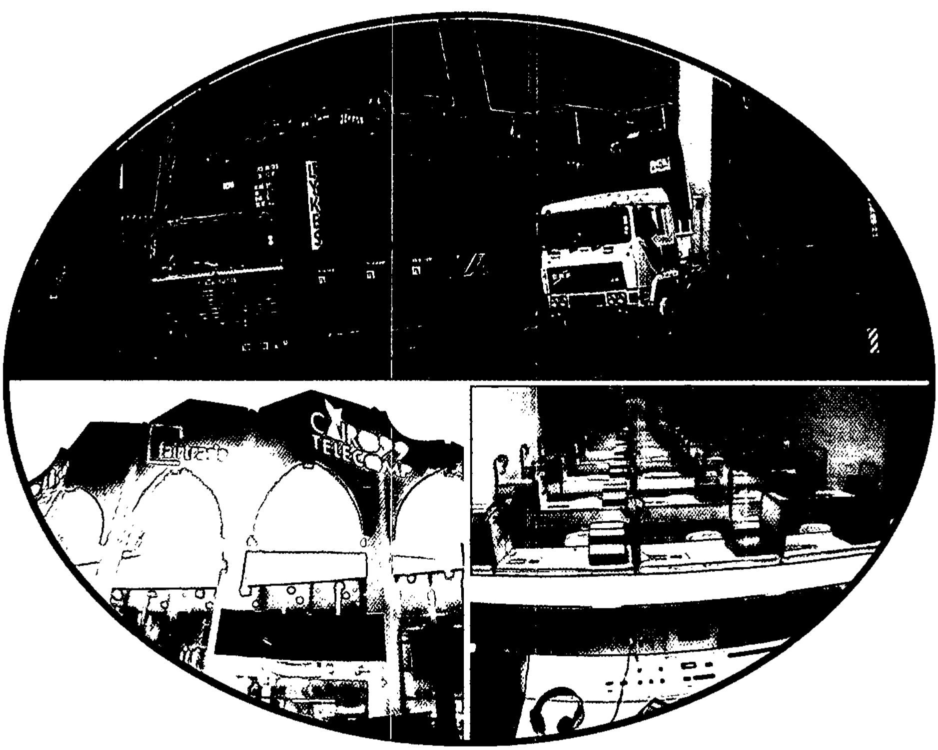
ISLAMIC DEVELOPMENT BANK

CAPACITY BUILDING FOR PROMOTION OF TRADE AND INTRA - TRADE IN IDB MEMBER COUNTRIES



ECONOMIC POLICY AND STRATEGIC PLANNING DEPARTMENT

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ECONOMIC POLICY AND STRATEGIC PLANNING DEPARTMENT
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بسم الله الرحمن الرحيم

Preface

The role of foreign trade in economic development is now widely recognized. Accordingly, most countries in the world attach greater importance to production for export expansion. However, it is yet to be properly appreciated that the mere adoption of export-oriented development strategy is not sufficient to bring about the desired results unless it is accompanied by institutional and human capacity building to promote exports and diversify their structures. Similar capacities are required to take advantage of the trade opportunities likely to be created by the increased exposure to international markets in the post-WTO era and also to ward off the adverse effects of international competition on production and exports of different countries. For member countries of the Islamic Development Bank (IDB), building institutional and human capabilities at the national and regional levels would be particularly required to bring about a major quantitative and qualitative improvement in their trade relations.

Recognizing the significance of capacity building for the promotion of trade and intra-trade in member countries, the Board of Executive Directors of the IDB suggested the Bank to prepare an occasional paper on the subject as one of the documents to be distributed on the occasion of the Twenty Fourth Annual Meeting of the IDB Board of Govemor to be held in Jeddah, Saudi Arabia, in November 1999. The paper, prepared in pursuance of that suggestion, looks at various aspects of capacity building for the promotion of trade and intra-trade in member countries by focussing mainly on their a) export supply capacities, b) export promotion policies and strategies, and c) financial, human, and institutional arrangements for the promotion of trade (exports) in general and intra-trade in particular. To this end, besides reviewing the major trade characteristics of member countries, the paper looks at the trade promotion experience of some of the East Asian economies such as Japan, South Korea, and Singapore with a view to drawing lessons for the IDB member countries. The paper also reviews the efforts made in three selected member countries, namely, Egypt, Malaysia, and Senegal towards developing policies and strategies, institutions, and human capabilities for the promotion of their exports and intra-trade.

The analysis enables us to identify major problems and constraints facing member countries and some of the major steps which need to be taken at the national and multilateral levels to further strengthen their capacities for the promotion of trade and intra-trade. It is found that member countries need to develop capacities for devising export promotion strategies for which there is national commitment at all levels. At the same time, they need to build institutions with adequate human and financial capabilities in order to overcome export supply constraints and develop new markets particularly at the regional and sub-regional levels for promoting their exports. The paper points out that in the least developed member countries, capacity building efforts need to accord high priority to create suitable operating conditions for enhancing production for exports whereas in other member countries institutions providing trade related services should get greater attention.

While presenting the paper, the author wishes to express his gratitude to all those who provided assistance or input in its preparation. He is however specially grateful to the officials and experts of the International Trade Centre (ITC), the Islamic Centre for Development of Trade (ICDT), the United Nations Conference on Trade and Development (UNCTAD), and the World Trade Organization (WTO) for assisting him in collecting data and exchanging views on the topic. In this regard, the author would like to single out Dr.Erich Supper (UNCTAD), Dr.El Hassane Hzaine (ICDT), and Mr. Jean Pasteels, and Mr. Philip William (ITC) for providing highly relevant research materials on the subject. Special thanks also go to those experts who prepared country experience papers that provided very valuable background information for the paper. These experts are Dr. Abdur Rahman Yousri (Egypt) and Ms. Aminata Sall-Samb (Senegal). Assistance provided by Dr. Mohammad Haflah Piei (Malysian Institute of Economic Research) in collecting research materials for the Malaysia case study is also gratefully acknowledged.

Finally, thanks are due to members of the Economic Policy and Strategic Planning Department for their technical comments and observations and useful suggestions at all stages of completing the paper and also to secretarial staff of the Department, particularly Mr. Sirajul Islam, for typing several drafts of the paper before its finalization. It, however goes without saying that any errors or omission still

remaining in the paper are the sole responsibility of the author. Similarly, judgements made in the paper are those of the author's and do not necessarily reflect the views of the Islamic Development Bank, its Board of Executive Directors, Board of Governors, or member countries.

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EXECUTIVE SUMMARY

Introduction and objectives

0.1 "Capacity building" is generally described as measures allowing any entity to acquire the ability to achieve its objectives and guard against any factor that may adversely affect its endeavors. In the context of export promotion, it would mean a combination of policy reforms and strengthening of physical, institutional, and human capabilities to actually or potentially enhance export actively at company, industry or national level. The paper argues that capacity building in member countries is required to ensure the success of any trade strategy, take advantage of the trade opportunities to be created by the increased exposure to international markets in the post WTO era; ward off any adverse effects of international cooperation on production and exports, and bring about any major increase in intra-trade.

0.2 The paper looks at the above subject in relation to IDB member countries with a view to identifying major problems and constraints and suggesting some ideas for strengthening capacity building for the promotion of trade and intra-trade in member countries*. To this end, it analyses, the major trade characteristics of member countries and provides an indirect assessment of the direction of their overall trade potentials. It also looks at the experience of some of the East Asian economies which have been relatively more successful in promoting their exports in the last few decades with a view to draw relevant lessons. Efforts for capacity building in selected IDB member countries are also reviewed in order to have some idea about the nature of problems and constraints and priority needs of members countries in this area. Trade promotion has many dimensions. This paper however focuses mainly on the role of capacity building in trade promotion.

From here-to-after "Capacity building" would be used in reference to promotion of trade and intra-trade unless stated otherwise.

Major Findings, Problems and Constraints

0.3 Some of the major findings of the paper could be summarized as follows:

0.3.1 Despite some positive trends in aggregate exports of member countries, most of them have yet to utilize their potentials for achieving well-diversified and stable export growth patterns. While this is particularly true for most LDMC, a number of other member countries with sizeable export levels have also experienced similar problems over the past several years. Member countries which have fared relatively better in terms of their export growth also face challenges of sustaining their export trends. Enhancing the value-added contents of exports and developing new markets are among the major challenges which have continued to shadow their trade prospects.

0.3.2 Trade in services is a widely underutilized area in member countries as most of them have deficits on this account.

0.3.3 Member countries with large import bills have bigger shares of their imports coming from non-member countries whereas those with relatively small and traditional exports generally tend to find markets in other member countries.

0.3.4 Export promotion strategies and capacity building in member countries seem to have been influenced by some of the trends set by the East Asian economies before the 1997 financial turmoil. However, it is obvious that not all of them have produced similar results.

0.4 When member countries are compared with some of the East Asian economies that have been relatively more successful in promoting their exports, the following major problems and constraints in capacity building for trade promotion are observed:

0.4.1 <u>Lack of Commitment to Export Promotion Strategies</u>: Compared to selected examples of East Asian economies, there seems no clear commitment to export promotion strategies in most member countries.

0.4.2 <u>Inadequate linkage between production and export policies</u>: Unlike the general trend in East Asian economies, most member countries started with building export promotion capacities instead of first strengthening the export supply bases. While this may not be a serious constraint for every country, inadequate production base could lead to unstable export expansion.

0.4.3 Member countries generally lack capabilities to deal with new global trade rules. Efforts have already been initiated at different levels to overcome some of those constraints but it is too early to conclude if those efforts would be sufficient to overcome member countries' constraints in this area.

0.4.4 Inadequate Institutional Bases: More than half of the IDB member countries have no specialized export promotion or support institutions. In other member countries, such institutions are poorly funded and inadequately equipped.

0.4.5 Multiplicity and Overlapping of Roles: Institutions created to promote trade have no clear distinction in their roles. Similarly, a number of export promotion schemes are adopted without adequate financial resources.

0.4.6 Limited Approach to Export Promotion: Main focus of the trade export promotion organization is on exhibitions, trade fairs, and trade missions. Activities with more enduring impact on export promotion such as training, market development, dissemination of trade information, advertising etc. are either not emphasized or ignored.

0.4.7. Limited Sectoral Focus: Except for the industrial products, export promotion services for non-traditional exports, particularly from the agricultural sector are far from the potentials of such exports.

0.4.8 Constraints on the Private Sector: Unlike East Asian economies, export promotion strategies in member countries are not private sector focussed. As a result, private sector is afforded limited opportunities to participate in officially sponsored foreign exhibitions and trade fairs; is not well supported by official foreign trade missions; and generally has limited role in influencing the orientation of foreign trade missions. Likewise, export promotion capabilities of private sector institutions such as Chambers of Commerce and exporters' associations are not adequately developed.

0.4.9 Inadequate financial Development: Weak banking and financial system is perhaps one of the biggest sources of major constraints which affect capacity building for the promotion of trade and intra-trade in member countries. Most LDMCs do not have viable local banks which could support foreign trade activities. In other member countries, banks and financial institutions are generally fraught with various constraints due to heavy public sector demands and influence.

Recommended Actions for further Strengthening Capacity Building in Member Countries

General: Applicable to all Member countries

0.5.1 Efforts for capacity building for trade promotion could be more effective if they are integrated with the overall capacity building needs of the economy. They should also be private sector-focussed and allowing policy pluralism according to economic and regional diversities.

0.5.2 Main objectives of capacity building for trade promotion should be to achieve greater movement towards open international trading system, creating internationally competitive supply capabilities and trade complementarities at the OIC level, and building institutional infrastructure to take advantage of the market opportunities.

0.5.3 Within the above framework, efforts need to be made to develop national consensus and commitment on the role of trade and the strategies adopted for its promotion. One way to start this process is that different training programmes/ workshops arranged on creating awareness about WTO related matters should also have at least one day discussion on the significance of trade and the capacity building required for its promotion.

0.5.4 Capacity Building for dealing with WTO-Related Matters: In addition to the existing efforts, two areas need to be given special attention: i) Development of new skills and expertise to deal with emerging trade related issues such as expertise to deal with WTO related conflicts and handle issues related to transport, custom clearance, quality control, standardization, telecommunication (for electronic trade), and investment flows; ii) Refocusing WTO related training progrmames to focus on the Training of Trainers so that the process becomes self-propelling even after the withdrawal of multilateral assistance in this area. Trade specialists from academic institutions and professionals in the private sector should also be covered.

0.5.5 Strengthening Trade Promotion Organizations: This is widely applicable to most IDB member countries. Therefore, efforts need to be focussed on establishing such organizations where they do not exist and strengthening the existing ones in order to make them more effective.

Classification of Capacity Building Efforts According to Priority Needs of Member Countries.

0.6.1 For member countries with relatively low level of trade performance including most of the LDMCs, priority areas for capacity building should be :

a) For devising export promotion strategies by promoting and strengthening local professional competencies through advance training, participation in policy development and project implementation. The overseas advisory services should remain confined to develop local talent and not in the direct preparation of trade policies and strategies;

b) Capacity building for enhancing supply of exports by creating favourable operating conditions to encourage domestic and foreign investment in labour intensive and agro-based industries which make use of locally available raw material.

c) Creating skills in the trade promotion organizations which could be used to develop markets for currently available exportable surplus with a view to diversifying export structures in due course.

d) Capacity building for dealing with issues related to WTO matters as being among the immediate priority requirements; and

e) Establishing and strengthening one stop export promotion windows such as the global trade points which could provide all trade related information, documents, and other services to facilitate trade transactions.

0.6.2 In member countries which are more active in trade but have unstable export growth priority focus should be on:

a) Capacity building for devising consistent and realistic export promotion strategies to which there is a national commitment at all levels;

b) Industrial policies to build reliable production structures with emphasis on strengthening export processing zones;

c) Strengthening institutions that provide trade related services; and

d) Creating specialized export promotion organizations which work hand-in-hand with the private sector and foreign trade missions to develop new markets for national products.

0.6.3 In member countries with steady export growth, greater emphasis should be to develop capabilities to sustain their export performance. This would particularly require capacity building for expanding technology and knowledge intensive merchandize and service exports, exploring non-traditional markets at the regional and sub-regional levels, and improving the quality of trade-related services such as market intelligence, export credit, insurance, and design and package development.

Capacity Building for Promoting Intra-Trade

0.7 The following key areas for capacity building for promoting intra-trade have been identified in the paper:

0.7.1 The major emphasis of capacity building for the promotion of intra-trade should be on a) Strengthening institutional and human capacities to collect and disseminate trade information among the IDB member countries, b) ensuring comparable quality and competitive price of products to attract demand from member countries, c) competitive financial arrangements to enhance security of trade transactions, and d) enhancing export marketing capacities specifically aimed at generating intra-trade.

0.7.2 Any major shift in the level of intra-trade has to be through collective and mutually reinforcing efforts at the national, regional, and OIC levels. To this end, member countries have to self-consciously direct their imports for the public sector to comparable sources within IDB member countries.

0.7.3 There is need to establish special offices within the Foreign Trade Ministries at the national levels to plan, follow-up, and implement various steps to promote intra-trade. Similarly, at all other national levels, foreign trade bodies have to be mobilized to induct intra-trade promotion as one of their major priorities.

0.7.4 Regional economic cooperation organizations in member countries could play important roles in promoting intra-trade provided their capacities to plan and implement their initiatives are adequately strengthened.

0.7.5 Since the financing requirements of enhancing intra-trade are huge, it is important for the major commercial banks in member countries also to extend their roles in financing intra-IDB level trade. This would enhance their international competitiveness as well as recognition.

0.7.6 All major commercial banks and eximbanks in member countries need to contribute to strengthen capacities for trade promotion through their technical assistance programmes. There should be coordination at the level of all multilateral trade financing institutions within the IDB member countries to make specific allocation for capacity building for the promotion of trade and intra-trade in member countries.

Epilogue

0.8 Capacity building for trade promotion has widespread dimensions to the extent that in some countries it could encompass all major economic activities. No single paper could therefore provide answers to all the issues related to the subject. The present paper has tried to identify major areas of further improvement and, despite limitations of data on which it is based, it should at the minimum provide a basis for further thoughts and perhaps some action at the national and multilateral levels to strengthen capacity building for the promotion of trade and intra-trade in IDB member countries.+

Chapter One

Introduction

1.1 Leaving aside some of the early skepticism about the benefits of foreign trade, it is now widely recognized as a means to achieve higher growth, better resource use, overcome foreign exchange and technology gaps, and bring about necessary structural changes in overall economic development [1]. For developing countries with debt liabilities, foreign trade has the prospects of strengthening their foreign reserves required in meeting their debt obligations. While these and several other reasons have inspired most developing countries to follow export–oriented development strategies, many of them have yet to develop their capabilities to benefit from growing foreign trade opportunities. Apart from production problems, most countries have serious institutional, technological, and human resource constraints which cannot be overcome without undertaking major efforts to improve what may be called "capacity building" for economic development in general and for trade promotion in particular.

Capacity Building for Trade Promotion

1.2 The term "Capacity Building" does not have a single standard definition. It is however usually understood as a set of measures aimed at allowing the concerned entity to acquire the ability to achieve its objectives and respond to any adverse factor which may hinder the achievements of such objectives. Capacity building may relate to human resources or institutions but could cover policies, procedures, regulations, systems, and skill development, as well as equipment and related physical facilities[2]. In the context of trade (export) promotion, it could broadly be termed as a combination of institutional arrangements

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[1] Nurkse (1961) called foreign trade as "engine of growth" which was termed "handmaiden of growth" by Kravis (1970). Khan and Saqub (1993) and Khan and Khanum (1995) provide extensive bibliography on this subject.

[2] See Economic Commission For Africa, "_A Framework Agenda for Building and Utilizing Critical Capacities in Africa and the Islamic Development Bank (IDB)" (1997), "Paper on Policies and Procedures for Financing of Capacity and Institution Building Technical Assistance" for different aspects of the concept of capacity building.

made, physical facilities developed, trade policy reforms undertaken and implementation mechanism established, as well as human capabilities and skills developed to "actually or potentially enhance export activity at the company, industry and national level[3]."

Significance of Capacity Building for Trade Promotion In IDB Member Countries

1.3 Issues related to capacity building for trade (export) promotion in the IDB member countries are important for studying due to the following reasons:

(a) Capacity building in the sense of building institutions for learning and accumulation of knowledge and strengthening the internal conditions is widely recognized to play an important role in achieving specific growth targets under any development strategy[4]. This applies also to trade targets set by any country Hence, the export promotion strategies must include creating and strengthening the necessary institutional and human capabilities focusing especially on trade sector.

(b) With the increased emphasis on export-led development strategies in many developing countries, competition for the export marketing has increased over time. Such a competition is expected to assume new proportions in the post-World Trade Organization (WTO) era due to trade liberalization under the Uruguay Round Agreements. In this situation, besides enhancing the production of exportable, countries aspiring to benefit from emerging trade opportunities will have to create internal strength in the form of qualified manpower and well equipped institutions to be able to market and promote their products within a competitive environment.

(c) There is a growing realization of the fact that share of IDB member countries in world trade is very low (7 per cent over the

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[3] See Seringhaus and Rossan (1990) for the definition of export promotion quoted here.

[4] Burton (1998) argues that whether a country follows import substitution strategy or export-led growth strategy, main condition of their success are learning and accumulation of knowledge. These are essentially internal conditions dependent on the basic characteristics of the society.

past several years) and depends heavily on primary exports consisting of petroleum and petroleum products. This could only be increased with a major increase in exports of value-added products. Capacity building is required to bring about such a change in export structures of member countries.

(d) The Organization of the Islamic Conference (OIC) has recently called upon its member states to increase the share of the intra-trade in their total trade by three percentage point over the next three years[5]. Specific programmes at different levels are being planned to achieve that target. In this context, capacity building aimed specifically for promoting intra-trade would assume special significance.

(e) Since foreign direct investment could play an important role in generating value-added exportable surplus, trade-related capacity building would enable member countries to attract such investment flows.

Purpose and Scope of the Paper

1.4 Against the above backdrop, the paper aims at exploring practical ideas for enhancing capacity building for the promotion of trade (particularly exports) and intra-trade in member countries. To this end, the paper looks at various issues related to capacity building for trade promotion in member countries, focussing mainly on those stated below:

a) A broad assessment of trade achievements and potentials of member countries.
b) Examples of successful trade promotion strategies and capacity building for trade promotion in selected non-member countries.
c) Case studies of capacity building in selected member countries to promote exports in general and intra-trade in particular.
d) Identification of constraints hindering capacity building in member countries for the promotion of exports and intra-trade.

[5] Intra-trade of OIC Member States was around 9.5 percent of their total trade in 1997.

e) Assessment of the priority capacity building needs of member countries for the areas under study .

f) Proposals for consideration at the national, multilateral, and IDB levels for capacity building for the promotion of trade and intra-trade in member countries.

Data and Methodology

1.5 The analysis is based on information gathered mostly from published sources. However, in some cases ideas and information collected through interactions with experts in different institutions have also been used to support the analysis. Some description of the data used to analyze various issues is provided below.

Trade Profile and Potentials of Member Countries

1.6 An assessment of the trade and intra-trade profile and potentials of member countries is meant to develop a context within which efforts for capacity building for trade promotion could be appreciated. Accordingly, the major indicators that have been used include:

a) Changes in the production and export-import structures to assess the trends in export-oriented sectors and in the value added components of exports.

b) Nature of factor intensity of manufactured exports of member countries.

c) Share of major exports of member countries in their respective exports as well as in the world totals.

d) Growth trends of exports and imports with some disaggregation of export trends.

e) Changes in exports relative to GDP and consumption indicating changes in the export potential of member countries. Increase in the share of exports relative to major sources of production as well as consumption could indicate an increase in the export potential of the country.

f) Some indicators showing service exports of member countries.

g) Trends in intra-trade of member countries.

Review of Successful Examples of Trade Promotion Strategies and Capacity Building In Non-Member Countries

1.7 For IDB member countries as well as for emerging economies, the most relevant international experience of successful trade promotion strategies and trade-related capacity building is that of the East-Asian econnomies. Notwithstanding their recent financial crisis, it is widely recognized that the export led development strategies successfully followed by Japan in the sixties, and emulated by other economies like South Korea, Singapore, Taiwan and some other economies in the region produced unprecedented export growth in those countries. Capacity building for trade promotion is believed to have played a key role in this process[6]. This paper reviews trade promotion strategies and capacity building experience of some of the economies in the region in order to draw some relevant lessons. Basic information for this purpose is drawn from published national and international sources supplemented by information collected from interactions with some experts at the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), and the Islamic Centre for the Development of Trade (ICDT).

Review of Efforts in Selected IDB Member Countries

1.8 The paper also reviews the experience of selected IDB member countries in capacity building for the promotion of trade and intra-trade. This is done to strengthen the bases of the conclusions drawn in the paper, particularly, those relating to the promotion of trade among member countries. This analysis would also enable us to identify some of the major trade-related capacity building constraints and the needs of member countries which require action at different levels.

1.9 Review of member countries, experience is based on three selected case studies representing three different IDB regions. Besides capturing the regional diversity, the major criteria for selecting the different case studies were as follows:

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6 See UNCTAD (1997, pp 11-66)

(a) One member country that may be regarded successful example of having developed institutional and human capacities to promote trade and intra-trade.

(b) One member country with large trade base and potential to expand trade which might not have been adequately utilized due to various constraints, and

(c) One member country with notable intra-regional trade, particularly with the Least Developed IDB Member Countries (LDMCs), but faces constraints in expanding its export production as well as promotion.

1.10 Keeping in view the above criteria, member countries selected for case studies are: (1) Malaysia as one of the successful cases in member countries having developed strong institutional capacity for the promotion of trade and intra-trade; (2) Egypt in the Arab region, which is one of the largest trading countries in the region with a well diversified production and trade structures and the potential to further expand its exports; and (3) Senegal in West Africa having sizeable trade base in the region with significant trade relations with the IDB member countries[7]. The case studies for Egypt and Senegal were prepared by national experts who utilized national sources and interactions with relevant specialized institutions to prepare their respective document. For Malaysia, it was based on national and international sources.

1.11 The paper is blending and synthesis of (i) the desk work done at Jeddah, (ii) information and ideas taken from the case studies and collected from international sources, and (iii) insight gained from the field visits. While benefiting from different sources of information and ideas, efforts have been made to conduct an independent analysis which could lead to some useful and policy oriented conclusions.

1.12 The paper has four parts. The Introductory Chapter is Part One. Part Two focuses on the analysis of trade profile and trade potentials of member countries. Part Three is a review of experiences and efforts for capacity building for the promotion of trade and intra-trade in different countries including selected IDB member countries. One of the chapters in this part also presents an overview of the present IDB role in this area.

[7] In 1997, Senegal's total exports stood at US$ 900 million and its exports to other IDB member countries was the highest from among member countries in the region.

Part four presents main conclusions and further efforts needed at different levels to strength capacity building for the promotion of trade and intra-trade in the IDB member countries.

PART - II

TRADE CHARACTERISTICS OF IDB MEMBER COUNTRIES

Chapter Two

TRADE PROFILE AND PERFORMANCE OF MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK (IDB)

2.1 Trade performance of a country is usually an outcome of the level and structure of its production, as well as the institutional and human capabilities employed for trade promotion and marketing. This chapter tries to analyze different trade features of member countries by looking at their past and recent trends[8] in order to evaluate their trade performance and identify areas where capacity building for trade promotion may be needed.

Changes in Production Structures

2.2 Changes in production structure could indicate the role of different commodity groups in export performance of the country. Increasing share of the manufacturing sector in GDP usually shows a greater availability of value-added products for exports. Whether or not the increased availability leads to changes in the export structure however depends on a host of factors including, in particular, the institutional and human capabilities to market the available exportable surplus.

