

A Guide to Commercial Diplomacy



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The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.

Street address: ITC
54-56, rue de Montbrillant
1202 Geneva, Switzerland

Postal address: ITC
Palais des Nations
1211 Geneva 10, Switzerland

Telephone: +41-22 730 0111

Fax: +41-22 733 4439

E-mail: itcreg@intracen.org

Internet: <http://www.intracen.org>

A Guide to Commercial Diplomacy



About the guide

The world's only training guide for commercial diplomats explains how to promote trade and investment abroad while setting priorities for markets, industries and clients.

Drawing on first-hand field experience, the guide explores ways to network, create partnerships, build business intelligence and promote trade and investment. Practical checklists and case studies reflect the current business world of digital platforms, social networking tools and the changing profile of international business.

The guide is designed for diplomats and trade representatives from ministries of foreign affairs or commerce; trade and investment promotion bodies; business associations and chambers of commerce; and training schools for diplomats.

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Foreword



In a rapidly changing trade landscape, those who support businesses to trade need new ways of working, new skills and new partnerships. The International Trade Centre (ITC) is proud to support the process of continuous learning and change that is the hallmark of all successful organizations.

This guide supports the efforts of senior diplomats, trade commissioners, honorary consuls, trade attachés, staff of international and bilateral chambers, private sector delivery partners and anyone who wants to deliver strategic and operational excellence to businesses seeking success in foreign markets.

ITC's first guide for trade representatives was issued in 1973 and updated in 2013. The guide remains a unique international reference, offering insight into the valuable role of national commercial diplomacy. Digital change, climate change, global trade and investment policy change continue to have a heavy influence on how companies navigate international markets, and how to best support them. This guide offers processes, tools and competencies to build knowledge and networks in markets abroad, and to deliver the opportunities for businesses to benefit from the forces of globalization.

We know that these networks abroad make a difference. Lack of trade intelligence is one of the main reasons that businesses choose not to engage in international trade, or struggle to survive when they do. Research confirms that when governments have access to a good international network of support, offering effective trade promotion and investment attraction services, export sales grow, with significant spillover benefits to the economy as a whole.

We also know that new digital platforms and private sector actors are providing new options for delivering this international network at a reduced cost, meaning that any country, working in smart ways, can compete with those that have well-established teams in many markets.

It is designed to be practical, with checklists and examples to call upon when needed. The guide forms part of an integrated offer from ITC, alongside a refreshed online course from our SME Trade Academy, and workshop modules to deliver customized face-to-face training to groups.

Our objective is to build the trade routes to sustainable and inclusive development, and that means helping governments, institutions and businesses to build more effective global networks. This guide delivers part of that promise.

A handwritten signature in black ink, appearing to read 'Arancha González'.

Arancha González
Executive Director
International Trade Centre

Acknowledgements

This is the fourth edition of the International Trade Centre's (ITC) guide that supports trade representatives deployed by governments in international markets.

The first edition, *Official Commercial Representation Abroad*, was produced in 1973, and a second edition was published in 1993. This edition draws upon the insights offered and tested for the third edition, published in 2013. The content of the guide and checklists in this fourth edition were tested at a workshop for the Ministry of Foreign Affairs in Nepal in June 2018.

John Doddrell, the principal author of this edition, has extensive experience of commercial diplomacy, having served as British Consul General and Director of UK Trade and Investment and as its Director of Strategy in London. His work is based on research and guidance from ITC, as well as his own experience.

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Definitions

In the multilingual world of cross-border trade and investment people use words to mean different things. Below are definitions of key terms used in this guide.

Commercial diplomacy: the work of diplomatic missions to support the home country's business sector. It includes promoting trade and inward and outward investment.¹ This guide is principally concerned with the activity of commercial diplomacy, which can be viewed as a subset of economic diplomacy.

Economic diplomacy: the process through which countries work at home and abroad to maximize their national gain in all economic fields including trade, investment and other economically beneficial exchanges.²

Trade promotion organization: an officially recognized body responsible for promoting trade from the home country. Larger trade promotion organizations have their own network of commercial representation offices around the world, located in priority markets.

Investment promotion agency: a government agency whose mission is to attract investment to a country, state, region or city. In general, this type of agency has four core functions: image building of the foreign-direct-investment hosting country, investment generation, project management, and after-care services.

Head of mission: head of a diplomatic representation; an ambassador, for example, consul general or permanent representative.

Ambassador: an official envoy who represents a state to another sovereign state.

High commissioner: senior diplomat (generally ranking as an ambassador) in charge of the diplomatic mission of one Commonwealth government to another.

Consul (or consul general): Official representative of the government of one state in the territory of another, normally acting to assist and protect the citizens of the consul's country, and to facilitate trade and friendship between the people of the two countries.³ In countries where the commercial centre is not the political capital, such as New York, Mumbai, Shanghai and São Paulo, the consul general usually serves as head and takes the lead on trade and investment matters.

Inward investment: investment flows into the home market.

Outward investment: investments from the home market into foreign markets.

Types of trade and investment support institutions

General	Trade and investment promotion organizations Ministries dealing with export development Chambers of commerce and industry Economic and regional development agencies Inward investment agencies
Sector-specific	Trade associations Exporters' associations Other chambers (sector-specific) Sector-based organizations
Function-specific	Export credit and financing bodies Standards and quality agencies Export-packaging institutes Intellectual property offices Training institutions Trade law and arbitration bodies

How to use this guide

This guide addresses the needs of trade representatives new to their position. Those deployed as trade representatives are often diplomats, sometimes new to trade work and often without direct business experience. Others are experienced in business, and new to the world of diplomacy.

It is especially useful for trade representatives from developing countries which operate with limited resources to conduct trade and investment work abroad.

Given trends to engage local staff and outsource commercial functions, the audience is not limited to diplomatic staff. The guide is also relevant for locally engaged employees and contractors, private consultants, representatives of chambers of commerce and other business associations which take on commercial work.

The work of trade representatives is extremely varied. Readers will find brief explanations, checklists, practical examples and case studies to assist them in their daily work. The guide covers a wide range of activities, from strategic planning, to organizing trade missions and national pavilions at trade fairs, lobbying foreign governments, preparing for representation abroad and handing over to a successor.

We encourage you to put yourself in the shoes of our fictional character, Asha, a diplomat from an African country posted to Europe. Her experiences reflect trade representatives around the world, who find themselves promoting exports of products and services from the home country, as well as outward and inward investment.

This edition reflects the rapidly changing business environment, including the rise of digital platforms, social networking tools such as WhatsApp and WeChat, and the impact of Industry 4.0⁴. It also includes new sections that update the economic rationale for trade and investment support, advice on how to prepare for the role and how to build on visits to the home country for business success.

This guide complements the International Trade Centre's e-learning course on Foreign Trade Representation as well as its training services on commercial diplomacy.

PART 1

Understanding the big picture



Working in trade

KEY POINTS

- Trade contributes to national economic development and stronger, more innovative companies.
- Trade representatives are well placed to address challenges that keep businesses from connecting to international markets.
- The responsibilities are wide, the profiles are diverse, and titles differ.
- The role has a long history. The way it is conducted has evolved.
- Trade representatives are increasingly asked to promote inward investment or tourism.
- Trade representatives are often based in diplomatic quarters, which has its pros and cons.

This chapter sets out what it means to be a trade representative. It underlines economic research, showing the value that trade representatives bring to companies as well as the country they represent by supporting trade and investment. What trade representatives do today can influence the future of a country and its business communities.


No two days the same

An attractive aspect of commercial work abroad is its great variety. Here is an account of a typical day for Asha, a fictional trade representative from Africa posted to a European capital city.⁵

Many countries engage trade representatives and deploy them abroad to support trade and investment objectives. Often, like Asha, they are appointed by their national governments and attached to embassies, high commissions or consulates in a foreign country. In some cases, they are accredited diplomats, while others are appointed by industry bodies, such as chambers of commerce, or by provincial or state governments. They can also be consultants contracted by any of these bodies.

Asha values being part of the embassy team, but she recognizes that her wider role in the embassy, which involves helping out on consular issues, can distract her from her main remit of trade and investment promotion. Asha's embassy has limited resources, with

only four staff members. Inevitably, she gets pulled in different directions. One common concern, which can be very time consuming, is helping people from her country working in Europe who face problems with their employment. She also sometimes thinks she might be more connected to the local business community if her office was located in a prime business area rather than in the city's diplomatic quarter.



Asha

A day in the life

Asha was pleased to arrive in the warmth of her embassy office. She was still struggling to adapt to her first European winter and felt a long way from her home in Africa.

Her first task was to welcome a trade mission of businesses from her home country who were on a tour of six European capitals. Asha had helped to design their programme and had arranged one-to-one meetings for several of them with potential European clients. The eight members of the trade mission gathered eagerly in the embassy meeting room as Asha explained how European ways of doing business differed from those in Africa.

After the mission briefing, she made a Skype call to her counterpart in the trade ministry back home. Asha was keen to persuade the ministry to bring a delegation, led by the minister himself, to a big international commodities trade fair planned for later in the year. She thought it would be a great opportunity to do business, and the presence of a minister would open doors to the local authorities. She had assembled a lot of relevant data, mostly from websites, and felt that she was very close to getting a positive decision.

For lunch, Asha had a table reserved at a nearby restaurant to meet one of her local contacts in the textiles sector. Asha was writing a report on opportunities for African suppliers in the European textiles industry and wanted to use the lunch meeting to check that there really were sufficient prospects for business to justify her recommendation for a market visit. The feedback seemed positive, so Asha returned to the embassy and finalized the report for her country's textiles industry association.

She also had to give some thought to her speech for an evening reception. In addition to the members of the trade mission, Asha had invited the chief executive officer (CEO) of a large European digital technology company looking to invest in Africa as part of the launch of its Industry 4.0 smart manufacturing concept. Asha helped her country's national investment agency to prepare a pitch to attract this investment, and was looking for some indication from the CEO of potential barriers. She was sure that the recent growth of her country's manufacturing sector and the availability of high quality graduates would be key selling points, so she would highlight them in her speech. She made a mental note to cover these points in her next blog, too.

Table 1: Should trade representatives be in embassies?

Advantages	Disadvantages
<ul style="list-style-type: none"> • Close links between trade promotion, investment and policy • Part of the embassy's digital platform • Better coordination of national branding and related campaigns • Easier access to host government • Maintaining close links with home government • Diplomatic status • Easier to involve head of mission in trade and investment promotion 	<ul style="list-style-type: none"> • Embassies are often outside of business centres, and sometimes not in a country's main business city (Washington DC, Brasilia, Bern, Ankara, etc.) • Consular and cultural duties can distract from trade promotion • Dual reporting, to head of mission and to trade and investment support agency at home can cause tensions • Trade representative may be a diplomat without commercial experience

Location, location, location

What are the advantages and disadvantages of locating trade representatives in the embassy? While embassies bring links to trade policy work and easier access to the head of mission⁶, trade representatives can feel isolated from the business world (see Table 1).

The role of a trade representative is varied and rooted in a long tradition. Its origin can be traced back to efforts in ancient Egypt, according to Charles Stuart Kennedy, a former US diplomat who served as consul general in several countries. In the sixth century BC, Pharaoh Amasis launched an initiative to receive representatives from city states to promote trade with Egypt. The Greeks and the Romans had similar systems. By the thirteenth century, Venice had more than 30 consuls abroad to promote and facilitate trade in Tunis, Alexandria, Cairo, and Damascus, and all major European ports. By the eighteenth century, the British had a network of consuls around the world with clearly defined roles, many of which related to trade and commerce.⁷

Most trade representatives live in the countries to which they are assigned (the host country), but this is not always the case. Occasionally, such representatives cover a geographic region comprising several countries.

What's in a name?

Trade representatives have different titles, experiences, nationalities and responsibilities. Some are known as a commercial counsellor, like the fictional Asha in this publication, while others have titles such as trade commissioner, commercial attaché, or director of trade and investment. The generic term the International Trade Centre tends to use is trade representative.

They are generally career diplomats. They may also be commercial managers of business associations, national trade promotion organizations or representatives of regional governments within a given country. Some trade representatives are funded by regional or provincial offices depending of political structure of the country.

There is likely to be someone with diplomatic status (although not necessarily a career diplomat) leading a team of trade representatives, as this status is required for their legal right to be in the host country. There are also likely to be locally engaged representatives.

Although some have a background in trade or business experience, many do not. They are often, but not always, nationals of the country that they represent. When they are hired locally, they may be nationals of the country in which they are working or émigrés from the country they represent. They can even be nationals of a third country.

As is the case for Asha, responsibilities can include promoting inward investment as well as exports.

Asha does not have responsibility for promoting tourism to her home country as there is a separate agency for this, but some trade representatives also cover tourism. For many countries, tourism is an important service industry with growing international demand.

Trends in a changing environment

Asha reports directly to the ambassador and through him to the ministry of foreign affairs, but she has close links with the trade ministry and a range of trade bodies. Her country would like to set up a dedicated national trade promotion body, but it is constrained financially.

Reporting arrangements for trade representatives differ from country to country. What they have in common is a need to interact with many partners in the home country; more about these partners is Chapter four. Because she responds to several agencies at home, Asha finds it helpful to have clear objectives. She has regular fortnightly catch-up sessions with the ambassador, which help resolve conflicting priorities, update the ambassador on the trade and investment agenda and request his involvement in any high-profile issues.

When she arrived, Asha had introductory meetings with trade representatives from other countries, which she found useful. She enjoys keeping in touch with them through their WhatsApp group and at their lunchtime gatherings. She learns a lot from them. Sometimes they have good ideas which she thinks would be worth replicating for her own country. She also keeps an eye on their public websites to see how they do things. While the basic role remains constant, Asha has noticed changes in the way trade representatives work, compared to a few years ago.

Recent trends in the work of trade representatives include:

- Adopting a consultancy approach;
- Charging companies for trade promotion;
- Concluding formal contracts between institutions and their customers;
- Making greater efforts to measure the export impact of trade support services;
- Using formal performance indicators and targets;
- Hiring trade representatives locally instead of from the home country;
- Focusing on proactive work around high-value opportunities, rather than only responding to enquiries;
- Combining trade and investment roles;
- Partnering with other economic development actors, such as technology hubs and accelerators;
- Using digital platforms and social media more extensively;
- Outsourcing more work to chambers of commerce and private contractors.

If Asha and her counterparts from other countries were to draw up a list of all their day-to-day activities, it might look something like Box 1.

BOX 1: Range of duties of a trade representative**Export promotion**

- Contributions to national export plans
- Trade missions
- Business-related programmes for government ministers and other VIPs
- Contributions to major public procurement tenders
- Commercial intelligence and new opportunities for exporters
- Tailored market research, business visit programmes, participation in trade fairs and exhibitions for exporters
- Buyer visits to the home country
- Seminars and business meetings for exporters or inward investors
- Identification of potential local partners for exporters
- Introducing exporters to key local people, including regulators
- Trade enquiries from home country

Investment promotion

- Organizing events to promote the home country to investors
- Seeking out potential investors
- Helping national inward investment agency prepare pitches
- Organizing visits to home country by potential investors

Tourism promotion

- Participating in travel shows and expositions
- Advertising and planning promotional campaigns for tourism
- Tourism trade missions
- Researching country branding and perceptions

Trade policy and embassy representation

- Identifying and reporting on trade barriers confronting home country exporters
- Supporting information flows between government and business on potential trade agreements
- Liaising with trade policy lead at the embassy and engaging with host government on trade policy
- Developing close relationships with various trade-related ministries and organizations
- Preparing economic reports on the host country
- Providing economic and commercial advice to the ambassador, identifying opportunities for him/her to help
- Providing commercial insight to home-based government agencies on technology, education and tourism
- Organizing events for other government agencies, which commercial or industry angle
- Representing the country at national days or celebrations

Public relations

- Media relations, including social media; programmes for business journalists to visit home country
- Representation at meetings, speaking assignments, participating in activities of trade representatives of other countries
- Board member of a bilateral chamber of commerce
- Activities with local representatives of home-based companies

Office management

- Property, staff, resources and information systems
- Finances and budget control
- Monthly and other activity and outcome reports
- Staff training



Observations of best practice by the International Trade Centre have found that export support and other support services can be split into the functions covered in Part Three, 'Delivering Excellence.' These chapters identify key services offered by trade representatives and offer guidance to deliver services successfully.

Why governments invest in commercial diplomacy

Exporting is important in stimulating economic growth, particularly for developing countries. It helps to create jobs and raise living standards. Moreover, as countries grow economically, they tend to import more, increasing the need for exports to ensure balanced trade.

At the microeconomic level, individual firms gain from exporting. A firm entering international markets can benefit by:

- Increasing sales (turnover), as the company goes beyond the domestic market. More sales lead to faster company growth and expansion and can also raise profits;
- Maximizing use of production capacity and reducing unit costs;
- Selling surplus production. This occurs when a company has produced more than the domestic market can absorb;
- Reducing the risk of depending solely on the domestic market. Diversifying markets helps to mitigate seasonal demand variations and can cushion the company when domestic market demand falls;
- Gaining new knowledge and experience. Exposure to international competition in foreign markets helps drive innovation and efficiency.

Research in the United Kingdom has confirmed that small and medium-sized enterprise (SME) exporters are on average more productive, innovative and resilient than non-exporters.⁸ But that research also shows that firms can face a number of barriers to entering new international markets.

The principal challenge is imperfect information. SMEs may be unaware of the benefits of exporting or may not have the information to enter a foreign market. Potential exporters

also cite these deterrents: lack of awareness of market opportunities; access to local contacts; navigating the legal and regulatory environment; local culture and language.

Trade representatives are well placed to address, at least partly, these challenges. Their physical presence in the market allows them to identify commercial opportunities. They can advise on the local business environment, culture and language, arrange introductions to local partners and advisers, and provide practical assistance with visits.

Recent research shows that the export promotion work of trade representatives has a strong and positive impact on export revenue, and an even larger impact on gross domestic product (GDP) per capita.⁹

Countries also benefit from receiving inward investment. Such gains include:

- An increase in GDP¹⁰, initially through foreign direct investment (FDI) itself, and then through a positive multiplier effect on the receiving economy, so that the final increase in national income is greater than the initial injection of FDI;
- Job creation, helping to reduce poverty and promote development;
- An increase in productive capacity;
- Supply-chain opportunities for home country firms;
- Access for producers to the latest technology from abroad;
- Less need to import because goods are produced in the domestic economy;
- A positive impact on the country's capital account, as FDI represents an inflow (credit) on the capital account;
- Compensation for the lack of domestic investment, which can help kick-start the process of economic development.

Above all, foreign direct investment is valuable because it helps generate supply-chain opportunities. If local companies become suppliers of goods and services to multinationals, they can improve their own competitive position through:

- Compliance with international standards
- Technology and innovation transfer
- New leadership models
- New business models, including digital platforms
- Economies of scale
- Regular cash flow
- International connections
- Reference sites for business development.

Engaging SMEs in the value chain brings long-lasting benefit to businesses and the economy as a whole. Those with investment promotion responsibilities need to maximize the impact of foreign direct investment by seeking new supply opportunities for home country firms. This means prioritizing investment projects by taking into account the potential impact on, and readiness of, potential home country suppliers.

While foreign direct investment is positive, there can be risks. A multinational might employ predominantly foreign staff and choose to invest profits elsewhere. There can also be unacceptable environmental costs when investment projects focus on exploiting natural resources, such as in mining and forestry. Trade representatives can serve their countries well by attracting high-quality inward investment.

Strategic planning

KEY POINTS

- Trade representatives have a key role in organizational planning and benefit from clearly defined objectives.
- To prioritize markets and areas of opportunity within those markets requires insights from local experts.
- A good planning round can also result in a strong programme of missions, trade fairs and other activities for the trade representative, with the necessary resources allocated.
- Setting both volume and value targets helps to achieve a balanced result.

Strategic planning and performance management are components of an overall framework – a virtuous circle in which plans are developed and implemented, with lessons learned from the performance management process fed into the next planning round.

Aligning with national plans, export strategies

Governments establish a set of priorities for their economic development. National development plans define how much effort and resource will be put into various areas of activity. Because trade and investment are key to economic growth,¹¹ they are usually prominent in these plans.

Trade and investment strategies are derived from the economic development plan.¹² Such high-level plans require coordination among the government departments involved in economic development as well as economic and commercial diplomacy. This means that the overall internationalization strategy needs to be supported by different ministries, interested agencies, and the partner organizations. The private sector, particularly through industry associations and chambers of commerce, is involved in developing and implementing the plan. As noted by Denmark's Ministry of Foreign Affairs, 'Economic diplomacy is a cross-organizational activity involving the entire Foreign Service, other ministries and authorities, and private stakeholders.'¹³

Figure 1: The trade representative's role in planning processes

Prioritizing markets

A trade and investment strategy has two key aspects – where to play and how to win. Trade strategies often prioritize markets around the world by matching the extent of export opportunities for different sectors in a given market with export competitiveness of suppliers from the home country. That is the ‘where to play’ part of the strategy.

One approach to strategy development is to use a matrix-based methodology (Figure 2). In such an approach, the most attractive markets for export in a given sector would fall in the top right quadrant.

The positioning of different countries in the matrix reflects research to select the best markets, a process in which trade representatives should be involved. Based on such research worldwide, a trade ministry or trade promotion organization can create a chart based on Figure 2 that lists specific countries. By combining sector analyses with an overall market assessment, the chart would show which markets offered the best prospects across all sectors.

The International Trade Centre (ITC) has free online tools to help in this research, including Trade Map, Investment Map, Market Access Map, Trade Competitiveness Map and Standards Map. See <http://www.intracen.org/itc/market-info-tools/overview/> or the ITC smartphone apps, ITC at Hand and Market Analysis Tools.

Figure 3 provides a hypothetical example. The circle's dimension represents market size; the position on the chart reflects market attractiveness and competitiveness of home country suppliers in that market. The United Kingdom, for example, is an attractive market, but one in which suppliers from the home country would not be competitive. Japan, on the other hand, is almost as attractive as the United Kingdom, almost the same size of market, and one where suppliers from the home country would be better able to compete.

Figure 2: Criteria for priority markets

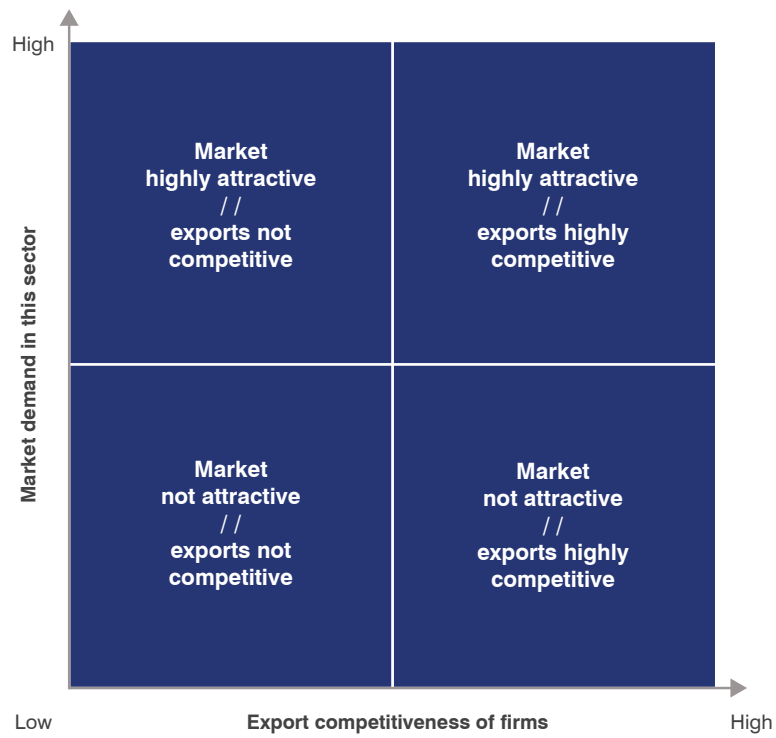
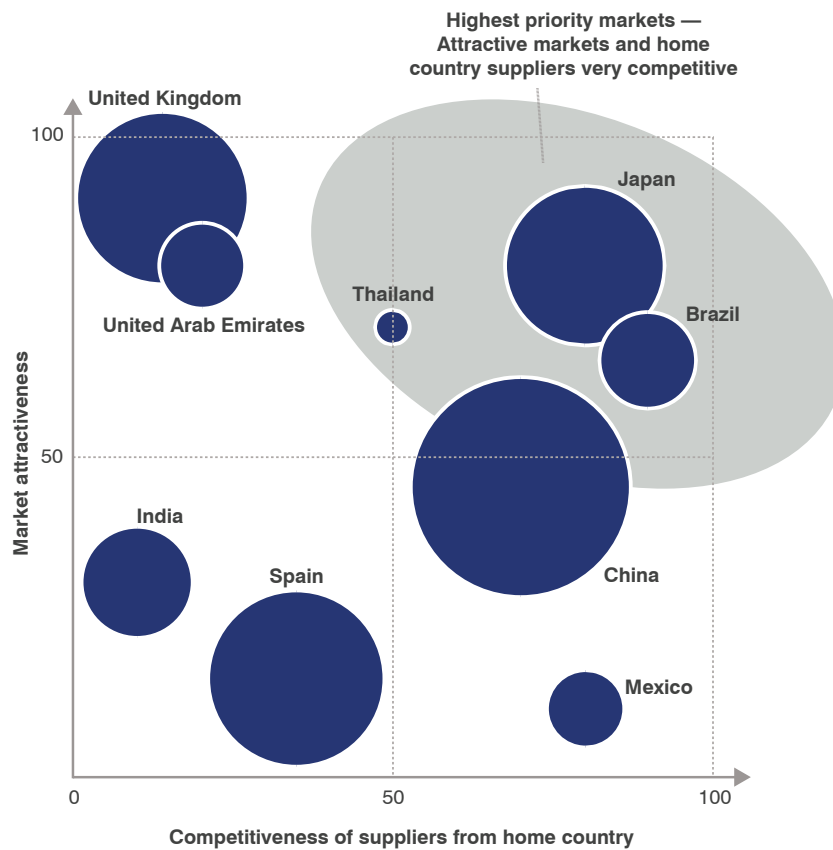


Figure 3: Criteria for priority markets – example



Note: Grey oval indicates the size of market potential. The example and countries are hypothetical.

