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MEETING OF EXPERTS ON THE FORMULATION
AND IMPLEMENTATION OF STRATEGIES FOR THE
EXPORTS OF MANUFACTURES

Santiago, Chile, 26 July to 4 August 1971

BACKGROUND AND PROVISIONAL AGENDA

A. General considerations

The need to increase exports of manufactured products has been widely recognized in Latin America. This is reflected by the fact that Governments of many countries of the region consider the expansion of industrial exports an important objective of their respective development programmes.

In order to achieve this objective within a reasonable period, it will be necessary to conceive and vigorously apply an integral set of measures designed to improve the efficiency of production, marketing and financial activities and to adapt the functions and structure of public institutions to the requirements of this new export drive. Starting from this basic consideration, the Economic Commission for Latin America is organizing a meeting intended to examine the principal problems that arise on this subject and the various alternatives that may be employed for their solution.

It was deemed desirable that the exchange of ideas should not be limited to the countries of the region, but that it should also include the presentation and analysis of the experience of countries outside the region which have had successful experiences in the development of industrial exports.

In order to obtain an integral view of the problems related to this subject, it has been found useful to give this meeting a multi-disciplinary character, which reflects the approach of ECLA's Export Promotion Programme. As a result, the agenda includes aspects dealing with industrial policy, commercial policy and the administrative and institutional machinery needed to implement the different measures designed to develop exports of manufactured products.

B. Objectives

The meeting pursues the following goals:

- (i) To identify and analyse the methodological problems posed by the formulation of a strategy to export manufactures;
- (ii) To exchange views and obtain recommendations with reference to measures of industrial, commercial and institutional policy designed to implement such strategies within the particular framework of the different countries of the region;
- (iii) To discuss ways and means to mobilize the public and private sector, as well as public opinion behind a clear and significant objective of increasing industrial exports.

C. Participants and date

About twenty-five experts will participate in the meeting, including:

1. Latin American specialists in industrial development, institutional organization and commercial policy respectively, as related to export promotion;
2. Experts from outside the region, especially in the field of export development;
3. Officials from several divisions of the Economic Commission for Latin America and other international organizations dealing with this subject.

The meeting will be held at the headquarters of the Economic Commission for Latin America in Santiago, Chile, from 26 July to 4 August 1971.

D. Preparation and proceedings of the meeting

ECLA is preparing documentation on various agenda items and will send it to participants in advance of the meeting. Documents presented by country participants are expected before 31 May 1971, so as to allow for reproduction and distribution before the meeting. During the meeting, participants may wish to present orally the highlights or summaries of their papers. It is also planned to designate certain participants to comment on the papers submitted for discussion and focus on a few key issues.

The meeting will attempt to achieve results and conclusions that are useful to the Latin American countries in the formulation and execution of a strategy for exports of manufactures. It is expected to publish and give wide circulation to the main papers, as well as to the summaries of the debates and the conclusions.

The provisional agenda and a list of specific points that would be of interest to discuss in connexion with the agenda are reproduced below.

E. Provisional Agenda

- I. Concepts, models and methodology of an export strategy - general discussion.
- II. Industrial development policies in formulation and execution of an export strategy.
 - (a) Methodology to identify industrial sectors and products for export;
 - (b) Programming industrial export goals for the long and short term;
 - (c) Policies to orient industries for export.
- III. Trade policies in formulation and implementation of an export strategy.
 - (a) Relationships and inter-actions between foreign exchange measures, fiscal, monetary and other incentives in a coherent export strategy, including evaluation of their effectiveness;
 - (b) Channels of exports;
 - (i) International companies;
 - (ii) Trading companies;
 - (iii) Others.

IV. Institutional arrangements in formulation and implementation of an export strategy.

- (a) Administrative capability to develop exports of manufactures;
 - (i) Organizational adequacy and co-ordination;
 - (ii) Effectiveness in the utilization of policy instruments;
 - (iii) Training and motivation of personnel.
- (b) Adaptation of the tax systems to export promotion: principal problems;

V. Coherent, well-integrated, action-oriented export strategy.

- (a) Mobilizing the support of industrial, financial, and trading enterprises in an all-out export effort;
- (b) Salient characteristics of well-designed, action-oriented export strategy;
- (c) Ways of effectively formulating and implementing the export strategy, taking into account the relative level of development of a country, and its participation in regional or sub-regional arrangements;
- (d) Summary, findings and conclusions on export strategy: planning and implementation, with emphasis on industrial development policies, commercial policies, and institutional arrangements.

F. Special points of interest to be discussed
in connexion with the Agenda

(Numerals correspond to agenda items)

I. What are the various meanings attributed to the concept of "strategy for exports of manufactures"?

To what extent do explicit or implicit strategies exist in the various countries?