2.3 Tracing the changes in production structures of member countries of the Islamic Development Bank between 1980 to 1997, it is observed that most member countries have continued to depend on agriculture and services, with the latter assuming over 40 percent share

[8] In most cases the data used related to the period between 1980 and 1997 which was classified into different sub-periods where appropriate to strengthen the analysis.

of GDP in 26 out of 38 member countries in 1997[9]. Other notable changes which have taken place during this period are:

a) there were 4 member countries which experienced significant shift in favour of manufacturing at the cost of agricultural sector (the former gaining by over 50 percent in most cases while the latter shrinking between 10 to 40 percent). These countries are Egypt, Indonesia, Malaysia, and Uganda (Tables A.1 and A.2). This transition in production structures is in line with the trends in the High Income Countries (HIC) but not as pronounced as in the latter case which experienced 57 percent decline in the agricultural share and 73 percent increase in the manufacturing sector over the period. Other countries where manufacturing sector gradually enhanced its share are Iran, Kuwait, Niger, Saudi Arabia, Tunisia, Oman, Qatar, and UAE;

b) Ten out of 15, LDMCs for which data are available and some of the middle income member countries such as Morocco and Algeria have experienced an increase in the share of agriculture sector accompanied by either a decline or mild increase in the industrial and manufacturing sectors; and

c) Services have emerged as a major sector in almost all IDB member countries. In 26 out of 39 member countries the share of services was over 40% of the GDP in 1997. These trends show that, with the exception of a few member countries, agriculture and services still offer scope for further promotion of exports from these sectors.

Export Structures

2.4 Compared to production structures, exports structures in majority of the IDB member countries have registered greater increase in their respective shares of manufacturing sector. Out of 30 member countries for which relevant data are available, 23 countries have shown varying degrees of increase in the manufactured exports (Tables 2.1 and A.3).

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[9] The member countries covered here are those for which relevant data were available.

Some of them have registered over 200 percent increase in their manufactured exports during 1980 and 1997. However, the large increase in some cases were probably due to small size of manufactured exports in the base year (1980). Similarly, not all of those countries had stable upward trend in the share of manufactured exports. Member countries where manufactured exports made systematic and significant gains are Bahrain, Bangladesh, Egypt, Indonesia, Iran, Jordan, Malaysia, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Tunisia and Turkey.

2.5 Member countries which experienced decline in manufactured exports include Afghanistan, Kuwait, Libya, Mauritania, Mozambique, Senegal and Yemen. This is in line with their production structures which indicate other sectors such as agriculture or fuels gaining in the 1980-1987 period.

2.6 Most oil–exporting IDB member countries except Libya and Kuwait have shown significant diversification in their exports over the period under consideration. Fuels which in 1980 assumed well over 95 percent of exports came down in the range of 60 to 80 percent in the cases of Bahrain, Iran, Oman and Qatar and between 80 to 90 percent in the cases of Saudi Arabia and UAE. This indicates a gradual, though mild transition, in trade structures of these countries.

2.7 The fact that in comparison to production structures, there were more countries having experienced increase in the share of manufacturing sector indicate greater export orientation of this sector relative to other sectors. Conversely, while agricultural and services growth seem to be more for domestic consumption, manufacturing growth in most IDB countries appears to have contributed relatively more in export expansion. This is an encouraging trend as it shows that more and more IDB member countries are building their trade bases on value-added products.

Factor Intensity of Exports of IDB Member Countries

2.8 Some additional features of export structures of member countries could be observed by analyzing the factor intensity of manufactured exports vis-à-vis primary exports presented in Tables 2.2 and A.4. Accordingly, it is observed that the primary products (consisting mainly of unprocessed agricultural or natural resource based products) have 60 percent or more shares in exports of 34 out of 53 IDB member countries. Most LDMCs and oil-exporting member countries fall in this description. Primary products are also dominant in export structures of member countries such as Egypt, Indonesia and Morocco, despite having fairly large manufacturing sectors.

TABLE 2.1
IDB Member Countries by Changes in Export Structures Between 1980 to 1996

						Of which:			
Percentage Change	Food	Agriculture raw materials	Fuels	Ores + Mines	Manufacturing	Chem.	Other Mfg.	Mech. & Transport	Unallocated
20% negative and more	Afghanistan, Benin Cameron Malaysia, Pakistan, Turkey, Yemen	Afghanistan, Bangladesh, Djibouti, Gabon Indo., Malaysia, Pak, Syria, Tunisia, Turkey, Yemen,	Bahrain, Egypt, Indonesia, Malaysia, Morocco, Mozambique, Pakistan Surinam, Syria, Tunisia	Afghanistan, Gabon, Jordan, Malaysia, Mauritania, Morocco, Pak., Syria, Surinam, Tunisia, Turkey, Uganda	Afghanistan, Kazakhstan Mauritania, Senegal, Yemen	Afghanistan, Iran, Kuwait, Pakistan, Yemen	Afghanistan, Jordan, Kuwait, Libya, Mali, Mozambique Senegal, Sudan, Uganda, Yemen	Algeria, Bangladesh, Benin, Kuwait, Mauritania, Pakistan, Syria	Afghanistan, Bangladesh, Pakistan, Sudan
Negative less than 20% up to zero	Bangladesh, Kuwait, Senegal, Sudan, Uganda	Kuwait, Mali Morocco, Somalia, Kyrgyz	Algeria, Brunei, Gabon, Iran, Libya, Niger, Oman, S. Arabia, Turkey, UAE, Yemen	Kuwait, Mozambique, Qatar	Libya, Mozambique	Libya, Tunisia Uganda	NIL	NIL	NIL
0 - 20	Jordan, Mali, Morocco, Mozambique Somalia, Tunisia	Sudan	Kuwait, Cameroon	Senegal	Uganda	NIL	NIL	NIL	NIL
20 – 50	Algeria, Indonesia	Mozambique	NIL	Algeria, Indonesia, UAE	Bangladesh, Mali, Jordan	Oman, Turkey	Bangladesh, Pakistan	Bahrain, Cameroon, Saudi Arabia	NIL
50 - 100	Egypt	Benin, Cameroon, U.A.E.	NIL	NIL	Iran, Pakistan, Sudan	Bangladesh, Benin, Morocco, Mozambique	Cameroon, Iran, Mauritania, Somalia	Iran	Oman
100 - 200	Mauritania Syria, UAE	Iran, Senegal	Afghanistan	Egypt	Cameroon, Egypt, Morocco, Somalia, Syria, Tunisia, Turkey	NIL	Egypt, S. Arabia, Syria, Tunisia, Turkey	Jordan, UAE	Senegal
200 and above	Bahrain, Iran, Oman Saudi Arabia	Indonesia, Uganda, Mauritania	Benin	Bahrain, Brunei, Cameroon, Iran, Saudi Arabia, Yemen	Algeria, Bahrain, Benin, Indonesia, Malaysia, Oman, Qatar, S. Arabia, UAE	Algeria, Azerbaidjan, Egypt, Indonesia Jordan, Malay, Qatar S. Arabia, Syria, UAE	Algeria, Bahrain, Benin, Indonesia, Malaysia, Oman, Qatar, UAE	Afghanistan, Egypt, Indo., Malay., Mali, Morocco, Mozambique Oman, Somalia, Tunisia, Turkey, Uganda	Malaysia

Source: Based on data in Table A.3

Table 2.2

IDB Member Countries by Shares of Different Factor in their Exports (1997)

Percentage Share	Primary Exports	Classification by Share of Factors in Manufactured Exports			
		Natural resources based manufactures	Labour resource based manufactures	Tech. Intensive manufactures	Skill-Intensive Manufactures
Less than 10	NIL	40 member Countries	39 member countries	42 member Countries	43 member Countries
10 – 20	Bangladesh, Gambia, Pakistan, S. Leone	Guinea, Indonesia, Kyrgyz, Tajikstan	Indonesia, Lebanon, Tajikistan, Turkstan	Azerbaijan, Dijbouti, Kyrgyzs , Lebanon	Afghanistan, Kazikstan, Malaysia, Oman, Turkey
20-40	Albania, Lebanon, Malaysia, Morocco, Niger, Tunisia, Turkey	Bahrain, Kaz, Lebanon, Nigeria	Egypt, Maldives, Morocco	Tunisia, Morocco	Brunei, Comoros, Lebanon
40-60	Bahrain, Comoros, Djibouti, Egypt, Indonesia, Kazk.. Kyrgyz..	NIL	Albania, Tunisia, Turkey	Jordan, Malaysia, Niger	NIL
60 and above	34 Countries	Gambia, S. Leone	Bangladesh, Pakistan	NIL	Nil

Source: Based on Table A.4

2.9 As regards processed/manufactured exports, for over 40 (out of 53) member countries their share is less than 10 percent. Even for countries with large share of manufactured exports, the dominant factors are natural resources and labour. For example in the cases of Egypt, Morocco, Tunisia and Turkey, labour intensive manufactures were between 30 to 60 percent in 1997 whereas for Bangladesh and Pakistan the figures were 84 percent and 80 percent respectively. However, in Jordan, Malaysia, Morocco and Tunisia, technology-intensive exports have relatively larger shares. Among the LDMCs, Niger's exports have relatively high technology intensity which is an interesting feature among the LDMCs which are usually regarded as poorly endowed with manufacturing technology. This could however be due to non-availability of skilled manpower for manufacturing sector leading to greater reliance on technology/machine based manufacturing. Exports based on capital generally have low shares except in the cases of member countries with very small manufacturing basis such as Brunei, Comoros, and Lebanon.

Trade Performance of Member Countries

2.10 Trade performance of member countries is reviewed with reference to growth of their merchandize exports and imports, number of commodities exported, measures showing diversity of exports, changes in market shares of member countries, particularly of their major export items and their services' exports.

Growth of Exports and Imports

2.11 The major characteristics of merchandize trade growth of member countries which could be discerned from Tables 2.3 and A.5 are:

a) Relatively large number of member countries have experienced positive growth in exports (particularly in recent years) compared to their imports between 1980 and 1990. There were 23 (out of 39 member countries) which registered export growth of over 5 percent in 1996-97 compared to 16 countries with similar trend in their imports. A corollary of this trend is that, over time, lesser number of member countries have shown negative export

Table 2.3

IDB Member Countries by Growth Rates of Exports and Imports, 1980 to 1997, Selected Years

Annual Growth Rate (%)	Countries Experiencing Growth of:					
	Exports in :			Imports in:		
	1980-90	1990-95	1996-97	1980-90	1990-95	1996-97
Less than zero	Egypt, Guinea, Guinea Bissau, Kuwait, Lebanon, Mozambique, Niger, Saudi Arabia, Sierra Leone, Uganda	Algeria, Benin, Cameroon, Chad, Egypt, Guinea, Guinea Bissau, Lebanon, Mali, Mozambique, Niger, Sierra Leone	Cameroon, Lebanon, Libya, Mali, Mauritania, Tunisia, Uganda	Algeria, Benin, Cameroon, Egypt, Gabon, Guinea, Iran, Jordan, Kuwait, Lebanon, Mozambique, Niger, Oman, Saudi Arabia, Sierra Leone, Syria, Uganda, U.A.E.	Algeria, Cameroon, Chad, Egypt, Guinea, Guinea Bissau, Mali, Sierra Leone	Bangladesh, Burkina Faso, Chad, Djibouti, Guinea, Iran, Jordan, Lebanon, Mauritania, Pakistan, Senegal, Syria, Kazakhstan, Tajikistan, Turkmenistan, Yemen
Zero - 5	Algeria, Cameroon, Gabon, Gambia, Mali, Morocco, Senegal, Yemen	Burkina Faso, Mauritania, Morocco, Saudi Arabia, Senegal, Tadjikistan, Uganda	Indonesia, Jordan, Kuwait, Malaysia, Oman, Sierra Leone, Cameroon, Syria, Yemen	Bangladesh, Burkina Faso, Gambia, Guinea Bissau, Indonesia, Mali, Mauritania, Morocco, Pakistan, Senegal, Tunisia	Gabon, Mauritania, Mozambique, Morocco, Niger	Egypt, Indonesia, Malaysia, Mali, Tunisia, Uganda
5 - 10	Bangladesh, Benin, Burkina Faso, Chad, Indonesia, Iran, Jordan, Mauritania, Pakistan, Tajikistan, Tunisia, U.A.E.	Gabon, Jordan, Oman, Pakistan, Tunisia, Turkey, U.A.E., Yemen	Bahrain, Kazakhstan, Saudi Arabia, Sudan, Chad	Malaysia	Bangladesh, Burkina Faso, Gambia, Indonesia, Saudi Arabia, Senegal, Tunisia	Algeria, Benin, Guinea Bissau, Lebanon, Mozambique, Oman
10 – 20	Malaysia, Oman, Turkey	Bangladesh, Iran, Malaysia	Afghanistan, Algeria, Benin, Gabon, Egypt, Iran, Mozambique, Turkey, U.A.E	Chad, Turkey	Iran, Jordan, Malaysia, Oman, Pakistan, Turkey, Yemen	Bahrain, Cameroon, Gambia, Gabon, Kuwait, Sudan, Turkey
20 and above	Nil	Indonesia, Kuwait	Azerbaijan, Bangladesh, Guinea, Guinea Bissau, Gambia, Morocco, Niger, Oman, Pakistan, Senegal, Tajikistan	Nil	Benin, Kuwait, Lebanon, Syria, Uganda, U.A.E	Morocco, Saudi Arabia, U.A.E

Source: Based on data in Table A.5

growth compared to negative import growth indicating increasing number of member countries registering improvement in their trade balances;

b) There are only five member countries having registered a stable and high (above 5% per annum) export growth during 1980 to 1990 as well as during 1990 to 1997. These countries are Bangladesh, Iran, Oman, Pakistan, Turkey and UAE. Indonesia and Malaysia had high and stable export growth until 1995 when growth slowed down considerably during 1996-97 due to economic fluctuations in the region prior to the Asian financial crisis. Tunisia also had similar export growth trends whereas Jordan, Morocco, Oman and Senegal had positive but unstable and mild export growth. Egypt is distinct among countries which had low or negative export growth upto 1995; thereafter it registered high growth during 1996-97;

c) Compared to the world export growth of 4.7 percent in 1980-90, 6.0 percent in 1990-95, and 4.5 percent in 1996-97, the IDB member countries that had higher growth rates were 14 (out of 33), 13 (out of 33) and 25 (out of 34) for the respective periods. These figures show that the share of IDB member countries in the world exports have increased overtime (see more on this below). In the case of import growth, there were only three member countries (Chad, Malaysia, and Turkey) with imports growth higher than the world level during 1980-90 period, a number which jumped to 18 in 1990-95 and 16 in 1996-97. Positive import growth unless it offsets the positive export growth could also be considered a healthy economic sign of greater openness of the economy and a factor which could contribute to export expansion.

Share in World Exports

2.12 On aggregate, the share of IDB member countries in world exports increased from 6.76 percent in 1988-89 to 7.04 per cent in 1997 (i.e. an increase of about 4.1 percent) . Individually, there were 23 (out of 44) member countries in 1988-89 with share in the world market of less than 0.05 percent, a number which rose to 26 out of 47 in 1997

(Tables 2.4 and A.6). In 1988-89, the highest share was enjoyed by Saudi Arabia (0.95 percent), followed by Malaysia (0.86%) and Indonesia (0.75%). Iran, Turkey and UAE had between 0.4 to 0.7 shares of the world market. By 1997, Malaysia jumped to the first position with market share of 1.42 percent followed by 1.11 percent for Saudi Arabia and 0.94 percent for Indonesia.

2.13 Other member countries, which gained in their market shares during this period are Bahrain (from 0.09% to 0.21%), Bangladesh (from 0.04% to 0.07%), Gabon (from 0.05% to 0.06%), Iran (from 0.41% to 0,45%), Morocco (from 0.11% to 0.13%), Qatar (from 0.09% to 0.10%), and Turkey (from 0.40% to 0.47%). Among those experiencing major decline in their market share are Afghanistan (from 0.02% to less than 0.01%), Brunei (from 0.07% to 0.04%), Cameroon (from 0.06% to 0.04%), Egypt, (from 0.09% to 0.07%), Jordan (from 0.04% to 0.03%), Kuwait (from 0.39% to 0.25%). Lebanon (from 0.02% to 0.01%), Mauritania (from 0.02% to 0.01%), Senegal (from 0.02% to 0.01%), Sudan (from 0.02% to 0.01%), Syria (from 0.10% to 0.07%), Oman, Pakistan and Yemen are among those whose market shares remained constraint at 0.12% 0.16% and 0.04% respectively.

TABLE 2.4
IDB Member Countries by Shares of their Exports in World Exports 1988/ 89 and 1997

Share in World Exports (%)	Member Countries in:	
	1988/89	1997
0.0 - 0.05	Afghanistan, Albania, Bangladesh, Benin Burkina Faso, Chad, Comoros, Djibouti, Gambia, Guinea, G. Bissau, Jordan, Lebanon, Maldives, Mali, Mauritania, Niger, Senegal, S. Lebanon, Somalia, Sudan, Uganda, Yemen	Afghanistan, Albania, Benin, Brunei, B.Faso, Cameron, Chad, Comoros, Djibouti, Gambia, Guinea, G. Bissau, Jordan, Kyrghyz Rep. Lebanon, Maldives, Mali, Mauritania, Niger, Senegal, S. Leone, Somalia, Sudan, Uganda, Yemen Rep.
0.05 - 0.10	Bahrain, Brunei, Cameroon, Egypt, Gabon, Qatar	Bangladesh, Egypt, Gabon, Syria
0.1 - 0.2	Morocco, Oman, Pakistan, Syria, Tunisia	Libya, Morocco, Oman, Pakistan, Qatar, Tunisia
0.2 - 0.4	Algeria, Kuwait, Libya	Algeria, Bahrain, Kuwait
0.4 - 0.8	Indonesia, Iran, Turkey, UAE	Iran, Turkey, UAE
0.8 - 1.2	Malaysia, Saudi Arabia	Indonesia, Saudi Arabia
1.2 and above	-	Malaysia (1.42%)

Source: Based on data in Table A. 6

Diversification of Exports:

2.14 The number of commodities exported by the country and market shares of different commodities in the world trade are important indicators of export performance. More broad-based and diversified export structure usually gives the country greater capability to withstand market fluctuations and competition and to protect its trade interests in case of any trade disparities. Table 2.5 presents figures on the number of commodities exported and shares of three major exports whereas Table 2.6 presents a measure of export diversity called Diversification

Indices of IDB member countries[10]. These figures could be used to evaluate the breadth and diversity of exports of member countries.

2.15 It is interesting to note that during 1980 and 1995, most member countries have been able to increase their number of commodities exported. In 1980, there were 19 member countries exporting less than 100 commodities. This figure dropped to 14 in 1995. On the other than, those exporting more than 100 commodities increased from 21 to 24. In 1980, there was only one country (Malaysia) that exported more than two hundred items. In 1995, there were four countries (Indonesia, Malaysia, Turkey, and UAE) in this category. The other member countries which experienced a major increase in the number of their exports are Algeria (from 58 to 108), Bangladesh (from 56 to 96) Egypt (from 80 to 152), Iran (from 88 to 171), Libya (from 42 to 76), Morocco (from113 to 157), Mozambique (from 16 to 70), Qatar (from 3 to 71), Syria and Tunisia (from 142 to 183). Member countries whose list of exports shrieked in a major way are Burkina Faso (from 43 to 29), Kuwait (from 189 to 131) Lebanon (from 194 to 160), Pakistan (from 157 to 130) and Sierra Leone (from 39 to 14).

10 For definition of Diversification Index, see UNCTAD (1999, p. 212)

Table 2.5
IDB Member Countries by Number of Commodities Exported and Shares of Three Major Commodities in Total Exports

By Number of Commodities Exports		By Share of Three Major Exports	
1980	1995	1988/89	1997
Less than 50 commodities		**Up to 20%**	
Algeria, Brunei, Burkina Faso, Gabon, Libya, Maldives. Mauritania, Mozambique, Qatar, Sierra Leone, Uganda	Burkina Faso, Gabon, Maldives, Mauritania, Sierra Leone, Sudan, Uganda	Turkey	Turkey
50 to 100 commodities		**20 to 40%**	
Bahrain, Bangladesh, Cameroon, Egypt, Iran, Iraq, Sudan, U.A.E	Bangladesh, Brunei, Cameroon, Libya, Mozambique, Qatar	Afghanistan, Cameroon, Malaysia, Maldives, Morocco, Pakistan, Senegal, Tunisia	Afghanistan, Indonesia, Lebanon, Malaysia, Morocco, Pakistan, Tunisia
100 to 150 commodities		**40 to 60%**	
Indonesia, Jordan, Morocco, Oman, Senegal, Syria, Tunisia	Algeria, Bahrain, Jordan, Kuwait, Oman, Pakistan, Senegal, Syria	Bangladesh, Egypt, Indonesia, Jordan, Lebanon, Syria, U.A.E	Cameroon, Egypt, Jordan, Pakistan, Senegal, Sudan
150 to 200 commodities		**60 to 80%**	
Kuwait, Lebanon, Pakistan, Saudi Arabia, Turkey	Egypt, Lebanon, Morocco, Saudi Arabia, Tunisia, Iran	Benin, Comoros, Djibouti, Gabon, Kuwait, Qatar, Saudi Arabia, Sierra Leone, Somalia, Sudan	Bangladesh, Maldives, U.A.E
More than 200 commodities		**80 to 100%**	
Malaysia	Indonesia, Malaysia, Turkey, U.A.E	Algeria, Brunei, Burkina Faso, Chad, Guinea, Iran, Libya, Mali, Mauritania, Niger, Oman, Uganda	Algeria, Benin, Brunei, Burkina Faso, Chad, Comoros, Gabon, Gambia, Guinea, Iran, Kuwait, Libya, Mali, Mauritania, Niger, Oman, Qatar, Saudi Arabia, Sierra Leone, Syria, Uganda

Source: Based on data in Table A. 7.

2.16 From the figures on share of three major commodities in member countries; exports, the main features which could be observed are: a) For most IDB member countries, the three major exports are over 75% of the total value of merchandize exports. Oil exporting member countries and the LDMCs generally fall in this category. The number of such countries increased from 16 (out of 39) in 1989 to 22 in 1997; and (b) In general, the dependence of member countries on their major exports increased during the period in spite of the above noted increase in their number of exports. There were 23 (out of 39) member countries whose shares of respective three major exports increased during the stated period. Even some of the relatively more diversified countries such as Bangladesh, Egypt, Malaysia, Pakistan, Tunisia and Turkey experienced increase in the shares of their three major exports. Increased share of their major exports indicate greater concentration and dependence of the export structures. However, when it happens along with the expansion in the export base and the aggregate exports values, this denotes the country's ability to increase the values of its major exports. Fortunately, most IDB member countries fall in the latter category.

Diversification Index (DVI)

2.17 From the figures on the Diversification Index, it seems that member countries exports when placed against the global diversification level are not well diversified. Most IDB member countries have DVI of 0.75 or more (as compared to less than 0.4 for industrial countries). In the latter cases, DVIs have decreased but increased for most IDB member countries. These trends indicate that IDB member countries in general need to further expand their export bases in order to achieve high degree of export diversity.

Table 2.6

IDB Member Countries by "Diversification Indices" (DVIs), 1980 and 1995

1980	1995
Less then 0.6	
NIL	NIL
0.6 to 0.7	
Egypt, Indonesia, Kuwait, Malaysia Syria, Tunisia	Indonesia, Lebanon, Malaysia, Tunisia, Turkey
0.7 to 0.8	
Algeria, Bahrain, Brunei, Cameroon, Gabon, Iran, Iraq, Lebanon, Libya, Oman, Pakistan, Qatar, Saudi Arabia, Turkey, U.A.E.	Egypt, Jordan, Morocco, Oman Syria, U.A.E.
0.8 to 0.9	
Burkina Faso, Jordan, Maldives, Morocco, Mozambique, Senegal	Algeria, Bahrain, Bangladesh, , Brunei, Cameroon, Iran, Libya, Mozambique, Pakistan, Qatar, Saudi Arabia, Senegal, Sierra Leone
0.9 and above	
Bangladesh, Mauritania, Sierra Leone, Sudan, Uganda	Burkina Faso, Gabon, Kuwait, Maldives, Mauritania, Sudan, Uganda

* Higher value of DVI implies lower degree of trade diversification or high degree of concentration of exports on few commodities. For definition of the Diversification Index, see UNCTAD (1999), Handbook of International Trade and Development Statistics 1996-97 (p. 212).

Source: Based on data in Table A.8

Trade in Services

2.18 Trade in services accounts for a very important component of the total trade of most IDB member countries. The share of services exports in aggregate exports was as high as 82 percent in the case of Gambia, 65 percent for Egypt, 55 percent for Djibouti and Jordan, and over 40 percent for Senegal (Tables 2.7, A.9 and A.10). Therefore, understanding the dynamics of services export is equally important for identifying the priority capacity building needs of member countries for the promotion of their trade and intra-trade. To this end, the following main features of services trade are identified:

a) Member countries as a whole have deficit in services trade: Their imports in 1996 were over US$ 80 billion (or 7% of the world total) and exports were US$ 60 billion (or 5% of the world total).

b) In 1996 there were 8 member countries with services exports being over 40 percent of their aggregate exports and 10 member countries having services exports between 20-30 percent of their aggregate exports.

c) For member countries as a whole, 'Other Services' that include financial services form the major component of total service exports, followed by Travel Services. However for member countries such as Egypt, Indonesia, Maldives, Morocco, Syria, and Tunisia, Travel Services are major export items (Table A.11).

Table 2.7
IDB Member Countries by Shares of Services' Exports in Total Exports, 1996

Shares of services export in total exports (%)	Member Countries
0 - 10	Algeria, Iran, Mauritania, Oman , Saudi Arabia, Sudan, Syria, Yemen
10 - 20	Bangladesh, Cameroon, Gabon, Guinea, Guinea Bissau, Indonesia, Kuwait, Malaysia, Pakistan, Somalia, Togo
20 - 30	Bahrain, Burkina Faso, Mali, Morocco, Niger, Sierra Leone, Uganda
30 - 40	Benin, Chad, Tunisia, Turkey
40 - 50	Senegal
50 and above	Comoros, Djibouti, Egypt, Gambia, Jordan, Maldives, Mozambique

Sources: Based on data in Table A.9

d) In recent years (1993 to 1997), services exports have grown at a faster pace for most IDB member countries compared to merchandize exports. During 1990-95 period for example, the average services export growth was over 5 percent for nearly 20 (out of 39) member countries whereas for merchandize exports, there were 13 member countries in this category (Table 2.10). From the disaggregated services exports data for a few member countries over the period 1993 to 1997 (in Table A.11), there is no clear trend in growth rates of individual services exporting for member countries as a whole. For member countries such as Bangladesh, Egypt, Indonesia, Kyrgyz Republic, and Syria, Travel Services exports grew faster than Other Services. In the cases of Albania, Gambia, Malaysia, Morocco, Pakistan, and Uganda, 'Other Services' registered higher growth rate.

