

Tool helps developing nations map out export targets

By [Tom Nevin](#)

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A new online trade-boosting tool that makes it easier for businesses in developing countries to identify and target market opportunities has been unveiled by the International Trade Centre (ITC) in Paris. The Export Potential Map is a user-friendly, free tool that takes much of the guesswork and second-hand intelligence out of trading decision-making.



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The ITC's latest intervention is considered vital to the development of African trade, promising particular value in developing interregional trade. The map makes it faster and easier for traders in emerging economies to connect to one another and the world.

The Export Potential Map is described by ITC executive director Arancha Gonzalez as "an innovative tool that will enable developing countries and their companies to make better export decisions based on rigorous economic analysis".

The map ensures that companies, even the smallest and most remote, can target new markets with knowledge of trade costs and expected demand. "This allows policymakers and trade support institutions to optimise the policy environment and support programmes for existing and would-be exporters," says Gonzalez.

She cites a World Economic Forum trade report that listed 109 countries reporting that they found identifying potential markets as one of the top three problems when exporting.

The map evolved from the need to identify and transmit robust scientific trade analysis in a digestible manner.

"It started when the Dutch Centre for the Promotion of Imports from Developing Countries approached us with a request to assess the export potential of 64 countries," says Gonzalez. "We used the opportunity to enhance the work we had already put in motion focusing on innovation and the latest technology."

The map "is the world's largest database on exports and imports and its market access map is the largest database on tariffs and other requirements. Collecting and analysing data so that it becomes trade intelligence is time-consuming and costly, so we are grateful to our funders, especially the EU, which understands that this initiative is a useful means to translate opportunities into more trade on the ground," Gonzalez says.

"We are now developing a sister method that will explore the export potential of services. This matters because data on trade in services is scarcer than for trade in goods.

"Our reward comes when policymakers use the tool to make better and more sound decisions on trade, when trade promotion organisations provide better services to their customers and when SMMEs [small, micro- and medium-sized enterprises], especially in poorer countries, are better placed to increase and diversify their trade."

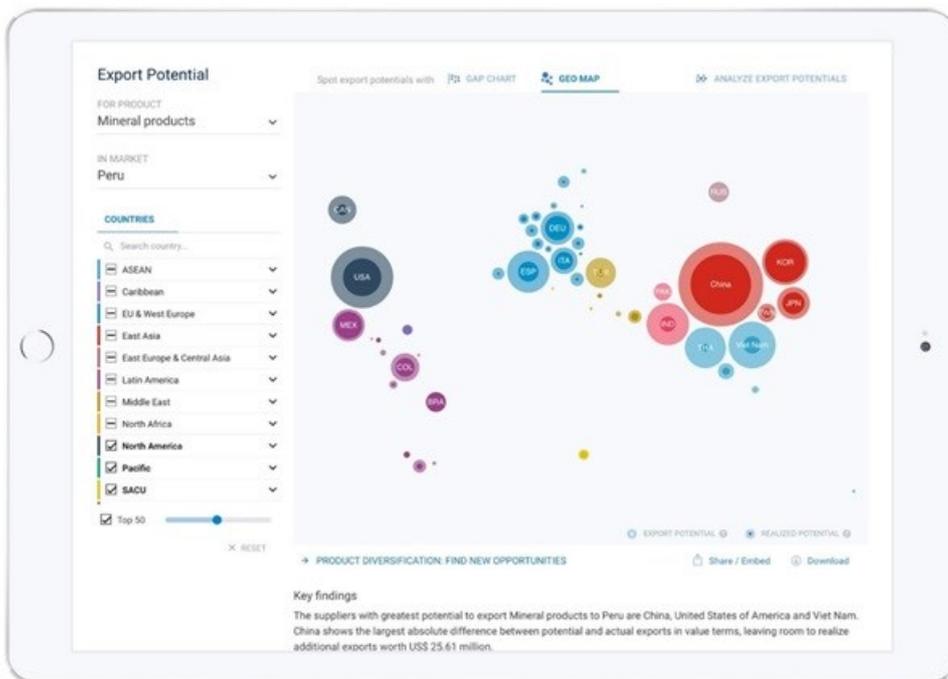


Image credit: DataDesign

The Export Potential Map is valuable for trade and investment support institutions seeking up-to-date trading information that will enable them to advise companies on which geographic markets to focus and to advise policy makers which sectors to prioritise for development.

The map allows for sectoral, national and regional assessments by analysing untapped export potential for existing products and markets, as well as opportunities to diversify into new products and markets. It translates economic analysis into practical advice on trade opportunities.

"It pulls in data from a range of sources including import and export data, tariffs, GDP and geographic data," says Gonzalez.

"Based on this data, the tool can quickly carry out evaluations of a country's potential to export: in specific sectors and to what markets.

"This represents a unique opportunity for developing countries to ramp up their exports," she says.

The map also suggests additional markets that offer good demand and tariff conditions for goods exported by least-developed countries. The tool helps to identify options to diversify and expand the range of products these countries export.

"Information on the Export Potential Map is available for 222 countries and territories at a very detailed product level," says Gonzalez. "The web tool has a user-friendly interface and innovative visuals that can be easily downloaded, shared on social media and embedded into reports or websites."

The map was launched quietly in mid-July 2017 and by mid-October had generated more than 3,500 users signing up for about 7,000 sessions.

"This is even more than we expected for such a targeted tool," Gonzalez says. "We also see a high share of recurrent users spending considerable time on the tool to analyse their country's, region's or sector's export potential in-depth."

Quantifiable trade-policy instruments such as tariffs and tariff advantages are part of the method and add to or reduce a country's export potential in a target market.

"Other instruments such as technical standards, certifications, labelling requirements or rules of origin can explain why we observe a gap between the potential and the actual exports of a country.

"Here, additional research is needed, for instance through ITC's programme on nontariff measures and its work on rules of origin."

The most recent initiative of ITC, together with the World Trade Organisation (WTO) and the UN Conference on Trade and Development, is to place all this information into one easy-to-access online portal: the launch of the SME Trade HelpDesk is expected at the WTO's ministerial conference in December.

Monitoring activity generated by the Export Potential Map is the ITC's connections information exchange with users.

"In addition, we use analytical methods to monitor user statistics, downloads and press coverage. We collect information about user satisfaction and additional needs through surveys," Gonzalez says.

She adds that reaching new products and markets is key to trade-led growth.

"Another advantage of the Export Potential Map is its ability to combine export performance indicators with detailed market demand and market access information.

"This allows for the indication of trade opportunities that are feasible for the country and have good chances of export success in the potential target markets.

"An interesting feature for countries with narrow export baskets is also the possibility to detect possibilities for product diversification. Above all, we expect to bring greater transparency to the global trade ecosystem," she says.

The Export Potential Map can be accessed at <http://exportpotential.intracen.org/>

Source: Business Day