying services in favour of New Zealand exporters, encourage New Zealand businesses to export and grow internationally, and to provide support programmes and network opportunities. Export NZ, like Business NZ, follows a regional structure.²⁶¹

TPO Scope

Resourcing and budget

Table 46 presents data on the overall budget broken down by main thematic cluster and categories within.

Table 41 NZTE’s Output Expenses Structure

Multi-category appropriation	Expense Categories	Budget 2016 to 17 (NZD million)
Support the Growth and Development of New Zealand Firms, Sectors and Regions	International business growth services	154.049
	Services to support the growth and development of New Zealand businesses	15.181
	Collaborative activity and significant events	5.356
Support New Market Opportunities to Grow Firms and Sectors for the Benefit of New Zealand	International Growth Fund	31.231
	Strategic Investment Fund	0
Total		205.817

²⁶⁰ NZTE Annual Report 2016/17 p. 2

²⁶¹ <https://www.exportnz.org.nz/about>

Source: NZTE²⁶²

Targeting market failures

The expression “market failures” is not explicitly mentioned but the main products and services (see below) target well known areas of market failures in exports, such as informational constraints, knowledge spillovers and missing markets for credit and risk.

Targeting other barriers to export

MFAT and NZTE work together to help reduce non-tariff barriers to trade.

Table 42 Product and service matrix

Designation	Provision by NZTE
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Grants, but no direct export finance (which is done via a specialised institution)
Matchmaking	Yes
Influencing government and regulatory policy	Limited

Export market scope

NZTE has 600 staff located across 40 markets worldwide; 46% of NZTE’s staff are located outside of New Zealand. The government is particularly focused on leveraging growing trade and investment opportunities in the Asia-Pacific region and with APEC countries.²⁶³ The destination of New Zealand goods exports is fairly diversified with Australia, China, North America, the EU and ASEAN receiving between 10-25% each.²⁶⁴

NZTE has ‘trade customers’ and ‘investment customers’ (see below for more on NZTE’s investment services). Its trade support recipients are classified into three categories (start, build and focus) based on their level of export experience, capability and level of ambition. There is an increased focus on growing trade in services and boosting digital trade.

Global Value Chains

New Zealand is less integrated into upstream Global Value Chains (GVCs) than both the OECD and non-OECD average so improving engagement in GVCs and regional value chains is a priority for the government. The significance of China and ASEAN as upstream GVC suppliers to New Zealand has grown markedly in recent years. It is not clear whether NZTE operates specific initiatives focused on helping companies integrate into GVCs.

²⁶² NZTE Briefing for Incoming Ministers, December 2016 p. 13

²⁶³ MFAT, Trade Agenda 2030

²⁶⁴ WTO (2015) Trade Policy Review, Report by New Zealand p. 7

Investment promotion

New Zealand's 'Investment Attraction Strategy' was launched in October 2015 and is driven by a cross government taskforce of NZTE, MBEI, MFAT, Treasury and Callaghan Innovation. Its three priorities are:

- attracting FDI in areas where New Zealand has a comparative advantage
- attracting investment in research and development
- expanding New Zealand's pool of 'smart capital' by attracting individual investors and entrepreneurs to New Zealand

NZTE focuses on barriers to investment including limited knowledge about the characteristics of New Zealand as an investment destination, access to contacts and networks, and access to information (for example, relating to legal and regulatory frameworks).²⁶⁵ It helps identify and develop investment opportunities in target sectors and regions. It also helps companies become 'investment ready' and connects them with investors in its network.²⁶⁶

TPO Strategy

Beneficiary focus

NZTE provides services to roughly 5,000 internationalising companies and groups of companies. The intensity of that support depends on several factors including the company's willingness to engage with NZTE, their level of ambition, capability and capacity for international growth, and their international growth performance.

NZTE's services are organised into three streams: start, build and focus. Roughly 3,200 "start customers" that are new to exporting are provided with market guides and "Export Essentials" guides and workshops. "Build customers" that want to gain skills and increase their international growth are offered services and products such as market research, in-market immersion and investment readiness toolkits.

More experienced exporters ('focus' customers) with high ambition are offered access to NZTE's full suite of tools and services, covering sales execution, strategy, governance and access to the International Growth Fund. There are roughly 700 Focus customers and 25 business-led coalitions focused on international growth that receive intensive assistance from NZTE (80% of NZTE's efforts are focused on these customers).²⁶⁷

Support is geared towards knowledge-intensive, value-adding companies such as those involved in ICT, high value food and beverage, and specialised manufacturing, which is in line with the objectives outlined in the BGA. Helping Maori companies grow internationally, working with local development agencies and collaborating with NZ Inc are three important elements in NZTE's strategy.²⁶⁸

²⁶⁵ Ministry of Business, Innovation and Employment (2011) Evaluation of NZTE investment support activities p. 5

²⁶⁶ NZTE, Briefing for Incoming Ministers, December 2016

²⁶⁷ <https://www.nzte.govt.nz/export-assistance>
NZTE Statement of Intent 2017-2021 p. 8

²⁶⁸ NZTE Annual Report 2016/17 p. 10

Impact evaluation

NZTE has a broad performance measuring system that links high-level results with detailed operational measures. These measures include company portfolio growth rate, trade deals, and investment impacts for New Zealand. NZTE undergoes regular Performance Improvement Framework (PIF) reviews, which identify how the organisation can improve its offering and outcomes.²⁶⁹ Impact evaluations of select programmes (for example, the Beachheads Programme and the International Growth Fund) are occasionally undertaken.²⁷⁰

Products and Services

Non-financial assistance:

NZTE offers tools and services including getting started in export workshops, market research, in-market immersion as well as tailored services for more experienced exporters and provides connections to potential customers, distributors or partners. NZTE also organises special events and trade missions.

One of NZTE's flagship programmes is its Beachheads Programme, which connects participating companies to a network of private sector advisors in New Zealand and around the world who can provide insights and advice.²⁷¹

NZTE works with NZ Inc agencies to deliver projects such as:

- G2G: a joint venture between NZTE and MFAT, G2G supports the sale of public sector IP to foreign governments
- New Zealand Story (NZ Story): funded by six agencies, including NZTE, MFAT, MPI and Tourism New Zealand, NZ Story provides a toolkit to help New Zealand businesses promote themselves internationally
- Regional Business Partner Network (RBPN): operating alongside Callaghan Innovation, the RBPN consists of 14 regional business partners nationwide that provide advisors to help business owners and managers grow their business - they also provide referrals, connections and mentoring services

Financial assistance:

- International Growth Fund: NZTE co-invests with Focus700 and Coalition businesses in projects that are predicted to have a positive impact on the economy, such as new market entry and product development. Grants for up to 50% of the costs of approved activities.
- research and development grants: Callaghan Innovation offers research and development grants including 'getting started' grants, project grants and growth grants²⁷²
- Strategic Investment Fund: co-funds feasibility studies that are used to develop and present the business case for investment in New Zealand²⁷³

²⁶⁹ NZTE Annual Report 2016/17 p. 32,

NZTE, Briefing for Incoming Ministers, December 2016 p. 8

²⁷⁰ <http://www.mbie.govt.nz/publications-research/publications/evaluation-of-government-programmes>

²⁷¹ NZTE Statement of Intent 2017-2021 p. 12

²⁷² <https://www.callaghaninnovation.govt.nz/grants>

²⁷³ NZTE Annual report 2016/17 p.39

Export Finance:

New Zealand's Export Credit Office (NZECO) provides trade finance and risk management services. It works in partnership with the private sector to offer loans and export credit guarantees, contract bonds, pre-credit insurance and short-term trade credit.²⁷⁴

Conclusion

We present a “traffic-light” assessment of New Zealand in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

Table 43 Summary of assessment of Australia as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	High income services-based economy; merchandise trade remains dominated by primary products.
Policy and institutional context	Green	Liberal trade regime, more so than UK currently but reflects a possible future option for the UK.
TPO Institutional structure	Amber	Comes under purview of the economic development and trade ministries. Some differences in governance structure.
TPO Scope	Green	Wide range of export markets; services tailored to different exporter segments; focus on supply side and internationalisation.
TPO Strategy	Green	Targets companies that are export ready and new to exporting; supports value-add parts of the economy.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting. Linkages to export financing via NZECO.
Overall Assessment	Green	New Zealand could be a useful source of policy lessons. NZTE's strategic approach and alignment with New Zealand's overarching industrial strategy, BGA, could be of interest to the UK. Lessons could also be drawn from NZTE's relationship with other government agencies (for example, NZ Inc).

²⁷⁴ <https://www.nzeco.govt.nz/>

Annex N: Norway country report

Name of Organisation: Innovation Norway (IN)

Country context

Economic structure:

GDP per capita: 2016: 64,179.²⁷⁵ Composition of GDP: Industry 32% (of which manufacturing 7.6%); Services 66%; Agriculture 2%.²⁷⁶ Structure of merchandise trade: Primary products 78.4% (of which Fuels 64.6%, Agricultural 10.2%); Manufactures: 21.6%.²⁷⁷ Trade as % of GDP: 67.4% (services: 23%).²⁷⁸

Policy and institutional context

Average tariffs: Simple applied MFN average 6.1%; trade weighted 2.8% (agriculture 28.1%).²⁷⁹

Ease of doing business: Ranked 8th overall, 28th in trade across borders (costs associated with border formality compliance).²⁸⁰

Export diversification: The Norwegian authorities target sectors in which Norway could have an international competitive advantage²⁸¹, in particular diversifying away from traditional industries such as oil.