Overall Trends

2.19 Whereas on a number accounts such as share of exports growth rate of exports, share of member countries in world exports and the number of commodities by number, there have been positive development in member countries as a whole, in several member countries, the overall trends have not been very encouraging. Some of the member countries have suffered negative export growth for several years, whereas in some others, growth has been unstable. Similarly, their exports remained highly concentrated in most oil-exporting countries despite some changes in their production in favour of the manufacturing sector. In the area of services trade, except for a few member countries the majority of member countries suffered deficits. All of those constraints call for efforts to strengthen the export production capabilities as well as export promotion capabilities of the IDB member countries. However, before drawing any conclusion about the nature of constraints and priority needs, it is important to look at some other empirical trends of member countries showing the nature of changes in their export potentials as well as their trade with other member countries.

Chapter Three

Broad Assessment of Trade and Intra-trade Potentials of IDB Member Countries

3.1 The available trade data do not allow a direct assessment of trade potentials of member countries. Therefore some indirect measures have been used to have a broad assessment of the possible direction of the trade and intra-trade potentials of member countries. Accordingly, for assessing overall trade potential, trends in exports to GDP ratios have been used. Increase in such ratios would indicate greater potential of the economy to convert additional output into exports[11]. As regards intra-trade, its potential have been assessed using intra-exports and intra-imports trends in member countries over one decade between 1987 and 1997.

Overall Trade Potentials

Exports to GDP Ratios (EGR)

3.2 Exports to GDP Ratios (EGR), estimated for three different periods (1980-85, 1985-90 and 1990–97), show that during 1980-85, almost half of the IDB member countries experienced a decline in their EGRs (Tables 3.1, B.1 and B.2). This reflects a poor export performance relative to overall economic performance of those economies. There were only 11 (out of 26) member countries which registered any meaningful increase in that period. The position, however, slightly improved during 1985-90 period when 19 (out of 33) member countries experienced an increase in their EGRs. This time, the significant improvement was shown by some of those economies which in the previous five years had a negative change in their EGRs. These included Indonesia, Malaysia, Pakistan, Saudi Arabia, Syria, and UAE.

[11] Simple export growth trends reviewed in the earlier section could also be an indication of export potential of the country. However unless such growth is compared with other growth trends f the economy, this would remain a crucial measure.

Bangladesh, Gabon, Gambia and Tunisia also showed higher increase in their EGRs in this period. Benin, Mauritania and Turkey suffered a decline in their ratios showing unstable export growth. During 1990-97, the number of member countries which recorded upward trends in their EGRs jumped to 23 (out of 37) reflecting an increase in the overall export potential of member countries. There were 12 member countries whose EGRs increased by 50 percent or more. Besides some of the CIS member countries, Bangladesh, Benin, Guinea Bissau, Iran, Qatar, Sierra Leone and Uganda were among those showing this performance.

3.3 Member countries which sustained their upward EGR trends between 1985 to 1997, include Bahrain, Bangladesh, Cameroon, Guinea Bissau, Iran, Malaysia and UAE, establishing their potential to sustain their export trends. On the other hand, Mali, Niger, and Senegal are among the few member countries which registered a decline in their EGRs over the twelve-year period from 1985 to 1997. This trend, unless offset by other changes in the economy such as reduction in aggregate consumption, indicates decreased availability of exportable surplus in those countries.

Intra-Trade Potentials for IDB Member Countries

3.4 Intra-trade for IDB member countries are reviewed in order to see where there may be potentials for further expansion of such trade. For this purpose, data on aggregate trade flows of member countries with other country groupings are shown in Table B.4 while data on trade flow among themselves are presented in Table B.5. These figures show that at the aggregate level, intra-trade (both exports and imports) has remained almost stagnant at around 10 percent of their total trade during this period. However when analyzed at the individual member country level (Tables 3.2 and B.5), there seems considerable scope for expanding this component of member countries' trade.

Table 3.1

IDB Member Countries by Changes in their Exports to GDP Ratios*

Percentage change (%)	Member Countries Experiencing Change in During		
	1980-85	1985-90	1990-97
Less then zero	Guinea Bissau, Indonesia, Kuwait, Malaysia, Mali, Niger, Pakistan, Saudi Arabia, Sierra Leone, Syria, Uganda, U.A.E	Benin, Burkina Faso, Comoros Guinea, Mali, Mauritania, Morocco, Niger, Oman, Qatar, Senegal, Sierra Leone, Turkey, Uganda	Chad, Comoros, Egypt, Gabon, Gambia, Indonesia, Maldives, Mozambique, Niger, Pakistan, Senegal, Syria, Tunisia, Turkey
0 – 10	Bangladesh, Gabon, Tunisia	Nil	Jordan, Mauritania, Mali, U.A.E,
10 – 25	Gambia	Bangladesh, Cameroon, Gabon, Indonesia, Jordan, Somalia, Tunisia	Guinea, Malaysia, Morocco, Oman, Saudi Arabia
25 – 50	Burkina Faso, Jordan, Morocco, Oman, Senegal	Egypt, Malaysia, Pakistan, U.A.E.	Burkina Faso, Cameroon
50 and above	Benin, Cameroon, Egypt, Mauritania, Turkey	Bahrain, Gambia, Guinea Bissau, Iran, Maldives, Saudi Arabia, Sudan, Syria	Azerbaijan, Bangladesh, Benin, Guinea Bissau, Iran, Kazakhstan, Kyrghyz, Qatar, Sierra Leone, Tajikistan, Turkminestan, Uganda

Source: Based on data in Table B.2.

* Negative change in ratio means decrease in exports relative to GDP and vice versa.

3.5 Member countries could be differentiated on the basis of their intra-exports and intra-imports trends as below:

a) There are 22 (out of 41) member countries whose intra-exports share are less than average for all member countries (i.e.10 %).These include several LDMCs, Algeria, Bangladesh, Indonesia, Iran, Kuwait, Malaysia, Morocco, Oman and Qatar. These trends are understandable for some oil exporting member countries which may not find enough demand for oil in other member countries. For member countries such as Indonesia and Malaysia, however, the trends indicate less active flow of exports to markets in other member countries.

b) There are 13 member countries with relatively high share of intra-exports. Member countries such as Djibouti, Lebanon, Somalia, Sudan, and Yemen depend heavily on member countries for their exports. Among the more active trading member countries, namely, Pakistan, Senegal, Syria, and Turkey have significant shares of exports going to other member countries. These countries could make their present export linkages a basis for further export expansion in member countries.

c) The imports have greater relevance to enhancing intra-trade as they indicate demand for foreign goods and services in member countries. Indonesia, Malaysia and Saudi Arabia are among those member countries which have large import bills. Even a small percentage increase in their intra-imports could lead to a significant increase in exports of other member countries. The combined value of imports of Indonesia, Malaysia and Saudi Arabia in 1997 for example was around US$ 164 billion or about 42 percent of the total. A 2.5 percent increase in their existing intra-imports could lead to an absolute increase of over 1 percent in the overall IDB intra-imports. Some other member countries which have the potentials to further increase their intra-imports are Iran, Morocco, and

Turkey as they have large import bills and their current intra-import shares are barely around 10 percent.

d) The share of non-member countries in the aggregate imports of the IDB member countries has registered a rising trend, particularly in the recent years over time. It was US$ 98 billion in 1992, decreased slightly in 1993 and then rose by over 50 percent in 1997 to stand at US$ 148 billion (Table B.5). These trends show that despite apparent similarities in the production structures of most developing countries (including IDB member countries), significant amount of trade already takes place between them. The IDB member countries could therefore also exploit some of the trade complementarities which have contributed into their current trade relationships with other developing countries.

Table 3.2

IDB Member Countries by Share of Intra-Trade, 1987 to 1997, Selected Years

Average Share of Intra-Trade Over the Selected Four Years * (%)	Member Countries in Different Categories for: Exports	Imports
Less than 5	Algeria, Brunei Cameroon, Chad, Gabon, Gambia, Guinea Bissau, Maldives, Mauritania, Niger, Oman, Sierra Leone, Uganda	Benin, Burkina Faso, Cameroon, Gabon, Gambia, Malaysia, Niger, Senegal, Uganda
5 - 10	Bangladesh, Burkina Faso, Guinea, Indonesia, Iran, Kuwait, Malaysia, Morocco, Qatar	Afghanistan, Algeria, Brunei, Cameroon, Egypt, Guinea, Guinea Bissau, Indonesia, Kuwait, Maldives, Mali, Saudi Arabia, Tunisia
10 - 15	Afghanistan, Egypt, Libya, Saudi Arabia, Tunisia, U.A.E.	Bangladesh, Chad, Iran, Lebanon, Libya, Mauritania, Morocco, Qatar, Syria, Turkey, U.A.E
15 - 25	Bahrain, Benin, Mali, Pakistan, Senegal, Syria, Turkey	Djibouti
25 and above	Djibouti, Jordan, Lebanon, Somalia, Sudan, Yemen	Bahrain, Jordan, Oman, Pakistan, Somalia, Sudan, Yemen

Source: Based on data in Table B.5.

* Selected years are 1987, 1990, 1993 and 1997. The average was given greater weight of the last two years when falling close to a given cut of point.

Summary View of Trade Performance and Potentials of Member Countries

3.6 Table 3.3 presents a summary view of the level of performance of member countries according to their major trade characteristics discussed in this and the preceding chapter. Accordingly, we can classify member countries in three broad categories:

a) Member countries showing low and unstable export performance due to supply constraints on all major accounts such as the level of value-added production and exports, export growth trends, breadth and diversity of exports, export share in world market, and the share of additional output going to exports compared to domestic consumption[12]. Member countries which have shown most of these trade features are: Afghanistan, Albania, Algeria, Brunei, Burkina Faso, Cameroon, Chad, Comoros, Gabon, Gambia, Guinea, Kuwait, Libya, Maldives, Mauritania, Mozambique, Niger, Sierra Leone, Somalia, Syria, Uganda, Somalia,

b) In this category member countries have registered a mixed trade performance as they show medium progress on some accounts whereas low or unstable progress in a number of other trade areas. Member countries with these attributes are: Benin, Djibouti, Egypt, Iran, Lebanon, Mali, Oman, Qatar, Saudi Arabia, Senegal, Sudan, UAE, and Yemen.

c) Member countries which have registered fairly high and relatively more stable export performance on all major accounts. These include: Bangladesh, Indonesia, Jordan, Malaysia, Morocco, Pakistan, Tunisia, and Turkey.

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[12] Unstable performance here implies marked fluctuations in any trade indicator used in Table 3.3. In most cases, it refers to negative change in one or two periods and positive change in the next period.

3.7 These marked variations in trade trends of member countries though, to some extent, similar to their current levels of development, have a number of distinct characteristics such as some of the LDMCs showing medium-to-high level of export performance and gradual increase in their growth of manufactured exports. These, and similar other trends have to be kept in view under any effort to deal with trade related capacity building needs of member countries in different regions.

3.8 In this regard, what needs to be appreciated is that export promotion and marketing are linked with export production capabilities. Therefore, for member countries registering low or mixed export performance, the process of capacity building for trade promotion would begin from the production stage and not merely at the marketing and distribution stage.

Table 3.3
Summary Table Classifying Member Countries by Their Trade Performance and Potentials

Sl. No.	Evaluation Criteria	Level of Performance	Member Countries
1.	Contribution of the Manufacturing Sector in Exports	Low	Afghanistan, Algeria, Bahrain, Benin, Brunei, Cameroon, Gabon, Iran, Iraq, Kuwait, Libya, Mauritania, Mozambique, Oman, Saudi Arabia, Somalia, Sudan, Syria, Uganda, U.A.E., Yemen
		Medium	Egypt, Kyrghyz, Qatar, Sierra Leone
		High	Bangladesh, Indonesia, Jordan, Malaysia, Morocco, Pakistan, Tunisia, Turkey
2.	Changes in Shares of Manufactured Exports	Negative	Afghanistan, Kazakhstan, Libya, Mozambique, Mauritania, Senegal, Yemen,
		Positive But Low	Bangladesh, Jordan, Mali, Uganda
		High	Algeria, Bahrain, Benin, Cameroon, Egypt, Indonesia, Iran, Morocco, Malaysia, Oman, Pakistan, Qatar, Saudi Arabia, Syria, Somalia, Sudan, Tunisia, Turkey, U.A.E.
3.	Technological Intensity of Exports	Low	43 member countries
		Medium	Azerbaijan, Djibouti, Kyrghyz Lebanon
		High	Jordan, Malaysia, Morocco, Niger, Tunisia
4.	Exports Growth	Low/negative/unstable	Algeria, Burkina Faso, Cameroon, Chad, Comoros, Egypt, Lebanon, Libya, Mali, Mauritania, Mozambique, Saudi Arabia, Sierra Leone, Syria, Tunisia, Uganda, Yemen
		Medium/Positive/ Unstable	Bahrain, Benin, Gabon, Guinea, Guinea Bissau, Jordan, Kazakhstan, Kuwait, Niger, Oman, Senegal, Sudan
		High/Stable	Afghanistan, Azerbaijan, Bangladesh, Gambia Indonesia, Iran, Malaysia, Morocco, Pakistan, Tajikistan, Turkey, U.A.E.
5.	Share in World Exports	Decrease	Cameroon, Syria, Iraq, Libya
		Constant	Afghanistan, Algeria, Albania, Benin, Burkina Faso, Chad, Comoros, Djibouti, Egypt, Gabon, Gambia, Guinea, Guinea Bissau, Iran, Jordan, Kuwait, Lebanon, Morocco, Maldives, Mali, Mauritania, Niger, Oman Pakistan, Senegal, Sierra Leone, Somalia, Sudan, Saudi Arabia, Tunisia, Turkey, Uganda, U.A.E., Yemen
		Increase	Bangladesh, Bahrain, Indonesia, Malaysia, Qatar

6.	Breadth of Exports	Low	Bangladesh, Brunei, Burkina Faso, Cameroon, Gabon, Iraq, Libya, Maldives, Mauritania, Mozambique, Qatar, Sierra Leone, Sudan, Uganda,
		Medium	Algeria, Bahrain, Jordan, Kuwait, Lebanon, Oman, Pakistan, Saudi Arabia, Senegal, Syria
		High	Egypt, Iran, Indonesia, Malaysia, Morocco, Tunisia, Turkey, U.A.E.
7.	Diversity of Exports	Low	Algeria, Benin, Brunei, Burkina Faso, Chad, Comoros, Gabon, Gambia, Guinea, Iran, Iraq, Kuwait, Libya, Mali, Mauritania, Niger, Oman, Qatar, Saudi Arabia, Sierra Leone, Syria, Uganda
		Medium	Bangladesh, Cameroon, Egypt, Jordan, Maldives, Pakistan, Senegal, Sudan, U.A.E.
		High	Afghanistan, Indonesia, Lebanon, Malaysia, Morocco, Pakistan, Tunisia, Turkey
8.	Trends in Generating Surplus. Exports/ GDP Ratios	Low	Comoros, Egypt, Gabon, Gambia, Indonesia, Maldives, Niger, Pakistan, Senegal, Syria, Turkey, Tunisia,
		Medium	Benin, Burkina Faso, Guinea, Jordan, Malaysia, Mali, Mauritania, Morocco, Oman, Qatar, Sierra Leone, Uganda, U.A.E.
		High	Bangladesh, Cameroon, Guinea Bissau, Iran, Saudi Arabia
9.	Share of Intra-Exports	Low	Algeria, Brunei, Bangladesh, Burkina Faso, Cameroon, Chad, Gabon, Gambia, Guinea Bissau, Guinea, Indonesia, Iran, Kuwait, Malaysia, Morocco, Maldives, Mauritania, Niger, Oman, Qatar, Sierra Leone, Uganda,
		Medium	Afghanistan, Egypt, Libya, Saudi Arabia, Tunisia, U.A.E.
		High	Bahrain, Benin, Djibouti, Jordan, Lebanon, Mali, Pakistan, Senegal, Syria, Somali, Sudan, Turkey, Yemen
10.	Share of Intra-Imports	Low	Benin, Burkina Faso, Cameroon, Gabon, Gambia, Malaysia, Niger, Senegal, Uganda, Afghanistan, Algeria, Brunei, Comoros, Egypt, Guinea, Guinea Bissau, Indonesia, Kuwait, Maldives, Mali, Saudi Arabia, Tunisia
		Medium	Bangladesh, Chad, Iran, Lebanon, Libya, Mauritania, Morocco, Qatar, Syria, Turkey, U.A.E.
		High	Djibouti, Bahrain, Jordan, Oman, Pakistan, Somalia, Sudan, Yemen

Sources: Based on data in Tables 2.1 to 2.7 and Tables 3.1, 3.2, B.2, and B.5.

PART III

REVIEW OF SELECTED EXPERIENCES AND EFFORTS FOR CAPACITY BUILDING FOR TRADE PROMOTION

Chapter Four

CAPACITY BUILDING FOR TRADE PROMOTION: EXPERIENCE OF SELECTED EAST ASIAN ECONOMIES

4.1 The chapter tries to review the experience of some of those countries which achieved remarkable economic progress in the post Second World War era mainly through export-led growth strategies with strong emphasis on capacity building for trade promotion. The review is confined mainly to three cases, namely Japan, and South Korea, (or Korea) and Singapore before they were hit by financial crisis in the mid – 1997. Starting at different time periods, the three countries achieved remarkable export growth with major changes in their production and export structures. They all encouraged foreign direct investment in early stages of their development and followed industrial growth pattern sometimes termed as "flying geese" pattern [Rowthron (1997) and Korhonen (1994)]. Accordingly, their industrial structures moved from primary and labour intensive manufacturers to advanced capital and technology intensive production. Corresponding changes were made in policies, institutions, and incentives to allow greater trade promotion. The diversity of experiences of three different types of countries could be relevant to IDB member countries which differ in their size, level of economic development and export dependence. Singapore case could particularly be useful for countries with heavy dependence on trade activities.

Japan

4.2 Till the fifties, the world trade was largely dominated by Western Europe and North American with very small share of exports originating from other regions. Trade relations were heavily influenced by colonial links of the preceding years and the strategic alliances forged by competing political ideologies. Fixed exchanged regimes and import substitution policies shaped the production and export structures in most developing countries.

4.3 Within this trade environment, Japan was the first country, outside and Western Hemisphere to achieve a major breakthrough in its export expansion. Following export-led industrial development strategy with a strong emphasis on building institutional and human capabilities both in the public and private for trade promotion, Japan was able to increase its export from US$820 million in 1950 to US$ 4.06 billion in 1960 and US$ 19.32 billion in 1970, raising its share of the world total from merely 1.3 percent in 1950 to 6.13 percent in 1970 [UNCTAD (1989)].

4.4 Japan's remarkable success in trade and development set an enviable path for many low industrial countries in the world. However it was the successful emulation and adoption of Japan's model by countries such as Taiwan, Province of China, Singapore, Hong Kong, and South Korea and later on by Malaysia and Indonesia which generated widespread interest in the so-called Asian Model of export-led industrial and economic growth. Japanese experience could be reviewed with reference to its strategies in three main areas: a) Industrial policy to strengthen industrial structures, b) Export promotion policies, and c) the Role of Japanese External Trade Organization (JETRO).

Industrial Development in Japan[13]

4.5 The Japanese industrial development has gone through three major phases: The Reconstruction Period (1945 to 1959); ii) The Period of Rapid Growth (1960 – 1969); and iii) the Period of Qualitative Consolidation. In the Reconstruction Period, the emphasis was to rehabilitate the key industries such as power, coal, and steel. This process was completed by 1955, after which the industrial sector was rationalized in order to prepare for an open economy. In the period of Rapid Growth, Japan actively encouraged foreign competition by

[13] See Fujiwara (1995) and UNCTAD (1995, 1997) for further details.

liberalizing trade and international capital transaction. During this Period, Japan raised the ratio of liberalized inputs from 49 percent in 1960 to 93 percent in 1964. After joining the OECD, Japan also liberalized international capital transactions and took a shift in favour of heavy and chemical industries.

4.6 During the period of Qualitative Consolidation, the Japanese Ministry of International Trade and Industry (MITI), actively sought and promoted knowledge-intensive industrial structure to avoid environmental degradation which was fast becoming a problem. There was vigorous growth of highly innovative assembly industries and switching over from such industries as textiles and household goods to machinery and electronic equipment. Using credit and tax incentives, systematic efforts were made to scale down technically ailing industries and foster growth industries through technical innovation.

Export Promotion Policies

4.7 Major policy measures adopted by Japan to promote exports could be summarized as follows:

a) Export based on Information : Collecting information about the specific demand conditions of the importing countries to channel exports accordingly, and thus doing away with what may be called "blindfold trade"

b) Encouraging companies to open their resident offices overseas to collect relevant market information and to promote their products .

a) Financial Incentives: Till 1972, exporters could get financing for their exports through Export Advance Bills. A major institutional arrangement made was the establishment of Export-Import Bank of Japan in 1952. The Japan Exim Bank brought about a quantitative and qualitative change in resources available for export financing and investment, particularly for medium-to- long term investment. Small Business Finance Corporation was also established for small sized enterprises.

d) Tax Incentives: Till 1964, exporters could claim Export Income Deduction from their income.

e) Export Insurance: It was administered under MITI, Japan, and covered regular export insurance, foreign exchange fluctuations and overseas investment.

f) Export Inspection: Under the inspection law, the exports was required to carry inspection level in order to ensure greatly and standard. The law was implemented as early as 1958.

g) Improving Export Designs: In order to ensure that Japanese exports have attractive design the following measures were taken: i) Sending students to study overseas to specialize in product design; ii) Engaging foreign design exporters to advise the local companies; iii) Export Design Law was adopted in 1959 to protect design and prevent imitation.

Establishment of Japan External Trade Organization (JETRO)

4.8 One of the most concrete steps of capacity building for export promotion by Japan was the establishment of JETRO in 1959 as a 100 percent government financed non-profit organization. At the early stages of Japan development its major role was to promote export with a focus on the following activities:

a) Conducting regional studies on overseas markets for the benefits of exporters.

b) Collecting trade related data particularly on import system, price trends, import channels, trading ports, customs clearance procedures, and transportation channels.

c) Determining the credit rating of importers and other downstrain businessman involved and their margins for individual commodities.

d) Dissemination of information through its trade information centre and hosting overseas information.

e) Publicizing the merits of Japanese products

f) Consultation services to small firms in particular

g) Help in design improvement and adoption to foreign tastes.

h) Keeping watch on any import restrictions in advance countries and try to develop flexible responses to offset the negative effect of such restrictions on Japanese exports.

i) JETROs overseas offices provided information and other conveniences to visiting businessmen.

j) Publishing trade information bulletin on daily basis including business information on domestic and foreign markets.

4.9 One of the fundamental principles of the trade related institutional capacity building in Japan was the active involvement of the private sector at every state. The ultimate objective was to facilitate and strengthen the role of businessmen in export expansion and not to create any bureaucratic hurdle for them.

South Korea[14]

4.10 South Korea's (henceforth Korea) experience in export promotion is distinct from Japan's in many ways. To begin with, it was a relatively poor, agrarian and labour surplus country when it launched its development in the late fifties. It also went through a period of reconstruction in post-Korean war in which the industrial policy was focused on import substitution in a few consumer and intermediate goods industries. Private sector played little role in their phase.

4.11 Export-led growth got impetus during 1961-72 when economy was liberalized with the depreciation of the currency (Won) to its realistic rate, import licensing was abolished except for a small list of items,

[14] Information for this section is drawn mainly from Jeong (1995), UNCTAD (1995), and Yoon (1195)

foreign capital inflows were encouraged, and a variety of fiscal and financial incentives to exports were provided.[15]

4.12 During 1973-80, Korea shifted its emphasis from labour intensive industries to rearing heavy and chemical industries. This was also the era when a conscious policy of self-sufficiency in food and defense was adopted to protect strategic national interests. This was an expensive policy which created high inflationary pressure on the economy. To some extent the easy monetary policy and undue protection of unviable industries was among those reasons which eroded the competitive edge of Korean experts making the economy vulnerable to crisis such as the one experienced in the mid 1997.[15]

Major Elements of Trade Promotion Strategy:

4.13 The key elements of Korea's trade promotion strategy could be summarized as follows:

a) Early initiatives to more towards outward-orientation rather than inward-looking policies.

b) Government played definite role in the early phases to mobilize domestic and foreign resources but its intervention was considerably eased and role of the market was strengthened .

c) Major emphasis on education and manpower development for undertaking export promotion activities.

d) Emphasis on maintaining the share of light industrial exports in total exports despite gradually moving to heavy industries.

e) In recent years, attempt was made to achieve a balanced growth of small and medium enterprised vis-à-vis their long range industries.

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15 See IDB (1998) for other causes of the financial crisis in East Asian Economies (including Korea) in 1997.

f) Clear commitment of the public institution to export-oriented growth.

g) Direct implementation of the strategy involving a consistent exchange rate, and import and export policies

h) Political stability to ensure implementation of policy.

i) Efforts to ensure that public policies go hand-in-hand with the promotion of private sector.

The Role of Korea Trade Promotion Cooperation (KOTRA)

4.14 Korea Trade Promotion Cooperation is perhaps one of the most important examples of capacity building for export promotion by any developing country in the recent decades. Inspired by the role of JETRO, Korea established KOTRA in 1962, when it had just started opening itself to international markets. Since then, the cooperation has nurtured the export promotion activities at every stage of Korea's development. A brief account of its major export promotion activities is presented below:

a) Creating Export Mood in the Economy: At the early stage, the corporation concentrated to creating export mood in the domestic industries by publicizing the export potentials and achievement of the country and holding regular consultation meeting between businessmen and experts by all over the countries.

b) Established Information Centre Export for Counseling.

c) Export School was established to train expert counselors. Till 1983, over 5200 experts were trained

d) Like Japan, trade missions well adopted as a regular export promotion activity.

e) Publishing commodity catalogues on Korean exportables

f) Inviting foreign buyers' mission for developing greater understanding of Korean products

g) Making Participation in exhibition as one of its major projects

4.15 The main focus of KOTRA at the stage was to expand overseas network of KOTRA for collecting relevant information for the Government and industry, exploring markets for domestically proceeded commodities and strengthening the publicity activities for export promotion.