In what way should those strategies for exports of manufactures be linked to industrial policy and to economic policy in general?

How are they linked at present?

What is the process through which these strategies are formulated at present?

- II.a What are the methods used by organizations in the public sector to define the sectors or products offering the most favourable opportunities for export?
- To what extent do basically export-oriented industrial sectors exist?
- What is the role of the public sector in the selection of those sectors and what concrete measures have been taken to encourage their expansion?
- II.b To what extent do countries set long- and short-term targets for industrial exports, in general as well as by sectors and/or products? How are these targets established?
- To what extent does the private sector participate in setting these export targets?
- How far is it involved in trying to achieve these targets?
- Is there a periodical check as to whether these targets have been reached?
- II.c What have been the implications of the protection structure with respect to imports on the capacity of exports of industrial enterprises?
- What criteria and procedures are used to modify the protection structure?
- What importance is given to the possibilities of exports in the projects financed and/or approved by the public sector?
- How far is the policy of acquiring foreign technology conceived with the idea of strengthening the capacity for competition in the world market for products manufactured in the country? (It would be interesting to have examples.)
- To what extent are efforts being made to develop local technologies with a view to strengthening the capacity to compete abroad? (It would be interesting to have examples.)
- Within the legal norms governing the operation of foreign enterprises in the country, what importance is given to their orientation towards exports?

What is the policy regarding acquisition of capital goods for export-oriented firms?

How does the degree of concentration in the domestic market affect the attitudes of firms towards exports? What has been done to prevent concentration on the domestic market from harming the export capacity of enterprises?

How far is it possible to increase industrial exports on the basis of greater utilization of installed capacity for production?

What part do small- and medium-sized firms play in export? What steps have been taken to encourage their participation?

What are specific examples of export-oriented sector or products which have developed as a result of industrial policy measures adopted by the public sector?

What policies have been used and how have they been implemented to bring the quality of production up to international standards?

What studies have been carried out to compare and to explain the differences in the cost of labour and productivity rates with other countries?

What measures have been taken to increase productivity in manufacturing industries for export?

What differences arise between the orientation of industrial sectors towards regional and sub-regional groupings and the policy of orientation towards the world market?

III.a To what extent has the export of manufactures been encouraged in the general conception of the foreign exchange policy, credit policy and tax policy in force?

What are the general guiding principles governing the conception and relative incidence of the various types of incentives to exports?

What effect have the various kinds of incentive had on the export orientation of the entrepreneurs? How can this effect be measured?

What effect does the export incentive policy have upon the income of the public sector?

Are there cases where incentives have caused unfavourable reactions in other countries?

- III.b (i) What part do international manufacturing enterprises established in the countries play in exports? What are the present situation and future prospects. (It would be interesting to compare the attitude of these enterprises with national firms, mainly with regard to volume, destination and dynamic growth of exports.)
What part can joint ventures, agreements for transfer of know-how and technical and trade advice play in the promotion of exports?
- III.b (ii) How do trading companies operate?
How did they start? How can those enterprises be encouraged? What role do they play in the marketing of products manufactured by small- and medium-sized firms?
- III.b (iii) Are there any other special institutions in the countries for marketing of industrial products for export?
What is the relative importance of the various marketing channels?
- IV.a Which public and private organizations are directly involved in the promotion of exports, and at what level - production, financing, marketing, etc.?
What are the operational, formal and effective relationships between these various organizations?
What is the operational relationship between the institutional system of export promotion and top-level centres where decisions on economic policy are made?
How efficient is the institutional system for export promotion? How can this be evaluated?
What training programmes are there in the countries for the education of personnel who work in these institutions at a technical level?
- IV.b What effect does the tax system in force have upon the industrial structure and its export capacity?
What has been the effect of the application of a tax on the value added and its influence on the policy of tax incentives for export?

V. This part of the meeting will be a kind of summary. The contributions received in the previous stages should be collected together and suggestions should be made for recommendations which will be offered to the countries in the region. The main questions to be answered are:

What procedures can be used to mobilize the public sector, the private sector and public opinion in general towards the clear and important objective of an increase of industrial exports?

To what extent does the public sector, the national private sector and the foreign private sector participate in the strategy for exports of manufactures?

What specific instruments can the public sector use to persuade production, marketing and financing enterprises to develop their export capacity?

On what basis should priority sectors in exports be chosen and how are the markets to be selected for the concentration of promotion efforts?

What measures should be taken directly by the public sector on a short- or medium-term basis, in order to create favourable conditions for export, both at home and abroad? (The possibilities offered by the processes of regional integration should be discussed with regard to action at international level.)