Linkages to wider policy initiatives: Under the guise of ‘Team Norway’, IN is linked to numerous other government institutions and thus wider policy initiatives, in particular on investment promotion (see following sections). The export promotion work is part of an overall strategy²⁸² (Strategy 2016-2020) to make a strong, shared national brand. This is administered by Division Branding Norway. The overarching strategy has six key messages to focus on towards 2020, including:

- prioritise areas in which Norway has international competitive advantages
- elevate the challengers with global growth potential
- strengthen entrepreneurial and cooperative culture to fuel the jobs of the future
- develop a strong national brand, to increase Norway’s competitiveness
- trigger value creation based on regional advantages
- advise and provide knowledge on future-oriented innovation and industry policy

²⁷⁵ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

²⁷⁶ Source: World Development Indicators: Structure of Output

²⁷⁷ Source: WTO (2016), Trade Policy Review: Norway, p.268

²⁷⁸ Source: World Bank World Development Indicators

²⁷⁹ WTO (2017), World Tariff Profiles, p 156

²⁸⁰ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>) and Country Tables 2018, p 116

²⁸¹ http://www.innovasjon Norge.no/en/arsrapport---spa-page-en/#side=en_226377

²⁸² See http://www.innovasjon Norge.no/en/arsrapport---spa-page-en/#side=en_226377

As well as creating a cohesive external brand, Innovation Norway also focuses on creating a cohesive internal organisation. This organisation treats export promotion as one part of a wider strategy of investment in potential growth areas for Norway (see following sections).

TPO Institutional Structure

Organisation and relationship to other government institutions

Innovation Norway (IN) is a state-owned company that replaced the following four organisations: the Norwegian Tourist Board, the Norwegian Trade Council, the Norwegian Industrial and Regional Development Fund (SND) and the Government Consultative Office for Inventors (SVO).

IN incorporates several organisations that are tasked with representing of Norway abroad. This includes a tourism board, a regional bank, development agency and a research and development facilitator. IN falls broadly under the Ministry of Trade, Industry and Fisheries (51%) and regional or country authorities (49%). Innovation Norway forms part of 'Team Norway', which is a collaborative platform broadly composed of different organisations. Team Norway's role is to coordinate activities between different players, such as ministries, public bodies and private enterprise.

Regional business development initiatives, such as the Oslo Business Region, have also emerged. Their focus is on private sector development generally, for example through the creation of start-up "ecosystems" in the case of the Oslo Business Region, but there are overlaps with export promotion and linkages to global value chains.²⁸³

Inputs into trade policy: IN helps to shape Norway's trade policy. The country has seen a decline in export revenues over the past few years (since oil prices fell), so the body is focused on restructuring away from a reliance on oil exports. IN are focused on finding new areas to develop international products and businesses, in order to maintain domestic policies.²⁸⁴

Relationship to private sector

The relationship is coordinated through Team Norway, who partner with private sector firms.

TPO Scope

Resourcing

According to the 2015 Annual Report (the latest available), IN receives around Krona 3.4 billion in state funding. Around two thirds of this comes from the Ministry of Trade. Local authorities – in the form of county councils – provided around Krona 400 million.²⁸⁵

²⁸³ <http://www.oslobusinessregion.no/>

²⁸⁴ http://www.innovasjon Norge.no/en/arsrapport---spa-page-en/#side=en_220528, Internationalisation section

²⁸⁵ Annual Report 2015 <http://www.innovasjon Norge.no/aarsrapport/2015/full.html>

Targeting market failures

IN does not explicitly reference market failures (such as information asymmetry, network failures and externalities of exporting), but the main products and services implicitly target these market failures.

Targeting barriers to export – product and service matrix

IN focuses on specific barriers to exporting. In particular, they have policies that directly target financial constraints (with multiple investment promotion strategies, listed below). IN also focusses on creating networks, especially networks across Europe and within the EU although IN is represented in embassies across the world. Informational constraints are focused on to a lesser extent, although specific guides (for example, how to deal with corruption) are available. Regulatory obstacles are examined in country informational guides, though policy failures appear to be a lesser focus.

Table 44 Product and service matrix

Designation	Provision by Innovation Norway
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Yes, combination of grants and loans
Matchmaking	Yes
Influencing government and regulatory policy	Yes, to a limited extent

Export market scope

IN has 37 overseas offices, with 16 in Europe, 12 in Asia, 5 in North America, 3 in Africa and 1 in South America. However, IN also works under Team Norway and had explicit links with an additional 24 general consulates across the world.²⁸⁶

Global Value Chains

Limited research.

Investment promotion

IN promotes inward investment as part of its internationalisation process, but also promotes investment through its work in four other areas, namely:

- start-ups
- growth companies and clusters
- sustainability
- cultural and creative industries

²⁸⁶ See http://www.innovasjon Norge.no/no/sats-internasjonalt/regionkart/#map=no_73235 for complete list of countries and details (In Norwegian)

TPO Strategy

Beneficiary focus

IN's forward-looking strategy focuses on six sectors, namely in areas where Norway has international advantages²⁸⁷:

- clean energy
- the ocean and its resources
- smart societies
- bio-economy
- health and welfare
- creative industries and tourism

There is also a cohesive strategy across IN, spanning five years (2016 to 2020), focusing on key outcomes (see previous sections).

Impact evaluation

Summary performance evaluation data are reported in the 2015 Annual Report. Sales revenues are reported to be 12.5 percentage points higher for IN-supported companies, while value added and the number of employees are respectively 5.9 percentage points and 5.4 percentage points higher.²⁸⁸ According to IN, support activities had a catalytic effect on private sector support, with close to 4 billion in bank and other private financing and 5.5 billion in equity financing raised by beneficiaries in 2015.²⁸⁹

Products and Services

IN reports that in 2015 its assistance initiatives were worth Krona 6.1 billion. Of this, a little under half (2.7 billion) was made up of grants, while around a further 2 billion was made up of low risk loans. Advisory services were valued at a little under 500 million.²⁹⁰

Range and linkage to export credit and finance

Non-financial assistance²⁹¹:

- international market advisory service – advisors in more than 30 countries to help Norwegian companies with strategic and operational advice and assistance, specifically in relation to their internationalisation process - this includes general advice on business culture and market structure, facilitating local connections (to potential business partners, distributors, customers, and so on), and assisting with activities to make the internationalisation process as smooth as possible
- international network – IN is part of Enterprise Europe Network, the EU's SME network - this is an extensive network of advisors to help SMEs trade internationally, finding business partners, connecting to innovation specialists and answering questions around market conditions
- corruption risk abroad – advice on the challenges of dealing with corruption

²⁸⁷ See http://www.innovasjon Norge.no/en/arsrapport---spa-page-en/#side=en_226377

²⁸⁸ See Annual Report (2015) <http://www.innovasjon Norge.no/aarsrapport/2015/full.html>. The results are based on a detailed statistical study using a stratified matching approach conducted by the Statistical Authority: http://www.ssb.no/forskning/mikrookonomi/bedriftsatferd/_attachment/237374?_ts=14f4b02a260

²⁸⁹ See Annual report (2015): <http://www.innovasjon Norge.no/aarsrapport/2015/full.html>

²⁹⁰ See Annual Report (2015), <http://www.innovasjon Norge.no/aarsrapport/2015/full.html>

²⁹¹ See <http://www.innovasjon Norge.no/en/start-page/our-services/internationalization/> for further non-financial information

- Horizon 2020 and The Global Entrepreneurship Initiative²⁹² – building global networks with SMEs and high potential start-ups respectively

Financial²⁹³:

IN focuses on four types of financing:

- guarantees – targeted at small and growing businesses that do not have the operating finances to take large risks related to economic development
- grants – primarily given to small and medium sized businesses as a financial aid to specific profit-making projects
- innovation loan – used for profitable profits that are potentially unsuitable for private financing, providing up to 50% of the capital requirement - for example, used for the introduction of new technologies, market research, building and machinery investments, trade fair participation and skill development
- low risk loans – offered to companies in need of financing long-term capital needs, with the idea of increasing capacity such that internationalisation possibilities can be realised - priority given to regional companies, and where loans offered through other banks is limited

Other financial incentives

Export Credit Norway²⁹⁴ is a government owned organisation offering medium-to long-term financing for a prospective export contract. They offer credit for up to 85% of the contract, with credit lasting up to 18 years. Rates are based upon either CIRR rates (set by OECD) or market rates (such as LIBOR plus a fixed margin).

Export insurance instruments are provided by the Guarantee Institute for Export Credits (GIEK).²⁹⁵

Conclusion

We present a “traffic-light” assessment of Norway in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

²⁹² See www.innovationnorway.no/global-entrepreneurship

²⁹³ See <http://www.innovasjon Norge.no/en/start-page/our-services/financial-services/types-of-financing/> for further financial information

²⁹⁴ See <https://www.eksportkreditt.no/en/>

²⁹⁵ <https://www.giek.no/giek-pa-1-2-3/>

Table 45 Summary of assessment of Singapore as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	Openness to trade and high share of services in output. A particular feature is dominance of natural resources (oil) in merchandise exports.
Policy and institutional context	Green	Part of the EEA, so currently an open economy, with close relationships to the EU. Not part of common commercial policy so able to independently set and pursue trade arrangements.
TPO Institutional structure	Amber	Majority owned by ministry of trade, industry and fisheries; although partially owned by regional authorities.
TPO Scope	Amber	Wide range of export markets. Wider scope, focuses on innovation and fundamental firm development.
TPO Strategy	Green	Commonalities in strategic orientation, with some emphases reflecting particular characteristics of Norwegian economy. Evidence of rigorous impact analysis.
TPO products and services	Green	A strong focus on export financing and innovation investment, but there is also a range of advisory services, and a strong foreign network of advisors.
Overall Assessment	Green	Some distinctive features, but Norway's need to balance close integration with the EU and the pursuit of wider trade objectives, its emphasis on stimulating high skills sectors and emphasis on evaluation make it a relatively strong comparator and source of policy lessons.