4.16 The role of KOTRA assumed new dimensions in the 1970's when Korean exports increased from 8 percent of GDP in the mid-1960 to around 29 percent in the maid – 1970[16]. In this era, it played a key role in switching Korea's export programme form quantitative expression to quality improvement. The major initiatives and activities undertaken in this regard were : a) shifting away from traditional markets to other markets; b) increasing KOTRA's overseas offices from 42 in 34 countries to 87 in 66 countries by 1979; c) strengthening Export Information Centre and Research Department; d) establishing collaboration with leading overseas companies to purchase local made parts and components; and e) an increasing in the individual item based overseas exhibition programme.

4.17 In the third phase, the export promotion activities were reoriented to take into account the increasing changes in the global economy. As a result, KOTRA changed its emphasis to assign greater role to the private sector, turning all heavy industries in export ones, rationalizing imports, developing technology intensive industrial exports and nurturing exports from small and medium-size enterprises (SMEs). Korea, called Keryo Trading International Inc. (KTI).

4.18 One of the major function of KOTRA in this phase was to overcome trade frictions and to promote cooperation with other bodies in general and in the region in particular.

Most recently, KOTRA has launched what is called <u>export acceleration system</u>. Accordingly, it promotes projects directly linked with exports, arrange export deals for SMEs all the way through up to the conclusion of deals, set-up projects to designate its overseas offices as branches of individual SME industries, and digs out new export items.

4.19 In order to prepare for the next century, the corporation strategy includes establishing: a) comprehensive trade information centre, b) an

[16] UNCTAD (1990)

overseas marketing support centre, and c) an international trade cooperate centre. These institutions are over and above the on-going activities which played key role in proppeling Koreas export-led growth over past thirty years.

Singapore.[17]

4.20 Although Singapore is a small (city state), its experience of capacity building for export promotion is very rich and could be useful to draw lessons for IDB member countries. Having a small domestic market and devoid of any national resource base, reliance on foreign markets has been unavoidable for Singapore's economy. The country has taken up this challenge with exemplary commitment, thanks mainly to its strong institutional and human resource base which it built in a systematic and planned manner over the years. As a result, before the region was hit by financial crisis, its share in world exports was 1.7% (almost 25 percent, of the total IDB member countries share) and Singapore was regarded as the 17th largest exporter in the world.

4.21 The key features of Singapore trade pattern have been: a) A virtual absence of tariff and non-tariff barriers to trade; b) a high proportion of re-exports; c) the predominance of manufactured in exports and imports (over 61 percent and 52 percent respectively in 1993); d) consistent trade deficit and e) a high level of foreign participation in trade, and f) institutional base to deal with various aspects of trade and development. A brief description of those institutions and schemes is provided below.

Institution Building for Export Promotion in Singapore

4.22 Export promotion institutions and their activities could be divided into three broad categories: i) institutions which indirectly promote export through their role in overall development, ii) institutions directly engaged in export promotion, and iii) different schemes adopted for export promotion. The major institutions falling in the first category are:

a) Economic Development Board: It was set-up in 1961 as a leading industrial development agency to promote

[17] Information for this section is drawn mainly from Ngiam and Ng (1995), UNCTAD (1995) ,and UNCTAD (1997)

investment in manufacturing and services industries with a view to stimulating trade in high value added items.

b) Monetary Authority of Singapore: As a defacto central bank of Singapore, it influences trade by effective use of monetary and financial policies.

c) Singapore International Chamber of Commerce: One of the oldest institutions in the region (established in1837), acts as voice of the business community in the country. It has direct and very interactive role in devising business and industrial policies in the country.

d) Singapore Institute of Standards and International Research : An industrial research organization, which among things, promotes quality products and implements international standards.

e) Jarong Town Corporation: Aimed to develop and manage industrial estates and related facilities. It has already developed a number of such estates which produce exportable surplus.

4.23 Institutions and arrangements which are directly engaged in export promotion activities are :

a) Singapore Trade Development Board (TDB): Its role is similar to that of JETRO and KOTRA. Like its Japanese and Korean counterparts, it has also established overseas offices to promote Singapore exports through information flows, participation in exhibition, arranging trade missions etc. An important features of this Board is its Trade Net set up in 1989 to connect the trading community with all relevant public bodies to process trade documents.

b) Export Credit Insurance Corporation of Singapore Limited: It is meant to promote exports by providing credit insurance protection to exporters, guarantees to banks for financing, provided to SMEs and bond issue support facilities to contractors and engineers.

c) Intraco Limited: It is a trading company originally aimed to promote trade with socialist countries. Its role is now expanded to include facilitating a variety of trade related activities in the public and private sector.

Export Promotion Schemes

4.24 One of the most important functions of the Singapore Trade Development Board is to implement various export promotion incentive schemes of the country. Two such schemes most widely used by the exporters are: a) Double Tax Deduction Scheme (DTDS) and b) Market and Investment Development Assistance (MIDAS). The DTDS aims to encourage the companies to expand their export market by allowing double tax deduction for activities such as expenses on trade fairs and trade missions, on maintaining approved overseas trade offices, overseas market development up to certain limits, and on promotional publications. Under MIDAS, companies are provided financial assistance to compare entering the export market by opening overseas trade offices, improving product and package design, and undertaking various export expansion activities. The financial assistance is on a dollar to dollar basis for eligible expenditure to a maximum of US$100,000 (in 1995) per company on project to project basis.

4.25 There are a number of other incentives which are designed to promote commodity specific exports. These incentives are usually tax incentives up to certain limits and cover approved oil trades, international trades of approved commodities, international shipping enterprises, and approved trade fairs. In addition, companies are helped in expanding their business through franchising overseas and in obtaining international standard certification.

4.26 Singapore has also developed a number of other schemes which contribute in the effectiveness and efficiency of the public institutions. One such measure is called Cluster Development Plan. Accordingly, industries have been grouped under different clusters and lead agencies are made responsible to focus on their promotion. The lead agency and other related agencies target the winners among their respective clusters for subsidizing. This developed competition within the cluster to qualify for special attention from the related lead agencies.

4.27 The Economic Development Board has developed a multi-agency network to strengthen SMEs and further enhance their contribution in exports. This arrangement is given a special place in the overall development and trade promotion strategy of the country as SMEs have been found to provide an efficient and stable manufacturing base to Singapore's exports.

Main Lessons from the Experience of Three Countries

4.28 Some of the most common features of the approaches toward capacity building for export promotion in the three countries are as follows:

1. All three countries attracted foreign direct investment, particularly in its early stages to boast industrial expansion and exports.

2. Industrial growth moved generally from labour intensive production to heavy industries, and then to more sophisticated manufacturing.

3. Capacity building for trade promotion in the early stage has been focussed to integrate the production and export activities with greater emphasis on the latter once the production bas became stable. Capacity building for export promotion was linked with industrial policies and capacity building for export production.

4. There has been a clear commitment at the highest level in the country to promote exports and develop capacities to achieve given growth targets.

5. A large number of institutions have been created and a variety of financial and other incentives provided to allow the exporter the capabilities to undertake the export activities.

6. One of the major emphasis areas of export promotion has been market diversification.

7. Private sector has been the major beneficiary of capacity building for trade promotion. The public sector played

important role in providing the required human, technical, and institutional support and enabling environment for trade promotion.

8. Despite impressive growth till 1995, the region as a whole suffered loss of growth momentum in 1996, which served as a prelude to the worst financial crisis in 1997. This shows that, despite impressive export development these countries could not build capacities to effectively deal with production rigidities, and problems of competition and rapid fluctuations in financial and capital markets. There was also a need to create a balance between the growth in financial and real sectors. Some of these issues are also relevant to efforts in IDB member countries towards building capacities for trade promotion. They particularly have to carefully weigh the pros-and-cons of opening capital accounts as a mean to attract foreign investment for trade promotion.

Chapter Five

CASE STUDIES OF SELECTED IDB MEMBER COUNTRIES

5.1 Unlike the trend in East Asian economies, most IDB member countries have registered marked variations in their export performance despite, in some cases, being similar in factor endowments, production structures and levels of economic progress. While those variations could be on account of several factors, this chapter tries to explore the role of capacity building for trade promotion in their respective export performance by focusing on case studies of Egypt, Malaysia, and Senegal. The three selected countries could represent three different regions in which IDB member countries are located as well as different levels of trade performance and economic development. The chapter reviews trade promotion strategies of the selected member countries and the capacity building efforts made to implement those strategies as well as to promote trade with the other IDB member countries. Major constraints and priority needs of the selected member countries in the areas under study are also identified.

Egypt[18]

5.2 Egypt is the largest among Arab countries with a population of over 62 million and GDP per capita of US$ 1180 in 1997. Exports of goods and services accounted for 21 percent of GDP in 1997 with merchandize exports standing at US$3.9 billion and services exports at US$ 10.6 billion. During the last two decades, shares of different sectors in GDP have been fluctuating with the share of agricultural gradually going down from 20.5 percent in 1980 to 17.5 percent in 1997 and that of manufacturing going up (from 13 percent to 19 percent in the respective years).

5.3 Historically major increase in Egypt's export occurred because of income in its fuel production and value of fuel exports in the late 1970s.

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[18] This section draws heavily on information and ideas from the case study on Egypt prepared by Yousri (1999) for the IDB.

As a result, fuel exports which were only 6 percent of merchandize exports in 1972 shot up to 64 percent in 1980 and then dropped to 48 percent in 1996. Consequently share of agricultural exports dropped from 66 percent in 1971 to 19 percent in 1980 and 15 percent in 1996. The share of manufacturing stood at 32 percent in 1996 compared to 43 percent in 1990.

5.4 Despite slow export growth at the aggregate level, it is however interesting to see that Egypt has done fairly well in its finished goods exports compared to semi-finished and raw material exports. The former went by over 250% percent during 1987 to 1997 (from US$ 478 million to US$ 1289 million whereas the semi-finished exports were stagnant around US$ 600 million and raw material exports decreased from US$ 477 in 1987 to US$ 302 million in 1997. These changes are consistent with the changes in the production sectors and also reflected the priorities attached to different exports in the country's export promotion strategies.

Export Promotion Strategies in Egypt

5.5 Export promotion strategy in Egypt has gone through different phases. In the early 1980s, the National Council for Production envisaged a balanced trade strategy till 2000 giving due weight to all major sectors. Accordingly, public sector companies were stressed to study foreign markets, and coordinate their export promotion efforts with the Egyptian Export Promotion Centre (EEPC), and diplomatic trade missions. Some financial incentives were also announced to enhance the export capacity.

5.6 This strategy could hardly make any impact on Egypt's exports, as the public sector companies which were assigned the task of implementing the export promotion measures could not change much within the given public sector environment. Among the major problems encountered were a) excessive official procedures concerning export operations, particularly at the stage of quality inspection and control, b) restrictions imposed upon imports of materials which were used for packaging of the exportable commodities, c) bottlenecks in air transportation of merchandise because of total dependence on Cairo International Airport. This had affected the exports of fresh agricultural commodities in particular, d) shortcomings in extending financial facilities and export-credit – guarantees to exporters, and e) unrealistic pricing policies and inefficient procedures practiced by the governmental Co-operative Marketing Boards in the agricultural sector.

5.7 In 1986, the export strategy was revised with emphasis on encouraging foreign capital inflows, efficient domestic production arrangement to facilitate the availability of foreign exchange to exporters for importing raw material and equipment, strengthening trade related information and creation of a modern information system.

5.8 Around this time, as part of the IMF supported Economic Reform and Structural Adjustment Programme (ERSAP), the government announced a number of trade liberalization removing restrictions on foreign exchange movements, adopting flexible exchange rate, reduction in tariff on capital good upto 10 percent, simplifying export procedures and removing of almost all non-tariff barriers. Additional measures were also anno8unced as alternatives to the use of devaluation for export promotion as demanded by the IMF.

5.9 The government also took a number of steps to face the challenges emanating from Egypt's accession to the World Trade Organization (WTO) in 1995. The major steps included: i) forming a commission of experts and personnel involved in exportation to revive the export promotion strategy, ii) adoption of a new system for commodity classification and tariff schedules to be consistent with international standards, iii) revision of the obligatory quality control system applied by Egyptian authorities to be more effective but at the same time more flexible and less cumbersome to the exporters, (iv) steps for the removal of all technical barriers confronting the export trade and on penetration to foreign markets.

Institutional Aspects of Capacity Building for Export Promotion

5.10 Within the framework of Egypt's export promotion strategy four principal institutions have been established to help in implementing the targets of the above strategy: These are a) Egyptian Export Promotion Center, b) Export Development Bank of Egypt, c) the Export Credit

Guarantee, and d) Higher Council for Exports (HCE). In the following, short details are given for each of these institutions:

5.11 Egyptian Export Promotion Center (EEPC): The Center was established in 1979 as a governmental authority affiliated to the Ministry of Economy and Foreign Trade entrusted with the task of stimulating Egyptian exports. Since 1996, the EEPC has been affiliated with the Ministry of Trade and Supply. The main function assigned to the EEPC are:

a) Research, involving market and applied studies helpful to the exporters.

b) Export related information gathering and dissemination to exporters and other related functionaries.

c) Technology Transfer, by collaborating with international organizations, inviting relevant experts, and holding workshops and services.

d) Organizing trade mission and holding trade fairs and exhibition.

e) Arranging Training for strengthening Technical and managerial capabilities for export promotion, and

f) Supporting the exporters in improving packaging and designs of their products.

5.12 Export Development Bank of Egypt (EDBE) : EDBE was established in 1983, as a joint stock company with an authorized capital of LE 100 million allowed to be increased to LE 500 million in September 1996. Main objectives and the functions of the EDBE are: (i) external trade financing, (ii) financing and promoting of export oriented projects, (iii) export guarantee and insurance, and (iv) export information center. The EDBE also extends both short and medium term financing, the latter for export-related projects to overcome exports supply constraints.

5.13 Export Credit Guarantee Company (ECGE): The ECGE was established in 1992 as a joint stock company with the authorized capital of LE 50. The purpose of ECGE is to encourage and promote Egyptian exports and contribute toward strengthening the agricultural, industrial, commercial and service export sectors, through guarantee of the export operations of national commodities and services against commercial and non-commercial risks. It has the mandate to collaborate with other international organizations and could also resort to re-insurance.

5.14 The Higher Council For Exports (HCE) : The Higher Council for Exports was established in 1996 to encourage and develop Egyptian exports, support the export sectors in all activities to remove all obstacles confronting exporters and to promote Egyptian exports on competitive bases to spread over a wider area in the world and penetrate into new markets. To accomplish these targets, HCE has the mandate to plan and devise its policies and adopt incentives be given to the exporters.

Capacity Building for Promotion of Trade with other IDB Member Countries

5.15 Efforts to promote Egyptian trade with Islamic Countries have three main channels : Organization of Islamic Countries (OIC), League of Arab States (LAS), and bilateral and regional agreements on trade, tariffs, and economic cooperation. Egypt has signed several agreements for promoting intra-OIC trade and other cooperation among member countries. It has also entered into agreements to facilitate Arab intra-trade and establish an Arab Common Market. Accordingly, agreements were concluded to facilitate trade and payments, establish Arab Monetary Fund, remove non-tariff barriers, move towards establishing a uniform tariff system and facilitate intra-trade, put the "Strategy for Common Arab Economic Work", and to establish Arab Free Trade Area. Some bilateral and regional agreements have also been concluded between Egypt and other Arab countries but had not been put in practice.

5.16 Besides, Egypt's accession to the Common Market for East and South Africa (COMESA) in 1998 would allow for a chance to promote trade with some Islamic member countries, namely Uganda, Eriteria, and Sudan. The COMESA has reduced customs duties between member countries by 80 percent and they are envisaged to reach 100 percent by year 2000 to turn into free trade area. Egypt also is a member of the Group of Fifteen G-15 since 1989, which comprises 17 countries from different regions, among them Algeria, Senegal, Indonesia and Malaysia are Islamic Countries.

5.17 Whereas no specific changes in Egypt's intra-Islamic trade can be attributed to the efforts which have come through OIC or LAS, various agreements have indeed contributed in creating general atmosphere of cooperation and mutual understanding among member countries which has been favourable to intra-trade.

5.18 Reviewing Egypt's exports to OIC member countries in twelve years (1985-1996), we find that it has continuously grown at rates greater than those of the rest of developing countries. Egyptian exports to OIC member countries accounted for 62.5% of exports to all developing nations in 1996 in comparison 43.2% in 1992. Egyptian exports to IDB member countries have also continued to grow at much faster rate than its total exports. As a result its intra-trade share went up from 5.2 per cent in 1985 to 18 percent between 1993 and 1996.

Major Problem Constraints in Capacity Building for Promotion of Trade and Intra-Trade

5.19 The major problems and constraints of the country in the area under study are as follows:

a) The trade promotion organization of Egypt (namely EEPC) is active only in a few areas (trade missions, exhibition, and trade fairs). Other areas which require greater involvement of exporters and development of export markets have usually been neglected because of limited financial, technical and physical resources.

b) The Export Development Bank of Egypt has played a very limited role in export promotion. Its export financing are barely comparable to those of some other commercial banks. Small exporters find it as difficult to get its financing as it is with other banks. Therefore, there is hardly incentive for them to benefit its financial facilities.

c) The HCE has not been able to commence its functions despite being in existence or paper for over three years due to various bureaucratic procedures.

d) Not enough has been done to build the required capacity for the promotion of agricultural exports in spite of the fact that considerable scope for such exports exists. The major problems identified in this are :

   i) Lack of proper technical advice to process agricultural exports.

   ii) Quality and standard control measures have not been put in place for raising the international acceptability of farm products.

   iii) Absence of any plan of action to target agricultural products according to their demand in foreign markets.

   iv) Practically little financial support to agricultural exporters.

   v) Cotton which is a major export item has continued to be dominated by the public sector.

   vi) Cotton exports also suffer because of non-competitive export terms. American exporters offer export-credit for their cotton exports which Egypt trading company are not able to provide.

e) In general, the private sector role is not very strong due to the dominant role of public sector companies and other bureaucratic procedures.

f) Manufactured exports face excessive duties on imported raw material required for their production. The duty drawback system currently in place is cumbersome leading to delays in payments to exporters.

g) There are serious institutional and manpower gaps in the marketing arrangements for Egypt's exports. Market specific studies and information are rarely available to exporters. Therefore most exports take place as a kind of "blindfold" activity, a problem which was detected at much early stages in Japan and was corrected by an effective information based export marketing arrangement.

h) Capacity for export marketing training is not adequate in any of the institution engaged in export promotion.

i) Technical assistance to exporters from the concerned public and private sector institution is hardly commensurate with the requirement of exporters. Only limited efforts at the government level has been made to improve efficiency, quality, design , and standard specification of manufactured exports.

Malaysia[19]

5.20 Malaysia has been one of the fastest growing economies in the world between 1980 and 1997 before it was hit by the contagion of the Asian financial crisis in the third quarter of 1997. Its GDP grew by around 10 percent per annum in this period, pushing GDP per capita from US$ 1800 in 1987 to over US$ 4000 in 1997. In terms of purchasing power parity, Malaysian GDP per capita was estimated to be over US$ 8000 in 1993 (Cheong, 1995).

5.21 Malaysian economic success has been largely attributed to strategy of export-led growth. Some of the major trade-related achievements of Malaysia could be summarized as below:

a) Its exports increased from US$ 18 billion in 1987 to US$ 79 billion in 1997. With imports standing at US$ 80 billion in terms of total trade, Malaysia was ranked 18th largest exporters and importer in the world.(Table 5.1)

b) Manufacturer accounted for over 80 percent of total exports in 1996, with technology intensive exports accounting for over 50 per cent of the total (Table 5.1).

c) Exports of electronic components alone accounted for nearly 20 percent of exports in 1996.

d) Malaysia became the world's largest producer and exporter of rubber glues, catheters and rubber thread,

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19 Major sources used for preparing this case study are Cheong (1995), Malaysian International Trade and Industry (MITI) 1998 Report, Chapter 5, and Masir (1999)

and second largest exporter of room air-conditioners. It is also the largest exporter of palm oil in the world.

a) Before 1997, Malaysia was considered to be among the top five most competitive industrial economies in the world.

5.22 Before exploring the nature of capacity building for export promotion in Malaysia, a brief background to its industrial development strategy may be in order.

Evolution of Development Strategy

5.23 Malaysia has been an export oriented economy since the mid-19th century with mining and rubber being its major export. After independence it remained highly dependent on rubber and tin accounting for over 70 percent of total earning in 1963. Since then it had made successful transformation from a primary producing economy to a highly manufacturing based economy.

5.24 Till 1969, Malaysia remained vulnerable to internal ethnic strife requiring a development approach which could help in achieving national unity and social restructuring. Consequently, it adopted New Economic Policy in 1971 with explicit arrangement to provide Bumi-putra commercial and industrial community. The social and political stability which followed, enabled the country to achieve the cherished goal of socially harmonious economic progress.

5.25 In 1995, it adopted New Development Policy to create a) an industrial oriented economy by the year 2000, and b) a fully developed nation by the Year 2020, a development process termed as "Vision 2020". This processed suffered a serious setback due to the Asian financial crisis when the economy lost growth momentum and various steps had to be taken to regulate capital flows in order to contain financial fluctuations and restore the confidence in the economy. Some of the early results show that the economy has already recovered from the worst crisis and should be able to pick up the positive growth trend once again.

Strategy of Promoting Production for Exports

5.26 The real momentum to changing the production structure in favour of manufacturing in Malaysia came after the collapse of primary commodity prices in 1985-86, when the economy encountered serious recession. In order to move the production towards manufacturing activities the prominent measures adopted by the government in 1986 were as follows:

a) No equity condition on manufacturing projects aimed to produce 80 percent or more exports.

b) Granting 100 percent tax relief for five years for major (and promising) projects of national importance.

c) Pioneering status reinvestment allowance of 50 percent for small scale companies.

d) Incentives for operational headquarters in the form of concessionary tax for various related items for 5-10 years.

e) A large network of industrial estates, free zones, and licensed manufacturing warehouse was created with all the modern infrastructure for foreign investors to locate their investment.

f) Special low interest and guaranteed soft loans were provided to businesses for enterprise development. The major funds included: New Entrepreneur Fund. Small and Medium Scale Industry Programme, OECF Fund, ASEAN Japan Development Fund, Industrial Adjustment Fund, and Industrial Technical Assistance Fund.

g) A number of institutions were created to enhance the export capabilities. These included: (i) Malaysian Technology Development Corporation, a joint initiative with the private sector to commercialize the Research and Development, (ii) Penang Skills Development Centre to train the labour force required by the Trans-national companies (TNC) in the Penang Industrial Zone, (iii) Tripartite Vendor Development Programme (under MITI) for the SMIs to become suppliers and manufacturers of component machinery and equipment to the TNCs, iv) the National Productivity Corporation, and v) the German Institute for advanced skills training.

Capacity Building for Export Marketing and Distribution

5.27 The major institutions created and measures adopted for export promotion could be classified into two categories: a) Major schemes and incentives, and b) Trade related support system.

Schemes and Incentives for Export Promotion

a) Strategic Gateway for Exports: The MITI set in the Rotherdom an off-shore centre called the Malaysian Trade and Distribution Centre as a gateway to Europe for Malaysian Manufactured exports. The centre offers several facilities to the exporters and buyers.

b) Bilateral Payments Arrangements by the Central Bank to promote trade with countries facing foreign exchange constraints.

c) Export Credit Refinancing Scheme of the Central Bank to provide financing exporters, including for pre-shipment, at preferred rate.

d) Export Credit Insurance and Guarantee to promote exports to non-traditional markets.

e) Double Deduction of credit insurance premiums and expenses on promotion of exports.

f) Support for general trading company engaged in export promotion and promote intra-ASEAN trade. The MITI also provides wide ranging information and other support services for export promotion.

Trade Related Support Systems

5.28 The following major institutional arrangements in the public and private sectors have been made to support the export promotion activities in Malaysia :

a) Malaysian Business Council: Chaired by the Prime Minister, it consists of government ministers, official and captains of the industry. Its purpose is to enhance Malaysia's international competitiveness.

b) Ministry of International Trade and Industry (MITI). This

Ministry is the lead agency that supports programmes for expansion of international trade activities to facilitate and promote Malaysian trade. Its key functions are to deal with WTO and trade liberalization issues, expand trade with trading partners and to non-traditional markets, promote exports of value-added products, secure favourable market access for Malaysia's processed and manufactured exports.

c) Export Promotion Council: It consists of government officials, representatives of Chambers of Commerce, Federation of Malaysian Manufacturers and other trade and industry associations. Its main function is to advise on export strategy and coordination of programme at different levels for this purpose.

d) Standards and Industrial Research Institute of Malaysia (SIRIM): While the broad macro level export promotion is done by MATRADE, there are other organizations which supports its efforts. SIRIM is one such body. It provides standard certification for Malaysian products in order to enhance their market acceptance.

e) The Malaysian Timber Industry Board. This is also body which complements MATRADE by registering all persons engaged in timber business and export by facilitating their activities through market intelligence for exporters.

f) Malaysian Export Credit Insurance Bhd (MECIB): MECIB is public sector company which offers facilities such as export credit insurance, export finance guarantees, and overseas investment insurance

g) Credit Guarantee Corporation Malaysia Berhad (CGC) : The CGC assists small and medium sized business in all sectors with no or inadequate collateral to gain greater access to credit facilities at reasonable cost. It provides credit guarantee for loans granted to small and medium scale entrepreneurs for fixed assets, working capital, and trade financing.

h) Export Import Bank - EXIM: The EXIM Bank funded by the Government was established in 1995. The Bank is meant to complement existing efforts to promote industrialization and exports of both goods and services. The Bank offers financial services as well as financing facilities to enhance investments in export-oriented industries which could improve the overall balance of payments. In its export promotional role, the EXIM Bank is specially focused on encouraging exports to emerging and non-traditional markets. The Bank provides two types of buyer credit facility: Direct lending extended to an overseas buyer / borrower to finance the purchase of Malaysian manufactured and capital goods, and indirect lending arranged as a two step loan through the financial initiation in the importers country for on-lending to the importation (Masir, 1999). It also affects project financing for Malaysian companies venturing in overseas projects, particularly South-South Countries.

