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## **Abstract\***

Virtually all Latin American and Caribbean countries have established specialized organizations to promote their exports. Existing analyses of these organizations are at best partial and fragmentary. This paper aims at overcoming these limitations of the literature by presenting a consistent, detailed organizational characterization of the major export promotion entities in their respective countries. This characterization is primarily based on data collected through an extensive survey that we have conducted among organizations in the region, and, to put them into an appropriate perspective, among relevant organizations from countries outside of the region. Moreover, for a few countries, we have carried out in-depth case studies not only to report more precise information on those aspects covered by the survey, such as the number and diversity of other actors, both public and private, engaged in export promotion along with their interaction patterns, but also to examine additional factors that are likely to be helpful in understanding the current organizational configuration of the aforementioned entities and their potential effectiveness, such as the historical institutional process leading to their creation.

**Keywords:** Export Promotion Organizations, Models, Latin America

**JEL-Code:** F13, F14, O24, O54.

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# 1 Introduction

Nowadays export promotion policies are virtually ubiquitous in Latin America and the Caribbean. These policies are certainly not new to many countries in the region, but rather, date at least four decades back. Yet, most prominent organizational innovations in this area are quite recent and are still under revision and adjusting to the current development strategy. In fact, this is the subject of an intense policy debate that this paper addresses. We provide a first analysis of the patterns of organizational designs adopted by Latin American and Caribbean countries to implement export promotion policies, whereby identifying the organizational challenges that can be encountered in making these policies work and discussing the specific aspects of organizational arrangements that are more likely to allow for higher policy effectiveness. In doing this we carefully take into account the experience of several relevant countries outside of the region.

Export promotion policies are not new in Latin American and Caribbean. First general initiatives focusing on non-traditional exports appeared in the 1950s as a complementary policy to the prevalent import-substitution development strategy of the times. These initiatives expanded in the early 1970s to almost all countries when the limitations of the aforementioned development strategy became evident. Thus, countries such as Brazil, Chile, Colombia, and Mexico started to implement these policies over the 1950s and early 1960s. Other countries such as Argentina and Peru began to do so later, in the 1970s. Most remaining countries followed in introducing similar policies through this decade.

These export promotion policies generally consisted of fiscal incentives, special credit packages, and direct support to exporting firms. However, specific aspects such as the tax reductions schemes or the accompanying organizational arrangements significantly differed across countries.

Precisely, during this initial period groups of professionals were established to design export promotion policies. Importantly, the first export promotion organizations were created as a result of public initiatives. As in the case of the policies, different approaches were used for this purpose. Some of these organizations managed fiscal incentives and/or controlled the formal procedures required to exporting.

Most of these organizations survived into the 1980s but, with the severe economic crisis experienced by the region, they lost political support. In many cases they did not

adapt to the changes occurred in their political and economic environments and languished. When, in addition, international organizations and multilateral trade agreements restricted the use of fiscal incentives and other instruments that could represent a direct export subsidy, the export promotion policies initiated in the 1950s and 1960s collapsed in almost every country in the region. Most export promotion organizations created within the old paradigm became highly bureaucratic, non-operative entities or directly disappeared as a consequence of large public sector reforms. General export-policy learning processes and accumulation of relevant professional experience, in particular, were therefore interrupted.

Since the mid-1990s the region witnessed a reintroduction of export promotion policies. Consistent with the current development strategy, these new policies have different conceptual bases than their predecessors. In particular, among other things, they allegedly aim at correcting the potential market failure associated with information spillovers originated in successful searches of business opportunities abroad. Hence, these policies emphasize the support to companies to overcome informational barriers and downplay the role of direct fiscal and credit instruments. In this context, many Latin American and Caribbean countries established new foreign trade ministries and, in particular, created completely new export promotion organizations, whereby introducing diverse and innovative organizational designs. We hereby address two main questions: Who are these export promotion organizations? What are their goals and what kinds of export support activities do they perform? In answering these questions we use detailed primary information collected through direct surveys to several export promotion organizations, both from the region and outside of the region, as well as (the limited existing) secondary information.