Customer segmentation

A trade ministry or trade promotion organization may segment customers to provide a different type of service to each type. Figure 4 illustrates services that might be made available for exporters at various stages of internationalization. Usually, trade representatives are not involved in providing services to new exporters. If approached by a new exporter, a trade representative might refer the company to an organization in the home country which can assess export readiness and help ensure the company is properly prepared for the challenges that exporting brings.

Figure 4: Customer segmentation and role of trade representative



ZimTrade, for example, offers a useful online tool for Zimbabwean exporters to check export readiness. After receiving the survey, ZimTrade recommends to the exporter a programme of action addressing any areas of weakness, helping to strengthen the export-readiness of a Zimbabwean company before it enters foreign markets.¹⁴

When companies are about to select a market, a trade representative might offer views on the suitability, or undertake analysis on a chargeable basis. The representative could also direct the exporter to information online. The trade representative adds most value at the point of market entry, market expansion or investment. A fuller service, or reduced charges, might be offered to exporters operating in priority sectors.

Being proactive

It is important that the trade representative has clearly defined objectives, which flow from and support national export strategies. International Trade Centre training for trade representatives has shown that some work without clear terms of reference. In those cases, priorities are unclear regarding sectors and services offered to exporters, and targets and expected results are not clearly defined. Because many partners are involved in trade and investment activities, a trade representative without a clear role risks being pulled in many different directions.

Trade representatives should also engage with the planning processes of the embassy. If the home country does not have such formal planning processes, the trade representative can take the initiative to agree with key stakeholders on a set of annual objectives.

Where there are planning processes, trade representatives can expect to be consulted for an assessment of opportunities in their market. They can exert influence by highlighting the best opportunities in their host market and managing expectations for sectors in which the opportunities are not so good. In some cases, there may be a high-value but time-limited opportunity (such as hosting the Olympic Games) that offers a wealth of potential business across many sectors, from construction to broadcasting to food and drink.

Assessing market attractiveness

There are factors to take into consideration when assessing the market attractiveness of specific sectors and the competitiveness of home country suppliers in a given market. Trade representatives usually consult people in their network of contacts to help make such assessments.

➔ Checklist: Market attractiveness of specific sectors and opportunities

- Total size of the market
- Volume and proportion of imports
- Growth rate of imports
- Import barriers and regulations (tariff and non-tariff)
- Ease of doing business
- Competition (both domestic and foreign)
- Quality and packaging issues
- Market trends

➔ Checklist: Competitiveness relevance of suppliers in the market

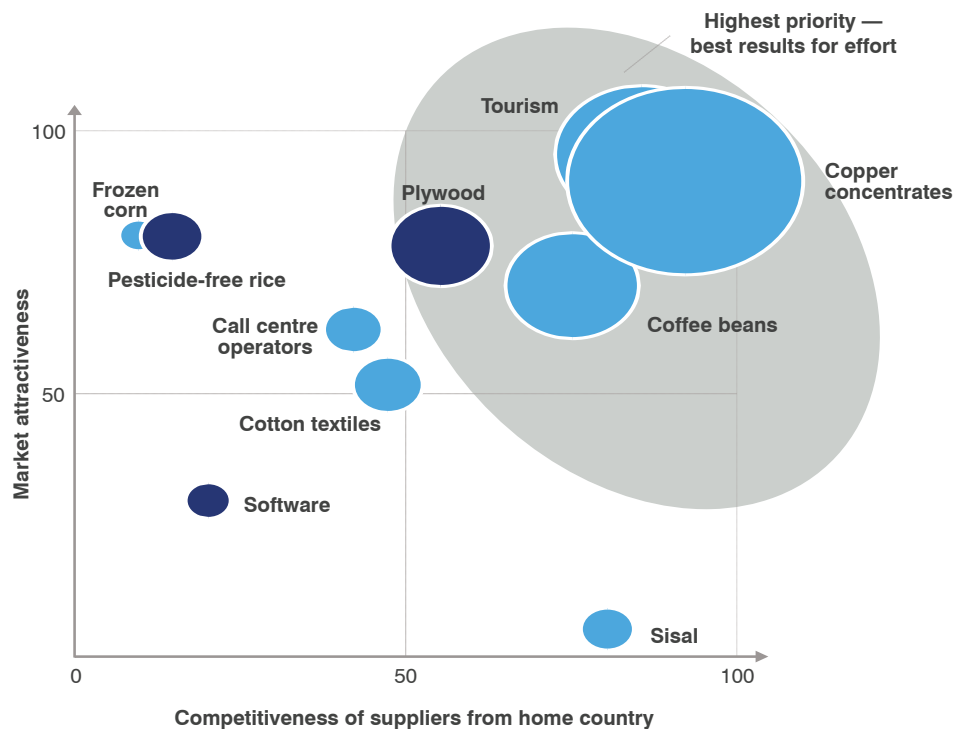
- Knowledge of any current exports by exporters from home country
- Relative pricing
- Branding and appeal within host market

In many cases, trade representatives need to balance proactive work relating to high priority sectors and responsive work, which may involve helping very small companies win small amounts of business. This is part of the segmentation process described above. For low-priority clients, the trade representative may respond by referring them to another body such as a chamber of commerce or a private consultancy.

Regarding inward investment, the trade representative's contribution to the planning process involves an assessment of potential investors and the sectors, types of projects, or policy and tax settings that could interest them. A trade representative with a tourism mandate would contribute information on key marketing channels and events, potential partners including specialist tour operators, host country policies or regulatory issues that are likely to affect demand, and any cultural insights that should be taken into account when building or marketing the tourism offer.

Within a specific foreign market, the planning process should result in a clear set of priorities for the trade representative, agreed on and approved by main stakeholders. A bubble diagram is helpful to illustrate priorities for the trade representative, as shown in the hypothetical example in Figure 5. In this case, copper concentrates, tourism, plywood and coffee beans appear as the most attractive sectors where suppliers from the home country could compete. Plywood would be a priority for the trade representative because it is a priority sector, while copper concentrates, tourism and coffee beans are sectors in which the trade representative is also likely to obtain good results.

Figure 5: How to set priorities within the host country – example



*Note: Dark blue circles: national priority sectors.
Area of the circles: equates with the approximate size of the opportunity.
Grey oval: highest priority products for the trade representative – likely to get the best results.*

A good planning round can be empowering for a trade representative. It can give the authority to focus on sectors with the highest potential. It can iron out conflicts or duplication with other bodies. It can bring resources from home departments for priority activities and a good programme of activities, such as sector missions, trade fair participation or even a ministerial visit. This combined set of resources, partners and activities constitutes the 'how to win' side of the strategy.

The trade representative needs a proactive, evidence-based approach to convince the home ministry or officials of the trade promotion organization that a host country offers real potential. There should also be a dialogue with relevant trade associations and chambers, so that they too push the host country as a priority for their members. In this vein, the trade representative should use visits home to meet the right people and argue the case.



Measuring performance

Trade representatives need to measure their performance against the objectives allocated through the planning process. Tracking performance provides information necessary to inform future direction and make any necessary course correction.

Successful performance against targets can enhance a trade representative's bid for resources in the next planning round. It is crucial to focus on the appropriate measures of success. If trade representatives are asked to maximize the number of exporters coming to their market, their ministry should not be surprised if the overall value of exports falls. This is because trade representatives can meet their target by working with lots of small companies, without regard to the size of the contracts won.

In cases where a trade promotion organization has a policy of charging for services provided by trade representatives, one target can be the value of revenue from such services. Depending on how charges are applied, a target can encourage trade representatives to provide services to a large number of small companies rather than focusing on those that generate the largest value of exports. To address these risks, some agencies have adopted a mix of volume and value targets for exports.

Similarly, for inward investment, a crude target of 'number of investments secured' might influence the trade representative to work with lots of small investors, rather than the one or two that deliver high-value investments creating many high quality jobs in the home country. As with trade, by combining value and volume targets, this risk can be mitigated. For example, a target might be to secure 12 new inward investment projects over the year, of which four should be high value. Definitions of high value could include specific sectors, such as high tech, or types of jobs, such as those requiring skills or education.

Sometimes measuring the performance of trade representatives focuses on activities and immediate results. For example, an activity-based report might find that a seminar had 20 participants from companies and local associations and chambers, and that the satisfaction rating of participants was in the low 90%.

While a trade representative needs to measure such activities, their eventual result is more meaningful. If the activity is a seminar, it is important to evaluate how participants use the information they gain. This measures outcome rather than output, and provides useful learning. It may require follow up with exporters and investors at a later stage,

and actual business can take time to materialize. Yet it provides insights into the type of activities that allow trade representatives to meet targets. Such information can then be fed into subsequent planning rounds, with more productive activities pursued and less productive ones altered or stopped altogether.

The detailed structure for the performance measurement framework is generally set at an organizational level rather than by individual trade representatives. The trade representative, however, should be familiar with the concept of a results chain (Table 2). To achieve intended impacts, it is necessary to combine the right inputs and processes to generate the right outputs. These in turn lead to the correct outcomes and the desired impact.

Table 2: Performance measurement: From inputs to impact

Logical framework (logframe)		Example
Inputs	The elements and activities required to produce the deliverable.	Time and resources to carry out primary market research of market for luxury men's leather shoes.
Output	The deliverable to be used by the target audience.	Market report of potential for increased exports of fine leather shoes for men in the host country, including key players and distribution channels.
Outcome	The decisions and actions that the target audience makes as a result of having consumed the output.	Decision to carry out an exporter mission to host country focused on men's fine leather shoes, with pre-arranged meetings with importers, distributors and key retailers.
Impact	The ultimate intended objective resulting from the target audience's actions and decisions.	Increased exports of men's fine leather shoes from the home country to the host country.

Strategic choices

KEY POINTS

- Public support for small businesses is easier to justify than support for large companies, although large companies often value assistance and can help trade representatives with scale, profile and results.
- As the benefits of imports are not always well appreciated, help with imports should generally be left to a chamber of commerce.
- Inward investments can raise sensitivities, especially when strategic companies are acquired by foreign buyers.
- Outward investment can trigger accusations of exporting jobs and may even be banned in some countries, so tread carefully.
- Charging can help to ration work, raise quality and increase capacity. Decisions on charging policy are a matter for the parent organization rather than individual trade representatives.

Trade representatives face political sensitivities. These mainly relate to the fact that public funds pay for most trade representatives. They are often civil servants and are accountable to ministers who, in turn, account to parliament for their performance. This influences what trade representatives can do and how they do it.

Large or small firms?

Trade representatives increasingly aim their services at small and medium-sized enterprises (SMEs). Public expenditure on SMEs is easier to justify than expenditure on large firms, which may have sufficient resources to enter new markets without help from trade representatives.

Some large companies value advice from trade representatives on the local business environment, local professional services and particularly on dealing with foreign governments. They also often appreciate the ability of trade representatives to organize lobbying by the head of mission. For trade representatives, large firms bring weight and prestige to trade missions, and their presence in an international market can open doors to supply chains from the home country. In some cases, big companies are seen as national champions and flag carriers for the national brand. Working with larger companies has the potential to deliver benefits for the national economy, and



ministers may put a political priority on delivering the quick and high profile wins that large companies are usually able to achieve.

Therefore, while SMEs are often the focus, trade representatives should also be prepared to assist large firms within a framework agreed with their authorities at home.

Exports or imports?

Trade representatives usually are responsible for promoting exports from the home country, not for assisting with imports into the home country. There is a case for imports as economically beneficial. The importing country obtains goods and services that are less expensive or of higher quality than those at home. Imports offer consumers greater choices and create competition. Imports also enable a country to concentrate on making things that it is better at, enabling a more efficient allocation of resources.

Most importantly, in a globalized world, imports and exports have become inextricably linked. On average, 40% of the value of world exports are made up of imports according to the World Trade Organization. Imports provide sources of supply used by home manufacturers to improve their products and make them more globally competitive, and supply the innovative machines and capital equipment to make them more productive.

Nonetheless, there is a tendency to associate imports with job losses to a national economy and to view competition from foreign production as unfair, based on low wages, or even child labour, and weak environmental protection. So, even if an economic case can be made, helping importers is difficult politically.

In recent years, with worsening trade deficits, a number of developing countries and least developed countries have reverted to policies of import substitution. In 2016, for example, the East African Community countries collectively took the decision to ban the import of second-hand clothes. The United Republic of Tanzania and Rwanda have used such opportunities to develop strategies to recapture domestic markets and promote production and consumption of locally produced goods. In Algeria, the government has embarked on an import substitution strategy, with restrictions imposed on the import of vehicles, cement and concrete.

Unless they have a clear remit to handle imports, therefore, government-employed trade representatives should refer home country importers to a chamber of commerce that is not bound by the same political constraints and can support trade in both directions.

Inward or outward investment?

Inward and outward investment also raise political issues. Governments encourage inward investment, but there can be sensitivities when foreign interests acquire companies in the home market. This is particularly true if the company being acquired is of strategic economic importance, such as an energy company, or for defence reasons. Trade representatives need to be alert to such matters and ensure that the appropriate authorities are involved in discussions about these inward investments from an early stage.

For outward investment, there can be concerns that goods manufactured in the home market and then exported might be manufactured abroad in the future. This can lead to job losses at home, leading to accusations that the company is exporting jobs. There are cases, particularly with some least developed countries, where outward investment is prohibited by law.

Against the concerns, are the interests of the companies involved? Future growth in a foreign market can be stymied, for example by high tariffs, unless some manufacturing is moved into the market.

Trade representatives should approach such cases carefully and within the law. Most trade representatives are willing and able to give advice on some of the broad issues facing an outward investor, but they may opt not to publicize this too widely or make it part of a defined service offering.

Charging for services

Trade representatives in an embassy, high commission, consulate or foreign trade office are likely to be government officials delivering trade services on behalf of the government. In such instances, the government usually establishes policies on charging fees for services (or not), and the trade representative is required to follow them.

This may also be the case for trade representatives in business associations. The business association might be contracted, or have an agreement with the government, to deliver trade and investment services. In these cases, the government might pay the association for delivering the services or it might allow the association to charge fees to the companies receiving the services. Trade representatives based in business associations that are not directly linked to government almost certainly have to cover their full costs so that the association does not lose money.

Recent years have seen a trend towards charging for trade and investment services offered by government agencies. In some cases, this reflects a drive by finance ministries to offset the cost of providing services. Some finance ministries also see charging as a way of testing the value of services that trade representatives offer. If exporters really value the service, they will pay for it. In other cases, charging has been introduced by agencies to increase capacity and reduce dependence on national budgets.

Benefits

There are a number of benefits from charging for services. When services are free, the demand can be endless, but charging ensures that clients only commission work that they really need. It also increases the pressure on trade representatives to deliver quality services. If clients are not happy with what they are getting, they are more likely to object if they are paying for it.

Charging also indicates whether the services on offer are valued. If no one is prepared to pay, perhaps the services are not worth providing. In addition, charging for services helps to increase capacity. Typically trade representatives are constrained by a budget, but if they can charge for their services, they can do more.

Deciding on a policy

A decision about charging for services cannot be initiated by a trade representative and, in the case of government agencies, can require changes to domestic law. Charging needs to be introduced across all trade representative posts, raising issues of coordination. Exporters are often active in a number of foreign markets and are able to compare the fees charged by different trade representative. As a matter of policy, the agency will need to decide how fees are fixed and whether services will be more expensive in high-cost markets. Accounting procedures must also be introduced to manage invoicing and payments.

Some argue that small companies that cannot afford to pay should still be assisted to export. This argument deserves close scrutiny. Committing to an export venture requires resources, so a company that cannot pay for a trade representative's services probably also does not have the funds for the air fares, hotel bills and other costs of exporting. It might be better for such a company to focus on the home market until it has the resources required for exporting.

In some instances agencies charge different fees, depending on the service. The following are examples:

- Full cost recovery, such as for organizing and hosting a reception on behalf of a trade mission or an individual company;
- Partly subsidized so that some costs are recovered, such as for tailored market reports for a company;
- Fully subsidized, with no charge for standard information sheets or short meetings with the trade representative.

Companies from the home country may resist efforts to charge for trade and investment services. They argue that a trade representative employed by the government is funded by the taxes they pay in the home country, and they should not be charged twice. This is somewhat misleading. While all taxpayers contribute to the operating costs of trade representatives, only a small fraction of the community derives the benefit. Trade representatives funded by industry groups may encounter similar resistance to charging, on the grounds that the client has already paid membership fees.

The parent organization rather than individual trade representatives should be responsible for setting the charging policy and collecting fees, although it is good to be able to collect some fees locally, for example to cover costs of dinners and receptions.

➔ Checklist: Challenges in charging for services

- Charging for services may require changes to the law governing the operation of a country's network of trade representatives.
- It is difficult but not impossible to charge a standard fee when the costs vary depending on the market.
- Where should the revenue go? If it is not channelled to you or your teams, there is no incentive for you to do the work, unless revenue generation is one of your goals.
- How should revenues be divided for joint activities with the home country, such as trade missions or buyer-seller events? While it is fair to divide revenues based on services contributed, this can be complicated. Accounts, human

resources and computer operations are all part of the overheads, and therefore contribute indirectly to outcome.

- ☑ Are rent for premises and other costs included in calculating overheads?
- ☑ There should be a balance between detailed, accurate costings and simplicity. One easy system is to charge by number of hours, based on an hourly rate. More complex costing systems are difficult for clients and staff to understand.
- ☑ There is a risk that the costs of systems for charging fees outweigh the income generated.
- ☑ It is difficult to become financially self-sustaining by charging for services. There are some activities for which it may be difficult to recover costs. These include:
 - Work for the supervising home agency;
 - Work for other government agencies from the home country;
 - Economic reporting that is of general benefit rather than for one company;
 - Work for a trade mission led by a minister or VIP when the accompanying delegation comes at the invitation of the minister or VIP;
 - Entertaining by the trade representative to build up contacts that is not linked to any one company.

Positive impact

The International Trade Centre carried out a survey on the impact on trade promotion organizations of charging for services. It covered eight institutions that charge from some of the services they deliver.¹⁵

The study found:

- There was a positive impact on the quality of the services delivered. Any service charged for must be mastered. Amateurism is not an option.
- The culture of the institutions and their customers needs to change. Charging is sometimes needed, such as to cover the costs of customized services. Trade representatives need to be confident and proud of what they deliver.
- The organization needs to develop the capacity to deliver high-quality, value-added products and services, on time and within budget, requiring consultation and training.
- Clients must make decisions about what services they really need and be prepared to pay for them.
- Clients increasingly demand customized services with specific cost estimates.
- Consistency of pricing and quality across the network of trade representatives is crucial.
- Good marketing is key to generating demand for services, but also to make charges clear to clients, manage expectations and minimize complaints.

Home and host country partners

KEY POINTS

- Partners in both home and host countries are a source of information, convening power and cost savings.
- Those that offer competitive services are often the best partners, sponsors or sub-contractors as part of an ecosystem.
- Good quality and regular communication with the home country is key.
- Building networks of personal relationships is key to identifying commercial opportunities in the host country.
- Official entertainment is an important tool when used with a responsible attitude to cost and benefit.
- A culture of gathering, updating and sharing information about clients and customers is critical to success. A simple client relationship management system can support this.
- Deploying the head of mission and wider embassy team can be a great asset.

Partners in the home country


Some countries have a trade and investment promotion organization that provides direction and takes a leading role on trade and investment matters. This is not always the case. For Asha, this guide's fictional trade representative from an African country, the reporting line is through her ambassador to the ministry of foreign affairs. Asha also has close links with the trade ministry and various business associations. She keeps in touch with them all through regular Skype calls and WhatsApp, as well as e-mail and the occasional video conference.

Many players are involved in international trade, and a trade representative may have dealings with them all. Working in synergy with these partners and their ecosystems can produce significant results. They are a source of strength and part of a national effort. Some countries, such as Zimbabwe, have gone a step further and set out in their website a helpful list of 'privileged partners' involved in supporting Zimbabwean exporters.¹⁶

Table 3: Potential partners at home

Partner	Likely scope of cooperation	Observations
Trade promotion organization	First point of contact. Trade representatives may report to it. The organization can set direction, resolve issues, organize programmes in home country and trade missions abroad, and maintain a website.	Takes the lead in preparing new exporters and can help coordinate activities of all other partners.
Investment promotion agency	Trade representatives often work closely with this type of agency, which can supply material for meetings with high-level people and potential investors. Trade and investment objectives are linked, and trade representatives will often have investment targets.	Organizes and accompanies visits by investors from the host country to the home country.
Tourism agency	Trade representatives work with tourism agencies to develop and implement campaigns in the host country.	Can organize inward and outward missions to promote tourism. The branding work and marketing campaigns used for tourism promotion can affect investment and trade, positively and negatively.
Other trade institutions and business support organizations	Chambers of commerce, trade associations, economic development agencies, regional and city authorities, and professional institutions work with the trade promotion organization and can organize trade missions, market visits, seminars etc.	Useful intermediaries for accessing companies in the home country.
Other government departments	These can include: foreign affairs, industry, export credit, export licensing, agriculture, education, patent office, standards and inspection agencies, central bank, tax and customs authorities, and health.	Office of the president or prime minister can also become involved in high-profile activities.
Home country companies	Trade representative's networks with home country companies, directly or via home country partners help to identify potential exporters. Without a pipeline of export-ready companies from the home country, a trade representative will struggle to deliver results.	Use visits home to bolster ties with companies and stimulate interest in market.
Other economic development actors	These may include upstream and downstream value-chain actors, incubators, accelerators or technology hubs and facilitators.	Advice on working with them is set out later in this Chapter.
Facilitators	These include banks, insurance companies, freight forwarders, consultants, producers of trade directories, and representatives of international trade fairs.	Can assist in identifying potential exporters.
Education institutions	Higher and further education institutions help to ensure home country has skills to meet needs of investors and potential exporters. May also export educational services or seek to attract foreign students using the trade networks in the host country.	Useful partners for a trade representative. Leading universities can be a key component of the national brand.
Embassy of host country in the home country	Useful partners on initiatives involving both governments.	Visit by a head of state, for example, is a project that would be of interest to both.

Sometimes home country requests can have good intentions but are misguided and may require diplomatic handling. Here are some lessons from Asha's experience of dealing with demands from cities and regions of a country.



The graphic features a stylized illustration of a woman in a blue dress and hat walking on a path that leads to a large white arrow pointing upwards and to the right. The background is a gradient of yellow and orange. The name 'Asha' is written in a large, white, sans-serif font in the upper right corner.

Asha works with cities

Asha had been approached by the second-largest city in her home country to help conclude a twinning arrangement with a major European city. The two cities were to become sister or 'twin' cities, which would have school exchanges, cultural exchanges and do business together.

Alarm bells started ringing for Asha. Some of her counterparts from other countries had found such arrangements extremely time consuming, with little commercial benefit. She didn't want to simply refuse and wondered if something positive could come out of the city's interest.