Annex O: Singapore country report

Name of Organisation: Enterprise Singapore

Country context

Economic structure:

GDP per capita: 2016: 81, 600.6.²⁹⁶ Composition of GDP: Industry 26% (of which manufacturing 20%); Services 74%.²⁹⁷ Structure of merchandise trade: Primary products 20.8% (of which Fuels 16.8%); Manufactures: 70,8% (of which chemicals 12.9%, office machines and telecoms equipment 30,7%).²⁹⁸ Trade as % of GDP: 318% (services: 102.8%).²⁹⁹

Policy and institutional context

Average tariffs: Simple applied MFN average 0%; trade weighted 0,5% (agriculture 11.9%).³⁰⁰

Ease of doing business: Ranked 2nd overall, 42nd in trade across borders (costs associated with border formality compliance).³⁰¹

Export diversification: Authorities target high-skills, value-add manufacturing that have strong linkages to services (for example, research and development, design).³⁰² A range of policy initiatives and institutions have been established (see next point).

Linkages to wider policy initiatives: Over 30 initiatives have been documented that are targeted at facilitating and incentivising investment generally, and capital or knowledge-based investment specifically. These are administered through the Inland Revenue Authority, Spring Singapore and the Economic Development Board. In keeping with trade law, the incentives schemes cannot be contingent on export performance or use of local inputs.³⁰³ Notable measures include capital allowance schemes and tax deductions on investment in productive and innovative activity. SPRING Singapore, which was folded into Enterprise Singapore, notably ran tax deduction and investment matching schemes for angel investors, seed financing and incubator and accelerator programmes.³⁰⁴ The government is also implementing a Skills Framework to map and fill skills requirements to ensure employment and competitiveness.³⁰⁵ The Committee on the Future of the

²⁹⁶ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

²⁹⁷ Source: World Development Indicators: Structure of Output

²⁹⁸ Source: WTO (2016), Trade Policy Review: Singapore, p.72

²⁹⁹ Source: World Bank World Development Indicators

³⁰⁰ WTO (2017), World Tariff Profiles, p 156

³⁰¹ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>) and Country Tables 2018, p 116

³⁰² WTO (2016) Trade Policy Review, Singapore – Report by the Government of Singapore, pp 4-5.

³⁰³³⁰³ WTO (2016), Trade Policy Review, Singapore pp 81-82

³⁰⁴ WTO (2016), Trade Policy Review, Singapore p 81

³⁰⁵ <http://www.skillsfuture.sg/skills-framework>, and WTO (2016), Trade Policy Review, Singapore – Report by the Government page 4

Economy, established in 2015, has set out 7 strategies, all of which are relevant to the work of Enterprise Singapore.³⁰⁶

TPO Institutional Structure

Organisation and relationship to other government institutions

The organisation responsible for trade promotion was, until 1 April 2018, International Enterprise Singapore (IES). It managed a suite of financial and non-financial export promotion schemes. On that date, IES was merged with SPRING, a government agency responsible for enterprise development. SPRING's main functions were building international trust in Singaporean products and services, and helping enterprises with financing, capability and management development, technology and innovation, and access to markets. As the national standards and accreditation body, it also worked to promote internationally-recognised standards.³⁰⁷

The new merged entity is Enterprise Singapore. The merger between SPRING Singapore and IES is a strategic decision³⁰⁸ to capture the benefits of cross-governmental coordination regarding business growth and development. Both organisations describe themselves as “enablers” of business success, with their incentives aligned towards helping businesses expand. According to the authorities, Enterprise Singapore will be able to “respond faster to the changes in the external environment, provide better, more seamless and effective support to our companies and industries and grow stronger Singapore enterprises”.³⁰⁹

Inputs into trade policy: The overall aims of Singapore trade policy include expanding international opportunities for Singapore firms and minimising impediments to imports and exports, which align with IES activities.³¹⁰ Under the provisions of the IES Board Act, the IES Board is empowered to advise and assist the Government or any public authority on matters of trade policy and regulation.³¹¹

Relationship to private sector

Private sector representatives are on the Board. Some bespoke market entry and expansion services have a user fee. Grants are typically on a co-financing basis. Loans and insurance schemes operate through partnerships with participating financial institutions. Enterprise Singapore also has specific functions relating to the regulation of the rubber trade and industry³¹², and administers the Singapore Rubber Fund. The latter aims to support the commodity trading industry in Singapore.³¹³

³⁰⁶ <https://www.gov.sg/microsites/future-economy>

³⁰⁷ <https://www.spring.gov.sg/About-Us/Pages/spring-singapore.aspx>

³⁰⁸ <https://www.iesingapore.gov.sg/Media-Centre/News/2017/9/Enterprise-Singapore-to-replace-IE-Singapore-and-Spring-Singapore>

³⁰⁹ Iswaran, S. (2018), Statement by the Minister for Trade and Industry, <https://www.channelnewsasia.com/news/business/ie-singapore-spring-to-merge-and-form-new-agency-9185630>

³¹⁰ WTO (2016): Trade Policy Review, Singapore, p 15

³¹¹ IES Board Act, Part III, Article 5 (k)

³¹² IES Board Act, Part III, Article 5 (l)

³¹³ IES Board Act, Part III, Article 19

TPO Scope

Resourcing

Figures for Enterprise Singapore are not yet available. According to the 2017 Annual Report, overall IES expenditure amounted to Singapore Dollars 231.3 million and 228.0 million in 2016 and 2017. Of this envelop, a little over half was covered by revenues and the remainder by government grants.³¹⁴

Targeting market failures

The expression “market failures” is not explicitly mentioned but the main products and services (see below) target the main known areas of market failures in exports: informational constraints, knowledge spillovers and missing markets for credit and risk.

Targeting barriers to export

More detailed information on product and service types is provided in the relevant section below. Here we summarise the product and service offering against the main categories identified in the logic model for DIT services.

Table 46 Product and service matrix

Designation	Provision by IES
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes, on cost recovery basis
Financial support	Yes (but no direct export financing)
Matchmaking	Yes – but business to business rather than end-user or consumer
Influencing government and regulatory policy	Yes, under provisions of IES Board Act

Export market scope

Enterprise Singapore has a network of 35 overseas centres. The list of geographic markets on its website lists some 40 countries, 20 of which are in the Middle East and Africa, and four in Europe (including the UK). It lists 4 sector clusters: infrastructure, lifestyle; technology; and transport and logistics.³¹⁵

Global Value Chains

Enterprise Singapore aims to help firms access global value chains, particularly in infrastructure in Asia (a market valued at \$1 trillion per year).³¹⁶ The inclusion of inward investment promotion activities in the agency’s remit and its promotion of Singapore as a commodity trading hub adds to the value chain focus.

³¹⁴ IES, Annual Financial Statements, p 6

³¹⁵ <https://www.iesingapore.gov.sg/Venture-Overseas/Browse-By-Market> and <https://www.iesingapore.gov.sg/Venture-Overseas/Browse-By-Sector>

³¹⁶ See IES (2017), Annual Report, p 3 and pp 12-17

Investment promotion

Inward investment promotion is part of the agency's attributes. It disseminates information and runs a tax incentive scheme, providing a reduced corporate tax rate on qualifying trading income for 3-5 years.³¹⁷

TPO Strategy

Beneficiary focus

Figures for Enterprise Singapore are not yet available. In 2016, IES assisted around 37,000 businesses, of which 80% were SMEs.³¹⁸ Higher levels of financial support (as proportion of total business costs) is given to SMEs (see subsequent sections). To be eligible for IES assistance, firms must be registered in Singapore. Some financing instruments require headquarters in Singapore.

Impact evaluation

No publicly documented process or publications. Annual reports contain examples of successful projects.

Products and Services

Range and linkage to export credit and finance

Non-financial assistance. Under IES non-financial assistance was divided into five areas:

- market knowledge
- market entry
- learning and networking
- e-services
- talent services

To these five clusters originally developed by IES, Enterprise Singapore has added a number of others that were developed through SPRING. These are not export-specific. However, given Singapore's pronounced exposure to trade, these schemes will have export-related impacts, and it is useful to observe that Enterprise Singapore does not specifically differentiate the presentation of its programmes between export-focused and domestic ones.

Financial³¹⁹:

Financial assistance can be broken down into the following major components³²⁰:

- grants
- loans and insurance
- tax deductions
- investment facilities

³¹⁷ <https://www.iesingapore.gov.sg/Trade-From-Singapore/Global-Trader-Programme>

³¹⁸ IES (2017) Annual Report <https://www.iesingapore.gov.sg/annual-reports/annual-report-2017>

³¹⁹ See <https://www.iesingapore.gov.sg/Assistance/Financial-Assistance> and WTO (2016), Trade Policy Review – Singapore, pp36-7

³²⁰ <https://www.enterprisesg.gov.sg/financial-assistance/grants>

A number of these were previously administered by SPRING.

Total grants across the two programmes formerly run by IES – the Market Readiness Assistance Grant and the Capability Development Grant came to Singapore Dollars 73.4 million.³²¹

Other financial incentives

- double-tax deduction for internationalisation: 200% tax deduction on the first S\$100,000 of eligible expenses for overseas business development, investment, study trips and missions, and trade fairs
- internationalisation finance scheme: co-sharing of the default risk to facilitate access to mid-to-long tenure finance with participating financial institutions
- political risk insurance scheme: co-funding (up to 50% and the first three years) of the premium paid to protect overseas investment and projects against political risks (up to SGD 500,000 per applicant company)
- loan insurance scheme: co-sharing of the default risk to help companies secure short-term trade facilities
- trade credit insurance scheme: co-funding (up to 50%) of the premiums on a credit insurance policy against buyers' non-payment risks (up to SGD 100,000 per applicant company)

Note that Singapore does not operate direct export financing – the above schemes are intended to facilitate access to financing provided by private institutions.³²² Figures cited by the WTO state that in FY 2014, IES facilitated access to trade and financing loans, and insurance to a value of SGD 756 billion, covering around SGD 2.3 billion.³²³

Conclusion

We present a “traffic-light” assessment of Singapore in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

³²¹ IES (2017) Annual Report <https://www.iesingapore.gov.sg/annual-reports/annual-report-2017>

³²² WTP (2016), Trade Policies Review – Singapore, p 35.