The remainder of the paper is organized as follows: Section 2 introduces the general analytical framework that is used to organizational characterize the specific export promotion organizations examined. This framework can be seen as a basic interpretative model which identifies varying organizational configurations of export promotion policymaking within the countries (e.g., single organization vs. organizational fragmentation), alternative economic, political, and administrative contexts within which export promotion organizations can operate (e.g., nature of the relationships with their “input” providers and with their “output” customers), and different models of internal organization (e.g., size, network of offices within the country and abroad, sources or revenues, personnel management policy, instruments and programs, and

monitoring schemes). Section 3 presents a comparative organizational analysis of the export promotion organizations in Latin American and Caribbean countries vis-à-vis those in other regions of the world, primarily based on the results of an extensive survey conducted on more than 35 national and sub-national organizations. This analysis aims at placing the particularities of the region's entities into perspective. Section 4 performs in-depth case studies of six Latin American and Caribbean countries export promotion organizations which differ along several dimensions such as organizational dependence and the size of their network of offices abroad, if any: PROCOMER (Costa Rica), PROEXPORT (Colombia), Uruguay XXI (Uruguay), Fundación ExportAR (Argentina), PROCHILE (Chile), and PROMPERU (Peru). These case studies reveal relevant aspects of the historical background of the emergence of the export promotion organizations (and how the institutional legacies affect current export promotion policymaking), the institutional context in which these organizations operate, and their salient organizational features. In doing this, we expect to uncover the varying organizational patterns of export promotion in the region. Section 5 concludes with a general discussion about the organizational conditions that are more likely to be conducive to an appropriate provision of export assistance services and thereby to an effective export promotion policy.

## **2 Analytical Framework**

Organizations, in general, and export promotion organizations, in particular, can be analyzed from different perspectives. We propose hereby to approach these organizations from three different analytical perspectives. First, we consider the alternative organizational configurations that export promotion policymaking can adopt within a country. This primarily involves identifying the number of export promotion organizations and their nature (e.g., public or private) as well as that of their relationships (e.g., cooperative or competitive). Second, we analyze the interplay with other actors operating in their economic, political, and administrative context, specifically those who control, those who provide inputs, and those who benefit from the output of export promotion organizations. Third, we explore the internal organizational aspects of these organizations. The different aspects each approach focuses on are relevant to understand the main challenges faced when implementing export promotion policies and the specific promotion activities undertaken in given

countries as well as potentially their degree of success, and will therefore be used throughout the paper.

### *2.1 Organizational Configurations of Export Promotion Policymaking*

A single organization concentrating all possible export promotion activities is just one of many possible organizational configurations. In fact, the national organizational landscape can be populated by a varying number of export promotion organizations featuring interactions of different nature and degree of intensity. Thus, there may be countries with a variety of organizations active in the field, which can be public, private, or mixed. Moreover, broadly oriented organizations aiming at fostering foreign trade across all economic sectors can coexist with narrowly oriented organizations, which work within a limited territorial scope and/or whose actions concentrate on specific sectors or even products and particular groups of firms. The relationship between these organizations can be competitive, cooperative, or of mutual indifference. When they share target geographical areas, sectors, or firms, these relationships are likely to be more intense, although not necessarily result in better outcomes.

We group organizational configurations into four typical models.

*Hierarchical Public Model:* In this model there is a single organization of public nature and control with enough resources and technical capability to lead export promotion policy in the country, subsuming other organizations to play secondary, more specialized roles under its supervision. While partnership models of organization are possible where the board consists of representatives of both the public and private sectors thus allowing for more formal incorporation of firms' preferences into export promotion policy making, the degree of control retained by the public sector tends to be substantial (e.g., appointment of the organization's head).

*Decentralized Public Model:* In this model there are several public (or semi-public) export promotion organizations and no one is predominant. They do not compete directly with each other because their territorial and functional spaces are clearly delimited. Each organization reproduces the logic of the steering public policy in export promotion, thereby monitoring and articulating the constellation of actors operating in its area of influence. There is then substantial room to find cooperative and coordinated formulas of action, both vertically and horizontally.