Asha suggested that the city's mayor bring a trade delegation, working closely with the local chamber of commerce. It would be useful to show to contacts in the host country that her country's economy extended beyond the capital city.

She needed to make sure that the mission was well timed, so as not to clash with national visits or visits from other regions. The last thing she wanted was to have different cities from her home country competing for attention and all claiming to be the best.

There was an added political sensitivity: the city concerned was the focus for an active independence movement. She would consult colleagues in the ministry back home about handling this, as she didn't want the commercial agenda to be overshadowed by political controversy. Asha would try to position the visit as part of a national trade promotion campaign and was sure that careful handling could mitigate the risks.

Many risks to working with home partners can be managed through good planning that provides trade representatives with clear direction on what is required, what their priorities should be and how their performance will be measured. The risks should not detract from the great opportunities that effective partnerships can bring. Indeed, the relationship between trade representatives and home partners is fundamental to success.

Local service providers

Some local organizations may offer similar services to those provided by commercial diplomats. Moreover, trade representatives from different organizations may be located in the same host country. Such representatives may work for their country's trade promotion agency, investment agency, national tourism agency, cities and regions, chambers of commerce and sector associations (Table 4).

Table 4: Local service providers

Local service provider	Area of similar service	Observations
Chambers of commerce or industry associations	<ul style="list-style-type: none"> • Matching buyers and sellers • Trade missions • Market research • Trade fairs and exhibitions • Some elements of trade negotiations • Dispute resolution 	Important partners for all these activities.
Banks	<ul style="list-style-type: none"> • Matching buyers and sellers • Trade missions • Financial reports 	Potential sponsors of missions and other events.
Other government departments in the home country: agriculture, industry, foreign affairs, etc.	Specialists from various government branches may be posted to the same country to promote tourism commodities or investment. Larger embassies often have trade policy specialists.	Embassies of smaller countries or least developed countries have fewer specialists, with the trade representative often also covering tourism and trade policy.
Accountants and legal firms	Sometimes involved in matching buyers with sellers.	May be willing to sponsor receptions or high-level dinners.
Private consultants	Offer services for a fee, including: market research, identifying partners, public relations, media coverage, organizing trade fairs or other events, and marketing programmes.	Trade representatives may refer customers to private consultants if they do not have capacity or expertise to help.
Publishers of trade directories	Publish market research, business matching and profiling of individual companies.	Useful source of information.
Trade fair and exhibition organizers	Organize trade fairs and exhibitions, with participation from home country.	Sometimes willing to organize meetings with local buyers.
Travel agents	Can organize business programmes for visitors or trade missions.	
State or provincial government representatives from home country	May duplicate roles of trade representative, but only for the state or province they represent.	Trade representative should align regional initiatives with national campaigns.
Other trade representatives from home country, but located in other cities	Duplication can arise with exhibitions, missions and market research.	Trade representatives from same country should be part of one unified network.

The best advice in these cases is to cooperate with other organizations and avoid duplicating their services. There is more than enough work for everyone. It is best there be a spirit of collaboration, flexibility, imagination and a 'can do' approach. Competition is destructive, while cooperation is productive.

Communications

Good communication channels are key to avoid duplicating efforts and conflicts.

➔ Checklist: Effective communications

- Communicate often and clearly
- Confidentiality restrictions affect what and how you communicate
- Formal agreements should cover communications
- Identify and immediately report potential conflicts of interest
- Make good use of all available technology: telephone, video conference, face to face, e-mail, WhatsApp, Skype, WeChat, FaceTime, etc.
- Electronic communications systems may not be accessible in all countries. For example, access to Google and Google-hosted services in China is restricted. Broadband connections may be slower in some parts of the world. Data systems are also vulnerable, so risk mitigation strategies need to be in place
- Treat all partners with courtesy and respect
- Be considerate about time zone constraints – a good trade representative strives to be available in both host and home country time zones.

Building host country networks

Building personal relationships with the right people is important in both countries. In the host country, it is key to identifying and accessing commercial opportunities.

Managing partners and developing relationships are time-consuming activities; getting it wrong can be costly.

Identifying the right partners from this broad list is guided by the strategic goals and needs of the trade representative to fill gaps in resources, skills and knowledge.

Contacts with people in these partner organizations can be developed by networking. Business networking is defined as ‘the process of establishing a mutually beneficial relationship with other business people and potential clients and/or customers.’

➔ Checklist: Effective networking

- Target people from the potential partner organizations and focus on building relationships with them.
- Make the round of national day receptions more productive by setting networking and information gathering objectives.
- Membership of local sports and social clubs can be useful, including home country expatriate organizations or bilateral chambers. The conversations with other parents at the school gate can be very productive. Shared interests help relationships to develop naturally.
- Attending business lunches and receptions raises and maintains your profile.
- Focus on listening and dialogue rather than a quick exchange of business cards. This is the first step to establishing a mutually beneficial relationship.
- Personal contact is important. Social media platforms such as Facebook, LinkedIn, and Twitter are excellent ways to communicate with customers and business associates, but they do not substitute for meeting people in person.
- Networking may provide answers or lead to individuals who can offer critical information or help with access, but it is not an outcome in itself.

**Table 5: Host country partners**

Partner	Likely scope of cooperation	Observations
Government departments and agencies	Networks with government departments such as trade, foreign affairs, customs, public works, economy or agriculture can be valuable in accessing new opportunities, economic reporting, high-level visits or solving trade problems.	The central bank, investment and regulatory agencies can also be useful.
Industry associations	Networks with local industry associations and chambers of commerce can help to identify importers and distributors and gain information about local demand.	Can be useful partners in events and in staging trade missions.
Companies	A network of importers requires a lot of work, but is likely to give valuable outcomes of increased exports.	The trade representative should target companies looking to import, form joint ventures or invest in the home country.
Other economic development actors	Economic actors working in independent ecosystems are gaining importance. This includes incubators, accelerators or technology hubs, facilitators and on-line retailers.	Advice on working with them is set out in this Chapter.
Facilitators	A network of export facilitators, such as accountants, banks, freight forwarders and exhibition organizers can be very useful.	They are often willing to take part in mission briefings and assist the clients of trade representatives in their areas of professional expertise.
Local import agencies	Some European countries have governmental organizations that promote imports from developing countries. These include: the Dutch Centre for the Promotion of Imports from developing countries ¹⁷ , the German Import Promotion Desk ¹⁸ , and the Swiss Import Promotion Programme. ¹⁹	Local investment agencies seek companies from the trade representative's home country that might wish to invest in the host market. The trade representative can refer such potential investors to them for assistance. Trade and investment support institutions can also help with high-level visits and trade missions.
Host country investment promotion agency	Can assist in organization of outward investment missions of home country investors.	

Entertainment

Official entertainment involves providing meals or refreshments with some form of business objective. As described in this guide, Asha had invited a contact from the local textiles industry to lunch to validate a report she was writing for her home country's textiles industry association. Official entertainment may also include invitations to sporting or cultural events. If the entertainment is for the benefit of a specific exporter, the exporter should pay. The justification to spend public money is to represent the broad commercial interests of the home country, which include promoting exports or attracting inward investment.

Table 6: Entertainment pros and cons

Type of entertainment	Pros and cons	Cost
Breakfast at a restaurant	Informal, can be quick, personal, one-on-one discussion.	Inexpensive
Morning coffee at café	Informal, can be quick, personal, one-on-one discussion and within budget.	Inexpensive
One-on-one lunch at restaurant	More formal, usually not quick, but very effective at building rapport.	High cost per person
Group lunch at restaurant	More formal, not quick, effective at building rapport between groups.	High cost per person
Reception at post	Moderately formal. Can entertain a lot of people relatively quickly, but insufficient time to discuss in depth or build much rapport.	Low cost per person
Reception at home	Moderately formal. Can entertain a lot of people relatively quickly, effective in building relationships, but insufficient time to discuss in depth. Guests appreciate hospitality, requires cooperation from family.	Low cost per person
Reception at residence of head of mission	Formal, requires support of head of mission, works well for visiting trade missions or ministers, often successful in attracting high-level local guests.	Modest cost per person
Reception at hotel or similar venue	Moderately formal. Can entertain many people relatively quickly, quite effective in building relationships but insufficient time to discuss anything in depth or build much rapport, somebody else handles catering logistics, lacks intimacy of home-based entertainment.	Modest cost per person
Reception in special venue, such as on a yacht or at art gallery	Informal. Can entertain a lot of people, significant commitment in time, effective in building relationships and rapport, somebody else handles catering logistics, often successful in drawing high-level guests.	Modest to high cost per person
Dinner party at home	Informal to formal, effective in building rapport, provides sufficient time to discuss issues in detail, requires a lot of work for representative and family.	Expensive cost per person
Dinner party in restaurant	Informal to formal, effective in building rapport, allows sufficient time to discuss issues in detail, somebody else handles catering logistics, lacks intimacy of home entertaining.	Expensive cost per person
Invitation to a special event, often linked to the home country, such as film premiere, sports event, art gallery or theatre	Formal to informal, very effective in building rapport, generally allows sufficient time to discuss issues in detail. As this usually also involves reception or dinner, somebody else likely handles catering.	Expensive cost per person. Potential for this to be perceived as offering personal gain to trade representative.

Most countries require trade representatives to maintain a careful record of all entertainment given and received. Lavish entertainment is unnecessary, inappropriate for the holders of public office and can be misinterpreted.

Working with the embassy

While many trade representatives are career diplomats who need to learn quickly about the business world, others are men or women with business backgrounds who find themselves working for the first time within the structure of an embassy.

Regardless of where trade representatives are based, they need a close relationship with the head of mission and his or her team. As the senior representative of the home country, with final authority over all activities, including trade promotion, the head of mission can open doors at a higher level and attract high-profile guests by hosting a dinner or reception. Close cooperation with other embassy or high commission teams, can provide trade representatives with useful market intelligence and added muscle on trade policy issues.

For some trade representatives new to the diplomatic world, protocol can seem old-fashioned. Nonetheless, it is necessary to respect precedence according to rank at formal ceremonies and functions, including seating plans at dinners, to avoid causing offence.

➔ Checklist: When to deploy the head of mission

- Gain high-level access to host country ministries.
- Lobby the host government on trade policy issues.
- Lobby for business on public tenders (taking an even-handed approach if more than one company from the home country is bidding).
- Host dinners and receptions for high-level guests.
- Influence the home government on resources and high-level visits.
- Engage the wider embassy team when support is needed, for example from trade policy or economic staff.
- Host visiting ministers and other VIPs from the home country.
- Publicize high-profile activities and successful exporters in the media or speaking opportunities.

➔ Checklist: When to engage embassy colleagues

- Visas team, to facilitate visas for visits by senior business people to the home country;
- Defence attaché, to lobby on behalf of home country on defence procurement;
- Education counsellor, to support efforts by home country colleges and universities to attract students from host country;
- Economics counsellor, so that economic reporting is relevant to trade promotion initiatives, for example by producing an economic analysis of a specific sector ahead of a trade mission in that sector;
- Trade policy adviser, to address trade policy issues, such as barriers to trade, that cause difficulties for exporters;
- Corporate services manager, regarding accommodation, IT, security and human resource issues;
- Communications officer, to support profile building.

Engaging with business ecosystems

Engaging with business ecosystems means improving effectiveness and efficiency, by working closely with a broad range of economic actors that support business growth, trade and investment. It means engaging with logistics companies, chambers of commerce, sector associations, technology providers, private consultants and banks.²⁰

Ecosystems provide opportunities for trade representatives to develop trade and investment partnerships with companies in both home and host countries. They open the way to connect with businesses at an early stage, and support them through their journey of internationalization. For trade promotion organizations, these ecosystems provide a valuable resource. Even for developed countries, working with ecosystems is a way of stretching limited resources. For example, see the International Trade Centre case study on how the Spanish trade promotion organization, ICEX, has partnered with online retailer Amazon to provide a channel for selling Spanish food and wine internationally.²¹

Trade representatives can connect the ecosystems in home and host countries in a way that enables business ties to flourish between countries. A good starting point is to map out the ecosystems in both home and host countries and identify areas of common interest that could be developed. Keep in mind that building relations within ecosystems is complex, and must serve national export strategies, strategic goals and fill resource/competency gaps.

Signing a Memorandum of Understanding between trade promotion organizations and partner organizations, or between ecosystems in home and host countries, can kick-start the cooperation, facilitating exchanges of companies between the countries. This facilitates learning opportunities and sharing of experiences.

There are growing links and cooperation between ecosystems. These are but a few examples:

London's Tech City has numerous agreements in place, including with Porto Digital in Recife, Brazil, South America's largest technology hub.

StartUp AsiaBerlin, established by the State of Berlin, involves German and Asian stakeholders from start-up hubs in Berlin, Manila, Jakarta and Bangalore.

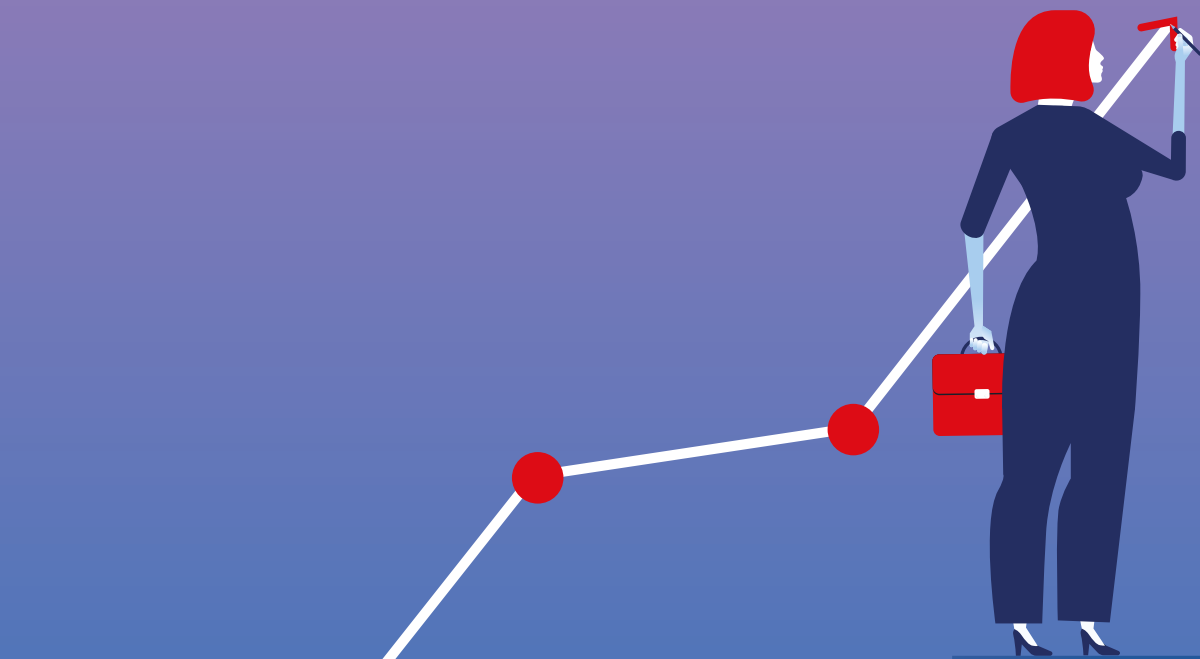
In Malaysia, the national standards authority has taken the lead in developing a **Halal Ecosystem²² for ASEAN countries**, organizing training around infrastructure for standards and conformance, Halal requirements, government support mechanisms and technical visits to relevant Halal agencies.

Singapore's Minister for Higher Education and Skills Ong Ye Kung announced a **collaboration programme with India** in 2018, to develop the technology and innovation ecosystems of the two countries.

The **Finnish innovation ecosystem DIMECC Ltd** (Digital, Internet, Materials & Engineering Co-Creation) in 2017 announced a cyber-research partnership between its new Cyber Research Institute and the US National Science Foundation's Industry University Cooperative Research Center Program.

PART 2

Delivering excellence



Approaching new markets

KEY POINTS

- Understand the range of market entry possibilities available to an exporter.
- Help a first-time exporter to think through a set of strategic questions.
- Have a broad awareness of local laws relating to agency and distribution arrangements, joint ventures, etc.
- Refer exporters to specialists for legal, accounting advice and translation and should avoid being in a position where they might be legally liable if things go wrong.
- For exporters of services, advise on any legal or other 'soft' barriers to trade.
- Trade in services is even more dependent on trusted commercial relationships, credibility, and intellectual property built up over time.

To assist exporters entering new markets, take into account the exporter's viewpoint. How will they be viewing the market? What will they be looking for from a trade representative?²³

An exporter can approach a trade representative at any stage of their export journey. The ideal moment for a trade representative to engage with such a customer is when the company is ready for market entry and seeks to validate and implement its export marketing plan. An exporter will consider various ways of entering a market, for example via an agent or distributor, and will look to the trade representative for advice. The trade representative, therefore, should be familiar with the full range of market entry possibilities.

Table 8 suggests how different market entry possibilities might suit various exporters. Trade representatives can use this as a guide. If the exporter is short of cash, for example, it is difficult to invest in a local business. In such a case, the exporter needs to rely on an agent, distributor, or sell directly to end users.

Table 7: Market entry: The exporter's perspective

Arrangement	How it works	Pros	Cons
Appoint an agent	The agent is exporter's representative. Agent does not own goods, but takes commission.	Often no payment until sales are made.	Agent may have competing interests or may not perform. Can be difficult to end arrangement.
Appoint a distributor	The distributor imports goods and owns them from that point. Also arranges distribution and marketing.	Exporter is paid on delivery of goods to distributor. Distributor often has systems and staff.	The distributor may have competing products and may not promote an exporter's products adequately. May not have national coverage.
Set up local company to manufacture or be a sales subsidiary	The entity can be wholly owned or a joint venture.	Where exporter has majority control, they are in charge. Works well when exporter has established buyer.	Some countries do not permit foreign ownership. Expensive to set up. Profits may not flow for some time. Lack of local knowledge, networks may be a barrier.
Sell directly to major customers	The end customer, such as a large retailer, imports directly.	Works well when few end-users or with bulk commodities. No middle person.	There is nobody to take exporter's side in resolving local issues. Usually no long-term commitment.
Acquire a local business	Buying business is a shortcut to setting up a local company.	Exporter can get premises, distribution systems, staff, storage, etc. Good for services.	Culture of acquired company may not fit. Exporter may inherit business liabilities. Requires careful due diligence.
License technology or know-how	Technology or know-how is sold in return for fee or commission.	Low investment required. If it works well, the money keeps flowing in.	Exporter could lose control of intellectual property. Good auditing needed to ensure exporter is paid correctly.
Set up franchises	Complete package is put together with branding, manuals and instructions. In return, fees are paid, some up-front, and some as a percentage of sales.	Can work well for service businesses. Franchisees can own their own business and have strong interest in making it work well.	Business needs adapting for different markets, languages and standards. Disputes common, so good resolution mechanisms required.
Form a joint venture	A new business is established with inputs from exporter and a local entity. Profits divided as agreed.	Relatively low capital required. Exporter gets access to local networks and exerts some control.	Exporter inherits local partner's business image, which is fine if it is a good image, but difficult if not.
Sell online to consumers²⁴	Products or services advertised online, orders taken online and products delivered by mail or via local warehousing, or online for some services.	Suitable for low-value products – books, electronics, clothing, toys. Uses electronic payment systems - PayPal, WeChat, Alipay.	Involves many small transactions and lots of servicing. Can be hard in developing countries to register with large platforms (e.g. Amazon or e-Bay).

Table 8: Market entry channels

	Capital investment by exporter	Capital required by local company	Level of support required 1-10*	Keep control of intellectual property	Detailed legal agreement required	Retain control of processes	Able to expand business when desired	Suits small exporters	Suits service companies
Agent	Yes	No	5	No	Yes	No	No	Yes	Yes
Distributor	No	Yes	4	No	Yes	No	No	Yes	No
Establish local business	Yes	No	10	Yes	Yes	Yes	Yes	No	Yes
Sell directly	No	No	4	Yes	No	Yes	Yes	Yes	Yes
Buy local business	Yes	No	8	Yes	Yes	Yes	Yes	No	Yes
License	No	Yes	3	No	Yes	No	No	Yes	Yes
Franchise	No	Yes	7	Yes	Yes	Yes	Yes	Yes	Yes
Joint venture	Yes	Yes	8	Yes	Yes	Yes	Yes	Yes	Yes
Sell online	No	No	4	Yes	No	Yes	Yes	Yes	Yes

*1 = low support needed by exporter; 10 = very high level of support needed by exporter.

The International Trade Centre has developed and made available on its website a number of model contracts covering many of these market entry possibilities.²⁵

Advising on market entry

A company should be encouraged to think long term and develop a long-term market strategy. While companies are eager to get started, an inappropriate strategy, such as getting locked into an arrangement with an unsatisfactory agent or distributor, can spell ruin. To increase the chances of success, there are a number of questions that a trade representative can ask exporters to ensure that they have given adequate consideration to strategy and risks.

➔ Checklist: Market entry strategies

- Understand all possible entry strategies and possibilities.
- Understand the exporter's needs.
- Understand the culture of the local market: what works and what does not.
- Explain to exporters the pros and cons of various entry strategies and be ready to suggest alternatives.
- Identify suitable potential partners and provide information about them to the exporter.
- Arrange introductions and meetings with potential partners and other contacts – government, industry associations, legal, accounting and other advisers.
- Suggest possible temporary office facilities.
- Follow up with contacts and exporters after initial introductions.



➔ Checklist: Questions for an exporter entering a new market

- What are the long-term objectives for this market?
- How will the business be expanded in this market?
- Should market territories be allocated to agents or distributors? Should their rights be exclusive or subject to performance?
- How will the company protect its intellectual property?
- What marketing support will be given to agents and distributors?
- Can the organizational arrangements be changed as the market grows?
- How will the company be paid?
- How will disputes be settled?
- What servicing arrangements are needed? Who is going to provide the services?
- What staff does the company need to commit to the process?
- What milestones will be set for agents and distributors and for the company?
- What will be regarded as success?
- When are positive cash flows expected?
- Is there an exit strategy if needed?
- What form of legal entity does the company need to operate?
- What form of contract or agency agreement is required?
- Is it possible for the company to invest in on-the-ground operations in the future?
- What would be the market entry strategy, given what competitors are doing?

Local business laws

Trade representatives need to be aware of local laws covering distribution and agency agreements, as well as laws regarding local investment and joint ventures. It is important to know, for example, whether the law requires the local partner to have a majority stake in the joint venture. Sometimes it is helpful to make such information available in handouts for exporters. A local law firm might be able to provide this.

Tariffs, non-tariff measures and voluntary standards

Trade representatives should understand the specific needs of exporters and be able to advise on what does and does not work in their market. They need to be able to identify whether there are high tariffs on particular products, for example, that might influence the market entry strategy towards setting up a local manufacturing operation.²⁶ In some cases, compliance with specific voluntary standards can give a market edge. Also, an understanding of the key non-tariff measures facing exporters in specific markets is key to success. They can provide lists of potential partners and arrange introductions.

Referrals

Trade representatives should avoid getting involved in legal or other specialized issues. Instead, they should have lists of law firms, accountants and business specialists to whom they can refer exporters for more expert and specialized advice. Trade representatives should also avoid acting as unofficial translators during business negotiations, instead referring the client to specialized service providers. If business arrangements deteriorate, the trade representative should not be in a position to be legally liable.

Selecting an agent, distributor or other partner is very much the decision of the exporter. Trade representatives should ensure that exporters have an opportunity to consider several potential market partners, avoid appearing to promote one over another, and advise exporters to negotiate formal agreements that include provisions to terminate the arrangement if the agent, distributor or partner fails to deliver.

Regarding acquisitions, beyond general advice on issues such as geographical location or local reputation of the company being acquired, trade representatives should present a list of reputable accounting and law firms offering qualified professional advice, including due diligence.

Meeting distributors

Trade representatives should also advise exporters to visit any potential distributor's place of business before deciding whether to engage the distributor. A walk around an office, factory or warehouse may be all the exporter needs to get a picture. However, the largest or most impressive looking distributor is not always the best choice.

For some exporters, a smaller distributor may be a better option – providing the company can demonstrate links with key customers and compatibility in personalities and expectations. A downside of choosing a smaller distributor is that it may have more limited geographical coverage. For larger markets, such as Germany or Brazil, the exporter should be very wary of claims that a small distributor can cover the whole country.

Market intelligence: What does the exporter need to know?

KEY POINTS

- Market intelligence is vital for exporters. A lot is available online, but exporters value the local knowledge and insight that trade representatives provide.
- Observe trends in their market and identify commercial opportunities.
- Produce market overviews, sector analyses and information sheets with local resources.
- Refer enquiries on creditworthiness to a specialized agency.
- Advise on local ways of doing business.
- Advise exporters to stay away from bribery and corruption.