5.29 Among the major institutional arrangements made to promote Malaysian trade, the Malaysian External Trade Development Corporation needs special mention due to its widespread role and activities in this area.

Malaysia External Trade Development Corporation(MATRADE)

5.30 The MATRADE is Malaysia's trade promotion organization and export promotion arm of MITI. Its main responsibilities are to assist in maintaining the competitiveness of Malaysian value-added products and services on the global market. It is a one stop information and advisory centre for the Government and the private sector. It assists Malaysian exporters to participate in trade missions and international trade fairs.

5.31 A brief account of MATRADE activities during 1997 has been presented in Table 5.1. This shows the wide ranging role which this institution is play to enable traders to expand their trade. The fact that

Prime Minister's visits to seven countries in one year was used to organize business meetings for export promotion shows the level of commitment for capacity building in this area.

Table 5.1

Major Activities Undertaken by MATRADE during 1997

Sl. No.	Activity	Number
1.	Private Sector Business Meeting during Prime Minister's Visits Abroad	7
2.	Trade and Investment missions	4
3.	Facilitation of International Trade Fairs	11
4.	Malaysian Product Exhibitions	3
5.	G - 15 Trade Exhibition	1
6.	Trade Facilitation : a) Total trade enquiries at home; and b) From abroad	 2749 18000
7.	Export Promotion Seminars	18
8.	Industrial Technical Assistance Fund : Applications Approved	284
9.	International Tender Notifications	206
10.	Number of Companies Registered to Become Sources of Malaysian Made Products and Services	306
11.	Incoming Buying Mission Meetings Arranged	325
12.	- Fact Sheet for Market intelligence	23
13.	- Country Reports for Market Intelligence	11

Source : MITI (1998)

Senegal[20]

5.32 Senegal is one of the Least Developed Member countries of the IDB with a per capita income of US$ 580 in 1998. The economic performance of the country since 1970s to the early 1990s has been very weak on account of several factors such as high population growth, low level of investment, foreign indebtedness, and degradation of environment and resources. As a result, GDP has been lower than the

[20] This section draws heavily on the information and ideas from the background documents on Senegal prepared by Samb (1999) for the IDB.

population growth leading to decrease in GDP per capita over in some years. In the last 3-4 years, however, the growth has been around 5 percent which is encouraging sign for the economy. Senegal is an agrarian economy with over 60 percent of the manpower employed in the agricultural sector. The share of agriculture has remained constant (around 17 percent since 1991) in spite of slow growth of this sector, whereas industry has scored marginal gain from 16.2 percent in 1991 to 17.3 percent in 1998. "Services" is the major sector with over 50 share in GDP. With the privatization of the state owned enterprises, private sector has made a significant contribution in the overall industrial production. The sector is estimated to have contributed 49 percent to the industrial value-added and 59 percent to export income in the recent years [Samb (1999)].

5.33 Senegal's exports stood at around US$ 0.5 billion in 1980 and have registered unstable growth since then. While increasing by over 13 percent during 1991, they showed negative rate over the next two years only to pick up modest positive growth trend in 1996 and 1997. Senegal exports to GDP ratio has been less than 20 percent which is a usual case of most low income IDB member countries, particularly in Africa. It is however important to point out that Senegal total trade (export plus imports) is one of the largest among the LDMCs. In 1991 total Senegal trade was over US$ 3.1 billion which increased marginally to US$ 3.2 billion. In most other LDMCs of the IDB in the region, the total trade except for Cameroon and Gabon was much less than that. This makes Senegal an important trading country with potential to expand its trade in general and with IDB member countries in the region in particular.

Export Promotion Strategies and Related Capacity Building in Senegal

5.34 The evaluation of export promotion strategies and related capacity building in Senegal could be assessed with reference to :

a) Institutional development for export promotion

b) Export Promotion Technique adopted

c) Financial incentives for export promotion.

d) Human capacity building achieved, and

e) Trade agreements with other IDB member countries

Institutional Development for Export Promotion

5.35 The major institution which have been established in different years to promote export include:

i) The Dakar International Trade Centre (SOFIDAK), Established in 1974 for contributing in developing commerce, industry agriculture and handicraft and to host Dakar Biannual Fair. This has been merged with the International Trade Centre of Senegal.

ii) The Senegalese Centre of Foreign (SOE) Trade: Created in 1978 to assist the government in promoting the foreign trade to an optimum level and to contribute in maintaining the balance of trade. It carried out some basic useful studies on Senegal's export potential and on the bottleneck faced.

iii) The International Trade Centre of Senegal (CICES). In spite of the good performance of the CSCE, it has been merged with SUFI-DAK to create the CICES. The main activity of this institutions has continued to be to hold in Dakar Biannual Fair.

iv) The Dakar Free Zone (ZFID): Founded in 1974 to attract foreign investment for export production. Its achievement remained very modest till 1980 due to lack of qualified manpower, weak promotional efforts and low level of investment in this facility. Despite some progress made over the years ZFID constrained because various costly and inadequate facilities and insufficient incentives available to exporters operating from this zone.

v) The Export Free Firms (EFE): These firms are allowed to be established to produce only for exports. They can transfer wage to expatriates as well as interest on loans and shares.

vi) The Chamber of Commerce Industry and Agriculture (CCIAD). It has usual role of a Chamber of Commerce and industry to promote production and exports as well as private sector development.

vii) Trade Point Senegal (TPS): This is the latest addition to the export promoting institution in Senegal. Its major role is address the globalization issues and participate in Electronic Trade as envisaged under the commercial efficiency plan launched by UNCTAD in 1992. The aim of this plan is to respond urgently to trade needs of economies and to take advantage of the opportunities offered by the new information technology. Accordingly, TPS offers a variety of services to trades and exporters to promote their activities.

Export Promotion Techniques

5.36 The major export techniques applied in Senegal are:

i) Supervision of Exporters in the form of assistance, training and organization of business missions abroad.

ii) Information: Inventory of Senegalese and African products and their specifications are prepared and circulated. Businessmen could also use the CCIAD documentation room to post information on their products. TPS uses information technology for disseminating trade information to the businessmen.

iii) Commercial representation like in many other developing countries the posting of routine commercial representatives abroad did not work in the case of Senegal also. Recently, special Trade Counselors from Custom Inspection have been posted abroad with the duty to follow the custom related issues. The preliminary results of this arrangement are quite positive.

Financial Incentives

5.37 The major financial incentives used to promote exports are:

i) The Duty Drawback on imported inputs used in exports.

ii) Export subsidy of 15 percent to exports of products such as tinned tuna fish, textile products, shoes, fertilizers and agricultural equipment

iii) Export Insurance to Cover export credit risks. For this purpose Senegalese Credit Insurance Agency for Foreign Trade (ASACE) was created in 1981. The ASACE also offered information to exporters about foreign and local trade partners. The ASACE has been privatized under the name of National Insurance Credit Agency (SONAC).

iv) The Credit Bonus Fund: New exporters normally who found it difficult or expensive to get credit from banks could benefit from this fund on preferential rate provided they could guarantee their loan from the ASACE. The Fund is managed by State Finance Agency.

Trade Agreements with other IDB Member Countries.

5.38 Senegal has signed 19 trade related agreements with different IDB member countries. However they are seen more as diplomatic initiatives than any concrete steps to promote Intra-OIC trade of Senegal. Some of OIC member countries are also member of the Economic Community of West African States (ECOWAS). Senegal export to most common members of OIC and ECOWAS is quite significant. This is however not true for imports as observed above.

Human Capacity Building

5.39 Trade related human capacity building has taken the following from:

i) Training of civil servants dealing with trade matters. However, there has not been any major focus on export promotion in such training.

ii) The National Training School of Administration and Judiciary. The school has very limited training facilities and very few officials trained are available to the Ministry of Commerce.

iii) Advance Institution of International Trade: A number of private institutions have opened in the country to provide trade-related training. These institutions appear to be preparing a variety of skills needed to expand and provide the country's exports.

Major Problems in Capacity Building for Export Promotion in Senegal

5.40 In the case of Senegal, the following major problems and constraints could be identified in the area under study :

a) A number of trade promotion strategies and institutions have been created with lot of overlapping role and insufficient financial, human and technological resources. It is not clear how effective those institutions are in supporting the export promotion companies.

b) The issue of the effectiveness of export trade promotion organization has rarely been studied to bring about needed reforms.

c) Senegal exports are still very narrowly based with a few destination. In 1997, the share of three major exports of Senegal was 56percent. In this way the export promotion organizations have remained focussed on a few commodities rather than trying to develop new commodities or find new markets.

d) Export promotion organizations have not been able to integrate their role with that of the export financing agencies. Consequently, export financing has remained a major bottleneck.

e) There have been lack of coherent trade policies and limited involvement of the private sector in the formulation and implementation of such policies.

f) The fundamental problem which still remains for promoting export is the limited production capacities. Different efforts to enhance such capacity (such as Dakar Free Industrial Zone) have not yielded the desired results due to insufficient and expensive infrastructure, inadequate institutional support, and limited skills available to efficiently manage such schemes.

g) Despite some private sector institutions to train trade exports, most public sector institutions have very limited capabilities to provide critical training facilities for the promotion of exports.

h) The existing trade promotion organizations are not well equipped to develop new markets for exports or to find non-traditional sources of procuring inputs for export production. Due to dominance of the public sector in the export promotion arrangement, greater attention has continued to be paid to traditional markets in the OECD member countries.

Chapter Six

ROLE OF IDB IN CAPACITY BUILDING FOR TRADE PROMOTION IN IDB MEMBER COUNTRIES

6.1 Promotion of member countries' trade in general and their intra-trade in particular is among the major priorities of the Islamic Development Bank (IDB). Accordingly, the Bank has developed a number of trade financing schemes to strengthen trade capabilities of member countries and to promote intra-exports. At the same time , assistance is provided to support member countries in promoting and marketing their products globally as well as in other IDB member countries. Recently the Bank has become particularly more active in providing technical assistance for capacity building in member countries in order to enable them to deal with matters relating to the implementation of the Uruguay Round Agreements under the World Trade Organization (WTO).

6.2 This chapter presents an overview of the major efforts of the IDB in capacity building for the promotion of trade and intra-trade focussing mainly on its trade cooperation and promotion programme and assistance for WTO-related matters.

Role of IDB Trade Financing Schemes

6.3 The Bank has launched two schemes which are specially focussed on trade financing. These are a) Import Trade Financing Operations (ITFOs), and b) Export Financing Scheme (EFS), former called Longer Term Trade Financing Scheme. Of these, the ITFOs are mainly aimed to assist member countries in their development programmes by enabling the import of goods which have positive impact on development and promote trade among them. Under the scheme a preferential mark-up rate is applied on imports from other member countries. The EFS has been specially designed to promote the exports of non-traditional goods from the EFS member countries to other OIC and OECD member countries. The other Schemes which have also become quite active in recent years in trade financing are the Islamic Bank Portfolio ((IBP) and the Unit Investment Fund (UIF). Of these, the IBP is a fund managed by the IDB with membership from other member countries and Islamic banks to extend project and trade financing to the private sector in member countries[21]. The UIF is a private sector window of the IDB aimed at raising additional resources for the Bank from the market. Besides other operations, it is also used to financing development oriented trade operation in member countries. The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) is a subsidiary of the Bank and a scheme to promote trade and investment among member countries. It started its operations in July 1995 to (i) provide export credit insurance and reinsurance to cover the non-payment of export receivables resulting from commercial and non-commercial risk, and ii) investment insurance and reinsurance.

6.4 While the primary objectives of the above schemes are not to strengthen capacity building for trade promotion, they do however make an indirect contribution in this area by financing trade activities which have positive impact on the overall capacity building in member countries. The preferential treatment given to intra-trade is expected to strengthen the institutions and companies involved in such trade which is an important element for capacity building for trade promotion. The EFS being specifically aimed to promote intra-exports is expected to strengthen the export promotion arrangements in member countries. Most recently, the Scheme has been revised to provide greater incentives to counterpart trade financing institutions in member countries for marketing the Scheme. These incentives are expected to strengthen the institutional capabilities of such institutions for promoting exports among the IDB member countries.

Trade Cooperation and Promotion Programme

6.5 Recognizing the importance of trade promotion in the overall trade expansion of member countries, the Bank launched Trade Cooperation and Promotion Programme in 1995. The objectives of the Programme include strengthening trade relations, exploring potentials areas of trade cooperation, and facilitating opportunities for enhancement of trade among member countries. Accordingly, since inception, large number of activities have been undertaken by the Bank under this programme . These include organizing and participating in seminars, workshops, training courses, and trade fairs. The Prgramme

[21] Till September 1999, the IBP membership stood at 20

is also meant to facilitate participation of relevant experts and officials in trade fairs and exhibitions organized in different member countries. Main activities undertaken under this programme over the past few years are shown in Box 6.1.

6.6 In November 1998, the Bank approved a special amount of US$5 million out of its Waqf (Trust) Fund for technical assistance to trade among countries. This is part of the Bank efforts to find ways and means to increase the share of intra-trade of member countries by three percentage over the next three years as envisaged in the Resolutions of the Organization of Islamic Conference (OIC). Technical assistance under the specified funds is expected to strengthen the capabilities of the national and OIC level institutions to support the process of achieving the intra-trade targets.

BOX 6.1

MAJOR ACTIVITIES OF THE IDB UNDER TRADE COOPERATION AND PROMOTION PROGRAMME TILL APRIL 1999

1. Seminars / Workshops / Training Programmes

1.1 A seminar covering supply and demand of textiles in OIC member countries, organized jointly with the Islamic Center for Development of Trade (Tunis-Tunisia)

1.2 A seminar on the impact of technical regulations introduced by the World Trade Organization and the European Union on OIC member countries in the Mediterranean region (Ankara – Turkey)

1.3 A seminar on policies and methods for promotion of non-traditional exports from IDB member countries (Dubai-U.A.E.)

1.4 A seminar on "Impact of ISO Requirements on Export Capabilities of IDB Member Countries" (Tunis-Tunisia)

1.5 Seminar on Trade in Fisheries of OIC Member Countries, organized jointly with the Islamic Centre for Development of Trade, Agadir, Morocco.

1.6 Workshop on Policies and Methods of Promoting IDB's Member Countries Exports of Textiles and Ready-Made Garments to European Markets, Amman – Jordan.

1.7 Two Workshops on Quality Management and Quality Assurance Standards based on ISO-9000 series, Damascus & Aleppo – Syria.

1.8 Seminar on Demand and Supply of Fertilizers in IDB Member countries in the light of World Trade Liberalization Policies Tunis-Tunisia.

1.9 Seminar on Future of Islamic Countries' Trade of Food Products with European Markets in the light of current developments in World Trade, Tunis-Tunisia

1.10 Workshop on exports promotion & complimentarity in the textile industry among IDB member countries.

1.11 Workshops on (a) WTO Agreement on technical barriers to trade and its implication on the trade of IDB member countries and (b) impact of the WTO agreement on trade in services on IDB member countries.

1.12 Workshop on the impact on ISO requirements and technical barriers on trade of GCC countries.

1.13 Seminars on policies and methods for promoting of non-traditional exports of IDB member countries.

1.14 Meetings of the task force with regional organizations on increasing OIC member country intra-trade.

1.15 Meeting of the national agencies of the IDB export financing Scheme.

1.16 Workshop on food control procedures on export & import quality assurances system and technical requirements in EU markets.

1.17 Three courses to qualify to obtain a certificate of lead auditor in the field of auditing the quality control system

1.18 Two courses to qualify for obtaining a certificate (Lead Auditor) in the filed of auditing of the quality systems, Damascus & Aleppo – Syria.

2. Facilitating Participation in Trade Fairs.

2.1 The 6th Islamic Trade Fair (Jakarta – Indonesia)

2.2 Tunis International Fair (Tunis, Tunisia)

2.3 The International Autumn Trade Fair (Dubai, UAE)

2.4 Izmir International Trade Fair (Izmir, Turkey)

2.5 Damascus International Trade Fair (Damascus, Syria)

2.6 Tehran International Trade Fair (Tehran, Iran)

2.7 The Saudi Products & Industries Exhibition (Cairo, Egypt)

2.8 Tunis International Fair for Agricultural Products (Tunis, Tunisia)

2.9 The 3rd Afro-Arab Trade Fair (Sharjah, UAE)

2.10 ECO Chamber Trade Fair, Iran

2.11 Damascus International Fair, Syria

2.12 The 7th Islamic Trade Fair, Lebanon

2.13 Tunis International Trade Fair, Tunisia

2.14 Kuwait International Trade Fair, Kuwait

2.15 Afro-Arab Business week, Burkina Faso

2.16 ITC Biennial All Africa Leather Convention, South Africa

Capacity Building Through Assistance to Member Countries For WTO Related Matter

6.7 The Eighth Islamic Summit adopted two resolutions with regard to trade issues on the World Trade Organization and on the implementation of the Uruguay Round Agreements, and invited member countries to strengthen their consultation and coordination mechanisms on WTO related issues. In this regard, the IDB took the initiative to establish a WTO Unit in order to provide technical assistance to member countries on WTO-related matters. The Bank's WTO technical assistance activities can be grouped into two broad categories: (i) technical assistance activities aimed at capacity building; and (ii) those related to preparatory work for WTO Ministerial Conferences and on the negotiating position for future agenda.

6.8 The Bank's technical assistance aimed at capacity building focuses on creating awareness about the implications of the new multilateral trading system. This awareness is achieved through organizing seminars, workshops, and training courses that are designed to assist participants to develop a better understanding of various Uruguay Round Agreements. In July 1998, the Bank signed a Memorandum of Understanding with the International Trade Center (ITC), Geneva for cooperation in organizing various regional seminars and workshops. Accordingly, a number of training courses workshops and seminars have been planned over the next few years. Some of these programmes have already been implemented.

6.9 As regards activities related to preparatory work for WTO Ministerial Conferences, the Bank has played an active role since the First Ministerial Meeting held in Singapore in December 1996 where it facilitated the holding of side meetings of representatives of its member countries for developing better understanding on issues related to the WTO. For the Second Meeting, the Bank organized a brainstorming meeting of experts in Geneva which identified various topics for discussion in the consultative meeting of senior officials. Subsequently it organized two more consultative meetings for the Ministers from the OIC member countries in conjunction with the second WTO Ministerial Conference during May 1998 in Geneva. A brainstorming session was also held in July 1998 in Geneva in order to identify topics for studies that could assist member countries to be better prepared for the next WTO Ministerial Conference and future multilateral trade negotiations. The Bank provided assistance for those studies whose findings are expected to contribute to create better understanding of the major WTO related issues of significance to the IDB member countries in the future trade negotiations.

6.10 The launching of different programmes by the IDB to directly contribute in the efforts of member countries towards capacity building for the promotion of trade and intra-trade is recognition of the importance of extending assistance to this area for trade and overall economic development. However looking at the needs expressed by member countries for trade-related capacity building and some of the constraints identified by selected member countries whose experience in this area have been discussed above in the paper, greater cooperative involvement of different national and multilateral bodies will be required to create and strengthen the capabilities in member countries to promote trade in general and intra-trade in particular.

PART IV

<u>*Chapter Seven*</u>

MAIN CONCLUSIONS AND RECOMMENDATIONS

<u>Main conclusions</u>

7.1 This chapter presents main conclusions emerging from the analysis of trade performance and potentials of member countries and the experience of capacity building for trade promotion in selected member and non-member countries. In particular, it highlights the major problems and constraints facing member countries in this area and some further efforts need to overcome them.

7.2 With global opening of trade and investment, among the major challenges facing most developing countries (including IDB member countries) are: a) how to take full advantage of the new opportunities created by the increased exposure to international markets, and b) how to ward off the adverse effects of the international competition on their production and exports. Those challenges could hardly be met without creating suitable internal conditions which among other changes must include building and strengthening institutional and human capabilities and related infrastructure for the promotion of trade in general and trade within regional settings (intra-trade) in particular.

7.3 Despite some positive trends in the aggregate exports of the IDB member countries, most of them have yet to utilize their potentials for achieving well-diversified and stable export growth patterns. While this is particularly true for most LDMCs, a number of other member countries with sizeable export levels have also experienced similar problems over the past several years. Even for those member countries which have registered respectable export growth, challenges such as sustaining their export trends, enhancing the value-added content of export through skill and technology based production and developing new markets for exports have continued to shadow their future trade prospects.

7.4 Within the generally low performing character of member countries' trade, on specific trade achievements during 1980 and 1997, member countries could be distinguished from one another and placed in three broad categories. These are: a) member countries exhibiting low performance on all major accounts such as the share of world trade, export growth rate, breadth and diversity of exports, movement towards value-added production and export, and ability to convert larger share of additional production into exports rather than into consumption, etc. Nearly half of the member countries including most LDMCs in Africa, the CIS member countries, Algeria, Libya and Syria, fall in this category; b) Member countries with medium level performance having medium and positive trends in four or five performance areas and low or negative trends in other areas. These include all member countries not covered in category "a" except perhaps, Bangladesh, Indonesia, Jordan, Malaysia, Morocco, Pakistan, Tunisia and Turkey. The latter member countries which could be placed in a category "c" had high and medium performance in most areas.

7.5 Services trade is widely underutilized area in member countries as most of them have deficits on this account. This is quite contrary to the generally observed high share of services in member countries' GDP, indicating potentials of export expansion in this sector and the need for capacity building to realize such potentials.

7.6 There are two major trends contributing in the low level of trade among member countries: a) Major economies within member countries with large import bills have larger shares of their imports coming from non-member countries (including non-member developing countries), and b) member countries with relatively small and traditional export generally tend to find markets in other member countries where there is limited scope for expanding such exports due to low level of complementarities. The impact of such tendencies on intra-trade could be significantly reduced through systematic efforts to find comparable sources of imports from member countries. Relatively small economies in member countries could gain many fold even with a very small increase in large member countries imports from the other member countries.

7.7 Export promotion strategies and capacity building in most member countries (like many other developing and emerging economies in the world) have been influenced by some of the trends set by the East Asian economies before the 1997 financial turmoil. However, it is obvious that not all of them have provided similar result. This raises the question as to where member countries are different from the successful East Asian economies and what constraints they face in building the required capabilities for the promotion of their trade.

Major Problems and Constraints

7.8 Being developing countries, capacity building constraints of member countries are not unique to their trade promotion areas only. Other areas of the economy also suffer some of the problems mentioned here. Similarly, not all of them affect all member countries with same degree. They may be generally relevant to most member countries except perhaps to some of those with large oil exports.

7.9 Problems and constraints of capacity building for trade promotion have so many dimensions that no one study could claim to have covered them all. However on the basis of available information, the major ones among them are listed below without necessarily following any order of priority or classification scheme as some of them could fall under more than one category.

1. Lack of clear commitment to Exports: Unlike the East Asian cases, where there was clear national level commitment to pursue export strategy and accordingly develop the required internal capabilities, there are no clear commitments to export promotion in most member countries as there are serious gaps between export policies announced and the institutions developed to implement those polices.

2. Inadequate Institutional Bases: The available institutional capacities for trade promotion are generally inadequate to face challenges of globalization. More than half of the IDB member countries have no specialized export promotion or support institutions, a problem which obviously limits their capacities to pursue any export growth strategy (Table C.1). In other member countries such institutions are poorly funded, inadequately equipped in terms of technology and human resources,

and rarely integrated with other trade related institutions at home and abroad.

3. Inadequate linkage between production and export strategies: Unlike the general trend in successful East Asian economies, most member countries started with building export promotion capacity rather than first strengthening the export production bases. This may have been unavoidable due to pressure of earning foreign exchange using the available exportable surplus, but it hampers the smooth supply of exports and the process of product development for broadening the export base. While this may not be a serious constraint for every country, inadequate linkages between industrial policies and export promotion strategies could lead to unstable export expansion.

4. Multiplicity and Overlapping of Roles: The case studies of all the three member countries (including Malaysia) show that a number of institutions have been created to promote trade with no clear distinction in their roles. Similarly, a number of export promotion schemes are adopted without adequate financial resources. These arrangements are not always helpful to the trader who may be caught in bureaucratic cobweb in the process of obtaining any trade-related assistance.

5. Limited Approach to Export Promotion: The most common export promotion approach followed in member countries by focusing mainly on organizing exhibitions, trade fairs and official trade mission is rather limited. Capabilities to undertake more enduring export promotion activities such as training, timely collection and dissemination of relevant information to traders, technical advice, assistance in market development are either very weak or non-existent.

6. Limited Sectoral Focus: Except for the industrial products, export promotion service for non-traditional exports, particularly from the agricultural sector are far from the potentials of such exports. Among the major capacity building gaps which hinder these exports are: a) Lake of technical advice to process agricultural exports according

to the international quality and standard, b) no special plans to promote non-traditional exports according to the nature of demand in foreign markets, c) generally inadequate financing facilities for non-traditional exports, and d) Limited and unreliable physical and handling facilities on airports and seaports for fresh products.

7. Constraints on the Private Sector Role: Private sector in most member countries have yet to play its due role in the overall economic development. Within this environment, specific private sector constraints related to capacity building for trade promotion are a) limited opportunities to participate in officially sponsored foreign exhibitions and trade fairs, b) non-supportive role of official foreign trade missions, c) practically no role in influencing the orientation of foreign trade mission, or their function and services. This is quite contrary to the role of such missions established by successful East Asian economies where foreign trade missions are directly linked with the private sector activities and actively involved in market development for national products.

8. Limited Trade Promotion Capacities of Private Institutions: Chambers of commerce and other private associations are generally weak to play any major role in trade promotion. They are also not among the preferred destinations of technical assistance for capacity building for trade promotion.

9. Limited Export Processing Capacities: Several member countries have tried to establish export processing zones and similar other facilities for trade promotion. However, due to serious problems of infrastructure, such zones have generally remained less attractive to domestic and overseas investors. Nevertheless with adequate financial assistance, these facilities could play important role in trade promotion.