*Pluralistic Model:* In this case, there exists a variety of export promotion organizations of public and private nature. They are active along different functional lines (e.g., sector scope, firm size target, etc.). Fragmentation prevails but also specialization, whereby organizations adjust their capabilities to perceived needs in the field. The nature of the relationships among these organizations varies over time, being sometimes competitive as they struggle for resources to gain size and power, and sometimes cooperative for specific initiatives. In particular, the public sector does not act as a unified actor, but also fragmentally, through diverse organizations providing support along different territorial and/or sectoral lines.

*Private Model:* This model corresponds to a case of predominance of a private export promotion organization. While sometimes these organizations have public status and recognition, and often public funding, leadership in policymaking clearly originates in private actors, i.e., they set both policy objectives and policy instruments. If any, public organizations active in this field at most play a secondary role.

These four models are not exhaustive, but cover the most common organizational configurations of export promotion in most countries around the world. Actual configurations may be the result of complex country-specific institutional developments over several decades. In particular, they can be the outcome of the interplay of several factors including the institutional structure of the countries and their political traditions, the existence of a leadership of the public sector in export promotion interventions, and the strength of the collective actions of the private sector in this field. Thus, disparities across countries as to the intensity and focalization of policy efforts to promote exports can be anticipated to be reflected into differences in their export promotion organizations. More specifically, we can hypothesize that in countries where international trade belongs to the permanent public policy priorities, these organizations are more likely to be powerful and all-sector encompassing, regardless of their public or private nature. In contrast, disrupted policy initiatives will expectedly be correlated with weak entities.

The degree of success can be extremely heterogeneous across organizational configurations. Some of them may be associated with effective export promotion policies, while others may be prone to generate persistent difficulties to implement and/or sustain these policies. In the last section, the weaknesses and strengths of the different models will be ascertained based on the empirical evidence gathered for this study.

## 2.2 Export Promotion Organizations' Operational Context

The organizational model prevailing at the national level resembles the context in which the export promotion organizations operate. Learning about how these organizations behave within such a context and how they interact with other relevant policy actors, including both those providing inputs to their operations and those receiving their services, is crucial to understand how they emerge, survive, and eventually grow as a part of the political ecology of similar organizations competing for scarce resources.

Three types of contextual factors can be distinguished (see Gillispie and Riddle, 2004): the *control set*, the *input set*, and the *output set*. These factors determine the domain, scope, and nature of the focal organization's activity and can therefore affect the organizational performance (see Lammers and Hickson, 1979).

*Control Set:* The control set refers to those entities that have the power to decide if and under what conditions the organization can function. Governments, political actors such as political parties, and major players in the business community are the export promotion organization's principal. More specifically, they are a controlling (political) body that defines the global strategy. In many countries, there is a political supervisory body, which sometimes takes the form of a coordination board involving representatives from different ministries and public entities (e.g., Brazil and Mexico), while in others this board consists of representatives from a single ministry (e.g., Chile and Colombia).

*Input Set:* The input set refers to those actors who endow the organization with the required means, i.e., monetary and non-monetary resources, to operate and provide export promotion services. These actors include governments, firms and other private organizations, as well as foreign agencies. The conditions established to make use of the aforementioned resources determine the degree of flexibility that the organizations have to define and redefine their strategies and even the kind of activities they can perform.

*Output Set:* The users of the services provided by the export promotion organizations form their output set. These users are primarily domestic exporting (or potentially exporting) firms, but also foreign buyers and investors, as well as different government agencies that work together with these organizations, for instance, in creating a sequence of supporting actions. The output set can change over time as the

range of services provided does. Furthermore, this set can be homogeneous or heterogeneous. In the former case most firms using promotion services share similar views in terms of the perceived needs and thus can be more easily served with a narrow set of export assistance programs. Admittedly, this might potentially come at the cost of excluding other companies. This does not happen in the latter case. Different types of instruments are generally used to target multiple objectives. On the other hand, this might impose a challenge on defining a clear strategic orientation. Detailed studies on particular examples of these dilemmas can be found for the case of Ascoflores in Colombia (see Gillispie and Riddle, 2004) and the export promotion policies applied in Brazil in the 1980s (see Cason and White, 1980).