The role of the trade representative is more akin to a consultant, and sometimes charges for these services, based on time involved. In all cases, but particularly when there are fees, the customer's expectations are high and trade representatives need to deliver a service that is high quality, cost effective and responds to the specific needs of the exporter.

Sources

Thanks to the internet, trade representatives and their customers have access to more sources of market intelligence than ever before, with four main types of providers:

- **Governmental and institutional**, such as customs, bureau of statistics, ministries of trade, sector associations, trade promotion organizations;
- **International and regional institutions**, such as the World Bank, World Trade Organization, International Monetary Fund, International Trade Centre, Common Market for Eastern and Southern Africa;
- **Commercial publishers**, such as Reuters, PWC, KPMG, Dow Jones, Bloomberg;
- **Non-conventional**, such as logistics operators, banks, retailers and online businesses. Google Market Finder is an example of an online service that recommends the best market for a business, and provides insights needed to research the market.

It can offer advice on market entry, international payments and logistics. It can also help with building a marketing plan, with guidance on language to advertise in, devices that customers are using and the best way to reach them.²⁷



Asha

Asha tackles market information needs

Asha remembered her early days as a trade representative. She had been thrown into the trade role as her next diplomatic assignment, having previously worked mainly on consular issues such as visas, passports and distressed nationals. She was quite nervous about meeting exporters and unsure what they would want from her. So when Adu, Export Sales Manager from JKM AfricanTechnologies arrived at her office, Asha asked Adu how she could help.

'Market intelligence please,' Adu replied. 'Your colleagues in other countries have been really helpful,' he continued. 'I need to know who will buy my product in your market. What prices are paid for these products here? Who else is supplying them? Are there any specific packaging requirements? Are there tariffs to be paid on imports? What standards apply and how do I prove conformity to those standards? All that commercial information is really valuable to me.' That's quite a formidable list of questions, Asha thought to herself, wondering where to begin.

As a start, Asha took some standard information sheets from her folder. She had updated these for a recent trade mission and passed them over to Adu. First, there was a sheet of country facts, which included a country profile and social and economic indicators. The second sheet provided general tariff information, customs procedures and an outline of requirements relating to standards and certification.

The rest of Adu's questions would require more detailed research. Much of this Adu could do for himself if he was pointed in the right direction. So, Asha mentioned the various government sites that Adu could access free of charge, which would answer his detailed questions. She also mentioned sites of international organizations such as the International Trade Centre, various commercial publishers of trade directories and other non-conventional sources of intelligence. Asha had been surprised at how much information was available on the websites of logistics operators, with country profiles, customs and shipping information. Banks and trade fair organizers were other useful sources.

Having referred Adu to these sources of information, Asha offered first impressions in relation to the market and Adu's firm. She recalled that another African company had recently announced its entry in the market with similar products, so she felt that there was potential for Adu's company in Europe. She suggested that Adu visit the local chamber of commerce while he was in town, as well as the sector association covering the technology offered by Adu's company. On balance, Asha felt that Adu could have done some of this research ahead of his trip, but she was nevertheless happy to assist.

Local market information

Trade representatives can add value through unpublished information that they obtain locally. In the meeting with Adu, Asha made a valuable contribution with her knowledge that another African company with similar products had recently entered the European market. This information was publicly available, but not yet widely known, and it was critical intelligence for Adu. He certainly recognized the value that Asha could add and planned to call on her again, after doing more research himself. He might even ask Asha to carry out some research as a paid service, and he would certainly seek Asha's help in arranging more targeted introductions on his next visit.

Useful intelligence comes from keeping track of what is happening in the market. Most trade intelligence is not secret; it is just not widely publicized.

Through their location, trade representatives can track changes in markets, which may happen slowly as incomes rise or fall. When middle class incomes increase, there is great demand for consumer items, including food, clothing and entertainment, as well as higher quality services in areas such as education, health, tourism and hospitality. For example, recent economic growth in India and China has brought a dramatic improvement in spending power for a growing share of the population. People in both countries have experienced a rapid transition from poverty and are eager for high nutrient food, comfortable living, health care and other quality services.²⁸

A trade representative is usually aware of these trends, by studying the economic statistics and through daily experience. This represents valuable intelligence to exporters who are new to the market.

For example, trade representatives in a foreign country will naturally be more familiar with market information, such as supermarket chains that have their own private standards, as well as local labelling and packaging requirements.

Changes in the host market may lead to specific opportunities. Reduced import duties, for example, may boost demand for luxury goods. Changes in fashion may create a new demand for sportswear. Public health concerns may initiate a trend towards healthier food. When a trend is likely to have an impact on home country exports, the trade representative should ensure that the information gets to exporters, either through the trade promotion organization or a trade association.

Sometimes the presence of trade representatives in a market enables them to identify a market niche.²⁹ Through observation of the retail spaces, combined with analysis of production, consumption and international trade statistics, it is possible to identify opportunities that are not visible outside of the host country.

Business support organizations should relay such opportunities to exporters through their existing communication channels. Some organizations have digital systems to identify relevant exporters and manage the matching process. The success rate for such efforts tends not to be high. Exporters can be fully stretched by their own business plan and may not have the resources to follow up a new lead, unless they already have plans for that market.

Trade fairs

Trade fairs and exhibitions are a great way for exporters to visit a new market. If they select the right event, exporters may find all the people they need to meet in the market gathered in one place. These include potential customers, agents, distributors or other partners. In addition, they can survey the competition by touring their stands.



Trade fair organizers publicize their events and often seek support from commercial diplomats, making it easy for trade representatives to keep track of these events. This kind of intelligence is valuable for relevant home country organizations, which may wish to organize a national stand. Because organizations are often reluctant to participate in the first edition of a trade event, trade representatives should visit the event and report back on its size, the number and type of attendees, the calibre of the exhibitors and the quality of the stands. Impartial intelligence from trade representatives is more valuable to prospective participants than the promotional material on the organizer's website.

Tenders

Tenders or offers to supply for a fixed price, are commonly requested for large orders, such as significant infrastructure projects including airports, roads, railways, tunnels, hospitals and ports. Large projects often require an enormous effort to complete the tender requirements, and companies may need to qualify before being allowed to submit a tender.

The funding source usually influences procurement procedures. Bidders may be confined to countries that are members of these funding agencies and bidding processes have to follow the procedures set by the funding agency. Tenders for smaller projects by local authorities or firms are often only open to local firms, either by design, or due to practicalities, such as securing delivery within the stipulated time frame.

The International Trade Centre has developed a specialized tool, Procurement Map³⁰ that provides information on tenders for public procurement processes in more than 100 countries, covering more than 150,000 procurement opportunities. This is one of the largest and most up-to-date databases on public procurement opportunities in the world, and is available at no charge on its website. It also contains regulations and requirements.

Trade representatives can provide valuable intelligence for companies seeking to participate in procurement processes by supplementing information available online. As a major difficulty for foreign companies in the tender process is the short timescale for the completion of bids, information on forthcoming tenders is particularly useful so that interested companies can get to work early. Through local contacts, a trade representative may be able to assess whether there will be a full and open competition in which the home country supplier has a fair chance of competing successfully.

In some cases, foreign firms can improve their prospects by positioning themselves as a subcontractor to a major national bidder in a specialized aspect of the project. In these circumstances, the trade representative might be able to facilitate connections with one of the local bidders.

If the home country supplier appears to be on the short list for selection, it can be helpful to step up the lobbying process. Asking the head of mission to endorse the credentials of the bidder with the appropriate authorities can be helpful, but such lobbying should be discrete and only when requested, or fully agreed to, by the bidder.

Market reports

Trade representatives at times must produce reports on their market.

Big-picture reports are particularly useful to government ministers or senior officials and can help correct distorted and out-of-date perceptions about the host country.

➔ Checklist: Market report structure

- Overview of main opportunities for exporters
- Introduction with the country's geography (size, major cities), brief history, business culture, list of public holidays, population and ethnic makeup, government, GDP and per capita income
- Trade statistics and trends at high level, including total figures for imports and exports, as well as major categories; how the country is positioned internationally, for example 15th largest importer
- Trade between the home and host countries, including top exports and imports most significant home country companies participating in trade, issues in trade relations
- Main inward and outward investors between the two countries
- Major development or infrastructure projects
- Macro trends of significance to the home country.

A sector-specific report prepared ahead of a trade mission or a trade fair, such as oil and gas, mining, food and drink, might aim to supplement the high-level report described above.

➔ Checklist: Sector-study structure

- Executive summary of market potential for home country exporters
- Introduction and brief background on the industry
- Basic statistics on production, consumption and growth
- Breakdowns by subsector
- Trends in consumption and local tastes, including commercial intelligence that might change trends
- Import and export statistics and trends
- Composition of the industry, such as amount of production generated by largest company

- The regulatory environment, including laws, labelling requirements and tariffs
- What competitors in the market are doing
- Logistics, including examples such as shipping issues
- Distribution networks, including information on importers, wholesalers and retailers
- Promotion and publicity
- Suggested reference material, with links to websites.

The generic nature of these reports means they are typically distributed at little or no charge to users. In some cases, trade promotion organizations publish them online for public access.

Information sheets on specific topics may not form part of the country brief, but are of value.

To prepare a report tailored to specific business requests, see the following chapter.

Checklist: Time-saving information sheets

- Trade office and Embassy/High Commission address, contact names and numbers, e-mail address and hours of operation, plus emergency contact number
- Major government departments, with addresses and contact details
- Major trade fairs and exhibitions, dates and contact details for organizers
- Forthcoming visits and events, such as government ministers and trade missions
- Five to 10 reputable lawyers, with contact details
- Five to 10 accounting companies, with contact details
- Three to five public relations firms
- Five competent marketing consultants
- Five interpreters and/or translators and their contact details
- Useful websites with a brief description
- World Bank listing of local business regulations³¹
- Sources of tariffs and customs information
- Standards and certification
- Serviced office premises where visitors can access office and communications facilities
- A template for an import agency agreement
- Names of key journalists who write about trade matters
- Five to 10 reputable hotels, with contact details and special rates negotiated for clients
- Information on local transport – car rental companies, taxis, buses and trains
- Doctors, dentists, hospitals and pharmacies
- Public holidays, major events and festivals.

These information sheets or handouts should be checked and updated at regular intervals, such as monthly, to ensure information remains current, especially regarding websites and contact details.

Creditworthiness reports

Trade representatives sometimes receive information requests about the creditworthiness of potential partners. It is difficult to know the precise financial position of a company or individual, and best practice is to refer the enquiry to a specialized agency, such as Dun and Bradstreet³², Equifax³³, Experian³⁴ or Creditsafe³⁵.

Business culture

Advice on the business culture should focus on differences in the ways of doing business in the host country compared with at home. In some countries, for example in Latin America, business is a social activity based on personal relationships. People do business with an individual rather than a company. This may involve dinners, lunches, family gatherings and a lot of social conversation, to establish personal ties before getting down to business. In other countries, such socializing can be seen as a waste of time and money, with the focus on getting to the point, agreeing the deal and signing the contract.

Timeliness

Attitudes on timeliness also differ. In some countries, it is seen as extremely discourteous to arrive late for a meeting, with the risk that late arrival could undermine business prospects. In other cultures, the timing of a meeting is viewed more as a goal, and the actual starting time depends on factors such as traffic conditions and whether a previous meeting ran late. These can sometimes lead to last minute cancellations and requests to rearrange.

Etiquette

Advice by trade representatives on business culture should also cover issues such as dress etiquette, particularly the degree of formality, and physical contact, such as shaking hands. In addition, trade representatives may want to provide advice on customs and attitudes regarding gender in the host country. These include expectations for women's attire, which can reflect religion and other social customs, and physical contact. In some countries, shaking hands may be viewed as normal for men, but not for women.

While there are useful websites with country profiles including ways of doing business,³⁶ trade representatives are best placed to offer advice because of their understanding of how business is done at home.

Corruption

While bribery and corruption remain part of the business culture in some countries, trade representatives should always advise exporters to avoid becoming involved in such practices. Many countries now have legislation that makes it illegal to offer, promise, give, request, agree, receive or accept bribes. Often that legislation has extraterritorial effect, so that an exporter risks prosecution at home or in a third country for any such activities in a foreign market. Aggressive global enforcement of anti-bribery laws has increased the frequency of cases, the size of fines and penalties, making it crucial for exporting companies to stay compliant.

Customized services for companies

KEY POINTS

- Helping companies generally prepare for export is a task best undertaken in the home country.
- Help an exporter prepare for a particular market by providing customized advice.
- Customized reports are often a chargeable service and need to be of high quality.
- Market visit programmes for exporters often follow after customized reports.
- For all assignments, agree on the requirements and timescale for delivery.

Services to develop export capability focus on export readiness, export counselling and the export environment. While it is generally more cost effective to deliver such services in the home country, trade representatives can provide customized advice on their host market environment and how to access it. These services are more tailored to a customer's specific needs than the high-level market reports discussed in the previous chapter.

Tailored reports

Beyond the high-level reports the trade representative has available for all exporters, companies that are seriously interested in the host country market need product-specific information. Providing such information is demanding and takes time, but it has high potential to lead to export deals. In some cases, trade representatives subcontract such reports to a local chamber of commerce or consultancy firm. In other cases trade representatives and their teams do the work themselves. Either way, it can be useful to complete a simple form to collect data about the customer and the request for services (see Annex II).

It is vital at the outset to agree on the terms of reference with the customer. Experience shows that when a customer is unhappy with the report, it is often because the trade representative has not understood what the company wanted or that expectations have

been badly managed. While the precise format will differ according to the remit and the terms of reference, Table 9 provides a sample for the content of a market brief.

Table 9: Customized market brief structure

1. Executive summary
2. Product or service description
3. Production, consumption, foreign trade statistics <ul style="list-style-type: none"> • Imports • Exports • Stocks • Apparent consumption
4. Market characteristics (regional demographic differences, trends)
5. Market access (tariffs, taxes, licensing, labour laws)
6. Competition, prices and positioning
7. Distribution channels
8. Commercial practices
9. Payment terms and practices
10. Standards, packaging and labelling
11. Sales promotion (retail promotions and related costs, trade fairs, media, etc.)
12. Market prospects
13. Potential buyers
14. Potential importers and distributors or joint-venture partners
15. List of other useful addresses
16. List of sources

Before starting to research a customized report, trade representatives need a clear understanding of the technical details of the exporter's product or service. This provides the basis for working with local contacts, so it needs to be accurate.

It is important for trade representatives to be clear and realistic about what they can and cannot do for the customer and the time frame in which they can deliver. Trade representatives should inform the customer of progress and provide updates, so the customer can ensure the report is heading in the right direction.

There is no substitute for research based on speaking to people in the market, either through telephone calls or company visits, where appropriate. However, trade representatives should be careful during these conversations not to go beyond what was agreed with the exporter and not to divulge detailed commercial information about the exporter without permission.

Photographs of possible retail environments or competitor products can be very powerful. Even if trade representatives take such photos in a public location, they should carry with them an official letter from the head of mission explaining their role and the purpose of the photos.

The most valuable information for an exporter exploring a market is often a short list of interested buyers or potential partners. While trade representatives generally only identify potential partners with solid reputations, the customer should always undertake due diligence checks including creditworthiness before making a commitment.

In some cases, the research may yield disappointing results regarding the exporter's prospects. While an exporter may be unhappy with such a report, providing the research is thoroughly done, advice that the market is not appropriate could be the most valuable help a company gets. This can save a company considerable amounts of money on market promotion efforts that fail, allowing the allocation of resources more productively to other markets. Bad news early is actually good news.

The report can include tailored advice for a customer on market access issues, including the regulatory context and need for specific approvals or licences; packaging and labelling requirements; and corporate social responsibility considerations. For restricted goods, such as military equipment or unprocessed minerals, the exporter should be advised to consult the authorities in its home country to establish the export licensing position and apply for a licence where needed.

Many products, especially foodstuffs, must comply with labelling laws. It is wise for trade representatives to have available a copy of the local labelling laws to use as a handout. Complying with the laws relating to hazardous materials is also essential for exporters. They may need to seek specialized advice regarding hazardous materials and obtain certification from the appropriate organizations.

Where animal or other products are involved, it is important to know how the home country's products are affected by quarantine or health regulations. It is useful to develop a factsheet with details of any requirements on pre-treatment or certification. The local customs or quarantine department is usually the definitive source for this information.

Packaging for export is a more complex issue. It varies with different items such as food, pharmaceuticals, hazardous products and machinery, which all require very different treatment. However, agents and importers can give guidance on high-quality packaging and what is acceptable or not.

Market visit programmes

Exporters often commission customized reports ahead of a market visit. Such a visit gives the exporter an opportunity to meet personally with potential partners and other contacts, as well as see the market in person and verify the advice and information that the trade representative has provided.

An exporter may also request help from the trade representative in organizing a programme for the visit. Trade representatives are well placed to do this because their position within an embassy or business association can open doors that might be otherwise closed to an individual business visitor. Setting up a programme is a customized service, considered by many countries to be a chargeable service whereby the exporter pays a fee based on the time required to organize the programme.

The programme typically includes appointments with pre-screened contacts, specifying time and location. The trade representative should always try to meet with the exporter in person. Exporters greatly appreciate such meetings, which can also help the trade representative learn more about the company and its plans for the market.

Programmes vary according to the needs of the visitor, but they are likely to reflect the following for meetings: the trade representative; importers; chamber of commerce; government representatives; retailers; potential agents or partners; trade fair organizers

or publicity agents; local lawyers or accountants; and anyone else relevant to the needs of the client.

Trade representatives are not generally expected to accompany the visitor during the programme, although it can sometimes be beneficial by helping to endorse the credibility of the visitor. In some cases, such visits can provide insights and information of broader interest to the trade representative. If the trade representative also is responsible for inward investment, visits can open the way for discussions on investing in the home country.

Trade representatives should try to group appointments geographically to minimize travelling times for the exporter. The programme should include advice on transport between meetings and some background information on the person that the exporter will meet. If interpretation services are required, the trade representative normally refers the exporter to a professional service provider. Trade representatives generally have arrangements with local hotels where business visitors can be accommodated at an agreed rate, and they can provide this information to the visitor. It is better for trade representatives not to make the bookings themselves to avoid liability if the exporter cancels at the last minute.

Managing special requests

Beyond market reports and visit programmes, there is a wide range of tailored consultancy work that customers may request from a trade representative, for example interviewing potential agents and deliver a prioritized list; developing a complete programme for an industry association trade mission; staging a reception and putting together the invitation list; organizing a food tasting in a major supermarket; hosting a lunch or dinner with key contacts in the market.

These examples are merely indicative, as customers' demands tend to be open-ended. Sometimes trade representatives need to prioritize in the face of too many demands. This arises particularly when trade representatives are part of a small embassy team and have a wide range of responsibilities. Some techniques for dealing with this include: charging for services given that customers usually only pay for services they really need; putting a time limit on the number of hours or days devoted to any one task; and referring the customer to the chamber of commerce or a private consultant.

➔ Checklist: Managing special requests

- Understand what the customer wants. This requires good listening skills and a willingness to hold in-depth discussions to ensure that both parties understand each other.
- Develop a simple contract, which both parties sign, to clarify expectations.
- Agree on a realistic time frame.
- Be clear about what you will and will not deliver. For example, organizing a meeting with a government minister may not be easily achievable.
- Keep the customer informed. Customers can be accommodating when they feel they are being kept in the loop. They can also be unforgiving when a project is delivered late, even for good reasons, when they were not informed about likely delays;
- Follow up. See what else the customer needs, which could add to the consultancy or secure a follow-up assignment.
- When there is a fee for services, send out the invoice promptly.

Delivering trade promotion services

KEY POINTS

- Exporters on a trade mission or in a national stand at a trade fair can achieve things they would not be able to achieve individually.
- Missions led by a minister or other high-level person can often gain access to top-level decision makers in the host country, but it is necessary to know what the minister or high-level person wants to achieve from the mission.
- Trade fairs bring advantages because the organizer brings the audience and handles much of the logistics. They can also be combined with trade missions, and company and client visits.
- In-store promotions can promote national products and branding to retail consumers.
- Sometimes it makes sense to take a group of buyers from the host country back to the home country.
- Well-organized dinners and receptions can be the high point of a mission, trade show or high-level visit, providing an opportunity for the visitors to engage with key host country guests.
- Seminars, academic forums, webinars can be good tools for promoting exporting services..

A key role of a trade representative is bringing buyers and sellers together. Although there are many ways to do this, the most popular ways are trade missions, trade fairs and exhibitions.

Trade missions

Trade missions can provide access to government and key commercial entities that may be difficult to secure when companies visit the market individually. Companies also benefit from travelling in a group and learning from each other's experience.

There are two types of mission, which need to be managed differently:

- A high-level trade mission, led by a head of state, member of a royal family, prime minister, government minister or state governor. Senior executives usually accompany this type of mission;
- A business mission led by a business leader, and accompanied by representatives of several companies.

High-level trade missions

When a government minister or other high-level person is involved, the trade representative must have clarity early on regarding the mission's objectives. These need to be agreed and negotiated with the high-level person's private office. On the side of the host country, the protocol department of the ministry of foreign affairs usually handles such arrangements.

If the high-level person is a politician, his or her key concern is likely to be maximizing the political benefit at home. Political figures usually want to announce new business deals or major investment projects that create significant numbers of jobs in the home country. They also want good photo opportunities. The companies concerned may welcome the publicity linked to the high-level person, but this cannot be taken for granted, and any announcement needs to be agreed carefully with all parties.

The trade representative may also ask the high-level person to engage on deals that are not yet ready for announcement or signature (only where his or her involvement might help move things forward). As these cases may not involve an immediate deliverable, the high-level person's office might need some persuasion. The trade representative may also have to serve as a broker between what the high-level person wants from the visit and what the host government wants.

The trade representative manages the mission programme around the minister's schedule. A key benefit of a minister-led mission is that he or she can secure access to senior figures in the host country. If the home country's trade minister leads the mission, for example, the trade representative is almost certain to be able to secure a meeting with the host country's trade minister. The mission members can join this meeting and usually take part in the discussion. This enables them to raise issues related to trade opportunities or challenges, such as long delays at the ports. They can also ask questions about public tenders for which they plan to bid and other business subjects. If used properly, such missions can be of great benefit to the high-level person and the accompanying mission members.

Business-led trade missions

A chamber of commerce or trade association is likely to organize business missions that are not led by a high-level person. Typically, a senior business person leads such missions. The mission members might stay together as a group for the first morning, which usually includes a briefing and a call on a local chamber of commerce or sector association, but for much of the time the members pursue their own programmes. In many cases, the trade representative is asked in advance to help set up individual programmes for members of the mission. The policies governing the work of some trade representatives may require this to be a chargeable service.

For both kinds of missions, and particularly for those led by high-level persons, the trade representative should establish clarity on who will cover costs linked to the mission. The trade representative needs to know in advance who pays for airfares, ground transport, hotels, costs of receptions, etc. In too many cases this is left unclear, leading to friction later. In some instances, participating companies may have access to government subsidies, generally through the involvement of a trade promotion organization or other agency.

It is good practice, though an additional expense, to produce a mission brochure in advance. The trade representative needs to know who will pay for the brochure and who should produce it. Often it is better to publish the brochure in the host market, where the trade representative can have the brochure translated into the local language and have copies to publicize the mission ahead of its arrival.

Trade representatives should leave delegates to organize their own international travel, but often mission members want to travel with the high-level person, given that access to him or her is one of the attractions of joining the mission. For logistical reasons, it is best if all mission members stay in the same hotel, with organized buses transporting the mission as a group to meetings. Usually the high-level person and the home country's head of mission or consul general will travel in a car in front, with the rest of the delegation in one or two small buses.

A mission of about 10 participating companies is generally ideal. More than 20 is unwieldy in business meetings, while the impact is diluted if there are fewer than five companies.

➔ Checklist: Organizing a trade mission

Before

Scheduling

- Set mission dates at least three to six months in advance, especially for high-profile missions. Ministers and chief executive officers of large corporations in both countries are unlikely to be available with less notice. On the other hand, it can be difficult to get firm commitment from senior politicians any earlier.
- Appropriate timing is essential. Pick dates that take advantage of useful events, to encourage synergies. Avoid public holidays, other missions or events, or anything that might divert attention from the mission.
- If high-level persons are involved, agree on the mission with the home government early on; establish who will be the liaison point on the home government side.
- Mission members for a minister-led mission should be senior business people. They should accompany the full programme. Junior-level substitutes should not be allowed.