³²³ WTO (2016), Trade Policies Review – Singapore, pp 36-37

Table 47 Summary of assessment of Singapore as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	High income services dominated economy; merchandise trade reflects specialisation in high-value add activities. Significantly more open to trade because of size.
Policy and institutional context	Green	Liberal trade regime - more so than UK currently, but reflects a possible future option for the UK. Focus of private sector development. Linkages to skills and knowledge.
TPO Institutional structure	Amber	Comes under purview of trade ministry. Some differences in governance structure.
TPO Scope	Green	Wide range of export markets; targets 5 of the 6 barriers to exporting; focus on supply side and internationalisation.
TPO Strategy	Amber	SME focus. Less emphasis on evaluation.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting. Linkages to export financing (though no direct financing by government).
Overall Assessment	Green	Singapore could be a useful source of policy lessons. The proposed integration of trade promotion with enterprise development activities, focusing on knowledge and start-ups, may add a valuable perspective.

Annex P: South Korea country report

Name of Organisation: Korea Trade-Investment Promotion Agency (KOTRA)

Country context

Economic structure:

GDP per capita: 2016: 34,985.8.³²⁴ Composition of GDP: Agriculture 2.2%; Industry 38.6% (of which manufacturing 29.3%); Services 59.2%.³²⁵ Structure of merchandise trade: Primary products 29.5% (of which Fuels 20.8%, Agriculture 4.3%); Manufactures: 70.1% (of which chemicals 10.5%, Machinery and transport equipment 41.6%).³²⁶ Trade as % of GDP: 77.7% (services: 14.4%).³²⁷

Policy and institutional context

Average tariffs: Simple applied MFN average 13.9%; trade weighted 6.9% (agriculture 13.8%).³²⁸

Ease of doing business: Ranked 4th overall, 24th in trade across borders (costs associated with border formality compliance).³²⁹

Export diversification: Korea's export promotion policies tend to focus on SMEs, although they provide support across a wide range of sectors.

Linkages to wider policy initiatives: The overarching strategy for KOTRA is to make Korea the business and economic hub of East Asia. KOTRA is loosely linked with other policy initiatives, including the Ministry of SMEs and Start-ups (MSS).³³⁰ KOTRA targets SME growth and uses export promotion as one method of developing SMEs. The SME focus likely reflects an attempt to rebalance the source of Korea's export growth away from large conglomerates ("Chaebol") to smaller firms.³³¹ An "exportvouchers.com" policy was launched to enable firms to choose the specific support they feel is most suitable for their business.

TPO Institutional Structure

Organisation and relationship to other government institutions

KOTRA is a government agency under the purview of the Ministry of Trade, Industry and Economics (MOTIE).

³²⁴ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

³²⁵ Source: World Development Indicators: Structure of Output, 2015

³²⁶ Source: WTO (2016), Trade Policy Review: Korea, p157-158.

³²⁷ Source: World Bank World Development Indicators

³²⁸ WTO (2017), World Tariff Profiles

³²⁹ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>)

³³⁰ <http://www.mss.go.kr/site/eng/main.do>

³³¹ "Will new SME Ministry Break Chaebol Dominance", The Korea Herald, 5 June 2017, accessed via <http://www.koreaherald.com/view.php?ud=20170605000845>

Inputs into trade policy: KOTRA operates within the trade policy framework devised by MOTIE, to which it makes inputs in its area of competence.

Relationship to private sector

KOTRA works with private sector companies to give sector specific advice on exporting.³³² These are sector experts in a range of fields, with specialities.

TPO Scope

Resourcing

KOTRA has a variety of services in place, which are given different levels of government funding. Below are some examples:

Table 48 Examples of export promotion activities, with the associated scope and funding

Name of support	Aim	Scope	Funding
Export support Program: the first step	Prepare export activities and marketing overseas	150 companies	1.4 million won (70% of total funding) from the Ministry
Consumer good leader training	Advice how to export from large, good-based businesses	50 companies	2.88 million won (70% of total funding) from the Ministry
Service leader training	Advice how to export from large, service-based businesses	27 companies	2.1 million won (70% of total funding) from the Ministry
World champion	SMEs selected as high growth firms, given one-to-one marketing support	200 companies	Varying levels, depending on exporter stage. Pre-exporters get up to 70% (75 million won) of funding, post-exporters get 30%.
Asia Highway	SMEs looking to enter into local markets, like China or ASEAN	300 companies	Varying levels, depending on exporter. Up to 70% (100 million won) or as little as 50%.

³³²

http://www.kotra.or.kr/kh/about/KHBPCI030M.do?MENU_CD=F0446&TOP_MENU_CD=F0104&LEFT_MENU_CD=F0446&PARENT_MENU_CD=F0442

Name of support	Aim	Scope	Funding
Mid-sized business export jump	Strengthen global competitiveness, through one-to-one training	100 companies	Varying levels, depending on exporter. Up to 60% (7,500 won) or as little as 30%.
Support for individuals at overseas exhibitions	Promotion of participation of SMEs in overseas exhibitions	Around 900 companies	Up to 5 million won per company
Export success package	Government grants and subsidies to expand their export business	2,100 companies	Government grants of up to 20 – 30 million won
Strengthening export capacity	Promoting sustainable growth among high-growth companies	580 companies	Up to 100 million won
Global marketing support	Utilise export marketing support of Jiangsu enterprises	200 companies	Up to 200 million won over 4 years of support
International IP conflict prevention	<i>New scheme with unpublished details</i>	35 companies	Up to 30 million won (30% - 50% of support)

Source : http://www.exportvoucher.com/portal/bizinfo/voucher_02_01

Note: These are based upon translations from the original Korean website, so details may be not be verifiable

Targeting market failures

In their extensive online literature, KOTRA does not make explicit reference to a list of market failures.

Targeting other barriers to export

KOTRA does not make explicit reference to a list of barriers to exporting. However, there are references to the export journey, and the type of help that is potentially necessary on each stage of that journey³³³(see also the product and service section below). Table 2 presents the main clusters of services identified against the logic model developed for DIT.

³³³ http://www.exportvoucher.com/portal/bizinfo/voucher_01

Table 49 Product and service matrix

Designation	Provision by KOTRA
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Limited – export credit and financing handled by specialised agencies
Matchmaking	Yes
Influencing government and regulatory policy	Limited

Export market scope

KOTRA have a wide network of global offices, being present in 86 countries, with a total of 127 offices (45 Asia, 10 North America, 14 South and Central America, 23 in Europe, 10 in Russia and Central Asia, 15 in Middle East, 10 in Africa).

Global Value Chains

KOTRA does not specify how Korean exports would fit into global value chains. However, close links to investment promotion and emphasis on SME globalisation (see below) underscore an implicit focus on value chains. With the share of foreign content in gross exports valued at around 42% (the highest for G-20 countries), Korea is dependent on its integration into international value chains.³³⁴

Investment promotion

Invest in Korea (IK) is a domestic service that promotes foreign investment, closely linked with KOTRA, which connects with foreign firms and investors.

TPO Strategy

Beneficiary focus

KOTRA explicitly targets SMEs with a goal to strengthening their export competence. MOTIE works together through KOTRA with MSS to specifically target these firms. However, specific sectors are not explicitly targeted, although they do offer industry-specific marketing in the following sectors:

- construction, engineering and renewable energy
- material parts industry
- automotive parts
- consumer goods
- information and communication technology
- service industry
- medical and biological industry

³³⁴ OECD (2015), Trade in Value Added: Korea, p 2 https://www.oecd.org/sti/ind/tiva/CN_2015_Korea.pdf

MSS is responsible for promoting the growth of small firms in Korea. This includes offering advice, funding and creating networks and infrastructure that is suited to a small business environment. MSS is linked explicitly with KOTRA, as one of MSS' major policies, the globalisation of SMEs³³⁵, is achieved by working with KOTRA. Another partner that MSS works with is the Small and Medium Business Corporation (SBC), which is a non-profit organisation, designed to implement government policy to foster development of Korean SMEs. They do this through a range of financial and non-financial instruments.

Impact evaluation

KOTRA do not publicly post impact evaluation of their services, and it is not clear how the effectiveness of KOTRA services is assessed.

Products and Services

Range and linkage to export credit and finance

Non-financial assistance.

KOTRA list around five main activities³³⁶ that they specialise in, a subset of which refers to trade promotion (rather than investment promotion).

- business to business e-market place³³⁷ - an online marketplace that connects Korean sellers of products with buyers from the rest of the world
- exhibitions³³⁸ - specifically referring to The Association of Korean Exhibition Industries, who specialise in setting up exhibits for Korean firms to network and build contacts globally
- trade and market information³³⁹ - this encompasses a variety of services including some business matchmaking, trade missions and trade shows
- online FAQs and resources³⁴⁰ - these are remote, free to use services, that potentially includes consultations with your "trade doctor"

However, export promotion services go beyond KOTRA. KOTRA is involved with 'exportvoucher.com'^{341 342}, which assigns 'vouchers' to companies. These vouchers can be redeemed against different types of government support programmes. The 'export voucher' website lists a complete set of export support services³⁴³ corresponding to the stage in exporting of the individual firm (see tables 2 below). KOTRA releases a proportion of these vouchers, but other vouchers are issued by local government, the Small Business Corporation, and the Korean Institute for the Advancement of Technology (KIAT). Companies are chosen to be part of an export assistance project through an application process, but they do not have to be limited to the range of services on offer from that specific export assistance project.

