



International
Trade
Centre

EXPORT IMPACT
FOR GOOD



Indonesia Services Dialogue

Surabaya, 19 April 2013
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What is ITC?

ITC is the joint technical cooperation agency of:

- **United Nations Conference on Trade and Development (UNCTAD) &**
- **World Trade Organisation (WTO)**

Within the UN system, ITC is the niche development partner for **business export success** in developing countries.

ITC provides trade related capacity building which is **private sector focused**.

ITC's objectives are to

- help enterprises, especially SMEs become more **competitive**
- strengthen local trade support institutions, especially **services business associations** and **export promotion** agencies
- facilitate **dialogue** between policymakers and private sector on the enabling business environment for **services value-added and export**



ITC Trade in Services Programme

1: Produce, improve access to and use of, reliable and user-friendly services-related **trade intelligence**. Build awareness around the importance of services as a potential export driver for developing countries.

2: Build and strengthen trade support institutions' capacity to foster an enabling business environment, to benchmark regulatory practices and to promote services exports

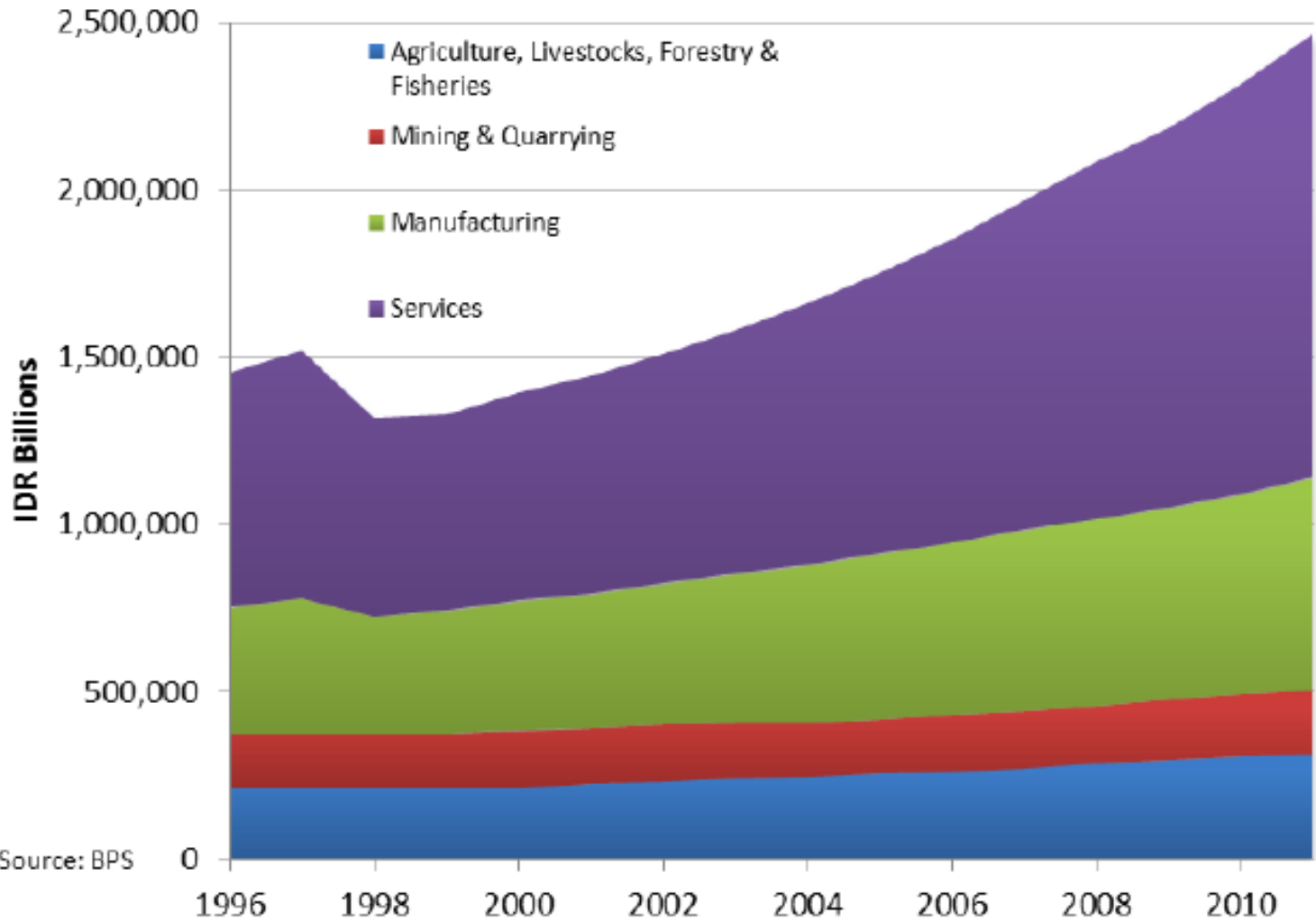
3: Enhance the export readiness of services SMEs in responding to market opportunities including in global and regional value chains