Programme

- Develop a programme of events, meetings and visits. Be realistic in terms of timing; allow for traffic delays and meetings to overrun.
- Secure venues, particularly for high-level meetings.
- Define the itinerary, including places to be visited, with reasons, and duration of stay in each location.
- Avoid courtesy calls. Aim for meetings with a serious business objective.
- If possible, avoid having accompanying spouses. If spouses of high-level persons are involved, they can require a parallel programme, doubling the workload.
- Check for public holidays and major local events that could affect the programme.

Preparation

- Visit venues in advance, test routes, identify risks and how to mitigate them.
- Agree on a budget for the mission and who covers each cost.
- Try to attend a mission briefing in the home country before departure. If that is not possible, join by video conference.
- Register guests at hotels before their arrival to save on check-in time. If a flight arrives early morning, high-level persons and mission members will need an early check-in to allow room access after the flight.

During

- For minister-led missions, go to the airport to welcome the mission.
- On arrival, have a personal welcome pack with a complete programme ready for mission members.
- Brief the delegation as soon as possible after arrival. Update the mission on the current situation in the country, including any recent political or economic developments, outline the programme, and explain all logistical arrangements.
- Ask everyone to be on time, for example, assemble the mission in the hotel foyer 15 minutes before departure.
- Do a debriefing session at the end of each day to discuss progress and receive feedback.

After

- After the mission, prepare an evaluation report and submit this to the home authority. The report should highlight what was achieved and detail any agreed action to follow up on the mission.
- Thank all parties in the host country who received, met and helped with the mission. This maintains goodwill, which is important for the next mission.

Trade fairs and exhibitions

Major international trade fairs bring together a large group of players in a particular sector in one place at one time. They offer an efficient way to reach many relevant contacts in a short time, sometimes promoting inward investment as well as trade. Trade fairs can be combined with trade missions and visits to potential market partners.

The trade representative becomes involved when a trade fair is held in the host country and the home country organizes a national stand or pavilion. The trade promotion organization, or a business association in the home country, usually takes the lead on trade fair participation. Sometimes governments offer subsidies to participating companies and ask the coordinating organization to recruit a national delegation.

The trade fair organizer in the host country does much of the work, generating an audience and managing the logistics. The organizers are usually keen to attract national delegations and are often willing to provide additional services to such groups, including arranging meetings with potential buyers.

The trade representative provides logistical support, helps exhibitors make connections locally, and advises them on local business practices. Some markets have many trade fairs, and the trade representative may be asked for advice on which ones merit participation by the home country.

➔ Checklist: Determining participation at a trade fair

- A group of at least five to ten exporters from the home country is interested in the event.
- The trade fair has an international reach, attracting buyers from a large number of countries. In this case, engage with colleagues in other countries to broaden the scope of potential meetings beyond your host country contacts.
- There is a good fit with the broad trade and investment objectives and priorities of the country.
- The event has a strong track record of attracting buyers and exhibitors. Attend a fair before recommending participation. Obtain attendance statistics from fair organizers, and get a feeling for whether there is a buzz of activity, the stand is well presented, and programme is relevant.
- There are accompanying conferences and seminars. Such supporting content is often key to attracting high quality visitors.
- You have the staff and resources to provide support.
- You have sufficient time to manage the project properly.
- The trade fair does not clash with other tasks or local holidays.

➔ Checklist: Organizing national stands for trade fairs or exhibitions

Before

- Plan participation well ahead (eight to 12 months) to secure a good location for a national stand. Space is often sold a year in advance.
- Agree on a project plan and allocate roles, including content, cost of the organizer's efforts, and share of work between the head office in the home country and the office abroad.
- Engage contractors to design and construct the stand and handle advertising, marketing and freight. Often organizers can recommend suppliers for these services;
- Remain in regular contact with the team at home. Knowing national companies interested in the market can help to recruit participants. Vet the participating companies, and inform them clearly about benefits and their responsibilities. Encourage them to prepare materials in local languages for the trade fair.
- Participating companies need to know appropriate procedures to import their exhibits. The trade fair organizer can generally help with this.
- Companies should be clear about their aims for the event. Do they want to find a local representative, identify new buyers, support an existing agent or renew contacts in the market? These objectives are suitable for trade fair participants.

During

- ☑ Attend daily, if the trade fair or exhibition is important and has a national pavilion or strong participation from the home country.
- ☑ Depending on the market, ensure that interpreters are available.
- ☑ On the first day, tour the stands of home country exhibitors to introduce yourself and offer assistance, regardless of whether the exhibitors are part of the national group.
- ☑ Have some information sheets to distribute to exhibitors new to the market, for example about the country and ways of doing business.
- ☑ Exhibitors may ask the trade representative for information about potential partners or buyers that visit their stand. Reiterate advice about being careful in selecting local agents and distributors, and not rushing into an agreement because they have shown interest.

After

- ☑ At the end of the event, ask national participants about success in achieving their objectives. This can be key information when deciding whether to take a national group again the following year. It can be done through a client satisfaction survey or an evaluation form (see Annex 3). This data is extremely important in helping the trade representative and home country partners to assess the results and the value of the event.

Some large events, such as World Expos, are more about country image building and can require a huge amount of effort. Usually countries assign a person or team to manage these, although the trade representative may act as liaison with the local organizers. At the other end of the spectrum are single country displays, where the trade representative might take the lead in putting on a display relating to a specific sector. The exhibitors display products or literature and promotional material. While catalogue displays are a cheaper option, they are less attractive to buyers than product displays, given that much information is available on the internet.

Store promotions

Store promotions can range from large department store promotions to a food tasting in a supermarket. Often they involve national branding and a range of products from the home country. Typical objectives for a store promotion are to:

- Persuade a store to stock more of an established product or give products more prominent shelf space;
- Introduce new products into a market and test consumer responses;
- Educate consumers about a product;
- Enhance the image of products by being associated with a prestigious store;
- Raise the profile of the home nation's brand.

A store promotion can be confined to a department, such as women's sports clothes or home furnishings, or extend through the store or chain of stores. For the store, it is a way to attract customers, while for the trade representative it can be a valuable promotional tool.

Store promotions can run for several weeks and may include special display of merchandise from the home country; elaborate store decoration with national branding; support media advertising, special ceremonies, receptions, appearances of prominent people, in-store demonstrations and/or entertainment, contests, and cultural events.

Food tastings are likely to be smaller events, involving only one part of a large store. Promotions in department stores are usually planned at least one year in advance, which means preparations should start early. The store will handle most, if not all, of the in-store arrangements.

Promoting services exports

What trade representatives offer is useful for both exporters of products and services. For exporters of services, relationships are even more critical. Building personal connections between the home country suppliers and the host country buyers is key. Activities should focus on facilitating these relationships. Opportunities should be sought to showcase service providers' professional competence and past successes, as well as recommendations and endorsements by satisfied clients. These include seminars, academic forums and events, industry conventions and activities and events organized by the association of professionals.

The technical competencies showcased by home country suppliers need to be high, to protect the country's brand as well as the intellectual property of services exporters in the host country. This requires trade representatives and their partners to scrutinize delegates so that only those of high calibre take part.

Other mechanisms to promote the credibility of home country service suppliers include: helping them participate in industry awards or competitions based on their competencies and capacities; obtaining appropriate certification from a recognized institution in the host country; helping suppliers publish articles in recognized industry publications; securing inclusion in official or public registers of services suppliers for the target industry; and developing strategic partnerships with large and respected companies in the host country.

Advising services exporters

When advising service companies, trade representatives should be aware that barriers to trade in services are less obvious than for trade in goods, as there are no tariffs applied at the border. Sometimes trade barriers to service providers are written into domestic regulations and laws. For example, there can be nationality and residency requirements; lengthy and complicated authorization and registration procedures; restrictions on real estate purchases; and difficulties associated with the recognition of professional qualifications. Advice on protection of intellectual property is key.

Not all of the barriers to trade in services are related to laws and regulations. Some softer barriers can also pose serious obstacles to services exporters. These include lack of credibility and profile; insufficient language competences; cultural distance; difficulties to travel to the market; and a lack of access to relevant networks and information channels.³⁷ A crucial role for the trade representative is to provide commercial intelligence to exporters of services regarding trade barriers and how to address them.

About trade in services

The World Trade Organization Agreement on Trade in Services, or GATS,³⁸ defines that trade in services occurs when a commercial transaction takes place under one of the following four 'modes':

Mode 1 – Cross-border supply: services supplied from the territory of one country into that of another country (e.g. banking or architectural services transmitted via telecommunications or mail);

Mode 2 – Consumption abroad: a consumer (e.g. tourist or patient) physically goes into another country's territory to obtain a service;

Mode 3 – Commercial presence: a service supplier of one country establishes a territorial presence, including through ownership or lease of premises, in another country to provide a service (e.g. domestic subsidiaries of foreign insurance companies or hotel chains);

Mode 4 – Presence of natural persons: persons of one country enter the territory of another country to supply a service (e.g. accountants, doctors or teachers).

Because a service is not a physical object, the client usually cannot request a sample of the service so that it can be analysed for quality and effectiveness. In economic terms, this means that there are information asymmetries in services: sellers know the quality and conditions of the service being sold but buyers do not. They only have the seller's word, or perhaps a contract, or references from satisfied customers, to get an idea of what they are buying.

For this reason, services are usually sold through commercial relationships built over time, so that the promise of satisfaction made by the provider enjoys the trust and confidence of the buyer. Even more than for goods, developing the commercial relationship is the key to doing business. As with goods, the country brand can have a significant role in building trust when it comes to the provision of services. A trade representative has a responsibility to contribute to and promote this country brand as part of their work.

High-level visits

Visits of high-level persons, called VIPs, such as presidents, heads of state, members of the royal family, prime ministers or other government ministers, can be useful tools of commercial diplomacy. Often such visits are planned well in advance. They can be accompanied by a trade mission or coincide with a major trade fair or exhibition in the host country.

At other times, VIP visits may be announced at short notice, with insufficient time to organize a mission, or the VIP might not want to be accompanied by a mission. The visit may be political in nature, linked to defence, security, culture or another aspect of international relations.

Whichever type of VIP visit, the role of the trade representative is to maximize its trade and investment benefits. This generally involves adding a commercial element to the programme and taking the lead in preparing a briefing on trade-related matters.

Precisely how the VIP is deployed depends on who he/she is and what is on the commercial agenda at the time of the visit. The trade representative needs to take such factors into consideration and consult with colleagues and commercial contacts, bearing in mind that details of forthcoming VIP visits are often confidential for security reasons.

➔ Checklist: High-level trade and investment promotion activities

- Lead a trade mission.
- Open or visit a trade fair or exhibition.
- Visit a home country company established in the host country, perhaps opening a new office or factory.
- Meet with counterparts in the host country, including government ministers or state governors.
- Visit organizations with which the trade representative wants to develop links, such as the central bank, national stock exchange, regulatory authority, university and research institutes.
- Host a dinner or reception for the business community, including guests from home and host countries.
- Visit a region or city to establish a new bilateral relationship in the host country.
- Host an event to promote inward investment in the home country.
- Undertake radio, television and press interviews to promote trade and investment.
- Lobby for a specific contract, if the timing is right and home country company is in favour.

If the VIP visit is primarily commercial, the trade representative is expected to lead the briefing. If not, the representative should provide input on trade and investment aspects.

➔ Checklist: High-level brief for a commercial visit

- One page summary: use bullet points and short sentences.
- VIP's itinerary: include the final itinerary as agreed with the VIP's private office, the embassy and local ministry of foreign affairs or head of protocol. You may be responsible for the full itinerary in the case of a commercial visit or may provide input on commercial elements of a wider programme.
- Biographical and organizational profiles: include brief personal profiles of the key people that the VIP will meet and notes on organizations to be visited, highlighting how they are relevant to the business agenda of the home country and any key issues.
- A market brief: you may need to customize a general brief for requirements of the VIP.
- Background notes on members of an accompanying trade mission: include their specific objectives in the market and what they aim to achieve during the mission. You, or the person coordinating the mission at home, should commission this material from the participating companies:
- Speaking notes: these should prepare for any opportunities that might arise in a meeting or to address a group of people. They should include key points to make on each occasion and answers to any difficult questions that might be raised by people in the host country. Keep them clear and concise, as VIPs prefer to avoid reading out long text.
- Contact details: include phone numbers and e-mail addresses for anyone that the VIP or accompanying party might need to contact during the visit.

Dinners and receptions

Trade promotion activities offer high-profile social occasions, such as dinners or receptions. These events may be hosted by the head of mission, consul general or trade representative. They provide an opportunity for members of a mission or participants at a national pavilion to meet key contacts in the host country. Sometimes, the delegates

are invited to nominate people that they would like to invite, while the rest of the guest list is drawn up by the trade representative's team to include people interested in the products or services offered by the visiting trade delegation.

Sometimes residences of diplomatic staff are chosen for such events, with an invitation to the official residence of the head of mission or consul general viewed as attractive.

Whether to offer dinner or a reception depends on numbers and objectives. If a visiting minister brings a small party of only two or three people and has a focused objective, for example, of persuading a big local company to invest in the home market, the trade representative might organize a small dinner with the chief executive officer and one or two others from the company concerned.

For larger groups, lunches and dinners can be less dynamic, as guests are confined to talking to people at their table. In such instances, table plans should place together people who are likely to want to meet each other. An advantage of receptions is that guests can mix with a larger number of people. Receptions are therefore generally more effective for larger delegations.

As trade representatives have limited budgets for such events, costs should usually be borne by the visiting delegation. Agree on a budget in advance, based on estimates from catering services. Ensure this includes all costs, such as waiters, valet parking, extra security, etc.

Seating plans at dinners can be tricky. The main guest should be located at the top table (if there is more than one table), and positioned to converse easily with key guests. The trade representative has the role of briefing guests on the objectives of the dinner, receiving guests, making introductions, and ensuring that the atmosphere puts people at ease and is conducive to conversation. At receptions, the trade representative should first greet guests and then throughout the evening facilitate introductions and help guests from the home country to engage with the people they wanted to meet. Other staff members should play a similar role and avoid the temptation to talk to each other.

At most such social occasions, there are usually one or two short speeches. The host, whether the head of mission or trade representative, welcomes guests and introduces the visiting delegation, while the key visitor might respond with warm words about the host country and prospects for doing business.

➔ Checklist: Hosting a reception

- Agree with VIP's office or mission leader whether they would like a dinner or a reception.
- Agree on approximate size of event to accommodate mission members and invitees from the host country.
- Decide on venue: residence of head of mission or trade representative, hotel or restaurant.
- Secure estimates for catering and prepare a budget for all costs to be paid by mission organizers.
- Prepare guest list in good time and send out official invitations, most probably via e-mail. Make all necessary arrangements: room layout, security, valet parking, catering, waiters, flowers, music and bar.
- Decide who will attend from the team of the trade representative and embassy.
- Prepare speeches as required, to be delivered by host and VIP or mission leader. These should be relaxed in tone and include some humour to put guests at ease. A good and well delivered speech can be key for a successful evening.
- Prepare name badges.
- Help mission delegates to engage with host country contacts by facilitating introductions and bringing people together.

Host country buyer visits to home country

Sometimes it useful to take a group of buyers from the host country to the home country. Trade representatives need to be strategic, investing in priority sectors where the home country is strong or has a competitive advantage. There must be a demand or latent demand in the host country to ensure that buyers' visits make sense economically and strategically.

In addition, there needs to be support at the home end, from the trade promotion organization or from a producer or industry association. Usually, this is not too difficult to secure. In all cases, the cost needs to be assessed against the likely outcomes.

➔ Checklist: When to bring buyers to home country

- The products or services are difficult to send internationally. Examples include a coal mine, a specialist school, inbound tourism services or locations for the film industry.
- The capacity, capability or quality of goods or services of the supplying country are not well-known, or the country has a negative and inaccurate brand image.
- There is an existing commercial event, such as a trade fair, a conference or technical seminar, an agricultural field demonstration, a fashion week or a software event. When such events are well established in the home country, it can be very effective to bring a carefully selected group of buyers or to encourage their attendance.
- A major sporting event, such as the Olympic Games or FIFA World Cup, can provide an opportunity to invite key host country buyers and decision makers.
- There is an issue about the buyer's confidence in the supplier regarding quality, ability to supply quantities or standards of production.
- Cases of inward investment. Sometimes trade representatives are involved in organizing visits of potential investors, while liaising closely with the inward investment agency.
- Travel or business journalists and TV crews invited to the home country may produce favourable, influential material for their home audience.
- An industry association or individual company takes an initiative to invite a potential buyer or a group of buyers.
- A conference or technical seminar, usually in conjunction with a business programme.
- A programme for opinion makers such as journalists, economists, think-tank specialists or academics, which can promote a positive image of the country.

➔ Checklist: Trade representative's role when bringing buyers to home country

- Identify the opportunity.
- Identify serious buyers – consider whether the buyer is already buying this type of product or service or has a serious interest in doing so.
- Plan a programme for buyers in conjunction with the home-based organization.
- Approach the buyers with a formal invitation.
- Negotiate a programme with the buyer and the support organization in the home country.



- Brief buyers prior to departure about what they might expect and what will be expected of them.
- Accompany the buyer on the visit. While this can result in positive spin-offs, it is expensive in terms of the trade representative's time. It is therefore useful to consider whether home office staff can handle activities in the home country.
- Follow up with the buyer after the visit.

Often, it is sufficient to offer the programme in the home country, but sometimes the invitation might include airfares, accommodation or meals. The more the trade representative offers, the more complex the process becomes. If all expenses are paid, there is a risk that the trip might be looked upon as a bribe, especially if government officials are involved. There are often no clear-cut answers about what is appropriate. Sometimes an invitation to the buyer to speak at a seminar can be viewed as justification for paying expenses.

Seminars and webinars

Seminars are usually held in a large room or auditorium. Their purpose could include the objective of informing the audience about new products; demonstrating the capability of the home country in a particular industry sector; establishing credibility; or using a prominent speaker as a way to build contacts.

A seminar tends to have educational value and can be particularly suitable for discussions on new technologies or sharing experience from other countries. Seminars are valuable in the health and defence sectors, for example, and can often occur in conjunction with a visiting mission or trade fair.

The internet is increasingly used to manage collective events. One example is the webinar, or web-based seminar. A webinar allows trade representatives or sellers to give a presentation over the internet.³⁹ Participants can view charts, graphs and photographs, provided they have internet access.

There are numerous websites to help users run more effective online conferences. The advantage of these facilities is avoiding the cost of international travel, but they lack the intimacy of personal contact and run the risk of technical problems, so it is good to try the technology before the event.

Trade advocacy activities

KEY POINTS

- High-level lobbying can be deployed to support tenders, but stay even-handed if there is more than one bidder from the home country.
- Trade representatives sometimes become involved in bilateral trade negotiations, usually working with the embassy's trade policy expert.
- Encourage companies to avoid trade dispute court proceedings through conciliation or arbitration.
- If a trade dispute involves the host government, make an informal approach to the relevant ministry or agency, with a view to achieving amicable resolution.
- If services are readily available from commercial providers, refer exporters to them rather than seeking to replicate the services.

Lobbying

Lobbying by a trade representative is a form of advocacy to support companies from the home country. While the company is in the forefront of any bid for business, discreet, behind the scenes work by a trade representative can be crucial to success.

Lobbying can take many forms. It can involve writing a letter describing the strengths of a particular company, confirming that they are well known in the home country, have been in business for five years, employ 1000 people, and so on. For maximum impact, trade representatives need to ensure that information conveyed in any such letter is accurate and avoid sending letters of support too often. When these are too common, they can lose their value. A letter signed by the head of mission or a minister in the home country usually carries most weight.

Lobbying can also pre-empt an action that makes trade difficult. For example, a trade representative realized that the host country was planning for ports receiving iron ore shipments to have a maximum capacity for ships of 95,000 tons. At the same time, iron ore exporters from the home country were moving towards larger ships with greater capacity and economies of scale. After lobbying, the planning ministry changed course, ensuring access for future imports from the home country.

Lobbying showcases the home country and sellers in the best possible light, and ensures that decision makers in the host country are well informed about available products and services. It should not involve distorting the truth.

Tenders

For large projects it can be necessary to engage in high-level lobbying.⁴⁰ This could involve meetings with ministers or other officials, or a trade mission for sellers to publicize or demonstrate their services, products, expertise and experience. It might also involve dinners, receptions and lunches where the critical players are brought together, although care should be taken to avoid lavish entertainment that could be misinterpreted.

Trade representatives also need to be even-handed if there is more than one bidder from the home country. In such cases, trade representatives may wish to work with the home government and competing bidders to form one consolidated bid or they may decide on a preferred bidder, to which they can provide full lobbying support.

If a minister from the home country is planning to visit, the trade representative can suggest a meeting or dinner with the responsible minister in the host country, providing an opportunity for the minister to speak in support of the home country bidder.

Sometimes an offer for a supply or construction contract comes with a financial, export credit or aid package, complicating the assessment process. If other countries are offering such inducements, it is necessary to inform the home country government and sellers about the package so that they have an opportunity to work with the national export credit agency or other financial institutions to match better what is on offer from the competition.

➔ Checklist: Dealing with tenders

- Find out about the tender before it is issued; tip off interested companies at home.
- Understand eligibility requirements. Often a company must be resituated or have a commercial presence in the country offering the tender.
- Be even-handed regarding competing bids from home country.
- Encourage competing companies in the home country to join forces as one national bid.
- Facilitate consortia in which companies from the home country might form part of a joint bid with companies in the host country.
- If there is any hint of bribery or corruption, advise companies not to bid.
- Agree with companies what help they need and when they need it.
- Ensure that a local expert, usually a lawyer, checks bids before they are submitted. This avoids bids being dismissed for process-related technicalities.
- Understand which authorities will be involved in the decision-making process and seek out opportunities to establish closer links with them.
- Encourage a minister in the home country or the head of mission to write a letter of support for the home company. This should be addressed to the host government and should set out the company's credentials and track record.
- Ensure that the home country government and exporters know of any offers of export credit or aid by other countries.

Trade negotiations

There are two types of trade negotiations between countries – multilateral and bilateral.

Multilateral trade negotiations are between multiple governments about the laws that govern trade, including tariffs, non-tariff barriers, export subsidies, import quotas, etc. Global multilateral trade negotiations are held under the auspices of the World Trade Organization (WTO). They aim to reduce formal and informal barriers to trade. Negotiations are handled centrally by a team of negotiators at the WTO. The Doha Round of negotiations, which began in November 2001 and is ongoing, is the most recent large-scale, formal round. The Business and Trade Policy programme of the International Trade Centre⁴¹ aims to ensure that when governments are developing trade policies they consider the concerns and ideas of the private sector.

Most trade representatives are not likely to be involved directly in WTO negotiations, but they may play a role in bilateral or regional trade negotiations. If two countries seek to establish a bilateral free trade agreement, the trade representative can provide knowledge of current and potential trade opportunities to shape the home country's negotiating position.

Negotiations between the home country and the host country could also involve issues such as a contaminated shipment of goods leading to a ban on sale of products from the home country. They could also concern import licensing changes that reduce the market for the home country's products or intellectual property issues. In these circumstances, the role of the trade representative initially is to highlight the issue. In a larger embassy, such problems are often handled by the diplomat in charge of trade policy, but in a smaller embassy, the trade representative is likely to be asked to help out.

Disputes and arbitration

Trade disputes arise for a number of reasons, ranging from simple misunderstandings to changes in market conditions, such as dramatic shifts in global commodity prices. Some cases may involve non-tariff barriers or even dishonesty or fraud.

Complaints that might involve the trade representative include:

- A local importer against an exporter from the home country;
- A home-country exporter against a local importer;
- A complaint from a home country company about infringement of intellectual property rights;
- A dispute with a government agency on inspection or testing of goods.

Trade disputes are counterproductive. They sap the time and energy of all parties involved and can be costly and damaging. Anything that minimizes disputes is likely to be a good investment. One way of doing this is to help companies to avoid disputes. Whenever possible, the trade representative should recommend that companies agree on appropriate dispute resolution procedures before doing business. Thus, when a dispute arises, there is an agreed, clear path forward for the parties to resolve the problem. As discussed previously, the trade representative should advise exporters to be careful when appointing agents or representatives. Having an importer with high ethical standards can reduce the level of disputes dramatically.

As international law governing trade is complex, it is best for trade representatives to leave legal issues to professionals who are specialists. Trade representatives should encourage companies to avoid court proceedings, either through conciliation,⁴² where a mediator helps parties in a dispute come to an agreement, or arbitration, whereby

decisions made by an arbitration panel in one country are legally binding in all countries that have adopted the New York Convention (1958).