³³⁵ <http://www.mss.go.kr/site/eng/03/10302000000002017111501.jsp>

³³⁶ <http://english.kotra.or.kr/foreign/kotra/KHENKT030M.html>

³³⁷ <http://www.buykorea.org/main/BKBKMA010M.html>

³³⁸ <http://english.kotra.or.kr/foreign/biz/KHENKO060M.html>

³³⁹ <http://english.kotra.or.kr/foreign/biz/KHENKO100M.html>

³⁴⁰ http://www.kotra.or.kr/kh/subMain/subMain02.html?MENU_CD=F0524&TOP_MENU_CD=F0456&LEFT_MENU_CD=F0524&PARENT_MENU_CD=F0456

³⁴¹ http://www.exportvoucher.com/portal/bizinfo/voucher_01

³⁴² <http://www.investkorea.org/kotraexpress/2017/09/service.html>

³⁴³ http://www.exportvoucher.com/portal/bizinfo/voucher_01

Table 50 Summary of product and services clusters

Designation	Field	Provision by KOTRA or export promoter
Preparation for export	Development and production	Brand development, foreign language data interpretation, intellectual property registering
	Strategy consulting	One-on-one growth planning abroad, investment support, long-term strategy planning
	Education	Trade training, overseas market knowledge, tax and accounting procedures abroad
Customer survey	Public relations, advertising and marketing	Foreign marketing, corporate promotions, search engine marketing
	Research and information	International market research, targeted marketing
	Exhibition, conference, matching buyers	Trade exhibitions, conferences, seminars, business matching
Contract conclusions	Contacts	Credit investigation services, contract agreement advise
	Post-contract	Customs or shipping documents, export logistics, trade automation
Establishment overseas	Establishing company	Overseas consulting, personalised support

Financial:

Korea has two export credit agencies:

- Korea Trade Insurance Corporation (K-SURE)³⁴⁴ – this company specialises in trade insurance and guarantees for exporters but will also provide export credit
- The Export-Import Bank of Korea (KEXIM)³⁴⁵ – KEXIM specialise in loans for exporters, as well as guarantees, risk management, and advisory services

³⁴⁴ <https://www.ksure.or.kr/en/index.do>

³⁴⁵ <https://www.koreaexim.go.kr/site/main/index001>

Other financial incentives

Grants and subsidies are available for specified projects. The ‘export voucher’ strategy is a recent development, and the current roll-out will continue.

Conclusion

We present a “traffic-light” assessment of Korea in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

Table 51 Summary of assessment of South Korea as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Korea is an open, service-based economy, and has similar proportion of GDP related to trade.
Policy and institutional context	Amber	KOTRA operates through the Ministry of Trade, Industry and Energy, but has no well-defined strategic target.
TPO Institutional structure	Amber	KOTRA acts purely as an agency, it does not influence government policy.
TPO Scope	Green	KOTRA provides a wide range of services for a wide range of potential clients.
TPO Strategy	Amber	KOTRA provide a wide range of services, and are overseen by the Ministry for Trade, Industry and Energy. However, firms are chosen by KOTRA as part of export assistance projects through an application process.
TPO products and services	Green	KOTRA’s products and services are fairly standard, with access to global networks, trade shows, trade missions, and so on, as part of its offer. It offers a wealth of online resources.
Overall Assessment	Green	Overall, Korea is a strong comparator to the UK, with broadly similar economic structures, and similarities in trade promotion policy. However, its structure and strategy are not quite as well-defined compared with the UK.

Annex Q: Spain country report

Name of Organisation: ICEX España Exportación e Inversiones

Country context

Economic structure:

GDP per capita: 2016: 33,349.³⁴⁶ Composition of GDP: Industry 29% (of which manufacturing 13%); Services 69%.³⁴⁷ Structure of merchandise trade: Agricultural products: 17.4%; Fuels and mining: 9.8% Manufactures: 70.9%.³⁴⁸ Trade as % of GDP: 63%.³⁴⁹

Policy and institutional context

Average tariffs: Simple applied MFN average 6.3%; trade weighted 2% (agriculture 29.8%).³⁵⁰

Ease of doing business: Ranked 28th overall, 34th in trade across borders.³⁵¹

Export diversification: The main focus is on geographic market diversification, to reduce reliance on exports to the EU (currently accounting for over 65% of total Spanish exports).³⁵² This partly reflects the experience of Spain's exposure to slow growth in the EU following the Global Financial Crisis.

Linkages to wider policy initiatives: ICEX activities are within the framework of a 6 point strategic plan for 2017 to 18 on the "internationalisation of the Spanish Economy", based on the following main themes: support the internationalisation of firms; incorporate innovation, technology, IP and digitalisation in the internationalisation process; develop human capital for internationalisation; better exploit opportunities created by EU common commercial policy and multilateral negotiations; exploit potential for foreign investment in high value added sectors; reinforce the coordination and complementarity between all actors involved in internationalisation.³⁵³

TPO Institutional Structure

Organisation and relationship to other government institutions

ICEX is a public enterprise, under the portfolio of the Trade Ministry. The Secretary of State for Trade is the Chairperson of ICEX.

³⁴⁶ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

³⁴⁷ Source: World Development Indicators: Structure of Output

³⁴⁸ WTO (2017) World Trade Profiles, p 330

³⁴⁹ Source: World Bank World Development Indicators

³⁵⁰ WTO (2017), World Tariff Profiles, p 162

³⁵¹ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>) and Economy Profile, Switzerland.

³⁵² <https://cepymenews.es/estrategias-icex-mejora-comercio-exterior-espanol/>

³⁵³ ICEX (2017), Strategic Plan 2017-18, <https://www.icex.es/icex/es/navegacion-principal/que-es-icex/que-es-icex/plan-estrategico/index.html>

Regional structure

There is a network of 31 ICEX offices across the autonomous regions and provinces of Spain.³⁵⁴ The regions and provinces have their own export promotion activities. In some provinces these activities fall under the purview of a dedicated export promotion agency (for example, Andalusia), while in others they are the responsibility of government departments responsible for enterprise development generally (for example, Catalunya). In some cases, the provincial agencies or authorities have a network of overseas representations.

Coordination with the regions is undertaken via an Inter-territorial Internationalisation Council.³⁵⁵

Relationship to private sector

Some bespoke services are provided on a cost-recovery basis.

TPO Scope

Resourcing

Information on resourcing is limited. Information for 2016 suggests that overall expenditures were around €111 million, of which a little under €30 million was attributable to staff costs.³⁵⁶

Targeting market failures

Market failures are not explicitly mentioned in any of the strategic documents available. However, the main priority areas of intervention – addressing information and knowledge spillovers, networks – are ones in which market failures are present.

Targeting other barriers to export – product and service matrix

Table 53 provides a summary of ICEX's main product types (see relevant section below for further information).

Table 52 Product and service matrix

Designation	Provision by ICEX
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Partnership agreement signed with CESCE (a publicly owned institution dealing with export credit and insurance)
Matchmaking	Yes, but limited

³⁵⁴ <https://www.icex.es/icex/es/navegacion-principal/que-es-icex/donde-estamos/red-territorial-de-comercio/mapa/index.html>

³⁵⁵ ICEX (2016), Annual Report, p 10.

³⁵⁶ http://www.sepg.pap.minhfp.gob.es/Presup/PGE2016Ley/MaestroDocumentos/PGE-ROM/doc/1/6/1/1/40/N_16_E_R_5_0_ON_0_0970_0_PECROOT1_18817.PDF

Designation	Provision by ICEX
Influencing government and regulatory policy	Limited through strategic plan

Export market scope

ICEX has a network of around 100 offices across the world, usually co-located with Spain's diplomatic or consular network. In addition, it has a network of 28 centres which are presented as "incubators for internationalisation". The centres provide access to office infrastructure and networking opportunities. There are 6 in the Americas (of which two are in the US); 3 in Africa (of which 2 in North Africa); 9 in Europe; and 9 in Asia and Oceania (of which 3 are in China).³⁵⁷

Global Value Chains

The strategic plan for 2017 to 18 identified integration into global value chains as one of the priorities for ICEX. ICEX will work to identify businesses involved in global value chains and to develop mechanisms to strengthen the participation of Spanish firms in these.³⁵⁸

Investment promotion

Investment promotion is one of ICEX's core functions. For direct investment, it has identified priority source countries and priority sectors which were chosen based on their potential to generate growth and employment in Spain. The strategic countries include the USA and Canada, 5 in South America, 7 in the Middle East, 7 in Asia and the Pacific (including China and India), and 11 in Europe (of which 9 in the EU, and Russia).³⁵⁹

In 2016, an estimated 180 projects involving ICEX took place, of which 49% originated from European Investors, 22% from Asia and 14% from North America. The main host sectors were ICT (21%); Biotechnology and life sciences (13%); and Agri-food (11%).³⁶⁰

ICEX does not administer investment incentives. Its main activities focus on information dissemination, establishing contacts between partners, and trade missions.³⁶¹

TPO Strategy

Beneficiary focus

ICEX focuses on the internationalisation of Spanish firms generally and "especially", but not exclusively, SMEs. It conducts over 500 promotion activities per year covering around 3,000 businesses.³⁶² Its current strategic plan favours creating firm "ecosystems" supporting innovation and internationalisation.³⁶³ Four major sector groups were identified in 2016: food and gastronomy; fashion, habitat and culture industries; industrial technology and professional services; infrastructures, health and ICT.³⁶⁴

³⁵⁷ https://www.icex.es/icex/wcm/idc/groups/public/documents/documento_anexo/mde3/njk5/~edisp/dax2017699195.pdf

³⁵⁸ Plan Estratégico 2017-2018, p 3

³⁵⁹ ICEX (2016) Annual Report, pp 127-130

³⁶⁰ Ibid.