4: Achieve a higher level of sustainable and inclusive participation in the regional and international services economy

- ITC is focused on both country-based and regional level projects
- **ITC is delighted to work with the ISD at national level and also to help contribute to regional level outreach**

Services contribution to GDP

Figure 1: Indonesian GDP at constant 2000 prices.

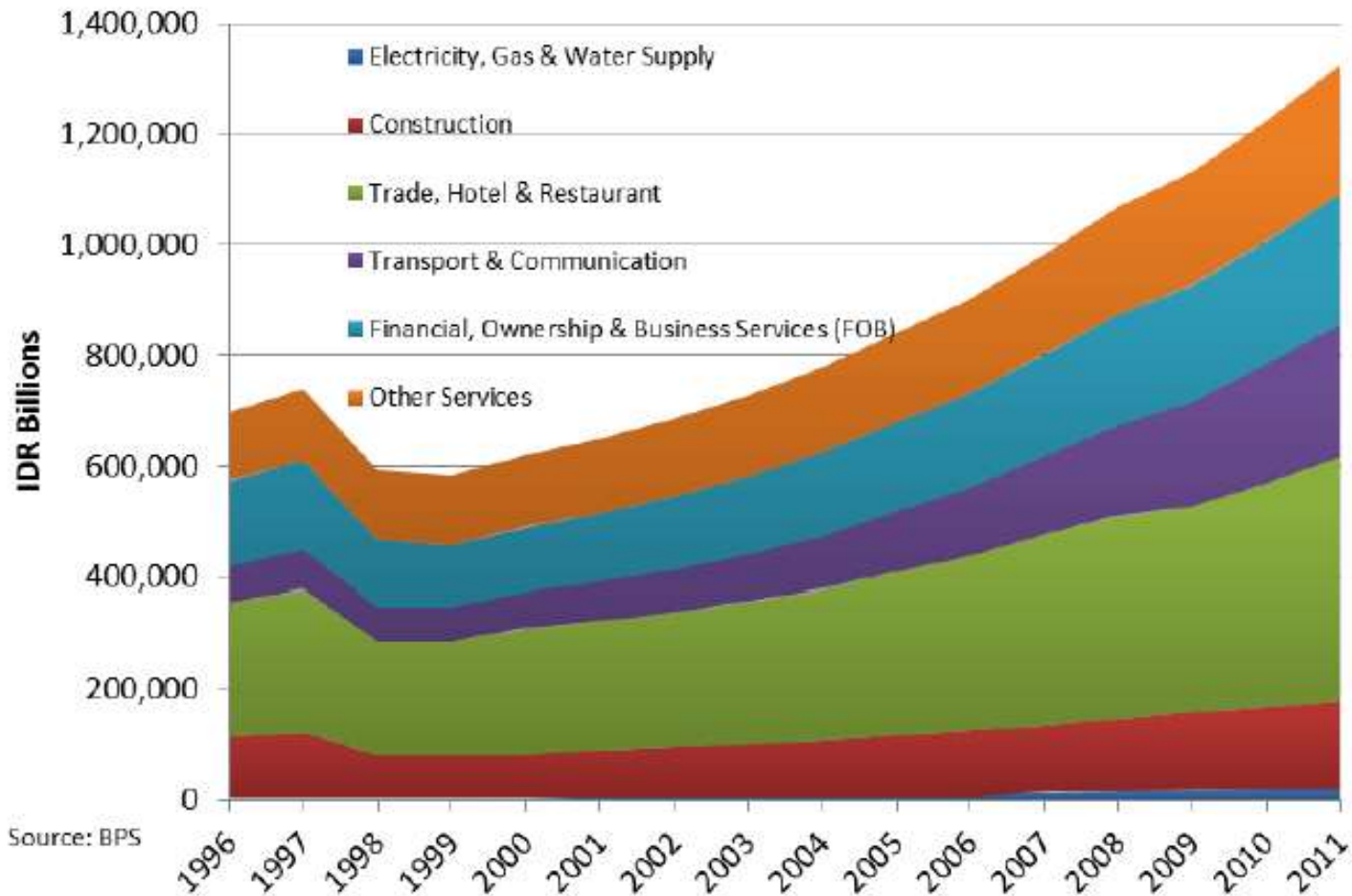


Source: BPS



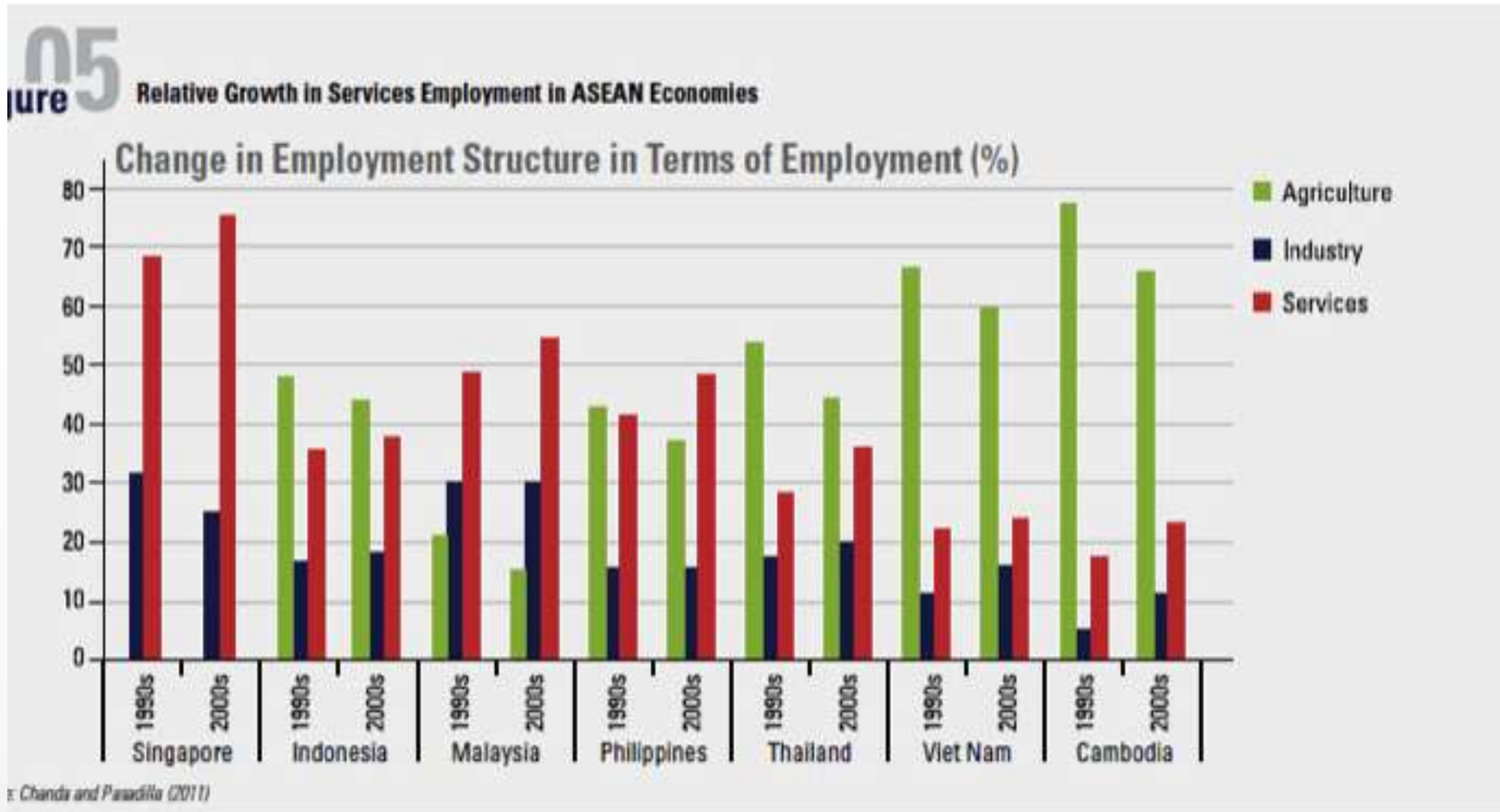
Services Sector Value-Added

Figure 2: Service sector value added at constant 2000 prices.



Source: BPS

Services contribution to Employment



Ingredients for Success

- Strategic Leadership
- Business Vision and Determination
- **Evidence Base / Awareness-raising**
 - Statistics & **Business Stories**
 - **More Statistics & More Business Stories**
- **Individual Champions**
- Workable Business Membership & Funding model
 - A Clear **Business Message** to ensure buy-in/sustain business interest & an ongoing **Events** schedule
- Outspoken Public **Advocacy**
- Building Channels for **Consultation/Managing Vested Interests**
- Win-Win **Partnerships** and Alliances