Occasionally, exporters may seek help from the trade representative over unfair treatment by government officials in the host country. This could be in relation to import controls, technical standards compliance, or other issues. If the complaint seems legitimate, there should be an approach to the host government. This might be informal at first, to see if an amicable solution can be reached, as in the case handled by Asha (see story). If that is not possible, the head of mission may authorize a formal approach, usually involving a visit to the appropriate ministry and leaving an aide-memoire or a note verbal.⁴³ The ministry would be expected to respond.

Further action depends on the nature of the response. If the response is regarded as unsatisfactory, it may be possible to take the dispute to the World Trade Organization.



Asha steps into a trade dispute

Asha was extremely concerned about what she had heard.

She was spending a couple of weeks back in Africa, one week on leave and another visiting companies in her home country with an interest in the European market. Her latest call was on Kwame, managing director of a medium-sized exporting company, who told Asha that his business could not survive much longer unless his problem was resolved.

Kwame had been selling his medical products into Europe for nearly 10 years and had obtained all the required European certifications and import approvals. But, last year his parent company had been acquired by a larger group, and this change in ownership had led the authorities in Asha's host country to revoke the import licence.

The immediate problem was that he made a large shipment recently and the goods were sitting in a warehouse at a European airport unable to be released, causing high warehouse costs. Kwame estimated that his funds would last for about six weeks more, but after that there was a real risk that his company would have to go into liquidation. He was due to travel to Europe next week, so Asha suggested that she arrange a meeting with the medical imports approvals agency. Kwame agreed, and a week later they went together to the approvals agency to make their case.

The presence of Asha helped to ensure that they got a fair hearing. The officials were embarrassed by the situation and offered to review the case. They realized that the change in ownership had not affected the technical specification, and the import licence should not have been revoked. A week later, the goods were cleared for entry to the European market and Asha breathed a sigh of relief, as a grateful Kwame thanked her sincerely for all her help.

Referrals to service providers

In markets where such service providers are readily available, it is preferable for the trade representative not to offer these services themselves, and instead refer companies to the private sector provider.

There are numerous companies in the host market that facilitate the processes of importing or investing. Knowing these companies and having some personal contacts within them can make a trade representative's role much easier.

Facilitators include the following service providers:

- Trade fair organizers
- Stand construction contractors
- Publicity agents
- Venue operators
- Hotel management
- Travel agents
- Law firms
- Accounting firms
- Banks
- Freight clearing and forwarding companies
- Airline offices
- Customs clearing agents and inspection agencies
- Business and investment consultants
- Interpreters and translators

These contacts can be included on handout materials for clients needing practical assistance.

Sometimes trade representatives make available office facilities to home country exporters for free or for a highly subsidized rate. If there is space available and security considerations can be adequately addressed, it may make sense to offer this space, particularly on a short term basis for home companies visiting the market. However, most hotels have business centres that companies can use and, for exporters that are establishing themselves in the market, a better option might be to rent serviced office space.

Relationships can be built with all of these different types of service providers by inviting them to receptions or asking them to brief incoming trade missions, which they are usually happy to do.

Promoting inward investment

KEY POINTS

- Some trade representatives have a dual role to promote trade and investment, primarily foreign direct investment.
- Be proactive to attract investment. Generate leads through investment seminars, road shows, business-to-business meetings and promotional material, facilitating home country visits and ensuring follow-up.

While some trade representatives focus on promoting trade, others, particularly in smaller embassies, also have responsibility to attract investment in the home country. They mainly focus on foreign direct investment, which usually involves an investor establishing foreign business operations or acquiring a controlling interest in a foreign company.⁴⁴

Good quality foreign direct investment will create new jobs, bring new technology and expertise to the country and contribute to its economic prosperity.

Foreign direct investments and the laws governing them can be pivotal to a company's growth strategy.⁴⁵ In 2017, for example, Apple announced a \$507.1 million investment to boost its research and development work in China, Apple's third-largest market behind the Americas and Europe. Meanwhile, recently relaxed regulations in India allowed 100% foreign direct investment in single-brand retail without government approval. The regulatory decision reportedly accelerated Apple's plan to open stores in the Indian market, where the firm's products previously were only available through other retailers and online.

Identifying investors

Trade representatives with inward investment responsibility need to engage with business people and prospective investors from the host country, presenting a positive and informed picture of opportunities for investment in the home country. They should work closely with the national investment agency and be up to date on developments in the home economy, tax regimes, free trade zones and incentives for investment.

While an interested investor may approach a trade representative directly, much work on investments is proactive. It focuses on ensuring that the local business community

is aware of the advantages the home country offers to prospective investors, and on pursuing leads to build a pipeline of potential investments.

➔ Checklist: Seeking investors

- ✓ Understand sourcing and investment strategies of major lead firms in the market.
- ✓ Do not oversell. Listen to what competing investment locations promote, and determine how best to stand out. Understand what investors seek (for example, is it market access, natural resources or cheap labour?). What triggers investment decisions? Also understand greenfield vs. brownfield strategies.
- ✓ Attend conferences and seminars.
- ✓ Use high-level representatives, business people, experts and officials from the home country to stimulate interest in investments.
- ✓ Develop links with law firms, accountants and investment banks so that they refer clients. This requires establishing trust, as they will want to retain the potential investor as their client.
- ✓ Work with host country agencies. There can be shared aims in the home country's inward investment activity and the host country's export promotion work, especially when the host country encourages outward direct investment as part of its business growth model.
- ✓ Arrange visits by government VIPs to potential investors.
- ✓ Use your website to attract investors. Emphasize how your office can add value to a potential investor's planning. It can also contain the economic information investors seek.

Investment seminars, road shows, pitch competitions, business matching

Trade representatives organize seminars targeted at potential investors. These should involve an authoritative speaker, such as a local entrepreneur who has invested in the home country and has a positive story to tell. Another option is a government minister who can outline the host country's efforts to make investors welcome, such as tax incentives or infrastructure improvements.

Seminars work better with a specific target audience. For example, they can focus on a certain sector or sectors, or all the delegates can be senior officers involved in decision-making from companies that have the capacity to invest. Events of this type work well in partnership with a bank, allowing trade representatives to reach an interested audience, expand their network, and support the value proposition of the bank to its most important customers. Events with a more general audience can also be useful, but they are less likely to deliver results.

Promotional material should reflect a similar approach. Blog entries and opinion articles (such as op-eds) are valuable, particularly when signed by a high-ranking government official or a well-known entrepreneur who can vouch for a country's attractiveness as an investment destination. Articles and blogs targeted to specific sectors and markets are more effective than those in general media.

A road show should also have a target topic and audience. It will feature a sequence of seminars and round tables with prospective investors in different cities. These events are usually invitation only and may be held in a local business association, the embassy, high commission, consulate, or an up-market hotel.

For activities aimed at attracting portfolio investments into home country projects, home country entrepreneurs pitch their investments to potential financial backers in the host country. One format that has become popular is known as the 'Dragon's Den', based on a television show in the United Kingdom that other countries have replicated. In this format, a small number of high-profile investors listen to individual pitches from entrepreneurs seeking investment. The aim is for the proposals that generate the most interest to be selected by one or several of the investors, with ensuing a commercial relationship. This format also provides valuable feedback to the pitching companies.

Another format is a more traditional business-to-business (B2B) meeting, where each investor has a space and holds a series of meetings with companies needing investment. This allows for more confidential pitches, discussions and the possibility to agree on pursuing the relationship further. Companies and investors can also mingle and meet informally to explore potential links.

When targeting portfolio investors, trade representatives may find greater success if they work with entrepreneurs to ensure their business is investment-ready, and that the pitch is tailored to the expectations of host country investors.

Capturing client needs

After identifying potential investors, the trade representative should arrange a meeting to discuss investment opportunities and client needs.

Securing a meeting with the appropriate person can be a challenge. Trade representatives should research potential investors, their businesses and the potential offered by the home market. Preparation is key – companies invest when they anticipate a good return or when it brings access to markets, raw materials or joint ventures. A meeting is an opportunity to ask questions. What is the company's strategy? What type of opportunities would it find attractive and in which sectors? How much would the company be willing to invest?

The trade representative should take materials, such as fact sheets and useful information about industries that investors might target. They should be confident about adding value to any investment discussion and underline the home country's attractiveness as a place to invest.

After the first meeting, the trade representative should work with the home country investment agency to develop a specific pitch tailored to the client's needs.

➔ Checklist: Pitching for investment

- Detailed home country economic data; the political climate
- Success stories of previous investments
- Specific investment locations, including access to scarce resources, as well as availability and price of office and factory space
- Transport links: nearest airport; distance from other major cities; flight time from host to home country
- Ease of access to other markets, covering both logistics and trade agreements
- Access to nearby universities and research institutions
- Labour, skills, salary levels; labour laws, including those on mobility
- Quality of the banking sector for payments and international funds transfer
- Tax environment, levels of corporation tax, income tax, VAT, etc.
- Government incentives for inward investment

- ✓ Domestic and other foreign competition in the sector
- ✓ Laws on repatriation of profits and protection of international investments
- ✓ Attractions of living in the home country for the foreign investors and their families
- ✓ Mitigation of potential risks.

Arranging investor visits

If a pitch is well received by a potential investor, the next step is to arrange a visit to the home country, hosted by the national investment agency or regional economic development agencies. The role of the trade representative is to liaise between the lead home agency and the investor on arrangements for the visit and ensure that the investor is well looked after.

Visits may include meetings with the government bodies responsible for foreign investment and, depending on the visitors and the project, meetings with government ministers.

Investors usually ask to visit proposed locations for the investment and meet other businesses already located in the area, including actual or potential customers and suppliers.

To avoid misunderstandings, the invitation should be clear about what is covered: whether first class, business class or economy air travel is provided and is tied to a particular airline; whether domestic transport is part of the package; and if accommodation is provided. The trade representative should describe the standard of the hotel and indicate the meals that are included. It is advisable to avoid an all-expenses-paid invitation, as some visitors may order expensive meals and gifts, and make expensive phone calls.

The trade representative should schedule a follow-up meeting with investors and ensure that promises made by either side are fulfilled. If required, the trade representative should supply more information, in collaboration with the lead agency at home.

If the company is interested in investing, it may seek funding or professional support. This is an opportunity to introduce the company to banks or investment funds in the home country, as well as lawyers and accountants able to help with setting up and running the investor's new company or subsidiary. The trade representative may be able to liaise with the visa section at the embassy or high commission to ensure that appropriate visas are issued without difficulty.

The trade representative should keep lead agencies at home closely informed as these discussions develop, especially as such agencies are well placed to help with the support work.

Assisting existing investors

Government support for a foreign investor does not end when the project lands in the home country. The investment agency should continue to work with the investor to help the company grow and expand its business. In some cases, the agency may refer the investor to the trade promotion agency or to the country's other trade representatives to help it increase exports from the home country to third countries.

To combine roles or not?

There is debate about the pros and cons of trade representatives covering both trade and inward investment. In small embassies, a combined role may be inevitable, due to limited staffing. The debate also extends to the merits of merging trade and investment agencies. Among those combining the two roles are the UK Trade and Investment (UKTI) network in the United States.

Table 10: Investment promoting competencies

Skill set	Competency	Application
Understanding Applying a global perspective to understand and describe the nature of the competitive advantage likely to attract foreign direct investment in short and medium term	Mission critical: Business insight	Applying knowledge of business and the marketplace to advance the organization's goals and those of potential investors
	Strategic mindset	Seeing future possibilities and translating them into breakthrough strategies to attract foreign direct investment
	Global perspective	Understanding global trends and taking a broad view when approaching issues, using a global lens
	Financial acumen	Interpreting and applying key financial indicators to identify opportunities and support investor decision-making
Engaging Building pipeline prospects, creating deep and trusted relationships at senior levels and across cultures, identifying solutions and delivering compelling sales pitches	Mission critical: Customer focus	Building strong customer relationships and delivering customer-focused solutions
	Builds networks	Effectively building formal and informal relationship network inside and outside the organization
	Instils trust	Gaining the confidence and trust of others through honesty, integrity and authenticity
	Interpersonal skills	Relating openly and comfortably with diverse groups
	Persuades	Using compelling arguments to gain the support and commitment of other.
Delivering Marshalling resources, solving complex problems and satisfying both investor and organizational objectives	Mission critical: Action oriented	Taking on new opportunities and tough challenges with a sense of urgency, high energy and enthusiasm
	Balances stakeholders	Anticipating and balancing the needs of multiple stakeholders
	Manages complexity	Making sense of complex, extensive and sometimes contradictory information to solve problems
	Resourcefulness	Securing and deploying resources effectively and efficiently



The International Trade Centre commissioned a case study on the UKTI experience, as part of a wider study on 'Integrating Trade Support and Investment Attraction'.⁴⁶ Others who have taken this route are, for example, the Barbados International Business Promotion Corporation (BIBPC), the Brazilian Trade and Investment Promotion Agency (Apex-Brasil), PROCOLOMBIA, Promote Iceland (Islandsstofa) and España Exportación e Inversiones (ICEX).

In today's global economy, trade and investment are often closely linked, given that many inward investments concern products or services for export. The need to maximize the indirect benefits of foreign direct investment on local firms also helps explain the trend towards merging trade and investment organizations. Improving the competitive position of local small businesses through their participation in global value chains as suppliers to multinational investors is valuable in preparing such companies to export.

The UK model worked in the United States because of the even balance between trade and investment work, ensuring that neither was squeezed out. If a network is 90% trade, for example, it is difficult to do justice to the much smaller investment effort without a dedicated team.

Another challenge is difficulty in recruiting staff with the skills to handle both roles. Success in attracting investment requires a particular skill set. This includes: the ability to strategically identify opportunities; long-term engagement at senior levels of very large organizations; a solid understanding of business strategy, finance and decision-making; and the ability to understand business needs, and shape and describe a solution. Such skills are usually linked to senior sales roles requiring technical expertise across several sectors, high levels of cultural intelligence, and the patience and persistence to work within a long lead time.

Based on the Korn Ferry Leadership Architect model,⁴⁷ the International Trade Centre has developed a set of attributes required for the role of investment officer (Table 10).

One factor that agencies should consider is their type of trade work. If they have a traditional model of reacting to exporter requests for support that mainly targets volume of companies helped, the case for combining roles is less persuasive than if they pursue a more strategic, proactive trade agenda, which fits better with inward investment work.

Projecting a national image

KEY POINTS

- National branding has to be based on authentic values, market research, and must be coordinated at a high level to be effective.
- National, commercial and product-specific campaigns enhance trade and investment promotion.
- Social media is useful for promotion. Understand your organization's social media policy, select channels which are most relevant for your specific networks, and provide value with your posts.

A key role is to project a positive image of the home nation. This involves highlighting the country's attributes in a way that attracts interest and attention. The aim is to persuade people in the host country that they want to do business with, visit or invest in the home country.

When potential investors are deciding on a short list of countries, they consider hard data that affects business fundamentals (cost of labour, access to scarce resources, etc.) and the business environment (such as political stability and levels of bureaucracy). They are also influenced, consciously or not, by the overall national image or country brand. Publicly-owned multinationals, with commitments to corporate social responsibility, have to consider media and shareholder reactions to their investment decisions. This reaction is often based on cultural, social and political factors more than on business fundamentals.

But while a strong, positive country brand is vital, it must be framed to support inward investment. When it comes to branding, there are often conflicts among the different users of the brand. Tourism operators may want to focus on open countryside or beaches, untouched wilderness and authentic cultural experiences. A technology or service company is likely to be more interested in excellent infrastructure (such as roads and power plants), modern technology and highly skilled scientists. Strong positive country brands help build trust and facilitate business and are based on evidence. Trade representatives can draw on pre-approved evidence points for speeches and presentations.

A good country brand carries an overall message that can be interpreted positively for trade, diplomacy, tourism, international education and attracting investment.

One way to achieve this is by maximizing positive media coverage of trade and investment activities, whether radio, television, print and social media. Some trade representatives have access to a dedicated press officer, directly or through the embassy. Regardless, it is useful for trade representatives to cultivate contacts in the national and local press in the host country. This can be done by inviting them to events, offering them an exclusive interview when a high-level representative is visiting or meeting for lunch or coffee occasionally. Such contacts are vital when it comes to implementing promotion campaigns.

Website is crucial

A well-designed website is indispensable for outreach and communication by trade representatives, whether this is self-standing, forms part of the embassy, or is a national trade promotion organization site.

A website serves a number of functions:

- It presents an image of the country and of the trade representative and team;
- It can answer many routine questions. These cover office opening hours and address; public holidays; staff contact details; visa requirements and how to obtain visas; and economic data about the home and host country;
- It can also serve as a communication tool to inform clients of changes in the marketplace or new opportunities;
- It can be a powerful recruiting tool for promotional events. It should have information about what types of companies should participate in these events and why.

Promotion campaigns

Sometimes trade representatives lead promotion campaigns in the host market. These can be linked to specific products, such as food and drink, or be multi-faceted.

National promotional campaigns aim to change perceptions about the home country in the host country and ultimately increase trade and investment. These activities can take place at three levels:

National: to build a country brand, as described in case studies in the International Trade Centre benchmarking library on Costa Rica and Peru;⁴⁸

Commercial: to improve the overall perception of home country products and services;

Product: to improve the positioning of a specific product.

National branding consists of developing an image and communicating it. The image should be based on positive values and perceptions relevant to trade and investment. Research by the International Trade Centre⁴⁹ shows that brands need to be based on genuine national values. If exporters and other representatives of the home country do not reflect these values, the brand will not be credible.

Before developing a new image, it is useful to establish current perceptions about the country brand. To assist, there are tools that measure global perceptions of countries in areas such as culture, governance, people, exports, tourism, investment and immigration.

New brand concepts, once researched, tested and defined, become the basis of targeted promotional campaigns to encourage trade, tourism and inward investment and to promote other national interests.

National branding campaigns tend to be large endeavours requiring contributions from numerous government ministries and other organizations, and they need to be coordinated at the highest levels of government. The *New Zealand Story* is an example of a campaign that aims to make New Zealand known for a range of attributes including culture, environment, technology and innovation and to increase the international profile of the country's businesses.⁵⁰ The United Kingdom's GREAT campaign is another example, which stands out for its leadership by the UK Prime Minister's office.

Trade representatives contribute to developing campaigns; implementing locally the activities and actions defined by the campaign; and ensuring the visibility of the country name and associated brand attributes is as strong as possible. They are responsible for informing campaign organizers about any potential misunderstanding or difficulty a proposed country branding initiative may have in the host country because of cultural or language differences or particularities in the bilateral relationship. The trade representative then looks for opportunities to promote the campaign within the host country and, subject to approval and funding, is responsible for leading its implementation locally.

Commercial promotion campaigns may be more focused than a broad-brush national branding campaign, concentrating on improving the image of a country's products and services. An example is the Made in India campaign which focuses on manufacturing, following the successful tourist campaign, Incredible India.

➔ Checklist: Commercial promotion campaign activities

- National days, with specific events featuring food and cultural offerings
- In-store promotions
- Participation in a trade fair as a special guest country
- Participation as a guest country in cultural festivals or events
- Awards and other forms of recognition for personalities in the bilateral business world, such as nationals of the host country who have been major investors in the home country or high profile home country expatriates. These are often organized with the bilateral chamber of commerce.
- Exchange programmes between business schools or universities and colleges in both countries
- Events in the host country where companies participate as representatives of the home country. These can include a sports or cultural event, a reception, a dinner or luncheon, or an exhibition.

Promotional activities for specific products should only take place if the goods or services involved are of strategic importance for the home country. The trade promotion organization or another government department or agency usually takes the lead in such instances. In the case of Colombian coffee, for example, the Colombian Coffee Federation is responsible for international promotion. Another good example of a product-specific branding strategy is the one developed by the Sri Lankan government, with the help of the International Trade Centre, to promote sapphires. This strategy included creating a consortium of leading jewellery makers in the country, which developed a showcase collection (Box 2).

BOX 2: National promotion campaigns

The Sri Lankan Export Development Board, working with the International Trade Centre and its chamber of commerce, launched a branding campaign that brought together the country's top jewellery makers to create a showcase collection. They promoted the collection with special events in selected markets for trade buyers and the media, trade shows such as the Ceylon Sapphire Pavilion in Japan, Germany, Switzerland and the United States; a Ceylon Sapphire Collection catalogue and website; editorial coverage in trade and consumer magazines; and sales material for retailers.

The Spanish trade promotion organization, ICEX, is carrying out national campaigns to promote Spanish food and wine; movies and TV content;

and interior design.⁵¹ They showcase the industries as a whole, featuring their products and services in common websites and e-commerce platforms.

The Peruvian government has brought together several national agencies and industries to promote superfoods and superfruits,⁵² especially for the US market. They concentrate on the national brand they are developing which is based on their unique strength in biodiversity and their quality in supplying medicinal plants.

ProChile has worked with various industries, ranging from biotech to wines, education, olive oil, its film industry, engineering, architectural services and more,⁵³ to jointly promote high quality Chilean exports abroad.

The involvement of trade representatives in this type of sector strategy is likely to be limited to events in the host country.

Sector-specific branding strategies can emphasize and build on home country strengths, such as garments produced with social and environmental standards; quality-certified producers, especially for organic foods and pharmaceuticals; ecologically sustainable materials; a geographic or regional origin that may have value in the market; and products by women entrepreneurs.

Some companies may prefer not to be associated with their home country branding, as is the case with some multinationals. For example, some companies set up local manufacturing or retail facilities and want to appear to people in the area as a home-grown company, rather than having a national image.

Changing a national brand is very difficult, especially when this involves turning around a country's negative image. This is not simply a matter of handing out media releases. According to Simon Anholt of the Anholt Nation Brands Index points, the country itself needs to change. Even if enormous sums go to advertising, the national image can be damaged instantly by a small incident.

Well-produced television programmes featuring the best of what a country has to offer can be very helpful in changing attitudes, because they reach so many people. But it is not easy to persuade television networks to air what they may view as propaganda. Sometimes travel writers are invited to a country, resulting in positive articles. This is a relatively cost effective way of improving a national brand. Addressing underlying issues related to national branding is often outside the scope of the trade representative. However, trade representatives need to be generally prepared to address potential negative developments in their home country, should they arise.

Social media

Social media is becoming increasingly important as an online marketing and networking tool for trade representatives. The key is to share content that users can learn from and share with their social networks. Effective use of social media broadens exposure and customer reach.

Table 11: Major social media platforms and their strengths

Name	Use for	Push or pull?
Facebook	Consider it a 'home base' for people to exchange practical tips/resources, photos/videos and upcoming events, as well as to form groups around similar interests. Facebook is the world's leading social network with 2.23 billion monthly users (June 2018).	Good for pulling new people into your network. Users look for quick news and entertainment updates, upcoming events, and the latest on family/friends. Tips: Post at least once a day, and regularly reply to comments and messages.
Twitter	Quick way to reach journalists, government leaders and members of the diplomatic community. Journalists make up 25% of verified accounts, and 83% of the world's leaders are on Twitter. It has 335 million monthly users (June 2018).	Good for pushing out latest news and updates to a large audience, quickly. Tips: Always attach a photo, tag relevant accounts and use hashtags to appear in searches. Create customized 'lists' of contacts for easy, targeted outreach.
LinkedIn	Connect and network with business people. Think of it as the Facebook of professionals. Groups are by invitation only. LinkedIn has 500 million users (January 2018).	Good for pulling people into your network. Tips: Connect with people who are already connected to your contacts. Videos do particularly well on LinkedIn, compared with other types of content.
Instagram	Reach younger demographics with high-quality photos/videos, and to share real-and-raw 'stories' that disappear after 24 hours. Users look for inspiring and curated content from emerging brands, influencers and thought leaders. Has one billion monthly users (June 2018), mostly in the 18-34 age range.	Good for pushing visual, aspirational and aesthetically pleasing content on the wall, and for sharing behind-the-scenes or day-to-day content in the stories. Can stream live video. Tips: Like and comment on posts of accounts with big followings to boost engagement.
YouTube	A free video-hosting platform. It is the second-largest search engine after Google. It has 1.6 billion monthly users (January 2018).	Good for pushing content that lets businesses show their products in action. Particularly useful for companies with limited physical distribution channels, including those that mostly sell over the internet. Tips: Aim to have videos professionally produced. Add subtitles. Focus on showing concrete impact and/or testimonials from clients.
WhatsApp	A mobile and web-based messaging service that has become a social networking platform where news/videos/photos are shared one-on-one or in groups. WhatsApp has 1.5 billion users and sees 60 billion messages sent per day (December 2017).	Good for pushing and pulling content from individuals or highly targeted groups. Need to have mobile numbers to have them on WhatsApp. Tips: Engage individuals or groups in a personal way with tailored messages/stories/multimedia.
Wechat	A Chinese multi-purpose messaging, social media and mobile payment app developed by Tencent. First released in 2011. By 2018, it was one of the world's largest standalone mobile apps with over a billion monthly active users.	Good for pushing and pulling content. Known as China's 'app for everything' because of its wide range of functions and platforms. Note that Facebook, Twitter and many other applications are not available in China.