10. Inadequate Financial Development: Weak banking and financial system is perhaps one of the biggest sources of serious constraints which affect capacity building for the promotion of trade and intra-trade in member countries. Most LDMCs do not have viable local banks which could

support foreign trade activities. Foreign owned banks operating in those countries have their own priorities and are not obliged to promote national trade. In other member countries also, most banks and financial institutions are fraught with various constraints due to heavy public sector borrowing and lack of credit culture necessary to strengthen any financial intermediation activity. As a result, banks are generally very conservative in extending credit for trade promotion. Small and medium size enterprises which could play crucial role in producing non-traditional exportables are usually neglected by the commercial banks. In some member countries, specialized trade banks (Exim banks) have been established to promote exports. This is a major step towards strengthening capacity building for trade promotion in those countries. However, unless such institutions are further promoted, their contribution in trade would remained limited.

11. Lack of Capacities to deal with New Global Trade Rules. Lack of awareness and competencies to deal with the requirements of conducting international trade under the WTO rules are perhaps among the most serious constraints which could affect member countries' trade in coming years. Some multilateral efforts have already been initiated to overcome some of those constraints. However, it is too early to conclude if those efforts would overcome member countries constraints in this area and enable them to adequately deal with the challenges of globalization.

Further Efforts Needed

7.10 The major capacity building constrains identified above indicate to some extent the broad areas where further efforts at different levels need to be focussed. Some of the general principles and objectives to be kept in view while designing such efforts and the specific areas requiring priority attention are identified below:

General Principles of Capacity Building for Trade Promotion in IDB Member Countries.

7.11 Efforts for capacity building for trade promotion could prove more effective if designed by keeping in view the following general principles:

a) There are capacity building needs for overall development of the economy. Any sectoral focus should therefore be placed within the overall context in order to make efforts at different levels that are mutually reinforcing. Unfortunately, at present, most efforts in this area are adhoc and devoid of any long-term and integrated context.

b) Efforts should include measures which have short, medium, and long term impact on capacity building.

c) The efforts should be integrated with the private sector role in trade promotion.

d) At the multilateral level, there should be room for policy pluralism and variations at the regional and sub-regional levels.

Main objectives

7.12 Efforts in this area should aim to achieve the following main objectives:

a) Enabling the country to move towards open international trading system which offers greater access to export markets.

b) Creating internationally competitive supply capabilities.

c) Creating and utilizing trade complementarities at the sub-regional level in general and at the level of OIC Member states in particular.

d) Building a supportive institutional infrastructure to take advantage of the market opportunities.

7.13 Within the above framework, the ideas which could be useful for creating and strengthening capacity building for trade promotion in IDB member countries are briefly described below to be followed by an attempt to prioritize their relevance according to trade achievements of member countries in different regions.

1. Developing National Commitment and Consensus for the Role of Trade in Development. While trade is generally accepted as an important source of growth and other economic benefits, unless there is a national commitment at the highest policy making and implementation levels to its role in the economy, its potential benefits would not be fully realized. The extent of commitment shown in some of the East Asian Countries can be judged from the fact that in South Korea, the president of the country himself chairs a monthly meeting to review the export progress and implementation of the export promotion strategy of the country. This level of commitment obviously cannot be achieved in a short span of time. Efforts need to be made to develop national consensus on the role of trade and the strategy adopted for its promotion. For this purpose, series of seminars and workshops involving senior policy planners and practitioners need to be organized at the national and multilateral levels to evolve common understanding and ownership of the ideas. Multilateral institution, could play an important role in supporting such dialogues. One way to start this process is that different training programmes/workshops arranged on creating awareness about WTO related matters should also have, at least, one day discussion on the significance of trade and the capacity building required for its promotion.

2. Capacity Building for Devising Export Promotion Strategies: As shown earlier in this chapter, most member countries lack the technical capabilities to devise export promotion strategies which takes into account the overall economic policy environment, the state of export production and marketing, and the state of financial, institutional and human resources in the country. This problem could be overcome by promoting local professional competencies through advanced training,

participation in policy development and project implementation. The overseas advisory services should be confined to develop local talent through training in general and Training of Trainers in particular and not in direct preparation of trade strategies and their implementation.

3. Capacity Building for dealing with WTO-Related Matters: Although efforts which need to be made with respect related to WTO matters are widespread, two broad areas are highlighted below because of their relative importance in the context of the subject under consideration. These are:

a) Development of New Skills and Expertise to deal with Emerging Trade Issues: With the globalization of trade and investment, most developing countries (including IDB member countries) will have to develop new skills and expertise, particularly in the area of legal services to deal with WTO related conflicts. Other areas such as transport, custom clearance, quality control, standardization, telecommunication (for electronic trade) and services would also require new skills to take advantage of the new opportunities. Investment flows are already having far-reaching implications on capital markets, exchange rate, and competition level. National expertise are needed to understand these new developments and to design suitable responses. While this is essentially a national level responsibility, multilateral assistance would enable member countries to expedite the process of acquiring these skills and be compatible with the WTO provisions sooner than later before the full implementation of those rules by 2010.

b) Refocusing WTO Related Training Programmes: Besides finding ways and means to meet the training needs for new skills and expertise already mentioned, there is a need to ensure that training programme give greater attention to Training of Trainers so that the process becomes self-propelling even after the withdrawal of multilateral assistance in this area. The Training of

Trainer Programme should also be extended to the trade specialist from academic institution and professionals in the private sector, particularly from the chambers of commerce and major exporters associations.

4. Capacity Building in the Private Sector: Within the overall development priorities, no trade promotion strategy would produce desirable results without active involvement of the private sector institutions. In this regard some of the major areas which need to be focused are a) chambers of commerce and major producers associations which provide support and services for trade promotion. b) these institutions need to be supported to develop close cooperation with other countries in order to develop awareness about emerging opportunities. In short, their character should be like international institutions, dynamic, leading, and capable to contribute in policy reforms, building institutions and devising schemes for trade promotion, and c) integrating the private sector trade promotion activities with foreign trade missions. Where appropriate, such missions should be led and staffed by private sector representatives. Foreign trade missions should be given growth targets to be evaluated in consultation with representatives of the private sector bodies.

5. Strengthening Export Promotion and Support Institutions. The successful examples of East Asian economies have shown that trade promotion organizations (TPOs) could play a major role in implementing trade promotion strategy of a country. Their role in market intelligence, market development, business facilitation, product and design improvement, technical advice and training, if played effectively, could go a long way in achieving sustainable export levels. Therefore, some of the major efforts made for export promotion must include establishment of such organizations where they do not exist and strengthening the existing ones in order to make them more effective. To this end, some of the major areas where they could be strengthened are: (a) inducting modern management through greater participation of the private sectors; (b) allowing them greater internal autonomy to plan and function; (c) supporting their efforts to find ways and means for raising funding (in some countries in East Asia; a small export/import levy is collected for such

organizations); and (d) strengthening professional capabilities of their staff. Most of these are national level responsibilities. Multilateral efforts however, could assist in their international networking, information gathering, and staff training.

6. Capacity Building for Enhancing Supply of Exports: No export promotion efforts could be meaningful without strong production base. Such bases are generally weak in almost all IDB member countries and particularly so in the LDMCs and non-oil exporting countries. Capacity building for overcoming exports supply constraints involve a number of areas. However, some of the major areas which need to get priority in most member countries are:

(a) Creating favourable operating conditions to encourage domestic investment and attract foreign direct investment. These includes conducive and consistent policy environment, reliable infrastructure, dependable financial system, non-discriminatory taxation system, and above all, security of investment. Any progress in these areas would contribute in improving the operating conditions.

(b) Developing transport system for undertaking production and export activities;

(c) Focussing initially on labour intensive industrial production which makes use of locally available raw material;

(d) Developing marketing infrastructure to ensure the smooth supply of raw material;

(e) Making special arrangements for export financing for the small and medium enterprises, and

(f) Making systematic efforts to remove anti-export bias in the tax policy. Instead, special tax deduction for expenses on export promotion need to be provided.

7. Strengthening Export Processing Zones: Such zones offer many opportunities for export promotion. Multilateral efforts to develop such zones through support for infrastructure and skill development and trade financing could go a long way in overcoming export supply constraints.

8. Capacity Building for Trade Related Services: Institutions providing trade related services have crucial role in trade promotion. These services include insurance, marketing, quality control, standard certification. Export financing is also a trade related service, but being major one and distinct in its role it could be placed in a separate category. Strengthening the level and quality of these services would not only contribute in trade promotion but also enhance the international competitiveness of companies engaged in production and exports.

9. Strengthening Trade Financing Institutions: Financing constraints for trade promotion could be overcome by creating and strengthening specialized trade financing institutions, particularly the Eximbanks. Besides providing financing to exporters and importers, Eximbanks should be encouraged to provide pre-shipment financing as well as buyers' credit. Similarly, they could be encouraged through adequate incentives to undertake marketing activities for exporters wherever feasible.

10. Capacity building for promoting Trade in Services: Services trade have vast expansion potential in several member countries. Therefore, services related to information technology, tourism, transport and communication need to be treated at par with other exports . Accordingly, institutions providing such services need to be created and strengthened in terms of their physical and human capabilities.

Prioritization of Efforts According to Trade Achievements of Member Countries

7.14 For member countries with relatively low level of trade performance including most of the LDMCs, priority areas for capacity building should be :

a) For devising export promotion strategies by promoting and strengthening local professional competencies through advance training, participation in policy development and project implementation. The overseas advisory services should remain confined to develop local talent and not in the direct preparation of trade policies and strategies;

b) Capacity building for enhancing supply of exports by creating favourable operating conditions to encourage domestic and foreign investment in labour intensive and agro-based industries which make use of locally available raw material.

c) Creating skills in the trade promotion organizations which could be used to develop markets for currently available exportable surplus with a view to diversifying export structures in due course.

d) Capacity building for dealing with issues related to WTO matters as being among the immediate priority requirements; and

e) Establishing and strengthening one stop export promotion windows such as the global trade points.

7.15 In member countries which are more active in trade but have unstable export growth priority focus should be on:

a) Capacity building for devising consistent and realistic export promotion strategies to which there is a national commitment at all levels;

b) Industrial policies to build reliable production structures with emphasis on strengthening export processing zones;

c) Strengthening institutions that provide trade related services; and

d) Creating specialized export promotion organizations which work hand-in-hand with the private sector and foreign trade missions to develop new markets for national products.

7.16 In member countries with steady export growth, greater emphasis should be to develop capabilities to sustain their export performance. This would particularly require capacity building for expanding technology and knowledge intensive merchandize and service exports, exploring non-traditional markets at the regional and sub-regional levels, and improving the quality of trade-related services such as market intelligence, export credit, insurance, and design and package development.

Capacity Building for Intra-Trade

7.17 Any effort to find alternative (non-traditional) markets by member countries must include exploring trade opportunities within their respective regions. Due to geographical priority, there could be some additional gains from such trade while at the same time it may help in avoiding competition from the more established exporters in industrial countries. Therefore, the overall focus of capacity building for trade promotion should be to enable the exporter to develop new markets at the regional and sub-regional levels. This shift in the direction of trade in IDB member countries could make a significant impact on trade among member countries..

7.18 In addition to the above, some of the specific efforts which need to be undertaken in this regard are briefly described below:-

1. The Export Financing Scheme and the Islamic Corporation for Insurance of Investment and Export Credit (ICIEC) of the Bank have been specifically designed to promote trade among member countries. However, not many members are members of these schemes or have benefited form their facilities. Any effort to benefit from these schemes would contribute in further strengthening their capacities and the in roles in promoting intra-trade.

2. Any major shift in the level of intra-trade has to be through collective and mutually reinforcing efforts at the national, regional, and OIC levels. To this end, member countries have to self-consciously direct their sources of public sector procurements from comparable sources within IDB member countries. Similarly, there is need to establish special offices within the Foreign Trade Ministries at the national levels to plan, follow-up, and implement various steps to promote intra-trade. Special schemes and incentives consistent with the WTO rules need to be developed to strengthen capacity for promotion of intra-trade. Similarly, at all other national levels, foreign trade bodies have to be mobilized to induct intra-trade promotion as one of their major priorities.

3. At the regional level, it hardly needs to be overemphasized that the regional economic cooperation organizations in member countries could play an important role in promoting intra-trade

provided their capacities to plan and implement their initiatives are adequately strengthened. Unfortunately, in most cases, their existing resources are not commensurate with their objectives [IDB (1996)].

4. Since the financing requirements of enhancing intra-trade are huge, it is important that major commercial banks in member countries also extend their role to financing intra-IDB level trade. This will be in line with the expanding scope for promoting trade in financial services within the new global environment and also would enhance their international competitiveness and recognition.

5. The eximbanks in different member countries have already started playing some role in promoting intra-IDB level trade. There is a need to expand the scope of such initiatives and also establish more such banks with major focus on promoting intra-trade.

6. Besides undertaking trade financing activities at the OIC level, all major commercial banks and eximbanks could also contribute to strengthen capacities of trade promotion and service institutions through their technical assistance programmes. In fact, there should be coordination at the level of all multilateral trade financing institutions within the IDB member countries to make specific allocation for capacity building for trade promotion. Currently, such allocations either do not exist or are totally insignificant compared to their trade financing operations.

7. Among the specific areas which need to be emphasized for capacity building for promoting intra-trade are: a) strengthening institutional and human capabilities to collect and disseminate trade information among member countries; b) capacities to ensure quality and competitive prices of products to attract demand from other member countries, c) competitive financial arrangements to enhance security of trade transactions, and, d) enhancing marketing capabilities specifically aimed to generate intra-trade.

Epilogue

7.19 Capacity building for trade promotion has widespread dimensions to the extent that in some countries it could encompass all major economic activities. Therefore no single paper could be expected to provide answers to all the issues related to the subject, especially in the absence of any systematic data on major aspects of trade related capacity building in member countries. Nevertheless, the paper, after reviewing various trade characteristics of member countries and comparing the experience of some of them with that of some successful cases in East Asia in capacity building for trade promotion, has tried to identify major areas of further improvement and some of the priority steps which need to be taken at different levels in this regard. Ideas expounded in the paper, despite limitations of data on which they are based, should at the minimum, provide a basis for further thoughts and perhaps some action at different levels, to strengthen capacity building for trade promotion in member countries.

ANNEX TABLES

Table A.1

IDB Member Countries by Changes in Production Structures Between 1980 and 1997

Percentage change	Countries Experiencing Change in GDP Share of:			
	Agriculture	Industry	Manufacturing	Services
Negative 20% or more	Bangladesh (-40), Indonesia (-33) Jordan (-38), Malaysia (-41) Turkey (-35), Uganda (-39) High Income countries (HIC) of the world (-57) Least Dev.cont.(-24)	Albania (-53), Bahrain (-27) Guinea, Bissau (-42) Kuwait (-29), Malaysia (-21) Mozambique (-39), Qatar (-25) S.Arabia (-37), UAE (-26) HIC(-34)		S. Leone (-32)
Negative less than 20% up to zero	Egypt (-11), Gambia, Chad (-13) (-7) Mauritania (-17) Pakistan (-13) Low Income Countries (LIC) (-15)	Algeria (-6), Cameroon (-13) Egypt (-14), Gaboon (-13) Gambia (-6), Jordan (-6) Senegal (-14), Tunisia (-10) Middle Income Countries (MIC) (-11)	Bangladesh (-18) Senegal (-8) MIC (-4)	Benin (-8), Comoros (-2) Morocco (-4), Togo (-10)
Upto 20%	Benin (9) B.F. (6), Com (15), Iran (17), Mali (2) Morocco (13), Mzmb (5), Senegal (13)	BD (6) Benin (17), BF (14) Iran (16) MRTN (12) LIC (11), LDC	BF (19), Camr (11), Jord. (14), Pak (6) LDC	Alg. (3), Chad (0), Gamb. (9), Jord (8) Mal. (3), Mrtn (5), Pak (9), Sen ((o) Som (8), Sud (6), Tun (5), Turk (6) MIC (10), LIC (16), LDC (8)
20 - 50%	Alg.(20) Cam (29) GBs (29) S.Leon (33) Tg (30) Yem (30)	Mali (51) Nig.(22) Som (25) Sud (29) Turk (27)	Bah. (31), Chad (25), S.Leo (20) Sud. (29), Turk (29), LIC (26)	Beh- (40), Egy (27), Indo (21), Mzub (41), Gabon (29), Niger (29) Oman (39), UAE (32)
50 - 100	Alb. (62)		Indo (92), Iran (56), Kuwait (83) Malaysia (62), Niger (75), S. Arab (60), Tunisia (50), Uganda (50) HIC (73)	BD (56) Kuwiat (84), Qatar (81) S. Arabia (94) HIC (62)
100% and above	S. Arab (600), UAE (100)	Uganda (325)	Egypt (108), Oman (300), Qtr. (333), Togo (188), UAE (100)	Uganda (113)

Source: Based on Table A.2

Table A. 2
Production Structures (Shares of Major Sectors in GDP) of IDB Member Countries, 1980 to 1997

Member Countries	Agriculture			Industry			Manufacturing			Services		
	1980	1990	1997	1980	1990	1997	1980	1990	1997	1980	1990	1997
AFGHANISTAN	-	-	-	-	-	-	-	-	-	-	-	-
ALBANIA	34	37	55	45	46	21	-	-	-	21	17	23
ALGERIA	10	14	12	54	40	51	9	12	9	36	41	37
AZERBAIJAN	-	27	22	-	40	18	-	31	18	-	33	60
BAHRAIN	1	1	1	59	46	43	16	17	21	40	53	56
BANGLADESH	50	37	30	15	16	17	11	9	9	34	47	53
BENIN	35	36	38	12	13	14	8	8	8	52	51	48
BRUNEI	-	-	-	-	-	-	-	-	-	-	-	-
BURKINA FASO	33	32	35	22	22	25	16	16	19	45	45	40
CAMEROON	29	24	41	23	29	20	9	14	10	48	47	30
CHAD	45	35	39	9	24	15	-	22	12	46	41	46
COMOROS	34	40	39	-	8	13	4	7	5	49	52	48
DJIBOUTI	-	3	3	-	20	20	-	5	5	-	77	77
EGYPT	18	18	16	37	24	32	12	19	25	45	58	53
GABON	7	9	7	60	50	52	5	12	5	33	43	42
GAMBIA	30	27	28	16	13	15	7	7	7	53	59	58
GUINEA	-	23	26	-	33	36	-	4	5	-	44	38
GUINEA-BISSAU	42	44	54	19	18	11	-	8	7	39	38	35
INDONESIA	24	19	16	42	39	42	13	21	25	34	41	41
IRAN	18	-	21	32	-	37	9	-	14	50	-	42
IRAQ	-	-	-	-	-	-	-	-	-	-	-	-
JORDAN	8	8	5	32	28	30	14	15	16	60	64	65
KAZAKHSTAN	-	-	13	-	-	30	-	-	6	-	-	57
KUWAIT	-	1	-	25	52	53	6	12	11	25	47	46
KYRGYZ REP.	-	35	52	-	36	19	-	27	8	-	29	29
LEBANON	-	7	12	-	24	27	-	17	17	-	69	61
LIBYA	-	-	-	-	-	-	-	-	-	-	-	-
MALAYSIA	22	19	13	38	40	46	21	18	34	40	41	41
MALDIVES	-	-	-	-	-	-	-	-	-	-	-	-
MALI	48	48	49	13	15	17	7	9	7	38	38	34

MAURITANIA	30	30	25	26	29	29	-	10	10	44	42	46
MOROCCO	18	18	20	31	32	31	17	18	17	51	50	49
MOZAMBIQUE	37	45	39	35	16	23	-	7	-	27	42	38
NIGER	43	35	38	23	16	18	4	7	7	34	49	44
OMAN	3	3	-	69	58	-	1	4	-	28	39	-
PAKISTAN	30	20	26	25	25	25	16	17	17	46	49	50
PALESTINE	-	-	-	-	-	-	-	-	-	-	-	-
QATAR	1	1	-	76	57	-	3	13	-	23	43	-
SAUDI ARABIA	1	6	7	81	59	-	5	8	-	18	35	-
SENEGAL	16	21	18	21	18	18	13	13	12	63	60	63
SIERRA LEONE	33	47	44	21	20	24	5	4	6	47	33	32
SOMALIA	68	65	-	8	9	-	5	5	-	24	26	-
SUDAN	34	30	-	14	15	-	7	9	-	52	55	-
SURINAME	-	-	-	-	-	-	-	-	-	-	-	-
SYRIA	20	29	-	23	24	-	5	-	56	-	48	-
TAJIKISTAN	-	-	-	-	-	-	-	-	-	-	-	-
TOGO	27	34	35	25	23	-	8	10	23	48	44	43
TUNISIA	14	16	14	31	30	28	12	17	18	55	54	58
TURKEY	26	18	17	22	30	28	14	20	18	51	52	55
TURKMENISTAN	-	-	32	-	-	31	-	-	-	-	-	37
UGANDA	72	57	44	4	11	17	4	6	8	23	32	49
U.A.EMIRATES	1	2	-	77	63	57	4	8	-	22	35	-
YEMEN REP.	-	19	18	-	31	49	-	9	11	-	50	34
International Data*												
High Income Countries	7	7	3	56	42	37	15	22	26	37	50	60
Middle Income Countries	13	13	13	38	35	34	23	22	22	48	51	73
Low Income Countries	33	31	25	35	33	39	23	23	29	31	37	36
Least Developed Countries	42	39	34	18	19	22	9	9	10	40	43	43

* Data reported here under 1997 actually relate to 1995

Sources : For 1980 and 1997 IDB Statistical Monograph No. 15 and 18 and for 1990 UNCTAD (1999), Handbook of International Trade and Development Statistics.

TABLE A. 3

Export Structures of IDB Member Countries, 1980 to 1996, Selected Years

Member Countries	Year	All food Items	Agr.Raw Materails	Fuels	Ores and Mines	Manufac turing	Of which			Unallo- cated
							Chem. Prod.	Other Mfg.	Mach. & Transport	
		1	2	3	4	5	5.1	5.2	5.3	6
AFGHANISTAN	1980	27.0	33.7	-	0.7	38.5	0.3	37.9	0.3	0.2
	1990	13.8	14.7	47.6	-	23.7	0.1	22.9	0.8	0.1
	1992	21.2	19.8	49.0	0.4	16.6	0.1	13.4	3.1	-
ALGERIA	1980	0.0	-	98.4	0.5	0.3	0.1	0.2	-	-
	1990	0.4	-	96.4	0.4	2.6	0.6	1.2	0.9	-
	1996	1.2	0.1	92.1	0.7	6.0	3.4	2.2	0.4	-
BAHRAIN	1980	0.6	-	93.6	2.8	3.0	0.1	1.4	1.4	-
	1990	0.7	-	78.1	11.1	9.8	3.2	5.4	1.2	0.2
	1994	2.2	-	59.5	21.8	16.3	5.1	9.5	1.7	0.1
BANGLADESH	1980	12.5	8.7	-	-	67.6	1.4	65.0	1.3	1.2
	1990	14.3	6.8	1.3	-	77.5	1.1	75.5	0.9	0.1
	1993	12.3	3.6	0.9	0.1	83.0	2.4	80.5	0.1	0.2
BENIN	1980	61.8	25.0	4.2	1.1	3.4	0.4	1.9	1.1	4.5
	1990	19.0	39.2	24.6	4.3	12.4	0.8	10.9	0.8	0.5
	1992	17.8	42.2	24.4	4.4	11.1	0.8	11.1	-	-
BRUNEI	1980	-	-	10.0	-	-	-	-	-	-
	1990	-	-	99.5	-	0.5	-	0.5	-	-
	1994	-	-	98.7	-	1.3	-	1.3	-	-
BURKINA FASO	1980	41.3	47.7	0.1	0.1	10.8	0.3	8.2	2.3	-
	1990	-	-	-	-	-	-	-	-	-
	1996	-	-	-	-	-	-	-	-	-
CAMEROON	1980	48.0	15.7	30.7	1.9	3.8	0.1	2.9	0.8	-
	1990	-	-	-	-	-	-	-	-	-
	1996	24.3	25.2	36.2	6.4	8.0	1.1	5.8	1.1	-
CHAD	1980	4.3	80.7	-	0.1	14.6	-	14.2	-	0.3
	1990	-	-	-	-	-	-	-	-	-
	1996	-	-	-	-	-	-	-	-	-
COMOROS	1980	58.7	0.5	-	14.6	23.8	19.7	0.9	3.2	2.4
	1990	-	-	-	-	-	-	-	-	-
	1996	-	-	-	-	-	-	-	-	-
EGYPT	1980	6.8	15.6	64.2	2.5	10.9	0.6	10.2	0.1	-
	1990	9.7	9.5	29.4	8.9	42.5	4.8	37.0	0.6	-
	1996	10.5	4.2	47.6	5.9	31.6	5.0	26.2	0.4	0.1
GABON	1980	-	-	87.9	12.0	-	-	-	-	-
	1990	-	-	-	-	-	-	-	-	-
	1996	0.2	13.1	82.7	2.0	1.9	0.4	1.1	0.4	-

TABLE A. 3 (Cont'd)