³⁶¹ Ibid.

³⁶² https://www.icex.es/icex/wcm/idc/groups/public/documents/documento_anexo/mde3/nzyz/~edisp/dax2017763389.pdf

³⁶³ Plan Estratégico 2017-2018, p 6

³⁶⁴ ICEX (2016), Annual Report, p 16

Impact evaluation

The annual report contains some outcome metrics, but there are no publicly documented processes or publications on value for money, or formal impact evaluation methodologies.

Products and Services

Non-financial assistance

- general one-stop shop functions: country and sector development documents; information on regulation and administrative requirements - these are done free of charge and country reports are available online³⁶⁵
- organisation of trade fairs, trade missions and networking events
- bespoke advice and reports charged to the client - this is primarily through a service called NEXT - businesses that sign up for these receive a package of services (analysis of business model, financial analysis, analysis of on-line business model) for free, and personalised on a 50% cost share basis³⁶⁶
- for SMEs, ICEX organises events that evaluate financing needs and act as first step to securing financing from CESCE

Links to financial assistance

Export financing and insurance matters are handled by CESCE. An agreement signed by ICEX and CESCE in 2016 covers policy service for Spanish exporting SMEs.³⁶⁷

Conclusion

We present a “traffic-light” assessment of Spain in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

³⁶⁵ <https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/programas-y-servicios-de-apoyo/pidm/index.html>

³⁶⁶ ICEX (2016), Annual report p 12

³⁶⁷ ICEX (2016), Annual Report, p 14

Table 53 Summary of assessment of Spain as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	High income, services dominated economy; merchandise trade reflects specialisation in high-value add activities. High trade to GDP ratio.
Policy and institutional context	Green	Trade regime defined by EU's common commercial policy. Albeit for different reasons, shares UK goal of reducing reliance on EU and increasing geographical diversification. Targets high value add sectors. Framework for private sector activity requires strengthening.
TPO Institutional structure	Amber	Under purview of trade ministry. Regional structure and need to interact with regional trade promotion authorities that have a high degree of autonomy.
TPO Scope	Green	Wide range of export markets; targets 5 of the 6 barriers to exporting; focus on supply side and internationalisation.
TPO Strategy	Green	Wider focus than SMEs. Global value chains identified as key priority. Limited focus on evaluation.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting; facilitating access to finance without engaging in financing directly.
Overall Assessment	Green	While there are some differences, notably reflecting Spain's more devolved approaches to regional administration, the overall architecture for export promotion can offer plenty of lessons for the UK.

Annex R: Sweden country report

Name of Organisation: Team Sweden or Business Sweden

In 2016, Sweden launched a new export strategy³⁶⁸ focused on increasing Sweden's exports and internationalisation. This aims to coordinate the efforts of different export promotion measures, as well as establishing an export focus in other areas of government such as education and standardisation. Team Sweden is an initiative created by the Ministry for Foreign Affairs, and reporting to the Minister for Enterprise and Innovation. Team Sweden works on wider policy objectives and directs the overall export strategy, tasking Business Sweden with export promotion services.

Country context

Economic structure:

GDP per capita: 2016: 46,662.1.³⁶⁹ Composition of GDP: Agriculture 1.3%; Industry 24.5% (of which manufacturing 15.3%); Services 74.2%.³⁷⁰ Structure of merchandise trade: Primary products 23.9% (of which Fuels 11.6%, Agriculture 11.4%); Manufactures: 76.1%.³⁷¹ Trade as % of GDP: 83.7% (services: 25.9%).³⁷²

Policy and institutional context

Average tariffs: Simple applied MFN average 5.2%; trade weighted 3% (agriculture 7.8%).³⁷³

Ease of doing business: Ranked 10th overall, 34th in trade across borders (costs associated with border formality compliance).³⁷⁴

Export diversification: The Government is drawing up specific national strategies and action plans for sectors including food, forestry, maritime and life sciences. These may also include proposals that aim to increase exports and the internationalisation of Swedish enterprises. Alongside this, there are efforts to create a parallel industrialisation strategy in Sweden which aims to create a modernised industrial sector.

Linkages to wider policy initiatives: Team Sweden is the wider policy initiative of which a variety of export promotion services, including Business Sweden, are a part.

³⁶⁸ See link for export strategy <http://www.government.se/4aad93/contentassets/0effc2f3c24a4c58b7e2399ffe1eeeb2/swedens-export-strategy.pdf> This document is referred to many times in this Fact Sheet

³⁶⁹ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

³⁷⁰ Source: World Development Indicators: Structure of Output, 2015

³⁷¹ Source: WTO World Trade Profiles, Sweden <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=SE>.

³⁷² Source: World Bank World Development Indicators

³⁷³ WTO (2017), World Tariff Profiles, EU level

³⁷⁴ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>)

TPO Institutional Structure

Organisation and relationship to other government institutions

Team Sweden encompasses a variety of government agencies, organisations and ministries. These include, but are not limited to, Almi Företagspartner AB, Business Sweden, the Swedish Export Credits Guarantee Board, Swedish Export Credit Corporation and the Swedish Agency for Economic and Regional Growth.³⁷⁵ There are also links with global embassies and consulates for local market knowledge. All of these organisations are coordinated under Team Sweden and the export strategy.

Inputs into trade policy: Team Sweden feeds back its results and evaluation of success to various ministries.

Relationship to private sector

Team Sweden works under the supervision of the relevant government ministries. Private sector providers may be involved in the delivery of some services.

TPO Scope

Targeting market failures

Whilst they do not explicitly mention market failures, the export strategy refers to some of the market failures that stop firms exporting. For example, they reference that beginning to export is costly to the individual firm and that firms may be reluctant to bear these costs because the positive impacts may spill over to other firms who have not invested in exporting themselves. This means there are incentives to free ride, and so creates a rationale for policy intervention.

Targeting other barriers to export

Team Sweden's export strategy explicitly tackles many barriers to entry, and part of the strategy is to lobby the EU into liberalising trade with the rest of the world. This includes tariff barriers and non-tariff barriers such as regulatory and legal procedures.

Export market scope

Team Sweden explicitly targets both EU and non-EU trade, although these are treated distinctively. For example, free trade and movement is guaranteed inside of the EU, but Team Sweden recognises administrative and bureaucratic barriers that exist outside of the EU.

Team Sweden aims to gather more robust information around trade barriers to dispel rumours about the difficulty of exporting, as well as being able to provide real assistance to exporting firms. Team Sweden has also targeted three non-EU countries and set up specific centres³⁷⁶ in Brazil, China and India. Another measure that targets developing countries is to transition from giving aid to these countries to economic and development

³⁷⁵ The full list is: Business Sweden, Swedish Institute, VisitSweden, ALMI, Growth Analysis, Swecare, Swedish Agency for Economic and Regional Growth, Swedish Board for Accreditation and Conformity Assessment, Swedish Customs, Swedish Energy Agency, Swedish Environmental Protection Agency, Swedish Environmental Research Institute, Swedish Export Credit Corporation, The Swedish Export Credits Guarantee Board, The National Board of Trade, Vinnova, Ministry of Culture, Ministry of Education and Research, Ministry of Enterprise and Innovation, Ministry of the Environment, Ministry of Finance, Ministry for Foreign Affairs, Ministry of Health and Social Affairs.

³⁷⁶ <http://www.government.se/information-material/2017/10/questions-and-answers-about-team-sweden/>

cooperation. Five ‘pilot’ countries have been chosen, although the details of this pilot are vague.

To promote EU trade, Team Sweden also sets out its approach to target non-institutional barriers, such as strengthening the desire to export and simplifying international e-commerce and data flows – especially relevant for technology-based firms.

Global Value Chains

Team Sweden’s export strategy³⁷⁷ makes explicit reference to Sweden’s place in the global value chain. In particular, Team Sweden acknowledge the position Sweden currently has in the high value-added stages in areas like research and development, design, logistics and marketing. However, they also acknowledge the fierce competitiveness of these stages, especially in developing countries like China who want to ‘move up’ the global value chain. The proposed solution is a “combination of measures in which a long-term focus on education, research, innovation, regulatory systems that stimulate new innovative enterprises, initiatives to attract talented people and investments and efforts targeting emerging markets”. This ensures Sweden can benefit from innovations outside of its borders, ensuring cross-border and long-term relationships.

One of their measures that relates directly to the value chain is to “reinforce Sweden’s attractiveness to talent”. For example, this could be retaining foreign students that have studied at Swedish universities and increasing the marketing for foreign students to study in Sweden.

Investment promotion

Team Sweden also considers investment promotion as part of its strategic focus, although this is less readily developed than the measures for export promotion. This will work in partnership with the existing Swedish Trade and Invest Council³⁷⁸, in particular Invest Sweden.

TPO Strategy

Beneficiary focus

The export strategy specifically focuses on regional export centres, especially for SMEs around the country who find it difficult to access export promotion services. Business Sweden³⁷⁹ is charged with taking the lead on this initiative.

Impact evaluation

The export strategy makes reference to evaluating the impact of export promotion. However, there are currently no published reports by the government on the impact of any export promotion services.

³⁷⁷ <http://www.government.se/4aad93/contentassets/0effc2f3c24a4c58b7e2399ffe1eeeb2/swedens-export-strategy.pdf>

³⁷⁸ <https://www.business-sweden.se/en/Invest/>

³⁷⁹ <https://www.business-sweden.se/contentassets/12396f8bcceb402c8e733a0b91e826b5/business-sweden-annual-report-2016---english-translation.pdf>

Products and Services

Range and linkage to export credit and finance

Non-financial assistance.