Whenever a group of clients, partners or experts have common interests, there is scope to make social media work for communication, networking and marketing.

Aim to make social media content as engaging as possible, using photos, videos, infographics, quote cards, polls and gifs (when appropriate). Write in a simple and conversational way, staying away from acronyms, jargon and technical terms. Use multiple languages and post in different time zones to target various audiences, if applicable.

The focus should be on creating and sharing content that adds value by providing up-to-date news and information; analysis of the implications of such news and information, including longer term trends; practical tips, such as how to organize events; and entertainment, when it is related to the subjects you are covering.

In addition to the social media platforms listed above, trade representatives can maintain a blog – or vlog – to keep contacts up to date on activities, remind them about upcoming events, and share information that educates. To build trust with audiences, post regularly and respond to questions, comments and messages.

A final tip: Use Twitter or WhatsApp to communicate quickly and effectively with clients at events. For example, send a WhatsApp message to invite buyers to visit the national stand at a trade fair at a set time.

➔ Checklist: Social media posts

- Be valuable. Is your post actionable, informational or entertaining?
- Be interesting. Add data, facts and figures to send a concrete message.
- Be visual. Use high-quality photos and videos.
- Be organized. Consistency is important. Plan and schedule your posts in advance.
- Be bold. Don't be afraid to use humour. Ask yourself: what would my target audience want to see?

Before engaging in social media activities for professional purposes, trade representatives should become familiar with the social media policies of the organization or organizations they represent, as well as any host country restrictions.

Managing professional and personal challenges



Managing the office

KEY POINTS

- A plan for the first 90 days pays dividends on arrival.
- Arrange extensive advance briefings and making family arrangements in advance.
- Being new provides a one-off chance to visit key people and organizations and to develop relationships.
- Be clear with staff about mutual expectations. Strategic plans should be developed with staff rather than imposed.
- Policies are needed to select, recruit, manage, train and dismiss local staff.
- Ensure a formal handover with the predecessor.
- Prudent financial management is a key part of the trade representative's role.
- Comply with the funding agency's accounting, financial reporting and auditing standards.
- Take responsibility for the physical assets of the office and maintain an assets register.
- IT facilities are essential and must include measures to protect from hacking, sabotage or natural disaster.
- Have a business continuity plan, outlining contingency measures in the case of a terrorist attack or other disaster.
- Keep records in line with the security classification and the requirements of your parent organization.

Trade representatives can face a variety of scenarios at the start of their posting. They might be allocated an office in the embassy, high commission or consulate, with access to an existing team of support staff. At the other extreme, they may be sent to a totally new market and need to set up an office from scratch without any local support.

Getting a head start

Good preparations and a solid start in the job can help pave the way for future success in the role of a trade representative. As most trade representatives move to a new country when they take up their post, the weeks before beginning work are busy and the list of tasks is long.

➔ Checklist: Preparing for a post abroad

- Pre-job briefings and planning for first three months
- Diplomatic passport and accreditation to the host country
- Language training
- Medical checks and vaccinations
- Housing in host country
- Schools for children
- Job opportunities for spouse
- Insurance cover
- Arrangements to ship luggage
- Clothing suitable for climate and culture of host country.

Preparations are key and will pay dividends when trade representatives arrive in their post. For those operating in another language, it is important to be fluent from the outset. In addition to language training before leaving the home country, it is good to undertake a period of immersion language training, such as with a local family, in the host country. This could mean a month of language immersion before going into the job.

There are many personal and family arrangements that are time consuming but vital. Arranging housing, schools, and jobs for spouses among others will make it much easier to focus on the job once it starts.

Trade representatives should ensure that they are as fully briefed as possible in advance. They should have clearly agreed objectives with their sponsoring organization and be aware of any hot topics involving the home and host countries. Knowledge of planned ministerial visits or missions allows the trade representative to meet those involved before leaving the home country. In addition, trade representatives should try to meet all the home-based partners, including the ambassador or high commissioner from the host country and their staff. Security briefing is important, so that trade representatives are aware of any risks before arriving, as well as how to mitigate these to protect to themselves and their family.

It is a good idea to develop a plan for the first 90 days in post. As underlined by business professor and author Michael D. Watkins in his book, *The First 90 Days, Proven Strategies for Getting Up to Speed Faster and Smarter*, the starting period in a new job or position sets the tone and determines future success. Actions and team leadership in the first three critical months are indicators of what is to come. Trade representatives need to use those 90 days to build relationships, establish credibility, and learn as much as possible.

First impressions count

During the early days in the post, trade representatives have the opportunity to visit a wide range of organizations to introduce themselves. They should take full advantage of this chance, as it only occurs once.

➔ Checklist: Introductory visits

- High-level contacts in trade-related government ministries
- Other useful political contacts, such as governor and mayor
- Trade representatives in other embassies or consulates
- Legal and accounting firms
- Major financial institutions
- Chambers of commerce and industry associations
- The media
- Trade fair organizers
- Key companies from the home country active in your market
- Existing or potential investors from the host country with an interest in the home country.

Trade representatives should be systematic about these introductions, collecting business cards from all contacts. It is useful to consolidate a relationship by following up, perhaps through a thank you note, a useful link or piece of information or LinkedIn request. When possible, trade representatives invite contacts to a reception or a personal event, such as coffee, lunch or dinner.

It is essential for trade representatives to get off to the right start with staff and colleagues, by setting out expectations in both directions. It is a good idea to organize some form of staff get-together early on to discuss strategy. If strategic direction comes out of an event like this, a feeling of ownership from staff is much more likely than if the trade representative arrives and imposes a new approach without consultation.

The office

When trade representatives are the first from their country, they are likely to have to establish a new office. This involves finding appropriate office space, recruiting staff, furnishing the office, and setting up systems and bank accounts, and is much more work-intensive than taking over from a previous trade representative.

➔ Checklist: Settling in

- Arrange housing, if official housing is not in place.⁵⁴
- Establish your household, including schooling for children, if needed.
- Check if you need to purchase a vehicle. An official vehicle is likely to exist already. You will need to purchase or lease any additional vehicles for personal use.
- Establish personal bank accounts.
- Establish office bank accounts if not already existent.
- Find office accommodation if not already existent.

- Recruit staff if not already existent.
- Furnish the office and establish systems if not already existent.
- Create a website if one is lacking.
- Develop country reports and compile lists of specialists if lacking (lawyers, market consultants, interpreters, etc.)
- Build networks with the government and with trade facilitators (chambers of commerce, banks, clearing agents, transport companies, industry associations, etc.). Check if there is a handover which should include introductions to existing networks that will need follow up.
- Build links with importers, agents, partners, expatriates from your own country, and with the community. Check if there is a handover which should include introductions to existing networks that will need follow up.
- Check ongoing programmes, such as trade fairs and missions.

Human resources and managing local staff

On occasion, trade representatives need to recruit staff locally. Such staff tend to be less costly for the home country and they provide access to local networks and connections, as well as offer specialized knowledge about the customs and traditions of the host country. For these reasons, the trade representatives may themselves be hired locally.

If recruiting locally, the trade representative needs policies for selecting, recruiting, managing and dismissing local staff (see Annex I for model letter of appointment). When trade representatives are within an embassy or high commission, they can use existing policies on such issues. If they operate independently, they need to ensure compliance with the local legal framework governing recruitment and employment.

Trade office staffing needs vary from country to country, depending on the budget and post requirements.

Checklist: Hiring local staff

- Fluency in the languages of the host and home countries: because of the importance of the local language, it is preferable to employ local nationals or locally recruited expatriates from the home country who are established in the host country and have been there long enough to be fluent in the language. It is necessary to verify fluency in writing as well as speaking, which likely entails some form of written test in addition to an interview.
- Previous business or commercial experience: understanding business in the local economy and having a network of connections in the local business world is valuable.
- Sense of responsibility and initiative: most local staff work unsupervised for extended periods of time. Professionalism is critical, particularly as local staff is in contact with many companies from both countries and discuss business deals involving substantial amounts of money.
- Low risk of any conflict of interest: staff members with existing interests in a host country company that is a potential competitor to a home country firm, will face difficult ethical challenges.
- Diplomatic skills, as well as trustworthiness.

When seeking to ensure that all staff in the trade representative's office have competencies needed to perform at a high level, it may be possible to follow a competency framework used by the home ministry or trade promotion organization. When there are gaps in competencies within the representative's team, there should be training in conjunction with human resource specialists to address the gaps. Depending on requirements, such training can be provided by trainers from the home country or by local professionals. Measuring performance also helps to maintain motivation of staff and reward performance.

In managing combined teams of expatriate and local staff, trade representatives need to avoid any form of discrimination. There should be efforts to develop and nourish a 'one team' culture, which respects all staff members for the abilities that they bring to the trade representative's office, regardless of nationality.

Ensure that staff appraisals align and cascade performance objectives throughout the management structure. They might set three or four high-level objectives and align those objectives to specific departments. Managers can then cascade objectives down to teams and individuals in the form of a performance agreement with targets and expectations. As the year progresses, employees evaluate each objective against specific performance indicators, relating for example to quality, quantity, timeliness, productivity, financial, and cost effectiveness.

Once employees have evaluated progress against the indicator, they should request feedback from managers, colleagues and customers. Although such feedback can come in many forms, written documentation on the actual performance plan is recommended, as well as a face-to-face conversation to review the plan and identify ways to improve in the following year.

It is good practice for trade representatives and their managers to meet at least twice a year for a formal discussion about performance. If the managers are ambassadors, they should consult senior colleagues in the home country, such as in the trade ministry, about the representatives' performance. Trade representatives should do the same for staff they manage directly and include feedback from other colleagues where possible. Again, the focus should be on learning what in the previous year's performance can help to improve that of the next year. This guide provides a model staff review form (see Annex IV).

Trade representatives are also responsible for fixed assets in the office. This means having a process to acquire, maintain, and dispose of physical assets. If such a process is not provided by the funding organizer, as is usually the case, the trade representative must put one in place. As the value of these assets is reflected in the accounts, it is necessary to have clear and approved policies for acquiring, valuing, depreciating, registering and disposing of assets. An asset register is needed to identify and keep track of physical assets owned or managed by the trade representative's office.

Knowledge sharing and client relationship management

Trade representatives need to share with colleagues the contacts made and information gleaned through networking. It is also necessary to keep these up to date. To achieve this, trade representatives usually need some form of customer relationship management (CRM) system. CRM systems use technology to organize and synchronize all interactions with clients, including requests for information, participation in trade missions and trade fairs, commissioning of chargeable services etc.

CRM allows an organization to hold client and customer data in one place so that it can be accessed by all who need it. A trade representative's colleagues therefore can check on the background of contacts before meeting them for the first time. In addition, a trade representative in one market can see how a customer interacted with a trade representative in another market – what services they used, whether they achieved their goals, whether there were any specific difficulties and more. It is also useful for passing the network of contacts on to a successor.

A key challenge is keeping the CRM system up to date. An efficient and well-maintained CRM can help a trade representative appear well-informed about the customer, organized and professional. But a poorly maintained system means that every entry must be checked for accuracy and can mean the trade representative comes across as ill-informed or out of date. In countries that have a trade promotion organization, but where trade representatives work for the ministry of foreign affairs, it is necessary to have interoperability and security protocols to cover access by trade representatives to the organization's CRM system.

It is not always possible for technology or financial reasons to have a formal CRM system in place. What is most important is that a trade representative takes knowledge and information capturing responsibilities seriously, and takes the time to collect, file, update and share contact details professionally. Even a book of business cards, arranged by type of contact, is better than nothing.

IT systems

An advantage of being located within an embassy or consulate is having access to existing information technology (IT) systems. When trade representatives are not located in diplomatic missions, they may be able to use the systems of a parent organization.

➔ Checklist: Necessary IT facilities

- A networked computer system in the office
- An e-mail system
- An accounting system and an official e-mail address as part of networked computing
- Access to internet and Wi-Fi connections in the office
- Photos and images capability
- Back-up for all electronic systems
- Mobile phones that synchronize with work computers, e-mail systems and contact system;
- Laptops that are synchronized with work computers
- Printers and fax machines connected by Wi-Fi to the computer network
- Scanners connected to the internal network
- A website
- Access to social media sites such as Facebook or LinkedIn
- A video conferencing facility and meeting room facility.

All information systems are vulnerable to sabotage, hacking, theft and disaster, such as fire or flood. They therefore need to have high-quality security and firewalls. There should be regular training for staff security measures, maintained off-site backups, and ensuring the office can recover quickly in the event of a disaster. There is a continuous cost, especially in time, to implement security measures. But the cost of not having these can be high.

Apart from technical measures to secure data, there is a need for local procedures to protect data from those who should not have access. Levels of security within a diplomatic mission are clearly defined and rigorously monitored. In the trade representative's office, commercial secrets need to be carefully protected.

In addition, there may be government secrets or information, such as the itinerary of a visiting minister, which must be kept confidential for security reasons. Vetting procedures for staff, strong passwords, regular password updates, education of staff about security procedures, encryption of data, and protocols about taking computers and data home, are all part of a comprehensive security package that should be implemented conscientiously.

Business continuity and emergency planning

Business continuity planning involves creating systems to prevent and recover from emergency situations that can pose a threat. When the trade representative is within an embassy, these should be set out by the embassy.

A business continuity plan outlines a range of disaster scenarios, such as fire, earthquake or a terrorist attack, and the steps the trade representative's office should take in any particular scenario to return to regular business. These plans are written ahead of time and should also identify precautions to be adopted. Usually created with the input of key staff as well as stakeholders, a business continuity plan is a set of contingencies to minimize harm to business during adverse scenarios.

➔ Checklist: Business continuity planning

- Systems for cascading information to staff
- Fire, rescue, police and ambulance contact details
- Insurance policy details
- Systems for confirming welfare of staff and visitors
- Reporting back to home authorities
- Ongoing risk assessment
- Back-up electricity supply
- IT systems backup
- Back-up communication channels
- Back-up location for the office.

Consult and collaborate with the funding organization when drawing up such business continuity plans, to ensure consistency and coherence with the existing policies, and access to resources required for implementation. Print the plan in hard copy for all staff, to be held both at the office and at home.

In some contexts it is also wise for each staff member to keep a spare bag at the office with comfortable footwear, torch, water and snacks that will allow them to make their way home or an alternative safe location on foot if necessary.

Record keeping

Trade representatives must comply with home government or agency requirements regarding to storing and classifying records. Some records are legal documents that need to be stored for a specific time. Others are commercially sensitive or confidential and must be handled accordingly.

Ensure that office systems include procedures for safe record keeping.

Budgets and financial management

Prudent financial management is key for trade representatives. The offices receive funding from the ministry of foreign affairs, trade or investment promotion organization or other agency, in accordance with an annual budget. The budget should cover the items set out below. There are two main categories of costs for trade representatives: fixed and variable. Fixed costs are independent of output, remain constant and often include rent, salaries, etc. Variable costs change with output and can include receptions, travel, consultants etc.

Table 12: Budget elements, fixed and variable

Budget	Fixed / Variable
Rent and rates	Fixed
Salaries	Fixed
Utilities	Fixed
Maintenance and cleaning (repairs, renewals)	Fixed
Telecommunications	Partly fixed
Entertainment and receptions	Variable
Market research (consultants, purchase of info)	Variable
Professional services (legal, financial and human resources)	Variable
Travel	Variable
Trade consultants located in other markets	Variable
Public affairs and media outreach	Variable
Library	Variable
Projects, with separate budget	Variable

In many cases, the ministry of foreign affairs or another branch of government covers basic expenses, but such arrangements vary. In some cases the trade representative's office is considered a section of the embassy and works within the embassy's financial governance, receiving guidance and support from the embassy's financial staff.

There is a need for discipline in setting and planning budgets, with fund allocation according to budget lines. For example, project work funds should not be used for staff salaries. While it is not possible to budget for unknowns, the aim is for estimates to be as close as possible to actual expenditure.

Funds must be managed in accordance with the funding agency's accounting standards. Often the sums involved are significant, and require appropriate procedures and crosschecks. A basic principle is to have clear lines of responsibility and clearly defined spending limits for different individuals. Another sound principle is to have more than one signatory for any significant expenditure. This acts both as a double check of amounts and limits the possibility of fraud. Ideally, the person who spends the funds should not approve the expenditure.

Most trade representatives operate with some form of imprest account at their local bank.

BOX 3: Imprest accounts: A practical funding method

An imprest account is a fund used by a business for small expenditure items, which is restored to a fixed amount periodically.

The ministry of foreign affairs, trade promotion organization, or other funding agency deposits a sum of money into the trade representative's local bank account. This usually is converted into the local currency for operational purposes. The trade representative then draws on the funds in the imprest account to pay local official bills. Receipts for all these local expenses are kept and coded according to the funding organization's instructions and procedures.

When the funds in the imprest account are low, the funding organization tops the account up to the original level.

For example, the imprest account might have a value of \$100,000, with expenses for a given month totalling \$75,000. The receipts for this expenditure are coded as appropriate and the receipts are sent to the ministry of foreign affairs or other funding

agency. This is probably done electronically, with much of the expenditure and receipts is on credit cards. The receipts allow the funding agency to know exactly what funds were spent on.

The funding agency then tops up the imprest account with \$75,000 so that the balance is once again \$100,000. Operating accounts this way allows for fairly strong spending controls. No one in the trade representative's office can spend more than \$100,000 at one time. Expenditure can be reconciled regularly, probably every month. Or, the funds can be replenished more frequently if there is a busy period with numerous expenses. The downside is that a trade representative's post can run out of funds if there is no automatic top-up.

The amount held in the imprest account will vary depending on the number of staff to be paid and the risk that fund transfers could be delayed. Faced with disruption (political, technological or a natural disaster) the trade representative should be able to pay fixed costs (such as rent, salaries) for at least one month.

Funding agencies usually have mechanisms to cover financial reporting and auditing, requiring trade representatives to report every month. At the end of each month, the amounts spent or revenue earned are added up against each budget line. This enables a comparison of actual expenditure with the budgeted amount or the proportion of the budget to that point of the year. There is an annual formal audit, in line with the funding agency's specific requirements. The audit can also cover assets, to ensure that equipment on the books is still in the office. It is also an opportunity to write off, sell or dispose of obsolete equipment.

As trade representatives usually operate in countries with a different currency to the home country, there can be complexities due to changing exchange rates. For example, if the annual budget has been set in home country currency at the equivalent of \$1 million, and the exchange rate with the host country changes by 8%, the budget needs to be altered. Such a fluctuation would either leave the trade representative \$80,000 short or provide an \$80,000 surplus, depending on whether the host country currency strengthened or weakened against that of the home country.



These exchange rate movements require careful management. Many trade representatives have budgets that are set in hard currencies, such as US dollars and euros, so exchange rate changes only affect the office when there is a significant fluctuation in the host country's currency.

Inflation, either in the home or host country, can seriously disrupt budgets. The issues are similar to exchange rate movements. For example, relatively high inflation in the host country might mean that the salaries of trade representatives and their staff, determined in the currency of the home country, no longer buy the same amount of goods and services.

Often, trade representatives must make payments from their budget that can be claimed back from others. One such example is payment for a trade minister's accommodation and meals at a hotel, which can be claimed back from the minister's department.

If the foreign trade representation is a small office of just a few people, it may be more efficient to outsource basic accounting to a specialist accounting company. With a larger office, it may make sense to have an in-house accountant or bookkeeper to manage the accounts.

ISO certification for quality assurance

In some cases, trade representatives work in an organization with certification to the international standard for quality assurance, from the International Organization for Standardization, ISO 9001. Such an organization has quality management systems ensuring that its services consistently meet the customer's requirements, and that quality is consistently improved.

Generally, customers view such certification favourably, although implementation of an ISO certification process involves considerable time and resources. For trade representatives, such certification means they have access to, and work within the structure of, documented management processes that can improve service quality and send a positive message to staff and customers about their commitment to quality.

Visits home

KEY POINTS

- Visits home provide a great opportunity for trade representatives to promote the host market and deepen their network of home contacts.
- It is practical and cost effective to combine such visits with annual leave or conferences. Some countries organize annual meetings of trade representatives to coincide with annual leave. These offer excellent networking opportunities.
- Discussions can focus on proposals for trade missions, trade fairs and exhibitions, ministerial visits, and market visits by companies and associations.
- Plan the visit carefully to cover different parts of the home country, not only the capital city.
- Timing is important to avoid missing key host country events.

Visits home by trade representatives provide a great opportunity to promote the host market, undertake speaking engagements and meet potential exporters. As resources may not be available for frequent visits, it is practical to link such visits with annual leave or attendance of annual conferences.

Maintaining the home network

Trade representatives need to work with a range of partners in their home country.

➔ Checklist: Home market partners

- The trade ministry and other government departments with an interest in internationalization;
- The trade promotion organization (where there is one);
- Trade and investment support institutions, such as chambers of commerce, trade associations, economic development agencies and others;
- Actual and potential exporters;
- Business support partners, such as accelerators or technology hubs;
- Banks, consultants and other facilitators;
- The national embassy of the host country.



A trip home is ideal for maintaining the home network through visits to these partners. The trade representative can update them first hand on developments in his or her host country. They will be interested to hear about economic indicators; political developments; specific business opportunities; forthcoming tenders; and trade fairs and exhibitions.

Would the trade promotion organization or government departments be interested in sending their minister to visit the market, possibly accompanied by a business delegation? Would the chambers of commerce, trade associations or other institutions be interested in sending a trade mission or organizing a national pavilion at a forthcoming trade fair?

Drumming up business

Face-to-face meetings are a good way to explore how partners might pursue their interest in the host country.

Exporters focus more directly on their specific business prospects, although they also are likely to be interested in an update on the market. They appreciate the chance to explore market opportunities and discuss market entry strategies. The big advantage of going to their premises is that the trade representative learns more about companies by seeing operations first hand, and meets a wider group than the one or two individuals who generally make trips to the export market. In this way, a trade representative can gain broader endorsement for export initiatives that may have backing from the export sales manager, but less support elsewhere in the company.

Various agencies, along with facilitators such as banks and consultancies, may organize events for the trade representative with groups of companies. Sometimes this involves a lunch or dinner at which the trade representative is the keynote speaker and presents an overview of business opportunities in the host country. News media are often interested in profiling the visit and sharing the perspectives that the trade representative can bring.



Asha goes home

Asha boarded the plane back to Europe after three weeks in her home country. The first two weeks had been annual leave visiting her parents, brothers and sisters. She had been pleased to find them all in good health and interested to hear about her life as an African diplomat in Europe. They had been proud to learn more about her work as their country's commercial representative.

The last week in her home country had been full of business meetings. As she waited for the plane to take off, she reflected on what she had achieved. The highlight was her meeting with the trade minister. He had accepted her invitation to lead a business delegation to the European commodities trade fair later in the year and was keen to finalize the arrangements. He asked about opportunities in the European market for vegetable oil, which he was keen to push. The farmers lobby, he explained, was important politically and he wanted to do what he could to help them.

Fortunately, Asha had already done some research for the vegetable oil sector association and was able to tell the minister that the European market was growing and consumers were strongly driven by the desire for oils that had good health properties. She had already made some initial approaches to European supermarket chains and promised to follow up on behalf of the minister. He was encouraged, but wanted a deal ready for him to sign during his visit.

Asha had been invited to visit the Textiles Industry Association to discuss a report she had prepared for them on the European market. She talked them through the findings and they pencilled in a date for a market visit in the next year. They had heard good feedback from other trade missions that Asha had organized and were excited by the opportunities she could provide for their member companies. The association had identified Europe as the top priority for their business plan.

Regarding inward investment, Asha had attended the opening of the new African office of the European digital technology company that she had worked with a few months back. The CEO had been very impressed with the pitch he had received from Asha's inward investment agency and had struck up a good working relationship with Asha. After two exploratory visits to Africa, he had decided to open a small regional office, initially employing six local graduates. His expansion plans were ambitious and Asha was happy that she had been able to contribute to this.

On her last day, Asha had taken a two-hour internal flight to her country's second city. Fortunately, the mayor had dropped his plans for a city twinning agreement and was happy to lead a purely commercial delegation to Europe. Asha had been able to finalize dates with the mayor's office, and her visit focused on discussing commercial opportunities with the local chamber of commerce, which would take the lead in recruiting the delegation.