Member Countries	Year	All food Items	Agr.Raw Materails	Fuels	Ores and Mines	Manufac turing	Of which			Unallo-cated
							Chem. Prod.	Other Mfg.	Mach. & Transport	
		1	2	3	4	5	5.1	5.2	5.3	6
GAMBIA	1980	98.9	0.4	-	-	-	-	-	-	0.7
	1990	-	-	-	-	-	-	-	-	
	1996	-	-	-	-	-	-	-	-	
GUINEA-BISSAU	1980	84.9	2.2	-	0.3	8.2	0.3	6.9	1.0	4.4
	1990	-	-	-	-	-	-	-	-	
	1996	-	-	-	-	-	-	-	-	
INDONESIA	1980	7.6	14.1	71.9	3.9	2.3	0.4	1.4	0.5	0.1
	1990	11.2	5.0	44.0	4.5	35.5	2.4	31.6	1.4	
	1996	11.2	5.8	25.8	5.7	51.4	3.5	39.7	8.2	
IRAN	1980	0.8	0.9	93.2	0.3	4.8	0.3	4.4	0.1	-
	1990	-	-	-	-	-	-	-	-	-
	1992	5.5	2.3	80.9	1.9	9.1	0.2	8.4	0.5	0.2
IRAQ	1980	0.2	0.1	99.1	0.2	0.4	0.3	0.1	0.1	-
	1990	-	-	-	-	-	-	-	-	-
	1992	21.9	8.1	44.1	7.8	17.3	7.3	9.2	0.8	0.8
JORDAN	1980	25	0.5	0.2	40.5	33.8	9.1	22.7	2	-
	1990	10.6	0.4	-	38.2	50.7	30.8	17.6	2.3	0.1
	1995	25.1	1.9	-	24.3	48.7	29.5	14.7	4.6	-
KUWAIT	1980	0.5	0.1	88.9	0.2	10.4	4.6	3.1	2.7	-
	1990	0.7	0.1	92.6	0.2	6.4	1.9	2.3	2.2	-
	1996	0.5	0.1	95.2	0.2	3.9	1.5	1.1	1.3	0.1
KYRGYZ REP.	1980	-	-	-	-	-	-	-	-	
	1995	22.8	12.7	11.0	12.6	40.1	13.7	17.1	9.3	0.8
	1996	28.4	11.3	15.3	6.2	38.4	13.8	14.9	9.8	0.4
LEBANON	1980	27.7	2.4	0.4	9.0	58.4	9.4	38.3	10.7	2.1
	1990	-	-	-	-	-	-	-	-	
	1996	-	-	-	-	-	-	-	-	
LIBYA	1980	-	-	100.0	-	-	-	-	-	
	1990	0.4	0.2	94.4	0.3	4.7	3.8	0.9	-	
	1992	0.6	0.1	95.4	-	3.9	3.4	0.5	-	
MALAYSIA	1980	15.1	31.0	24.7	10.2	18.8	0.6	6.7	11.5	0.3
	1990	11.7	13.8	18.3	2.1	53.8	1.6	18.7	33.5	0.4
	1996	8.7	5.2	7.9	1.2	75.9	3.2	22.1	50.7	1.1
MALI	1980	30.1	68.6	-	0.1	1.3	-	1.2	0.1	
	1990	36.1	62.3	-	-	1.6	-	0.6	0.9	0.1
	1996	-	-	-	-	-	-	-	-	

TABLE A. 3 (Cont'd)

Member Countries	Year	All food Items	Agr.Raw Materails	Fuels	Ores and Mines	Manufac turing	Of which Chem. Prod.	Other Mfg.	Mach. & Transport	Unallo-cated
		1	2	3	4	5	5.1	5.2	5.3	6
MAURITANIA	1980	15.5	0.7	-	83.3	0.4	-	0.1	0.3	
	1990	47.3	0.4	1.9	48.6	0.5	-	0.2	0.3	1.1
	1992	45.2	3.0	1.9	48.6	0.2	-	-	0.2	1.1
MOROCCO	1980	28.5	2.6	4.8	40.5	23.5	10.2	12.7	0.6	
	1990	26.1	2.9	3.6	15.1	52.3	19.4	27.8	5.0	
	1996	32.9	2.5	1.6	12.7	50.3	20.1	27.3	2.9	
MOZAMBIQUE	1980	67.7	6.6	2.3	4.9	18.2	0.2	17.6	0.4	0.4
	1990	-	-	-	-	-	-	-	-	
	1996	68.9	9.2	1.2	16.7	0.4	4.7	11.6	0.1	
OMAN	1980	0.8	-	96.2	2.9	-	0.3	2.5	0.1	
	1990	1.5	-	91.9	1.0	5.2	0.3	1.5	3.4	0.5
	1996	3.7	-	80.5	1.4	13.5	0.4	3.8	9.2	0.9
PAKISTAN	1980	23.5	20.5	7.1	0.4	48.2	0.8	46.1	1.3	0.3
	1990	9.3	10.2	1.3	0.3	78.7	0.4	78.1	0.3	0.2
	1996	9.0	6.1	0.8	0.2	83.8	0.6	82.9	0.2	0.2
QATAR	1980	-	-	95.0	-	3.7	1.4	2.2	0.1	1.3
	1990	-	-	84.1	0.2	15.7	10.3	5.4	-	
	1994	0.4	-	75.4	0.2	24.0	16.2	7.8	-	
SAUDI ARABIA	1980	0.1	-	99.2	0.1	0.6	0.1	0.1	0.4	
	1990	0.7	-	11.7	0.5	7.1	5.7	1.1	0.2	
	1996	0.6	0.1	89.5	0.3	9.4	6.9	2.0	0.5	
SIERRA LEONE	1980	24.4	1.2	-	34.2	39.9	0.1	39.6	0.2	0.3
	1990	24.6	3.9	3.5	40.9	26.1	-	26.0	0.1	1.0
	1992	24.2	3.4	3.4	40.3	28.2	-	28.2	-	0.7
SOMALIA	1980	86.7	7.7	-	-	0.5	0.1	0.3	0.1	0.3
	1990	90.4	6.8	4.8	1.1	1.1	-	0.5	0.6	0.4
	1992	88.6	6.8	0.2	2.3	2.3	-	-	2.3	
SUDAN	1980	46.9	50.7	1.0	0.5	0.8	-	0.8	-	
	1990	38.6	59.5	0.3	1.0	-	0.3	0.7	0.5	
	1992	41.8	56.3	-	-	1.4	-	0.4	1.1	0.5
SYRIA	1980	4.3	9.1	78.9	1.2	6.6	0.1	5.4	1.1	
	1990	13.7	4.5	45.2	1.0	35.7	12.8	22.7	0.2	
	1995	12.3	7.0	62.5	0.8	17.4	0.6	16.0	0.8	

TABLE A. 3 (Cont'd)

Member Countries	Year	All food Items	Agr.Raw Materails	Fuels	Ores and Mines	Manufac turing	Of which			Unallo-cated
							Chem. Prod.	Other Mfg.	Mach. & Transport	
		1	2	3	4	5	5.1	5.2	5.3	6
TUNISIA	1980	7.2	0.9	52.5	3.6	35.7	13.2	20.1	2.4	0.1
	1990	11.0	1.0	17.3	1.6	69.1	14.5	46.8	7.8	
	1996	7.3	0.7	10.5	1.6	79.8	12.7	57.3	9.8	
TURKEY	1980	51.1	13.6	1.4	7.0	26.9	2.6	21.4	2.9	
	1990	22.4	3.0	2.3	4.3	67.9	5.9	55.4	6.6	0.1
	1996	19.7	1.7	1.2	2.4	73.8	3.8	57.4	12.5	1.2
UGANDA	1980	95.8	2.3	0.5	0.5	0.7	0.1	0.5	0.1	0.1
	1990	88.9	10.0	-	0.1	1.1	0.1	0.3	0.6	
	1992	89.5	9.8	-	-	0.7	-	-	0.7	
U.A.EMIRATES	1980	0.8	0.1	94.3	2.0	2.6	0.1	1.4	1.1	0.1
	1990	8.1	1.3	5.1	39.3	46.1	6.8	36.3	3.0	
	1992	2.1	0.2	82.2	2.5	12.1	1.5	7.5	3.1	0.9
YEMEN REP.	1980	7.9	1.8	85.8	0.1	3.8	0.2	1.8	1.8	0.4
	1990	-	-	-	-	-	-	-	-	
	1995	2.8	0.7	95.3	0.6	0.6	0.1	0.5	-	

Source : UNCTAD (1999), Handbook of International Trade and Development Statistics, 1996 - 97.

Table A.4
Exports of IDB Member Countries by Factor Intensity in 1997 and their Growth Trend During 1993-97

Member Countries	Share in total Exports (1997)					Growth during 1993-97				
	Primary	Natural resource Mfg.	Labor Int. Mfg.	Tech. Int. Mfg.	Skill Int. Intensive Mfg.	Primary Product	Natural resource Mfg.	Lab. Int. Mfg.	Tech. Int. Mfg.	Skill Int. Intensive Mfg.
AFGANISTAN	65	5	9	2	19	16	13	-13	6	85
ALBANIA	27	9	55	4	3	14	4	28	22	14
ALGERIA	98	1	0	1	1	9	37	1	3	13
AZERBAIJAN	74	0	6	14	3	1	-37	41	59	7
BAHRAIN	46	32	8	7	7	8	9	12	-6	5
BANGLADESH	10	4	84	2	0	8	12	18	6	28
BENIN	97	1	2	0	0	22	10	19	61	28
BRUNEI	71	1	4	1	23	0	-2	23	0	4
BURKINA FASO	82	5	1	1	2	11	19	8	-3	45
CAMEROON	91	8	1	0	0	8	11	18	7	18
CHAD	96	0	0	4	0					
COMOROS	57	-	1	5	37					
DJIBOUTI	56	3	1	13	6	-6	30	-7	-5	15
EGYPT	58	7	24	4	6	7	9	-1	6	-6
GABON	99	1	-	-	-	10	-12	-32	4	20
GAMBIA	15	82	0	2	0	-21	25	-15	-13	5
GUINEA	80	20	0	0	0	4	-12	-26	-7	-2
GUINEA-BISSAU	93	2	2	1	3	11	-21	63	32	12
INDONESIA	44	10	16	9	9	9	-1	-1	30	13
IRAN	93	0	4	1	1	5	-5	-5	25	-19
IRAQ	100	0	0	0	0	235	-47	2	-1	-1
JORDAN	93	5	6	43	5	18	8	2	7	-9
KAZAKHSTAN	59	21	1	7	11	28	19	15	0	18
KUWAIT	96	0	1	2	2	9	25	7	7	1
KYRGHYZ REP.	56	10	7	11	7	30	32	8	-7	-38
LEBANON	25	21	13	12	25	4	28	-5	6	2
LIBYA	95	0	0	4	1	8	-5	-54	9	-3

MALAYSIA	21	5	8	51	13	6	12	11	21	8
MALDIVES	68	-	29	2	0	20	-	0	-7	-1
MALI	94	3	1	1	1	18	-21	5	-47	26
MAURITANIA	99	0	1	0	0	9	75	45	4	29
MOROCCO	49	4	22	23	3	10	17	-1	7	4
MOZAMBIQUE	86	2	5	5	2	12	-8	-17	11	-32
NIGER	29	28	0	41	1	37	-39	-27	52	-1
OMAN	81	1	2	3	11	10	5	23	24	7
PAKISTAN	14	3	80	2	1	8	1	7	9	0
PALESTINE	-	-	-	-	-	-	-	-	-	-
QATAR	89	0	2	7	1	14	-4	16	15	-9
SAUDI ARABIA	88	1	0	9	2	8	16	21	16	17
SENEGAL	91	2	3	4	1	5	33	0	11	5
SIERRA LEONE	14	75	3	6	2	-17	7	-4	7	-26
SOMALIA	93	1	0	1	5	22	-16	-10	-23	9
SUDAN	90	3	4	1	0	1	-55	82	8	8
SURINAME	88	6	0	1	0	8	12	24	-3	-1
SYRIA	92	1	5	1	2	10	62	13	1	29
TADJIKISTAN	67	10	18	4	2	1	-19	183	50	-31
TOGO	88	2	3	7	0	20	-22	0	65	17
TUNISIA	22	2	50	22	4	5	8	12	14	1
TURKEY	23	4	43	9	20	9	21	15	19	15
TURKMENISTAN	84	0	13	2	1	-19	-23	58	17	10
UGANDA	96	0	0	1	0	29	27	-1	-2	68
U.A. EMIRATES	78	3	4	6	4	9	15	6	20	0
YEMEN REP.	99	0	0	1	0	19	-22	-32	-9	-15

Source: Based on data from the International Trade Centre (1999), National Export Performance and International Demand, Research Paper (Monographed)

Table A.5
Growth Rates of Exports and Imports of IDB Member Countries, 1980 to 1997, Selected periods

Member Countries	Exports (%)			Imports (%)		
	1980 to 1990	1990 to 1995	1996 to 1997	1980 to 1990	1990 to 1995	1996 to 1997
AFGANISTAN	-	-	18.3	-	-	-
ALBANIA	-	-	-	-	-	-
ALGERIA	2.5	-0.8	10.5	-5.1	-5.7	6.7
AZERBAIJAN	-	-	23.8	-	-	-
BAHRAIN	-	-	6.4	-	-	12.4
BANGLADESH	7.5	12.7	23.6	1.6	5.3	-0.6
BENIN	7.7	-0.3	17.8	-6.3	29.4	9.4
BRUNEI	-	-	-	-	-	-16.1
BURKINA FASO	5.4	1.3	-	2.1	8.3	-13.2
CAMEROON	4.5	-1.7	0.8	-1.4	-11.2	10.9
CHAD	5.4	-10.0	7.2	10.5	-12.1	-20.2
COMOROS	-	-	-21.4	-	-	-
DJIBOUTI	-	-	-	-	-	-3.0
EGYPT	-0.2	-0.1	10.6	-0.7	-2.9	1.1
GABON	0.6	5.7	10.7	-2.0	2.0	19.3
GAMBIA	2.3	26.9	700.0	1.0	9.0	19.9
GUINEA	-3.6	-8.6	20.3	-2.9	-2.8	-0.2
GUINEA-BISSAU	-5.1	-18.3	24.6	1.3	-5.4	6.3
INDONESIA	5.3	21.3	4.5	1.2	9.1	0.1
IRAN	7.4	10.2	11.7	-4.0	15.7	-3.3
IRAQ	-	-	-	-	-	-
JORDAN	7.4	7.1	0.5	-3.1	13.0	-10.3
KAZAKHSTAN	-	-	7.3	-	-	-0.1
KUWAIT	-2.0	42.3	3.3	-6.3	23.0	15.3
KYRGHYZ REP.	-	-	-	-	-	-
LEBANON	-1.2	-7.8	-38.3	-7.4	23.5	-1.4
LIBYA	-	-	-2.8	-	-	5.6
MALAYSIA	11.5	17.8	0.3	6.0	15.7	2.3
MALDIVES	-	-	-	-	-	-

MALI	2.6	-3.7	-1.4	1.2	-3.4	1.6
MAURITANIA	7.8	3.5	-2.0	1.1	4.4	-3.9
MOROCCO	4.2	0.8	48.8	2.9	1.7	21.4
MOZAMBIQUE	-10.5	-0.3	18.5	-1.0	2.9	5.4
NIGER	-6.4	-2.0	62.0	-4.5	2.5	5.1
OMAN	13.2	9.8	4.6	-1.6	18.5	8.0
PAKISTAN	9.5	8.8	37.0	21	10.3	-4.6
PALESTINE	-	-	-	-	-	-
QATAR	-	-	-	-	-	-
SAUDI ARABIA	-8.2	4.0	7.2	-8.4	5.9	46.3
SENEGAL	2.6	3.6	25.8	1.0	6.1	-7.8
SIERRA LEONE	-2.1	-4.3	1.9	-9.9	-1.1	-
SOMALIA	-	-	-	-	-	-
SUDAN	-	-	5.1	-	-	11.9
SURINAME	-	-	-	-	-	-
SYRIA	-	-	2.8	-9.3	22.3	-4.7
TADJIKISTAN	6.4	3.2	23.9	-	-	-5.2
TUNISIA	6.2	7.7	-2.8	1.3	6.4	-2.2
TURKEY	12.0	8.8	13.5	11.3	11.2	14.6
TURKMENISTAN	-	-	-	-	-	-8.5
UGANDA	-1.4	3.9	-6.4	-0.6	28.7	4.7
U.A. EMIRATES	6.1	6.3	11.1	-1.3	21.0	36.7
YEMEN REP.	1.5	7.2	2.7	-5.9	11.1	-0.8
WORLD	**4.7**	**6.0**	**4.5**	**4.6**	**5.8**	**4.4**

Source: Based on data from UNCTAD (1999), International Trade and Development Statistics, 1996-97

Table A.6
IDB Member Countries Share in World Exports, 1989 and 1997

Member Countries	Share in total world exports	
	1988/89	1997
AFGANISTAN	0.02	0.00
ALBANIA	-	0.00
ALGERIA	0.32	0.30
AZERBAIJAN	-	0.00
BAHRAIN	0.09	0.21
BANGLADESH	0.04	0.07
BENIN	0.00	0.00
BRUNEI	0.07	0.04
BURKINA FASO	0.00	0.00
CAMEROUN	0.06	0.04
CHAD	0.00	0.00
COMOROS	0.00	0.00
DJIBOUTI	0.00	0.00
EGYPT	0.09	0.07
GABON	0.05	0.06
GAMBIA	0.00	0.00
GUINEA	0.02	0.02
GUINEA-BISSAU	0.00	0.00
INDONESIA	0.75	0.94
IRAN	0.41	0.45
IRAQ	0.43	0.04
JORDAN	0.04	0.03
KAZAKHSTAN	-	0.12
KUWAIT	0.39	0.25
KYRGHYZ REP.	-	0.01
LEBANON	0.02	0.01

LIBYA	0.24	0.17
MALAYSIA	0.86	1.42
MALDIVES	0.00	0.00
MALI	0.01	0.01
MAURITANIA	0.02	0.01
MOROCCO	0.11	0.13
MOZAMBIQUE	-	0.00
NIGER	0.01	0.00
OMAN	0.13	0.12
PAKISTAN	0.16	0.16
PALESTINE	-	-
QATAR	0.09	0.10
SAUDI ARABIA	0.95	1.11
SENEGAL	0.02	0.01
SIERRA LEONE	0.00	0.00
SOMALIA	0.00	0.00
SUDAN	0.02	0.01
SURINAME	-	0.01
SYRIA	0.10	0.07
TADJIKISTAN	-	0.01
TUNISIA	0.10	0.10
TURKEY	0.40	0.47
TURKMENISTAN	-	0.05
UGANDA	0.01	0.01
U.A. EMIRATES	0.65	0.56
YEMEN REP.	0.04	0.04
TOTAL	6.76	7.04

Sources: Figures for 1988-89 based on data from IDB statistical Monograph (1997). For 1997 they are based on data from International trade Centre (1999).

Table A.7

Number of Commodities Exported and Shares of their Major Commodities in Total Exports

Member Countries	Number of Commodities Exported (1)		Share of three major exports in total exports (2)	
	1980	1995	1989	1997
AFGANISTAN	-	-	27	38
ALBANIA	-	-	-	-
ALGERIA	49	105	88	89
AZERBAIJAN	-	-	-	-
BAHRAIN	58	108	-	-
BANGLADESH	56	96	42	65
BENIN	-	-	66	93
BRUNEI	45	63	100	86
BURKINA FASO	43	29	94	83
CAMEROON	90	84	37	65
CHAD	-	-	100	98
COMOROS	-	-	72	85
DJIBOUTI	-	-	71	-
EGYPT	80	152	45	49
GABON	46	36	72	98
GAMBIA	-	-	-	90
GUINEA	-	-	80	86
GUINEA-BISSAU	-	-	-	-
INDONESIA	144	210	44	26
IRAN	88	171	82	88
IRAQ	83	22	84	99
JORDAN	107	113	52	51
KAZAKHSTAN	-		-	36
KUWAIT	-189	131	62	86

KYRGHYZ REP.	-	-	-	-
LEBANON	194	160	51	37
LIBYA	42	76	100	95
MALAYSIA	214	227	32	33
MALDIVES	20	17	35	72
MALI	-	-	100	91
MAURITANIA	24	27	91	97
MOROCCO	113	157	36	30
MOZAMBIQUE	16	70	-	-
NIGER	-	-	98	80
OMAN	101	125	86	82
PAKISTAN	157	130	39	43
PALESTINE	-	-	-	-
QATAR	3	71	73	85
SAUDI ARABIA	183	175	79	86
SENEGAL	113	109	33	56
SIERRA LEONE	39	14	77	83
SOMALIA	-	-	75	-
SUDAN	63	44	68	56
SURINAME	-	-	-	-
SYRIA	114	144	48	80
TADJIKISTAN	-	-	-	-
TUNISIA	142	183	34	38
TURKEY	189	213	16	18
TURKMENISTAN	-	-	-	-
UGANDA	22	27	97	85
U.A. EMIRATES	97	211	58	71
YEMEN REP.	-	-	-	-

Sources: 1) UNCTAD (1999)
2) International Trade Centre (1999)

Table A.8

"Diversification Indices" (DVIs) of IDB Member Countries, 1980 and 1995*

Member Countries	Diversification Index	
	1980	1995
AFGANISTAN	-	-
ALBANIA	-	-
ALGERIA	0.732	0.887
AZERBAIJAN	-	-
BAHRAIN	0.768	0.865
BANGLADESH	0.916	0.886
BENIN	-	-
BRUNEI	0.742	0.883
BURKINA FASO	0.891	0.929
CAMEROON	0.720	0.848
CHAD	-	-
COMOROS	-	-
DJIBOUTI	-	-
EGYPT	0.672	0.737
GABON	0.720	0.931
GAMBIA	-	-
GUINEA	-	-
GUINEA-BISSAU	-	-
INDONESIA	0.664	0.607
IRAN	0.738	0.863
IRAQ	0.797	0.921
JORDAN	0.824	0.788
KAZAKHSTAN		
KUWAIT	0.695	0.914
KYRGHYZ REP.	-	-
LEBANON	0.713	0.675
LIBYA	0.77	0.896
MALAYSIA		

MALDIVES	0.885	0.909
MALI	-	-
MAURITANIA	0.956	0.966
MOROCCO	0.810	0.773
MOZAMBIQUE	0.885	0.825
NIGER	-	-
OMAN	0.735	0.777
PAKISTAN	0.780	0.853
PALESTINE	-	-
QATAR	0.794	0.868
SAUDI ARABIA	0.757	0.863
SENEGAL	0.810	0.818
SIERRA LEONE	0.927	0.890
SOMALIA	-	-
SUDAN	0.923	0.921
SURINAME	-	-
SYRIA	0.671	0.800
TADJIKISTAN	-	-
TUNISIA	0.658	0.684
TURKEY	0.734	0.636
TURKMENISTAN	-	-
UGANDA	0.953	0.96
U.A. EMIRATES	0.732	0.744
YEMEN REP.	-	-

Source: Based on data from UNCTAD (1999).

* Higher values of Diversification Index (DVI) indicates lower degree of trade diversification. For definition of DVI see UNCTAD [1999, p. 212]

Table A. 9

Shares of Services Exports in Aggregate Exports of IDB Member Countries, 1996

Member Countries	Aggregate Exports (US $ million)	Share of Services in Aggregate Exports
AFGHANISTAN	125	-
ALBANIA	129	-
ALGERIA	12,330	6
AZERBAIJAN	630	-
BAHRAIN	15,568	9
BANGLADESH	3,955	16
BENIN	385	32
BRUNEI	2,329	-
BURKINA FASO	266	27
CAMEROON	2,661	16
CHAD	190	35
COMOROS	51	73
DJIBOUTI	295	55
EGYPT	14,510	64
GABON	3,169	11
GAMBIA	123	82
GUINEA	912	14
GUINEA-BISSAU	103	17
INDONESIA	54,658	12
IRAN	22,722	4
IRAQ	-	-
JORDAN	3,347	55
KAZAKHSTAN	6,230	-
KUWAIT	12,362	12
KYRGYZ REP.	494	-
LEBANON	1,153	-
LIBYA	10,033	-
MALAYSIA	90,351	15
MALDIVES	418	69
MALI	365	23
MAURITANIA	596	4
MOROCCO	9,333	25
MOZAMBIQUE	493	51
NIGER	120	29
OMAN	6,411	0 2
PAKISTAN	11,243	17
PALESTINE	316	-
QATAR	4,467	-
SAUDI ARABIA	60,818	6
SENEGAL	1,407	43
SIERRA LEONE	264	23
SOMALIA	212	16
SUDAN	525	10
SURINAME	469	-
SYRIA	5,772	32
TAJIKISTAN	770	-
TOGO	472	19
TUNISIA	8,151	32
TURKEY	34,447	38
TURKMENISTAN	1,697	-
UGANDA	704	21
U.A.EMIRATES	28,104	-
YEMEN REP.	4,786	5

Sources : Based on data from IDB Statistical Monograph No. 18 and UNCTAD (1999), Handbook of International Trade and Development Statistics, 1996 - 97.

Table A. 10
IDB Member Countries by Growth Rates of Services Exports and Imports, 1980 to 1996, Selected Years

Growth Trends	Exports			Imports		
	1980-90	1990-95	1995-96	1980-90	1990-85	1995-1996
Negative 10 or more	Somalia, Suriname	Iraq, Oman, Togo	Bangladesh, Kyrghyz, Mauritania, Sierra Leone, Sudan, Suriname, Turkey	Suriname	Cameroon, Iran, Iraq, Togo	Bangladesh, Guinea Bissau, Mauritania, Mozambique, Sierra Leone, Suriname
Negative less than 10 up to zero	Algeria, Gabon, Iran, Libya, Mauritania, Mozambique, Saudi Arabia, Sudan, Yemen	Benin, Burkina Faso, Cameroon, Gabon, Guinea, Mali, Mauritania, Niger, Senegal, Somalia, Sudan	Bahrain, Iraq, Oman, Somali, Syria, Togo	Algeria, Bahrain, Iran, Jordan, Libya, Maldives, Morocco, Niger, Oman, Saudi Arabia, Sierra Leone, Somalia, Sudan	Burkina Faso, Chad, Gabon, Niger, Saudi Arabia, Senegal, Sudan, Suriname, Yemen	Djibouti, Gabon, Iraq, Jordan, Kuwait, Morocco, Togo, Tunisia
0 – 5	Bahrain, Burkina Faso, Cameroon, Jordan, Kuwait, Niger, Senegal, Sierra Leone	Djibouti, Gambia, Iran, Jordan, Kuwait, Morocco, Pakistan, Saudi Arabia	Benin, Burkina Faso, Chad, Guinea, Mozambique, Pakistan, Saudi Arabia, Tunisia	Albania, Bangladesh, Benin, Burkina Faso, Cameroon, Egypt, Gabon, Gambia, Kuwait, Malaysia, Mauritania, Senegal, Syria, Togo, Tunisia, Yemen	Bahrain, Benin, Comoros, Djibouti, Gambia, Guinea, Jordan, Mali, Oman, Somalia	Bahrain, Egypt, Maldives, Mali, Oman, Pakistan, Senegal, Somalia, Syria
5 – 10	Bangladesh, Benin, Egypt, Malaysia, Maldives, Mali, Pakistan, Syria, Togo, Tunisia	Algeria, Bahrain, Egypt, Sierra Leone, Tunisia, Yemen	Algeria, Comoros, Djibouti, Egypt, Jordan, Kuwait, Malaysia, Niger, Senegal	Mozambique, Mali, Pakistan, Uganda	Egypt, Kuwait, Mauritania, Morocco, Pakistan, Sierra Leone, Turkey	Algeria, Chad, Comoros, Guinea
10 – 20	Albania, Gambia, Morocco, Oman	Bangladesh, Chad, Comoros, Indonesia, Maldives, Mozambique, Syria, Turkey	Mali, Morocco	Comoros	Algeria, Bangladesh, Guinea Bissau, Indonesia, Maldives, Mozambique, Tunisia, Syria	Benin, Burkina Faso, Gambia, Indonesia, Saudi Arabia, Sudan, Uganda
20 and above	Comoros, Turkey	Albania, Malaysia, Suriname	Albania, Cameroon, Gabon, Gambia, Indonesia, Iran, Kazakhstan, Maldives, Uganda, Yemen	Chad, Turkey	Albania, Malaysia, Uganda	Albania, Cameroon, Iran, Kazakhstan, Kyrghyz, Niger, Turkey, Yemen

Source: Based on data in Table A.12.