The main product groups are:

- basic export services – giving basic information and answering enquiries (including ‘Steps to Export’ material)
- programs for small companies – specific advice for SMEs, including professional development and regional export advice
- targeted export promotion – advice on targeted export markets, international procurement, and international marketing of strategic industries
- consultancy services – customised advisory services

Some of these products are provided free of charge but others are charged for, for example some guides about regulations affecting exporters require a subscription.³⁸⁰

There is very little information on the amount spent on each service, although the 2016 sales for export promotion were SEK 267 million.

Business Sweden also offers traditional export promotion programmes, such as trade fairs, trade missions and “match-making” between Swedish and foreign firms.

Financial:

Sweden’s two export finance bodies which offer slightly different services in financing exports. They are:

- Swedish Export Credit Corporation (SEK)³⁸¹, which offers medium- and long-term export credits, working with the Ministry of Finance
- National Export Credits Guarantee Board (EKN)³⁸², a government agency offering guarantees for which the government takes the risk

Both bodies coordinate and work with Team Sweden in order to optimise Swedish firm’s exports.

Conclusion

We present a “traffic-light” assessment of Sweden in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

³⁸⁰ <https://www.business-sweden.se/en/Trade/professional-services/training-and-guides/>

³⁸¹ <http://www.sek.se/en/about-us/team-sweden/>

³⁸² <https://www.ekn.se/en/about-ekn/>

Table 54 Summary of assessment of Sweden as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	Sweden is an open, service-based economy, and has a similar proportion of GDP related to trade to the UK.
Policy and institutional context	Green	A very similar institutional context, with the Swedish government having an existing export strategy, which will tie into the overall industrial strategy – much like the UK.
TPO Institutional structure	Amber	Whilst Sweden does not necessarily have a ministry committed solely to trade, it does have an export strategy that covers a variety of ministries and sectors. There is not one single export promotion organisation but there are multiple export promotion measures.
TPO Scope	Green	Team Sweden emphasises its position in the global value chain, whilst systematically targeting activities Swedish businesses can compete in.
TPO Strategy	Green	Team Sweden have a targeted export strategy, focused on specific sectors, and explicitly coordinates across government agencies. There is an evaluation approach, where the best public services will be assessed and the results fed back into trade policy.
TPO products and services	Green	Business Sweden provides a range of products and services to business.
Overall Assessment	Green	Sweden is a strong comparator to the UK, as it has a similar economic structure, and has a strategic approach to export promotion within the EU, offering similar products and services.

Annex S: Switzerland country report

Name of Organisation: Switzerland Global Enterprise (SGE)

Country context

Economic structure:

GDP per capita: 2016: 57, 430.³⁸³ Composition of GDP: Industry 26% (of which manufacturing 18%); Services 74%.³⁸⁴ Structure of merchandise trade: Manufactures: 80% (of which pharmaceuticals 41.7%, precision instruments 23% and machines, appliances and electronics 15.3%) Trade as% of GDP: 66%.³⁸⁵

Policy and institutional context

Average tariffs: Simple applied MFN average 6.3%; trade weighted 2% (agriculture 29.8%).³⁸⁶

Ease of doing business: Ranked 33rd overall, 38th in trade across borders.

Export diversification: No explicit strategy. In practice, Switzerland's exports have become more diversified in terms of export markets, with China and East Asia playing a more important role compared to two decades ago.³⁸⁷

Linkages to wider policy initiatives: The government's growth agenda for the medium term is focused principally on increasing productivity growth, which has stagnated since 2007. To the extent that this is connected to trade, the focus has been more on the extent to which technical barriers to trade and services trade restrictiveness has affected input prices and competitiveness.³⁸⁸

TPO Institutional Structure

Organisation and relationship to other government institutions

S-GE is a not-for-profit association under the portfolio of the Department for the Economy (SECO). It is responsible for export promotion and inward investment promotion. It has been assigned a particular responsibility for promoting exports of "clean tech".

Relationship to private sector

S-GE's supervisory board has representatives of the private sector.³⁸⁹ Some bespoke services are provided on a cost-recovery basis.

³⁸³ PPP, constant 2011 international \$. Source: World Bank World Development Indicators

³⁸⁴ Source: World Development Indicators: Structure of Output

³⁸⁵ Source: World Bank World Development Indicators

³⁸⁶ WTO (2017), World Tariff Profiles, p 162

³⁸⁷ WTO (2017) Trade Policy Review – Switzerland and Lichtenstein, p 158

³⁸⁸ WTO (2017) Trade Policy Review – Switzerland and Lichtenstein, pp 19-21

³⁸⁹ <https://www.s-ge.com/en/article/press-release/wechsel-im-vr>

TPO Scope

Resourcing

The Swiss Government reportedly contributed around Swiss Francs (Frs) 21 million in 2014 and 2015, or around half of S-GE's revenue.³⁹⁰

Targeting market failures

The expression “market failures” is not explicitly mentioned but the main products and services (see below) target the main known areas of market failures in exports, informational constraints and knowledge spillovers.

Targeting other barriers to export – product and service matrix

Table 55 Product and service matrix

Designation	Provision by S-GE
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	No
Matchmaking	Yes, but limited
Influencing government and regulatory policy	No

Export market scope

S-GE has a network of business hubs that span the following countries: Austria, Brazil, Canada, China, France, Germany, Gulf States, Hong Kong, India, Indonesia, Italy, Japan, Korea, Mexico, Poland, Russia, Singapore (for the whole of ASEAN as well), South Africa, Spain, Turkey, UK and Ireland and USA.³⁹¹

Global Value Chains

S-GE offers a value chain analysis to businesses seeking to establish themselves in Switzerland and emphasises the advantages to businesses in terms of supply chain management of locating in Switzerland.³⁹² The inclusion of inward investment promotion in the S-GE portfolio (see below) also adds engagement with global value chains.

There is no explicit focus on helping exporters integrate into global value chains. However, the focus on life sciences, “med” tech, research, development, data and fintech suggests that a focus on global value chains will flow from the characteristics of these sectors.

Investment promotion

Inward investment promotion is part of S-GE's attributes. Its functions are mainly focused on the dissemination of information on sectoral opportunities, administrative and legal

³⁹⁰ WTO (2017) Trade Policy Review – Switzerland and Lichtenstein, p 60

³⁹¹ <https://www.s-ge.com/en/swiss-business-hubs>

³⁹² <https://www.s-ge.com/sites/default/files/cserver/publication/free/factsheet-supply-chain-hub-s-ge-201709.pdf>

compliance matters, and facilitating contacts with cantonal authorities. S-GE does not administer any specific investment incentive scheme.³⁹³

TPO Strategy

Beneficiary focus

Export promotion activities focus on SME's.³⁹⁴ No data are publicly available on the numbers of SMEs assisted to date. S-GE has identified sectoral focus areas, typically knowledge-intensive ones: ICTs, life sciences, smart manufacturing and data.

Regional focus

There are regional offices reflecting linguistic differences across Switzerland. Each Canton of Switzerland also has an enterprise development (or equivalent) office that is integrated with the cantonal administration. The focus of these offices is not specifically on exports but, given Switzerland's small domestic market, enterprise development is likely to rely on export opportunities.

Impact evaluation

No publicly documented process or publications.

Products and Services

Non-financial assistance

- general 'one-stop shop' functions: sectoral information and opportunities; information on regulation and administrative requirements; organisation of permits - these are done free of charge
- bespoke advice and reports charged to the client
- trade promotion fairs and events overseas in collaboration with overseas hubs
- creation of linkages in export markets and between investors in Switzerland and local firms

Links to financial assistance

None administered directly.

A separate entity, Swiss Export Risk Insurance (SERV) which is owned by the Swiss Confederation, provides protection against non-payment, facilitates the financing of exports, and helps companies to maintain their liquidity.³⁹⁵

Conclusion

We present a "traffic-light" assessment of Switzerland in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

³⁹³ <https://www.s-ge.com/en/non-sbh> <https://www.s-ge.com/en/non-sbh>

³⁹⁴ <https://www.s-ge.com/en/company/switzerland-global-enterprise>

³⁹⁵ <https://www.serv-ch.com/en/>

Table 56 Summary of assessment of Switzerland as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Green	High income, services dominated economy; merchandise trade reflects specialisation in high-value add activities. High trade to GDP ratio.
Policy and institutional context	Amber	Generally open trade regime – though less so than the UK currently. Various internal barriers to competition, and limiting effects of regulation and non-tariff measures, reduce competitiveness. Ease of business ratings low compared to per capita income.
TPO Institutional structure	Amber	Comes under purview of economics ministry, which is also responsible for trade policy. Some differences in status (not for profit association) and governance.
TPO Scope	Green	Wide range of export markets; targets 4 of the 6 barriers to exporting; focus on supply side and internationalisation.
TPO Strategy	Amber	SME focus. Less emphasis on evaluation.
TPO products and services	Green	Targeting information and knowledge spillover effects, internal barriers to exporting.
Overall Assessment	Amber	Switzerland could generate some lessons, but there are important points of difference in the economic and institutional or policy context and TPO strategy which act as limiting factors.