Asha was pleased to have been able to meet all these people face to face. It was so much easier to get things agreed. She felt it had been a really worthwhile use of her time. She had some big events to prepare for when she got back to her post, including the minister's visit and several trade missions.

Planning

Often trade representatives are in high demand during their home visits, particularly if their host market offers good opportunities. The tour therefore needs to be carefully planned to fit as much as possible into a short time. The trade representative should avoid the temptation to remain only in the capital city, as there are likely to be organizations and companies worth meeting in other parts of the country. The visit home by Asha, this guide's fictional trade representative, is a good example of how to make good use of such trips.

➔ Checklist: Home country visits

- Meet as many partners as possible.
- Participate in any global conference of home country trade representatives.
- Meet exporters, particularly those with a specific interest in the host market.
- Tap into the business planning and resource allocation process. Is it possible to time the visit to outline personally the case for more resources in the host market by detailing how these would deliver an even stronger trade and investment performance?
- Coincide with a mission or trade fair recruitment meeting to speak about the opportunities in the market and persuade companies to sign up for the mission.
- Meet any high-level representative who will be visiting the market soon. That is a great opportunity to build a relationship, offer some introductory briefing on the market, and prepare him or her for the visit.
- Meet any new staff who may be going to work in the host country.
- Visit the host country's embassy in the home country; swap notes on forthcoming visits of high-level persons in both countries; look for opportunities for joint initiatives.

Clearly there are a lot of elements to cover, on top of which are all the family and personal matters that need to be attended to on a visit home.

Mission accomplished



A formal handover to the successor is important to ensure continuity. Ensure time with the successor to discuss strategic goals, major projects and campaigns, as well as key networks and people in the host country.

Operational considerations are also critical. These include sign off on issues such as finances, business plans, equipment, contracts, the CRM system, ongoing activities and staffing.

The incoming representative should ensure he or she receives all the keys and relevant passwords and knows where the archives are stored and how to access them. This is also an appropriate time to change passwords, locks and keys.

Finally, briefing the successor on personal and family needs is essential to a smooth handover.

➔ Checklist: Handover

- Signing off on finances
- Signing off on assets and equipment (and handover of keys and passwords)
- Briefing on activities in progress
- Introductions to key contacts in host country
- Briefing on who is important in host country
- Briefing on staff issues and administration
- Advice on personal and family needs
- Briefing on relationships between the office and embassy and other organizations.
- Briefing on ongoing projects and follow-up on topics.



Asha looks back

After completing her posting as a trade representative in Europe, Asha was heading home. She was spending a few hours sorting through files and preparing handover notes for her replacement, while reflecting on the challenges and successes of the past four years.

She remembered her first 90 days, working very long hours trying to learn the language, build relationships, deliver on her management responsibilities and organize her personal life in a different country. She remembered how energizing it felt to be responding to these challenges and engaging with a new culture, while supporting her country and its businesses. Highlights included a successful country pavilion at a trade fair, which helped bring over \$10 million in business deals.

Despite the hard work, she also enjoyed organizing a business mission led by the trade minister, involving a formal reception at the ambassador's residence. This allowed her to show appreciation to key contacts in her market who had helped her in so many ways since she first landed.

Asha was not sure what the future held. She had done her best to maintain her network on each of her trips home, and was confident that with her new level of management experience and language skills she would have a lot to offer businesses seeking to expand into Europe. Whatever came next, it had been an exhilarating few years, opening a new perspective and creating great friendships. She was ready to turn the page.

ENDNOTES

1. Berridge, G.R. and James, A. (2003). *A dictionary of diplomacy*, Palgrave Macmillan
2. Rana, S.K. (2007). *Economic diplomacy: the experience of developing states*, In: Bayne, N. and Woolcock, S, (eds). *The new economic diplomacy*, Ashgate Publishing, Hampshire, England
3. Chisholm, Hugh, ed. (1911). "Consul (commercial)". *Encyclopædia Britannica*. 7 (11th ed.). Cambridge University Press. pp. 20–22
4. The term industry 4.0, or advanced manufacturing, is often associated with the fourth industrial revolution and refers to the trend of digitalization, automation, robotization and use of data analysis in manufacturing processes
5. This is a fictional narrative based on real life events.
6. Further guidance on working with the Ambassador and Embassy team is included in Chapter 4.
7. For more historical background, see *The American Consul*, by Charles Stuart Kennedy. Kennedy is an oral historian of American diplomats. He is the founder and current director of the Foreign Affairs Oral History Program at the Association for Diplomatic Studies and Training.
8. BIS Analysis Paper number 2. *SMEs: the Key Enablers of Business Success and the Economic Rationale for Government Intervention*. December 2013.
9. 'Investing in trade promotion demonstrates revenue', International Trade Centre in partnership with University of Geneva (2016). Also see World Bank's 'Policy Research Paper 5125'
10. An IMF publication states that 'GDP measures the monetary value of final goods and services—that are bought by the final user—produced in a country in a given period of time (say a quarter or a year).' Callen, Tim. 'Gross Domestic Product: An Economy's All'. IMF. Retrieved 3 June 2016.
11. See Chapter 1
12. The International Trade Centre can provide assistance to partner countries in the development of trade strategies.
13. 'Strategy for Export Promotion and Economic Diplomacy' Danish Ministry of Foreign Affairs, 2017. We use the term economic diplomacy to be slightly wider than commercial diplomacy, covering not only the promotion of trade and outward and inward investment, but all forms of economic exchanges between countries. See Definitions section.
14. <http://www.tradezimbabwe.com/exporting-from-zimbabwe-2/are-you-an-exporter-2/building-export-readiness/>
15. Entering New Markets, International Trade Centre, 2013.
16. <http://www.tradezimbabwe.com/privileged-partners/>
17. <https://www.cbi.eu/>
18. <http://www.ixpos.de/IXPOS/Navigation/EN/Your-business-in-germany/Contacts-and-networks/import-promotion-desk.html>
19. <https://www.swisscontact.org/en/projects-and-countries/search-projects/project-finder/project/-/show/swiss-import-promotion-programme-sippo-1.html>
20. In some LDC and Developing countries this could be related to textile factories or near border assembly plants. The "maquiladoras" in Mexico for example are factories established by US companies to take advantage of cheaper labour and lighter regulatory environment in Mexico.
21. <https://www.youtube.com/watch?v=mJbyJNjKkEPY&t=66s>
22. Halal means permitted or lawful. So when we are talking about halal foods, it means foods that are allowed to be eaten according to Islamic Sharia law. For food to be considered, halal it must comply with the religious ritual and observance of Sharia law.
23. Refer to ZimTrade's guide to Zimbabwean exporters for a good overview of exporting process - <http://www.tradezimbabwe.com/exporting-from-zimbabwe-2/guide-to-export/#1465424026449-7c600196-cf78>
24. See reference in previous chapter to ICT case study of how the Spanish TPO, ICEX, has partnered with Amazon to provide an online channel for selling Spanish food and wine internationally - <https://www.youtube.com/watch?v=mJbyJNjKkEPY&t=66s>
25. <http://www.intracen.org/itc/exporters/model-contracts/>
26. Refer to the International Trade Centre Market Access Map and its tutorial on YouTube: <https://www.youtube.com/user/MarketAnalysisTools>
27. <https://www.thinkwithgoogle.com/intl/en-gb/tools/market-finder/>
28. 'Changing lifestyles and consumption patterns in developing countries: A scenario analysis for China and India' by Klaus Hubacek, Dabo Guan and Anamika Barua, published in *Futures*, Volume 39, Issue 9, November 2007, Pages 1084-1096.

29. A market niche is 'A small but profitable segment of a market suitable for focused attention by a marketer. Market niches do not exist by themselves, but are created by identifying needs or wants that are not being addressed by competitors, and by offering products that satisfy them.' (WebFinance Inc., 2017)
30. <https://procurementmap.intracen.org/>
31. See: <http://www.doingbusiness.org>
32. <http://www.dnb.com/>
33. <http://www.equifax.com/>
34. <http://www.experian.com/>
35. <https://www.creditsafe.com>
36. www.worldbusinessculture.com
37. *Cross-border trade in services: Barriers and opportunities in EU services markets for ACP exporters*, International Centre for Trade and Sustainable Development: <https://www.ictsd.org/bridges-news/trade-negotiations-insights/news/cross-border-trade-in-services-barriers-and>
38. https://www.wto.org/english/tratop_e/serv_e/serv_e.htm
39. There are various sites offering advice on how to plan and run webinars. See for example: <https://blog.gotomeeting.com/gotowe webinar/>
40. The International Trade Centre's Procurement Map (<http://procurementmap.intracen.org/>) provides information on tenders for public procurement processes in more than 100 countries, with information on more than 150,000 procurement opportunities available. This is one of the largest and most up-to-date databases on public procurement opportunities in the world, and is available free of charge on website. It also contains regulations and requirements.
41. See: <http://www.intracen.org/itc/trade-support/impacting-trade-policy/>
42. See conciliation rules agreed by the United Nations Commission on international trade law (UNCITRAL) http://www.uncitral.org/uncitral/en/uncitral_texts/arbitration/1980Conciliation_rules.html
43. A *note verbale* is a diplomatic communication prepared in the third person and unsigned. It is less formal than a *note*, but more formal than an *aide-memoire*.
44. The threshold for a foreign direct investment that establishes a controlling interest, per guidelines established by the Organisation for Economic Co-operation and Development (OECD), is a minimum 10% ownership stake in a foreign-based company. However, that definition is flexible, as there are instances where effective controlling interest in a firm can be established with less than 10% of the company's voting shares.
45. One of the factors affecting the decision to invest by potential investors is the overall environment for doing business, as well as any policies or measures that affect the specific sector of interest or operation of foreign-owned companies. The links below provide some interesting research on these decision-making criteria.
 - International Monetary Fund, Foreign direct investment in emerging market countries: <https://www.imf.org/external/np/cm/cg/2003/eng/091803.pdf>
 - World Bank, A Multiple Criteria Decision Analysis for Foreign Direct Investment in Latin America: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.169.1341&rep=rep1&type=pdf>
46. See <http://www.tisibenchmarking.org/BMLayouts/GoodPracticeLibrary.aspx>
47. <https://www.kornferry.com/solutions/products>
48. See the International Trade Centre's benchmarking library for campaigns on Peru and Costa Rica: <http://www.tisibenchmarking.org/BMLayouts/GoodPracticeLibrary.aspx>
49. For a discussion of the issues surrounding export promotion and national branding, see discussion in *International Trade Forum*, Issue 1/2003: <http://www.tradeforum.org/Is-There-a-Case-for-National-Branding/>
50. <https://www.nzstory.govt.nz/>
51. <https://www.amazon.co.uk/l/13299378031>;
<http://www.foodswinesfromspain.com/spanishfoodwine/index.html>;
<http://www.audiovisualfromspain.com/audiovisual/en/index.html>;
<http://www.interiorsfromspain.com/interiors/es/index.html>
52. <https://peru.info/en-us/superfoods/super-fruits>
53. <https://www.prochile.gob.cl/int/landing/marcas-sectoriales/?lang=en>
54. See checklist 'Preparing to Go Overseas for the US Department of State / Diplomacy in Action'

ANNEXES



Annex I

Model letter of appointment

<Print on your business letterhead>

<Date>

Private and confidential

<Insert employee's full name>

<Insert employee's residential address>

Dear <insert name>

Letter of appointment

I am pleased to offer you employment as <insert position title> with us at <insert name of FTR office> on the terms and conditions set out in this letter.

1. Position <insert position title>
 - 1.1 Your start date will be <insert start date>.
 - 1.2 Your employment will be <full-time/part-time>.
 - 1.3 The duties of this position are set out in the attached position description. You will be required to perform these duties, and any other duties assigned to you in accordance with your experience.
 - 1.4 You will be required to perform your duties at <location>, or elsewhere as reasonably directed.
2. Probation
 - This clause is optional. Delete all this clause if no probation period will apply.
 - 2.1 A probation period will apply for the first <insert number> months of your employment. During this time we will assess your progress and performance in the position.
 - A reasonable probation time will depend on issues such as local practice and individual circumstances.
 - 2.2 During the probation period you or the <FTR> may end your employment by providing notice in accordance with the table in clause 8.1 below.
3. Terms and conditions of employment
 - 3.1 The terms and conditions of your employment will be those set out in <this letter or the attached schedule>.
 - If you have a more detailed set of rules about when leave can be taken, public holidays, performance standards etc. then you can include them in an attachment.
4. Ordinary hours of work
 - 4.1 Your ordinary hours of work will be <insert number of hours> per week, plus any reasonable additional hours that are necessary to fulfil your duties or as otherwise required by the <FTR>.
 - 4.2 Your ordinary hours of work may be averaged over a <insert number of weeks if you decide to adopt this provision> week period.
5. Pay
 - 5.1 You will be paid <weekly/fortnightly/monthly> at the rate of <add currency XXX> per <hour/week/month/year>.
 - 5.2 You will also receive <insert bonus/health fund/any other special payments> at the rate of <\$XX> per annum <subject to any conditions such as achieving set goals>.
 - 5.3 Your remuneration will be reviewed annually and may be increased at the <FTR's> discretion.
6. Leave
 - 6.1 You are entitled to <XX> days leave per annum <(vacation, sickness leave, personal leave, carers leave, compassionate leave, parental leave, community service leave and long service leave)>.
7. Your obligations to the <FTR>

- 7.1 You will be required to:
- Perform all duties to the best of your ability at all times;
 - Use your best endeavours to promote and protect the interests of the <FTR>; and
 - Follow all reasonable and lawful directions given to you by the <FTR>, including complying with policies and procedures as amended from time to time. These policies and procedures are not incorporated into your contract of employment.
8. Termination of employment
- 8.1 The <FTR> may terminate your employment at any time by providing you with notice in writing in accordance with this table:

Length of continuous service with <FTR>	Period of notice
Not more than 1 year	1 week
More than 1 year but less than 3 years	2 weeks
More than 3 years but less than 5 years	3 weeks
More than 5 years	4 weeks

You need to amend this table so it is in line with your own organization's policies.

- 8.2 If you wish to terminate your employment you are required to provide the <FTR> with prior notice in accordance with the table above.
9. Confidentiality
- Depending on your organization's policies, you may wish to seek independent legal advice about the protection of intellectual property.
- 9.1 By accepting this letter of offer, you acknowledge and agree that you will not, during the course of your employment or thereafter, except with the consent of the <FTR>, as required by law or in the performance of your duties, use or disclose confidential information relating to the business of the <FTR>, including but not limited to client lists, trade secrets, client details and pricing structures.
10. Entire agreement
- 10.1 The terms and conditions referred to in this letter constitute all of the terms and conditions of your employment and replace any prior understanding or agreement between you and the <FTR>.
- 10.2 The terms and conditions referred to in this letter may only be varied by a written agreement signed by both you and the <FTR>.

If you have any questions about the terms and conditions of employment, please don't hesitate to contact <me/insert contact person> on <insert phone number>.

To accept this offer of employment, please return a signed and dated copy of this letter to me by <insert date>.

Yours sincerely,

<Insert name>

<Insert position>

I, <insert name of employee>, have read and understood this letter and accept the offer of employment from <FTR> on the terms and conditions set out in the letter.

Signed: _____ Date: / /

Print name:

PLEASE KEEP A COPY OF THIS LETTER FOR YOUR RECORDS

Annex II

Sample form to request trade representation services

Request file number: (office fills this in)			
		Date:	Time
Request came via: <input type="checkbox"/> E-mail <input type="checkbox"/> Phone <input type="checkbox"/> In writing <input type="checkbox"/> In person <input type="checkbox"/> Other			
From: (organizational information)			
Name of company/organization/individual:			
Government reference numbers (if used):			
Name and title of contact person:			
Mail address line 1:			
Mail address line 2:			
Telephone:			
Mobile number:			
E-mail address:			
Website:			
What do you make or are good at?			
Detailed description. Include website links if available. For products include Harmonized Tariff number if known. For investment include sectors of interest.			
<input type="checkbox"/> Products <input type="checkbox"/> Services <input type="checkbox"/> Investment			
What do you want from the trade representative's office?			
<input type="checkbox"/> Tailored consulting	<input type="checkbox"/> Identifying suppliers (for importers)	<input type="checkbox"/> Buyers or contacts in market	
	<input type="checkbox"/> Help with market promotion	<input type="checkbox"/> Market research	
<input type="checkbox"/> Something else? Please describe or use this space to provide more details about the above			
<input type="checkbox"/> Preparing business agendas			
<input type="checkbox"/> Advice with trade disputes			
<input type="checkbox"/> Translation or interpreting			
<input type="checkbox"/> Something else? Please describe or use this space to provide further details on the above			
Request received by: (trade representative's office fills this in)			
Request entered into database by: (trade representative's office fills this in)			
			Date:

Annex III

Trade fair, exhibition, show

Company name and Country		Name and title of the representative	
Number of individual meetings attended:		Amount of business done during the Fair (confidential)	
Have you got new business contacts:		Amount (in USD) of transactions done:	
YES <input type="checkbox"/> NO <input type="checkbox"/>		Amount (in USD) of current orders or in negotiation:	
Have those contacts allowed you to:		Other partnerships established or in negotiation :	
Develop your business <input type="checkbox"/>			
Better identify needs and practices of the sector <input type="checkbox"/>			
Better understand the international markets' requirements <input type="checkbox"/>			
Identify suppliers for inputs and equipment <input type="checkbox"/>			
Enhance your ability to understand international trade <input type="checkbox"/>			
If you have not managed to achieve or to negotiate business relationships during this event, could you briefly give reasons why this has not been achieved?			
1.			
2.			
3.			
According to you what should be done to facilitate trade and economic relations between your company and international firms importing similar products those you offer:			
Your company could:	The Trade Fair organizers could:	Publics and Private Trade Support Institutions could:	
How have you found this Event:		Would you participate in other similar meetings at your expense:	
Very useful <input type="checkbox"/> Useful <input type="checkbox"/> Useless <input type="checkbox"/>		YES <input type="checkbox"/> NO <input type="checkbox"/>	
What would you suggest to optimize the results of such an event and to extend its scope? (check only one proposal)			
Increase the number of participating companies <input type="checkbox"/>		Provide business visits <input type="checkbox"/>	
Extend or shorten the duration of the event <input type="checkbox"/>		Other (please specify): <input type="checkbox"/>	
At the end of your participation in this Trade Fair, do you think you achieved your goals:			
YES <input type="checkbox"/> NO <input type="checkbox"/>			
If YES, please specify:			
Other comments and suggestions to improve future missions (Preparation, logistics, etc.):			

Annex IV

Staff review form

Annual staff review for: <Insert Year>

Name: <Insert staff member's name>

Date of review: <Insert date>

	Targets	Achieved	Targets	Achieved	Own comments	Manager rating (1-10)*
Activity	Number of participants	Number of participants	Sales (\$ '000)	Sales (\$ '000)		
Trade fair A	20	26	500	1 200		
Trade Mission C	15	14	500	200		
Trade enquiries	50	65	50	100		

* Ratings are based on:

1 = Figure achieved was substantially less than the target. 10 = Target was exceeded by substantial margin.

Other categories	Measure	Rating (1-10) where 1 = unsatisfactory, 10 = outstanding	Own comments
Support for rest of team	Rating by co-workers		
Client service quality	Rating by co-workers and clients with follow-up		
Skills enhancement	Demonstrated new skills (self-rating)		
Other contributions	No measure, simply recorded and acknowledged		

Manager's comment and signature:

Staff member's comment and signature:

Annex V

ITC tools for commercial diplomacy

ITC has many free tools and services that can help those conducting commercial diplomacy, covering topics such as market research, legal advice, standards and much more.

Market Analysis

www.intracen.org/itc/market-info-tools/overview/

Trade Map

www.trademap.org/Index.aspx

Investment Map

www.investmentmap.org/

Market Access Map

www.macmap.org/

Market Access Map Tutorial

www.youtube.com/user/MarketAnalysisTools

Standards Map

www.standardsmap.org/Index.aspx

Trade strategies

www.intracen.org/itc/trade-strategy/

Trade Competitiveness Map

<https://tradecompetitivenessmap.intracen.org/>

Export Potential Map

<https://exportpotential.intracen.org/#/home>

Procurement Map

<https://procurementmap.intracen.org/>

ITC Model Contracts

www.intracen.org/itc/exporters/model-contracts/

Benchmarking – Best practices of trade and investment support institutions

www.tisibenchmarking.org/BMLayouts/GoodPracticeLibrary.aspx

Trade Facilitation

www.intracen.org/itc/trade-support/impacting-trade-policy/

Rules of Origin

<https://findrulesoforigin.org/>

Non-Tariff Measures – Country and regional business survey

<https://ntmsurvey.intracen.org/publications/itc-series-on-ntms/>

ITC At Hand – Mobile app on news, publications, events, and impact stories

<https://itunes.apple.com/us/app/itc-at-hand/id1376530583?mt=8>

Export promotion and national branding

<http://www.tradeforum.org/Is-There-a-Case-for-National-Branding/>

SME Trade Academy – Online training courses

<https://learning.intracen.org/>

ITC Publications – market studies and business guides covering many trade topics

www.intracen.org/publications

Annex VI

Useful websites

Business development advice

Export Marketing Plan – How to develop one

<https://www.thebalancesmb.com/how-to-develop-an-export-marketing-plan-1953410>

Google market finder

<https://www.thinkwithgoogle.com/intl/en-gb/tools/market-finder/>

ITC Market Access Map and its tutorial

<https://www.youtube.com/user/MarketAnalysisTools>

ITC Market Analysis Tools

<https://marketanalysis.intracen.org/>

ITC Procurement Map

<https://procurementmap.intracen.org/>

ITC Sustainability Map

<https://www.sustainabilitymap.org/home>

Trade shows and conferences – List of international events

<https://10times.com/>

Trade show etiquette

<https://www.cliseetiquette.com/tradeshows-booth-etiquette-practices/>

Trade show success strategies

<https://www.trade-show-advisor.com/>

Financial advice

Dun & Bradstreet – Business information and credit checks

<http://www.dnb.com/>

Equifax – Credit reporting agency

<http://www.equifax.com/>

Experian – Credit reporting agency

<http://www.experian.com/>

Legal advice

Simply Docs – Commercial agreements

<https://simply-docs.co.uk/Business-Documents/Legal-and-Commercial-Agreements>

Distributor agreements

https://www.expertlaw.com/library/marketing/distributor_mistakes.html

International contracts and other documents

<https://globalnegotiator.com/en/>

UNCITRAL arbitration rules

<https://www.uncitral.org/pdf/english/texts/arbitration/arb-rules-revised/arb-rules-revised-2010-e.pdf>

UNCITRAL conciliation rules

http://www.uncitral.org/uncitral/en/uncitral_texts/arbitration/1980Conciliation_rules.html

Trade agreements

Trade agreements list

https://en.wikipedia.org/wiki/List_of_free-trade_agreements

GATS – World Trade Organization Agreement on Trade in Services

https://www.wto.org/english/tratop_e/serv_e/serv_e.htm

Investment advice

International Monetary Fund, Foreign direct investment in emerging market countries

www.imf.org/external/np/cm/cg/2003/eng/091803.pdf

World Bank, Doing Business Report, annual report on for business regulations, covering 190 economies and selected cities

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

Korn Ferry Leadership Architect model – skills needed for inward investment

<https://www.kornferry.com/solutions/products>

Business culture

By country

<https://www.worldbusinessculture.com/>

Entertainment – Advice for United States diplomats

<http://www.ediplomat.com/nd/protocol/entertaining.htm>

Transparency International – Fighting corruption

<https://www.transparency.org/>

Business Social Compliance Initiative, European business-driven initiative for companies committed to improving working conditions in the global supply chain

<http://www.saasaccreditation.org/bsci>

Management tools

Training for diplomats

<https://forum.diplomacy.edu/>

Posting checklist for United States diplomats

<https://www.state.gov/m/fsi/tc/c49333.htm>

Serviced office accommodation – Examples

<https://www.regus.com/>

<http://www.servcorp.com/en/>

SWOT Analysis templates

https://www.aha.io/templates/swot?utm_campaign=Europe_-_English_-_Paid_Search_-_Bing_-_Downloads&utm_content=Downloads_-_SWOT_-_SWOT_Analysis_Template&utm_source=bing&utm_medium=paid_search&utm_term=swot_analysis_template

CRM systems

<https://dynamics.microsoft.com/en-us/crm/what-is-crm/>

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which is environmentally-friendly paper (without chlorine)
using vegetable-based inks. The printed matter is recyclable.

A free pdf is available on ITC's
website at:
www.intracen.org/publications.



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