Challenges

- The language of services is highly problematic, making it hard to recruit initial members and reinforce champions
- Sectoral comprehensiveness is essential but its initially like herding cats
- SME participation is essential but SMEs dont have time or resources to get involved
- Export promotion requires a whole **new tool-kit**
- Quantitative data is immensely difficult to collect and goes on being difficult to collect; government institutions and the academic fraternity are not geared to services

Surprises

- Services firms, big and little, from seemingly very different sectors turn out in fact to have a great deal in common;
 - **the way they operate/do business/export**
 - **the factors that affect their innovation & competitiveness**
- the regulatory inefficiencies they face
- the frustrations they experience with “goods think”
- Excitement is generated by the access & attention that come from strength in numbers and the emerging possibilities for policy change & business growth

Elevator Pitch

- Services industries are everywhere making the dominant contributions to GDP, employment, investment, productivity and poverty reduction
- Services are globalising rapidly into supply chains; a Services Revolution is underway enabling newcomers to development to leapfrog over manufacturing; new market opportunities are out there
- Government intervention is higher in services than any other sector
 - this adds, economy-wide, to the local costs of doing business
 - the gains from improved regulatory efficiency are enormous - greater than for any other sector
- Industry itself must develop locally-relevant evidence-based tools to lead government through the mind-set changes required for reform
- This is vital to every countries' future; this is about more and better jobs for our children in higher value-added activities
- Services coalitions of industry deserve active business and government support

Business Message; Services Value-add for national





Australian Services Roundtable



CSC



Canadian Services Coalition



Indonesia Services Dialogue



European Service...

FLG

Financial Leaders Group



Hong Kong Coalition of Service Industries

The Service Policy Think Tank of HKGCC



CSI

台灣服務業聯盟
Taiwan Coalition of Service Industries



Japan Services Network