Annex T: United States country report

Name of Organisation: National Export Initiative

Country context

Economic structure:

GDP per capita: 53,341.8.³⁹⁶ Composition of GDP: Industry 20% (of which manufacturing is 12%); Services 79%; Agriculture 1%.³⁹⁷ Structure of merchandise exports: Animal & Vegetable Products or Foodstuffs: 9.2%; Minerals, Chemicals and Plastics: 23.4%; Machinery, Appliances, Vehicles and Arms: 48.7%.³⁹⁸ Trade as % of GDP: 26.5%.³⁹⁹

Policy and institutional context

Average tariffs: Simple applied MFN average 3.5%; trade weighted 2.4% (agriculture 3.8%).⁴⁰⁰

Ease of doing business: Ranked 6th overall, 36th in trade across borders (costs associated with border formality compliance).⁴⁰¹

Export diversification: While there are significant government subsidies and programmes for certain sectors, subsidies at a federal level are primarily for traditional industries such as agriculture and energy.⁴⁰² Other export diversification programmes may occur on a state level.

Linkages to wider policy initiatives: At the time of the most recent federal report on trade promotion (under the Obama administration), there were links drawn to infrastructure development and how that relates to freight export.⁴⁰³

TPO Institutional Structure

Organisation and relationship to other government institutions

Export promotion in the US is a heavily emphasised and well-funded area but is split across many different departments, with coordinating bodies that have changed considerably in the past decade. Multiple Federal Departments are involved in trade promotion, the coordination of these has usually fallen to the cross-department Trade Promotion Coordinating Committee (TPCC)⁴⁰⁴ and the President's Export Cabinet⁴⁰⁵.

³⁹⁶ 2016, PPP, constant 2011 international \$. Source: World Bank World Development Indicators

³⁹⁷ 2015, Source: World Development Indicators: Structure of Output

³⁹⁸ Source: WTO (2017), Trade Policy Review: United States, p.147-148

³⁹⁹ 2016, Source: World Bank World Development Indicators

⁴⁰⁰ WTO (2017), World Tariff Profiles, p 177

⁴⁰¹ World Bank, Doing Business (<http://www.doingbusiness.org/rankings>) and Country Tables 2018, p 116

⁴⁰² WTO (2017), Trade Policy Review: United States, p78-80

⁴⁰³ TPCC (2016) – National Export Strategy, p28-31

⁴⁰⁴ Over 20 Federal Departments and Agencies are listed as members of the Trade Promotion Coordination Committee.

⁴⁰⁵ WTO (2017), Trade Policy Review: United States, p73-73

The TPCC runs a national export strategy, which helps to synthesise the priorities of various departments engaged in export promotion. The most recent National Export Strategy report in 2016⁴⁰⁶ provides a useful overview of the actions undertaken regarding export promotion and the institutional context in which they took place. Most export promotion activities, however, remained within the specific areas of different departments.

In 2010, President Obama launched a coordinated trade promotion project called the National Export Initiative which aimed to use existing institutions to double the volume of exports between 2010 and 2014.⁴⁰⁷ The National Export Initiative is separate to the National Export Strategy. As explained above, the latter serves as a coordination and review process of various export promotion initiatives, of which the National Export Initiative is one.

Regional and sub-national initiatives

All states have a state-based export promotion initiative, either through a specialised agency or (less frequently) through the State Department of Commerce. These typically offer a core set of initiatives: market analysis and intelligence, trade fairs, training, and networking. They typically operate a State Trade Export Promotion (STEP) programme, a collaborative initiative with state agencies (notably the state departments of commerce) and federal agencies. This allows participants to leverage resources available at the federal level, notably financial support initiatives (such as export financing).⁴⁰⁸

TPO Scope

Resourcing

Because trade promotion activities can be undertaken by a wide range of departments and agencies, data on resources for trade promotion as a whole are not available.

Targeting market failures

Market failures are not the focus of the NEI report, nor of other trade promotion authorities, since improving US exports is seen as a good in itself regardless of efficiencies and market failures.⁴⁰⁹

Targeting other barriers to export

The main constraints targeted are informational constraints for businesses around logistics and opportunities, difficulties in securing financing for export projects, and competition with state-aided foreign companies and advocacy for trade rules for exporting firms.⁴¹⁰ The Trade Promotion Coordination Committee also aims to enforce trade rules in overseas markets.

⁴⁰⁶ TPCC (2016) – National Export Strategy

⁴⁰⁷ Executive Order 13534 – National Export Initiative, Whitehouse.gov, 11 March 2010

⁴⁰⁸ For California, see <https://citd.org/castep/>; For Washington State, <http://www.commerce.wa.gov/promoting-washington-state/export-assistance/>

⁴⁰⁹ TPCC (2016) – National Export Strategy, p3

⁴¹⁰ TPCC (2016) – National Export Strategy, v-vi

Table 57 Product and service matrix

Designation	Provision through NEI
Marketing and Outreach	Yes
Information provision	Yes
Tailored advice and support	Yes
Financial support	Yes, facilitation of loans. EXIM bank provides bulk of trade financing.
Matchmaking	Yes
Influencing government and regulatory policy	Yes. Major focus is on trade deals and promoting overseas market access.

Export market scope

The particular area of focus for the National Export Initiative is small and medium-sized businesses⁴¹¹, but other areas are indirectly supported through departmental programmes, such as agriculture⁴¹². Some programmes, administered by the U.S. Trade and Development Agency, focus on improving exports to developing countries and improving infrastructure in emerging economies.⁴¹³

Global Value Chains

There is little emphasis on the place of domestic firms in global value chains, which may be due to the scale of the American economy that allows for large domestic value chains.⁴¹⁴

Investment promotion

Inward investment promotion in the US occurs primarily at the state and local level, where regional economic development is considered a higher priority. The TPCC aims to collaborate with and share information with local development officials to improve best practice but does not engage in direct inward investment promotion.⁴¹⁵

TPO Strategy

Beneficiary focus

The National Export Initiative is focused explicitly on small and medium-sized business.⁴¹⁶ However due to its structure as a collection of departments, many different institutions focus on different beneficiaries, such as agricultural businesses⁴¹⁷, veteran-owned businesses⁴¹⁸ and others.

⁴¹¹ TPCC (2016) – National Export Strategy, p3

⁴¹² WTO (2017) – Trade Policy Review: United States, p105-120

⁴¹³ WTO (2017) – Trade Policy Review: United States, p73

⁴¹⁴ OECD data on the foreign content share of US gross exports place that share at 15% in 2011 (the last year in which data are available). See OECD (2015), Trade in Value Added, United States, p 1

⁴¹⁵ TPCC (2016) – National Export Strategy, p39-44

⁴¹⁶ TPCC (2016) – National Export Strategy, p3

⁴¹⁷ TPCC (2016) – National Export Strategy, p12, p18

⁴¹⁸ TPCC (2016) – National Export Strategy, p19

Impact evaluation

Annual reports on the National Export Initiative were published up until 2016 containing metrics of success on a macro and individual level. However, these cannot be treated as “impact” evaluations of the programmes because they do not consider any counterfactual.

Products and Services

Range and linkage to export credit and finance

The 2016 National Export Strategy document outlines four key areas of export assistance and promotion: information, training and guidance for businesses; domestic trade-related infrastructure; export finance; and enforcement and negotiation of trade agreements and international law.⁴¹⁹ Specific programmes include:

Information and targeted assistance⁴²⁰

- reports, statistics and market research on global industries and trends
- tools and online platforms for navigating compliance, customs and tariffs
- trade leads for agriculture and small businesses

Domestic trade-related infrastructure⁴²¹

- implementing an International Trade Data System, which will automate a variety of customs and border administration
- a number of initiatives on domestic infrastructure improvement for freight

Export Finance⁴²²

- small business administration facilitates lending from affiliated institutions to roughly 500 small business a year, at a scale of \$1.45bn in 2015
- USDA Commodity Credit Corporation guarantees credit given by agricultural exporters to customers in less developed countries, registering more than \$1.8bn in sales in 2015
- Overseas Private Investment Corporation provides direct loans to eligible investment projects in developing countries when private financiers are unwilling or unable to lend - in FY2015, projects financed and insured by OPIC generated \$264m in US exports
- Export-Import Bank of the United States (EXIM Bank) provides direct loans and financing to domestic American firms that are looking to export products
- education on financing programmes listed above, as well as financing available from private institutions

International Trade Deals⁴²³

- the political environment has changed significantly in the past 2 years, but the National Export Strategy places considerable emphasis on the negotiation of the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership, which were expected to have far-reaching economic benefits for American business

⁴¹⁹ TPCC (2016) – National Export Strategy, v-vi

⁴²⁰ TPCC (2016) – National Export Strategy, p12-13

⁴²¹ TPCC (2016) – National Export Strategy, p26-29

⁴²² TPCC (2016) – National Export Strategy, p32

⁴²³ TPCC (2016) – National Export Strategy, p45-55

- beyond individual trade agreements, the report puts great emphasis on the role of the government in upholding the U.S. side of trade agreements already in place and making use of rules and dispute procedures to benefit American business

Conclusion

We present a “traffic-light” assessment of the United States in terms of its relevance as a likely source of policy lessons for the UK. We assess each of the six categories and present an overall conclusion.

Table 58 Summary of assessment of United States as a possible comparator to the UK

Category	Flag	Comments
Economic Structure	Amber	High income developed economy, but significantly larger and more decentralized than the UK.
Policy and institutional context	Amber	Ambition for liberal trade, but recent policy changes have altered that. Federal structure much more pronounced than in the UK.
TPO Institutional structure	Amber	Highly decentralized structure means that, while individual programmes may be of interest, general structure is hard to apply.
TPO Scope	Amber	Wide range of export markets and industries, but limited targeting on many of the relevant barriers to trade.
TPO Strategy	Amber	Focus on small and medium sized businesses, but limited targeting, evaluation or direct interaction with businesses.
TPO products and services	Amber	Larger focus on government finance and trade law enforcement, less focus on knowledge spillovers and direct engagement.
Overall Assessment	Amber	The United States has a similar economy to the UK, but has a drastically different scale, focus and structure of political institutions. The lack of a coherent trade promotion organisation may make comparisons hard.

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