Table A. 11
Services Exports by Type of Services Exported in 1997 and their Growth Rates During 1993 - 97

Member Countries	Total Services (1) (US$ million) 1996		Value in US $ million in 1997 Exports			Growth Trend 1993-97 (%)		
	Exports	Imports	Transport Services	Travel Services	Other Services	Transport Services	Travel Services	Other Services
AFGHANISTAN	-	-	-	-	-	-	-	-
ALBANIA	129	189	12	27	24	18	-11	26
ALGERIA	750	2,150	-	-	-	-	-	- o
AZERBAIJAN	-	-	-	-	-	-	-	-
BAHRAIN	1,339	2,150	-	-	-	-	-	-
BANGLADESH	605	7,160	91	62	534	21	22	3
BENIN	122	108	-	-	-	-	-	-
BRUNEI	-	-	-	-	-	-	-	-
BURKINA FASO	72	202	-	-	-	-	-	-
CAMEROON	439	656	-	-	-	-	-	-
CHAD	66	220	-	-	-	-	-	-
COMOROS	37	54	-	-	-	-	-	-
DJIBOUTI	761	82	-	-	-	-	-	-
EGYPT	281	5,084	2,524	3,727	3,128	-4	2-	2
GABON	339	890	-	-	-	-	-	-
GAMBIA	101	77	9	75	25	2	7	14
GUINEA	124	422	47	0	63	66	-43	-21
GUINEA-BISSAU	18	18	-	-	-	-	-	-
INDONESIA	6,599	15,139	-	6,648	293	-	16	9
IRAN	860	3,083	-	-	-	-	-	-
IRAQ	60	45	-	-	-	-	-	-
JORDAN	1,846	1,598	-	-	-	-	-	-
KAZAKHSTAN	-	-	495	289	57	-	-	-
KUWAIT	1,516	5,103	-	-	-	-	-	-
KYRGYZ REP.	-1	-	9	7	29	23	94	40
LEBANON	-	-	-	-	-	-	-	-

LIBYA	-	-	-	-	-	-	-	-
MALAYSIA	12,105	14,073	3,000	3,741	8,276	18	15	33
MALDIVES	289	79	20	286	4	0	19	-11
MALI	85	442	23	26	33	9	1	5
MAURITANIA	23	184	-	-	-	-	-	-
MOROCCO	2,360	1,984	440	1,446	585	6	6	0
MOZAMBIQUE	253	171	-	-	-	-	-	-
NIGER	35	197	-	-	-	-	-	-
OMAN	13	1,037	18	-	-	11	-	-
PAKISTAN	1,944	3,064	821	103	716	0	-2	5
PALESTINE	-	-	-	-	-	-	-	-
QATAR	-	-	-	-	-	-	-	-
SAUDI ARABIA	3,518	22,049	-	-	-	-	-	-
SENEGAL	601	584	-	-	-	-	-	-
SIERRA LEONE	60	80	-	-	-	-	-	-
SOMALIA	33	112	-	-	-	-	-	-
SUDAN	51	201	1	4	26	16	0	-21
SURINAME	-	-	-	-	-	-	-	-
SYRIA	1,833	1,555	214	1,035	353	-9	7	-6
TAJIKISTAN	-	-	-	-	-	-	-	-
TOGO	90	194	-	-	-	-	-	-
TUNISIA	2,632	1,259	644	1,543	335	7	6	4
TURKEY	13,051	6,426	2,193	7,002	10,178	16	15	14
TURKMENISTAN	-	-	134	33	105	-	-	-
UGANDA	145	663	22	-	143	15	-	23
U.A.EMIRATES	-	-	-	-	-	-	-	-
YEMEN REP.	250	997	34	66	104	4	20	0
World (billion)	1,243	1,246	-	-	-	-	-	-
U S A (billion)	-	-	47.8	84.3	124.1	6.0	7.0	12.0
U K (billion)	-	-	18.3	20.7	48.2	7.0	10.0	12.0
China (billion)	-	-	3.0	12.1	9.5	9.0	25.0	18.0

Sources : 1) UNCTAD (1999), Handbook of International Trade and Development Statistics, 1996 - 97.
2) Major export categories data from International Trade Centre (1999)

Table A. 12
Growth Trends of Services Exports and Imports in IDB Member Countries, 1980 to 1996 Selected Years

Member Countries	EXPORTS			IMPORTS		
	1980-1990	1990-1995	1995-1996	1980-1990	1990-1995	1995-1996
AFGHANISTAN	-	-	-	-	-	-
ALBANIA	13.3	47.2	30.3	4.0	45.7	21.2
ALGERIA	-0.4	9.6	10.3	-8.8	10.6	7.0
AZERBAIJAN	-	-	-	-	-	-
BAHRAIN	5.4	7.9	-3.2	-0.2	5.2	5.2
BANGLADESH	5.6	11.8	-13.3	4.8	16.2	-24.2
BENIN	7.3	-1.3	4.3	1.3	0.6	11.1
BRUNEI	-	-	-	-	-	-
BURKINA FASO	3.5	-1.6	4.3	1.9	-7.4	11.6
CAMEROON	0.7	-0.5	44.4	4.5	-16.6	31.5
CHAD	-	13.5	4.8	30.3	-1.5	5.8
COMOROS	33.0	12.7	5.7	10.8	1.7	8.0
DJIBOUTI	-	3.5	6.6	-	5.3	-5.7
EGYPT	7.9	7.0	7.9	3.5	8.7	4.3
GABON	-2.0	-1.9	24.2	0.2	-1.1	-6.2
GAMBIA	14.2	0.1	87.0	3.0	3.8	11.6
GUINEA	-	-3.1	5.1	-	1.5	7.7
GUINEA-BISSAU	-	-	-	-	11.0	-14.3
INDONESIA	-	17.6	20.7	-	18.3	11.8
IRAN	-7.1	2.7	45.0	-3.7	-11.8	31.8
IRAQ	-	-36.9	0.0	-	-51.1	0.0
JORDAN	2.8	3.9	8.0	-0.3	5.5	-1.1
KAZAKHSTAN	-	-	26.0	-	-	24.9
KUWAIT	1.1	3.9	8.2	2.5	5.9	-5.2

KYRGYZ REP.	-	-	-17.9	-	-	27.7
LEBANON	-	-	-	-	-	-
LIBYA	-4.4	-	-	-6.6	-	-
MALAYSIA	10.4	25.2	7.4	5.2	21.9	-2.6
MALDIVES	7.5	14.5	24.0	-0.5	14,7	3.9
MALI	6.6	-2.1	19.7	9.3	0.0	1.8
MAURITANIA	-5.2	-0.8	-17.9	3.3	8.6	-15.2
MOROCCO	11.0	1.7	18.2	-0.3	7.0	-3.8
MOZAMBIQUE	-2.1	15.8	4.5	5.7	11.1	-51.1
NIGER	0.3	-9.4	6.1	-0.4	-8.2	29.6
OMAN	17.4	-30.8	0.0	-0.2	3.9	5.3
PAKISTAN	6.6	5.0	5.1	8.3	5.9	4.8
PALESTINE	-	-	-	-	-	-
QATAR	-	-	-	-	-	-
SAUDI ARABIA	-9.0	3.1	1.1	-7.6	-9.3	15.5
SENEGAL	4.5	-1.7	8.1	4.7	-4.5	1.0
SIERRA LEONE	3.1	9.4	-31.0	-3.9	7.8	-13.0
SOMALIA	-13.3	-0.3	0.0	-2.0	0.5	3.7
SUDAN	-7.5	-6.8	-59.2	-4.6	-4.6	16.9
SURINAME	-14.7	22.5	-40.4	-10.5	-5.8	-29.6
SYRIA	8.0	18.5	-7.4	1.3	13.0	1.2
TAJIKISTAN	-	-	-	-	-	-
TOGO	6.1	-10.9	-8.2	5.3	-14.1	-0.2
TUNISIA	5.7	10.3	4.9	3.2	11.9	-6.9
TURKEY	23.8	11.8	-10.6	17.6	9.0	27.9
TURKMENISTAN	-	-	-	-	-	-
UGANDA	-	-	39.4	7.7	22.8	18.6
U.A.EMIRATES	-	-	-	-	-	-
YEMEN REP.	-4.3	10.5	39.7	2.8	-3.9	69.0

Source : Based on data from UNCTAD (1999), Handbook of International Trade and Development Statistics, 1996 - 97.

Table B.1

IDB Member Countries by their Exports to GDP Ratios from 1980 to 1997, Selected Years

Ratios	1980	1985	1990	1997
0 - 0.1	Bangladesh, Benin, Cameroon, Chad, Guinea Bissau, Turkey	Bangladesh, Burkina Faso, Egypt, Guinea Bissau, Iran, Pakistan, Somalia, Sudan, Uganda	Bangladesh, Benin, Burkina Faso, Chad, Comoros, Egypt, Kazakhstan, Kryrgyz, Sudan, Tajiskistan, Turkmenistan, Uganda	Albania, Burkina Faso, Chad, Comoros, Egypt, Lebanon, Niger, Senegal, Uganda
.1 - 0.2	Burkina Faso, Egypt, Gambia, Jordan, Mali, Morocco, Mozambique, Pakistan, Senegal, Sierra Leone, Syria	Benin, Cameroon, Gambia, Jordan, Mali, Morocco, Niger, Sierra Leone, Syria, Turkey	Azerbaijan, Cameroon, Guinea Bissau, Iran, Mali, Morocco, Niger, Pakistan, Senegal, Sierra Leone, Somalia, Turkey	Azerbaijan, Bangladesh, Benin, Mali, Mozambique, Pakistan, Turkey
0.2 to 0.3	Indonesia, Mauritania, Niger, Tunisia, Uganda	Guinea, Indonesia, Maldives, Saudi Arabia, Senegal, Tunisia	Guinea, Indonesia, Jordan	Cameroon, Guinea, Guinea Bissau, Indonesia, Iran, Jordan, Kazakhstan, Kyrgyz, Maldives, Morocco, Sierra Leone, Syria, Tajikistan, Tunisia
0.3 - 0.5	Algeria, Gabon, Oman	Kuwait, Libya, Malaysia	Maldives, Mauritania, Mozambique, Qatar, Saudi Arabia, Tunisia	Gambia, Kuwait, Mauritania, Saudi Arabia
0.5 - 0.75	Kuwait, Malaysia, Saudi Arabia, U.A.E.	Bahrain, Brunei, Gabon, Mauritania, Oman, Qatar, U.A.E.	Gabon, Malaysia, Oman, U.A.E.	Gabon, Oman, U.A.E., Yemen
0.75 and above	Nil	Nil	Bahrain, Gambia	Bahrain, Malaysia, Qatar, Suriname, Turkmenistan

Source: Based on Data in Table B. 3.

Table B. 2
Changes in Exports to GDP Ratios of IDB Member Countries
1980 to 1997 Selected Years

Country	1980-85	1985-90	1990-97
AFGHANISTAN	-	-	-
ALBANIA	-	-	-
ALGERIA	-	-	-
AZERBAIJAN	-	-	52
BAHRAIN	-	62	-
BANGLADESH	2	21	64
BENIN	257	-53	99
BRUNEI	-	-	-
BURKINA FASO	29	-25	46
CAMEROON	375	18	41
CHAD	-	-	-1
COMOROS	-	-50	-50
DJIBOUTI	-	-	-
EGYPT	358	41	-34
GABON	8	25	-6
GAMBIA	15	466	-56
GUINEA	-	-7	13
GUINEA-BISSAU	-44	200	55
INDONESIA	-23	18	-7
IRAN	-	72	58
IRAQ	-	-	-
JORDAN	37	18	9
KAZAKHSTAN	-	-	4,800
KUWAIT	-35	-	-
KYRGYZ REP.	-	-	509
LEBANON	-	-	-
LIBYA	-	-	-
MALAYSIA	-14	42	24
MALDIVES	-	100	-40
MALI	-4	-13	0
MAURITANIA	95	-11	4
MOROCCO	44	-5	18
MOZAMBIQUE	-	-	-50
NIGER	-38	-19	-42
OMAN	42	-5	17
PAKISTAN	-12	35	-2
PALESTINE	-	-	-
QATAR	-	-41	61
SAUDI ARABIA	-63	62	13
SENEGAL	44	-28	-51
SIERRA LEONE	-17	-10	63
SOMALIA	-	11	-
SUDAN	-	67	-
SURINAME	-	-	-
SYRIA	-36	229	-29
TAJIKISTAN	-	-	5,800
TOGO	-	-	-
TUNISIA	4	24	-10
TURKEY	300	-15	-8
TURKMENISTAN	-	-	6,800
UGANDA	-73	-38	74
U.A.EMIRATES	-27	37	3
UZBEKISTAN	-	-	-
YEMEN REP.	-	-	-

Source : Based on data in Table B : 3.

Table B. 3

Exports to GDP Ratios in IDB Member Countries, 1980 to 1997 Selected Years

Member Countries	Exports (US$ billion)				Exports/ G. D. P. (%)			
	1980	1985	1990	1997	1980	1985	1990	1997
AFGHANISTAN	0.67	0.7	0.1	0.2	..	..	..	
ALBANIA	..	..	0.2	0.2	..	..	..	8.4
ALGERIA	13.80	12.8	11.0	..	32.6	..	..	..
AZERBAIJAN	..	..	1.6	0.8	..	..	13.2	20.0
BAHRAIN	3.50	2.8	3.8	4.9	..	65.1	105.6	131.4
BANGLADESH	0.79	1.0	1.7	4.1	6.1	6.2	7.5	12.3
BENIN	0.06	0.2	0.1	0.3	4.2	15.0	7.1	14.1
BRUNEI	4.50	2.9	2.2	2.4	..	74.4	..	..
BURKINA FASO	0.09	0.1	0.2	0.2	15.2	6.7	5.0	7.3
CAMEROON	0.22	1.2	2.0	2.3	3.2	15.2	17.9	25.3
CHAD	0.03	0.1	0.1	0.1	4.1	..	8.2	8.1
COMOROS	0.09	0.0	0.0	0.0	..	20.0	10.0	5.0
DJIBOUTI	0.02	0.0	0.1	0.1	..	..	..	..
EGYPT	3.00	1.8	2.6	3.9	13.1	5.9	8.3	5.5
GABON	2.10	2.0	2.5	3.1	50.0	54.1	67.6	63.3
GAMBIA	0.03	0.0	0.2	0.2	13.0	15.0	85.0	37.5
GUINEA	0.40	0.5	0.6	1.0	..	23.5	21.8	24.6
GUINEA-BISSAU	0.01	0.0	0.0	0.1	9.0	5.0	15.0	23.3
INDONESIA	21.90	18.6	25.7	52.2	28.0	21.5	25.4	23.5
IRAN	14.70	13.7	19.3	25.0	..	8.1	13.9	22.0
IRAQ	26.20	10.4	10.3	2.3	..	..	..	..
JORDAN	0.57	0.7	0.9	1.5	14.6	20.0	23.6	21.4
KAZAKHSTAN	..	..	0.2	6.4	..	..	0.6	29.4
KUWAIT	19.60	9.6	8.1	14.0	68.5	44.2	..	39.9
KYRGYZ REP.	..	..	0.3	0.6	..	..	4.6	28.0
LEBANON	0.86	0.4	0.5	0.7	..	..	..	5.1

LIBYA	21.40	10.9	13.9	9.8	..	40.7	..	..
MALAYSIA	12.90	15.4	29.4	78.4	52.6	45.3	64.2	79.8
MALDIVES	0.00	0.0	0.1	0.1	..	25.0	50.0	30.0
MALI	0.20	0.1	0.3	0.3	12.5	12.0	10.4	10.4
MAURITANIA	0.19	0.4	0.5	0.5	27.1	52.9	47.0	49.1
MOROCCO	2.40	2.2	4.6	7.1	12,7	18.3	17.4	20.6
MOZAMBIQUE	0.28	..	0.4	0.3	13.9	..	31.7	15.9
NIGER	0.56	0.2	0.3	0.1	22.4	14.0	11.3	6.5
OMAN	2.30	4.7	4.6	6.5	38.9	55.3	52.3	61.3
PAKISTAN	2.60	2.7	5.6	8.6	11.0	9.7	13.1	12.8
PALESTINE	..	..	..	..	..	..	..	..
QATAR	5.80	3.5	3.3	5.6	..	54.7	47.1	75.7
SAUDI ARABIA	109.00	27.5	44.4	61.5	69.9	26.1	42.2	47.7
SENEGAL	0.47	0.5	0.9	0.4	15.6	22.5	16.2	8.0
SIERRA LEONE	0.22	0.2	0.2	0.2	20.0	16.7	15.0	24.4
SOMALIA	0.14	0.1	0.2	0.2	..	7.9	16.7	..
SUDAN	0.54	0.4	0.5	0.5	..	3.9	6.5	..
SURINAME	0.51	..	0.5	0.6	..	..	..	114.0
SYRIA	2.10	1.6	4.2	4.1	16.1	10.3	33.9	24.0
TAJIKISTAN	..	..	0.0	0.6	..	..	0.5	29.5
TUNISIA	2.10	1.7	3.6	5.4	24.1	25.1	31.0	27.8
TURKEY	2.90	8.0	13.0	26.2	4.2	16.8	14.2	13.1
TURKMENISTAN	..	..	0.1	2.6	..	..	1.3	89.7
UGANDA	0.34	0.4	0.2	0.5	28.3	7.6	4.7	8.2
U.A.EMIRATES	20.60	14.0	22.0	30.7	69.5	50.9	69.6	71.9
YEMEN REP.	0.80	0.3	1.6	2.5	..	..	..	58.1

Sources : Based on data from IDB Statistical Monograph Nos. 15 and 18. Original data from the World Bank, Atlas (Various Issues) and UNCTAD (1999), Handbook of International Trade and Development Statistics, 1996 - 97.

Table B.4

Volume and Percentage of Intra-Trade for IDB Member Industrial, and Developing Countries

Member countries exports to: ➡	Member Countries	Developing countries	Industrial countries	World
1992	29.0 (11.1) %	93.7 (35.8)	159.3 (60.8)	261.9 (7.1)
1993	29.7 (11.1)	100.8 (37.6)	155.8 (58.1)	268.1 (7.3)
1997	37.6 (9.4)	166.2 (41.4)	210.7 (52.5)	401.0 (7.3)
Member countries Imports from: ➡	Member countries	Developing countries	Industrial countries	World
1992	29.0 (11.1)	97.8 (37.4)	163.6 (62.6)	261.5 (7.1)
1993	29.7 (11.1)	86.4 (34.1)	166.6 (65.7)	253.6 (6.3)
1997	37.6 (9.4)	147.9 (39.6)	225.2 (60.3)	373.5 (6.7)

1: World total is a sum of the data for developing countries, industrial countries and other countries (for which data are not reported in the table). Member countries data are part of those for the developing countries and therefore cannot be counted separately to reach at the data for the world Trade.

Source: Based on data from IMF, (1998) Direction of Trade Statistics Yearbook.

Table B.5

Trends in Intra-Trade Share of IDB Member Countries from 1987 to 1997

Member Countries	Intra Exports in				Intra Imports			
	1987	1990	1993	1997	1987	1990	1993	1997
AFGANISTAN	2.2	1.4	9.6	35.6	3.1	0.8	5.2	22.3
ALBANIA	-	-	-	-	-	-	-	-
ALGERIA	2.8	1.9	2.8	7.2	4.7	3.4	5.9	7.5
AZERBAIJAN	-	-	-	33.0	-	-	-	34.2
BAHRAIN	23.1	28.8	6.4	7.1	45.6	43.4	46.2	46.3
BANGLADESH	13.1	9.0	6.9	6.0	12.4	9.6	9.2	10.5
BENIN	10.5	14.0	17.9	28.2	6.1	3.6	2.7	5.3
BRUNEI	0.1	0.1	0.2	1.3	8.4	6.0	9.9	8.6
BURKINA FASO	7.2	3.9	1.6	14.3	3.1	2.8	4.0	5.3
CAMEROUN	2.8	3.9	10.3	4.1	6.9	4.7	7.9	6.9
CHAD	5.8	5.0	5.4	2.2	12.1	11.9	29.5	10.9
COMOROS	-	-	0.0	-	6.5	6.0	3.2	0.6
DJIBOUTI	74.6	83.5	64.4	59.4	17.8	21.7	15.5	17.8
EGYPT	4.2	6.5	12.5	15.8	5.0	4.8	6.0	8.6
GABON	1.6	1.3	3.7	2.1	1.7	7.5	5.6	4.1
GAMBIA	4.5	3.9	6.9	1.3	2.8	3.6	3.8	7.1
GUINEA	9.7	9.1	3.1	5.4	4.9	5.0	5.7	5.1
GUINEA-BISSAU	1.7	2.1	0.0	1.4	5.2	6.4	0.7	16.8
INDONESIA	2.6	4.1	6.8	7.5	4.4	5.6	5.9	6.8
IRAN	7.7	8.0	9.7	5.7	8.8	7.6	14.2	10.3
IRAQ	14.8	17.9	0.0	2.2	23.9	17.8	15.1	9.4
JORDAN	40.7	32.7	35.0	47.7	27.6	26.1	18.8	21.9
KAZAKHSTAN	-	-	-	7.5	-	-	-	8.3
KUWAIT	14.5	13.9	4.6	7.6	10.9	14.0	3.0-	5.6
KYRGHYZ REP.	-	-	-	18.9	-	-	13.3	22.4
LEBANON	36.7	54.3	58.7	48.9	23.1	15.4	15.8	11.2
LIBYA	4.3	1.3	11.2	13.4	5.4	9.9	2.8	16.0
MALAYSIA	4.5	4.8	5.6	5.7	3.7	2.4	5.0	3.0
MALDIVES	0.8	0.1	0.0	1.1	1.0	3.2	10.9	37.9
MALI	23.7	24.9	14.4	9.7	6.4	8.0	13.5	5.5
MAURITANIA	6.3	2.2	4.9	3.9	19.0	5.3	21.3	11.4
MOROCCO	10.2	8.4	10.0	7.1	13.1	7.0-	-	11.3
MOZAMBIQUE	-	-	-	1.1	-	3.7	1.4	7.6
NIGER	6.7	1.2	1.7	1.6	12.9	25.3	28.6	4.9
OMAN	0.6	0.9	39.0	3.6	29.4	23.9	25.6	30.2
PAKISTAN	18.7	13.3	18.4	15.0	25.3	-	-	33.9
PALESTINE	-	-	-	-	-	15.3	15.3	-
QATAR	8.7	7.9	14.3	7.3	8.1	7.8	9.0	13.3
SAUDI ARABIA	9.5	8.8	13.9	11.7	6.6	2.6	6.3	8.8

Table C.1

Trade Promotion Organizations and other Foreign Bodies in IDB Member Countries

Member Countries	TPO	EPO	OFTB	Total
AFGANISTAN	-	-	2	2
ALBANIA	1	-	1	2
ALGERIA	-	-	3	3
AZERBAIJAN	-	-	6	6
BAHRAIN	1	1	2	4
BANGLADESH	-	2	5	7
BENIN	-	1	5	6
BRUNEI	1	-	5	6
BURKINA FASO	-	-	4	4
CAMEROUN	-	-	5	5
CHAD	-	-	2	2
COMOROS	-	-	4	4
DJIBOUTI	-	-	3	3
EGYPT	-	3	5	8
GABON	-	-	4	4
GAMBIA	-	-	4	4
GUINEA	-	1	2	3
GUINEA-BISSAU	-	-	3	3
INDONESIA	-	2	8	10
IRAN	-	2	3	5
IRAQ	1	-	3	4
JORDAN	-	-	10	10
KAZAKHSTAN	-	-	2	2
KUWAIT	-	-	3	3
KYRGHYZ REP.	-	-	2	2
LEBANON	-	-	3	3
LIBYA	-	2	7	9
MALAYSIA	1	4	6	11
MALDIVES	1	-	3	4
MALI	-	-	2	2
MAURITANIA	-	-	2	2
MOROCCO	-	1	9	10
MOZAMBIQUE	-	1	2	3
NIGER	-	-	5	5
OMAN	-	1	2	3
PAKISTAN	2	2	9	13
PALESTINE	-	-	-	-
QATAR	-	-	2	2
SAUDI ARABIA	1	-	4	5
SENEGAL	-	-	5	5
SIERRA LEONE	-	-	4	4
SOMALIA	-	-	2	2
SUDAN	-	1	4	5
SURINAME	-	2	3	5
SYRIA	-	1	5	6
TADJIKISTAN	-	-	2	2
TOGO	-	-	-	-
TUNISIA	1	-	6	7
TURKEY	1	1	7	9
TURKMENISTAN	-	-	1	1
UGANDA	-	1	7	8
U.A. EMIRATES	-	-	10	10
YEMEN REP.	-	1	7	8

TPO: Trade Promotion Organization
EPO: Export Promotion organization
OFTB: Other Foreign Trade Bodies
Source: International Trade Centre (1999)

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