Patterns of institutional diffusion and transfer can be expected along these sets. Thus, as for the control set, export promotion organizational designs from other countries may be adopted. Similarly, with respect to the input set, foreign practices concerning the sources of resources can be followed. Finally, strong replication of innovative programs to foster foreign trade and thereby groups of main users is likely to prevail across export promotion organizations. In fact, nowadays policy initiatives perceived as successful are virtually immediately adopted across countries around the world. Importantly, when implementing these instruments, the required adjustments to the local specific environments are not always performed.

Experiences of institutional development vary from country to country, in part due to different combinations of policy leadership and genuine organizational innovations with organizational transfer and diffusion. Understanding how export promotion activities are performed and thereby their effectiveness and that of the organization would therefore in general require in-depth case studies. Nonetheless, we can establish two general hypotheses. First, without a well-defined control set that is able to provide strong political leadership to the promotion strategy and effectively absorb natural political tensions, initiatives in this area can be jeopardized by many different policy processes, ranging from capture by particular business interests to internal struggles within the government apparatus. Second, export promotion organizations whose input set consists of multiple actors with different views and whose output set is heterogeneous, can face large difficulties in defining and acting according to clear strategic goals.

### 2.3 Internal Organization

Even though export promotion organizations are not a priori a peculiar organization in terms of their internal structure and processes, they have some distinguishing features associated with their specific nature and that of the function they perform. These features may help better understand their position in and the articulation with the whole network of actors involved in foreign trade policymaking, their capabilities, and their impact on export promotion policies and their outcomes. We identify hereby five differentiating dimensions that are worth being explored: the organizational identity along the public-private axis; the organizational structure, including primarily the network of offices managed directly by the organization, both within and outside of the country; the financial and human resources; the export promotion services provided to actual or potential exporters; the mechanisms to monitor and evaluate the effectiveness of the trade assistance programs.

*Organizational Status:* There is a large variety of export promotion organizations according to the nature of their creation and organizational control (see, e.g., Jaramillo, 1992b). In principle, these different organizational variants can be grouped into four models:

1. Organizations located within a ministry (foreign affairs, trade and/or industry, and less frequently, economy), as a department or general directorate, often with more internal autonomy than a simple section.<sup>1</sup>
2. Autonomous organizations, under the control and supervision of a ministry, but having a separate identity, including organizational autonomy.
3. Independent organizations, usually adopting a mixed public-private form and having public funding, without a direct control of the ministry in charge of foreign trade matters.
4. Purely private organizations, with diversified funding and governmental support, created and controlled by business or trade associations.

The existence of a superior organizational arrangement is a contested issue in the literature. A priori, each of these different arrangements has strengths and weaknesses. For instance, more autonomous export promotion organizations may be likely to create more confidence among and henceforth have closer contacts with private firms (see

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<sup>1</sup> The specific ministry the export promotion organization is attached to is a controversial issue in many countries as it represents a conflict line between strong bureaucratic groups inside the government (see Jordana and Ramió, 2002).

World Bank, 2001) and thereby effectively meet their actual trade assistance needs, but are not necessarily exempted from biasing their actions against the interest of those sectors who have less power to express their demands.

*Presence in the Country and Abroad:* As there is need for face-to-face contacts, firms and their business are still to a large extent geo-referenced and not spaceless. Export promotion organizations exhibit substantial heterogeneity in terms of their presence in the field. In particular, these organizations provide local support to firms under two main organizational modalities or a combination of both. First, some organizations have their own network of offices, domestically and/or abroad, with variable degree of geographical coverage. Second, other peers have to rely on an external support network, which usually consists of offices of regional governments or regional firm associations to operate within the country and /or diplomatic missions (i.e., embassies and consulates) under the ministries of foreign affairs to operate outside of the country. In some intermediate cases, organizations resort to an external network of offices, but have some control on their personnel and/or their activities. When the organizations have their own networks, their centrality within the export promotion policy community increases. In this case, they become the main channel to gather and diffuse information and receive support. Further, as they have specialized human resources with exclusive dedication (i.e., not shared), their impact may be larger. The question arises, however, to what is profitable to establish such own network. On the other hand, when export promotion organizations lack of their own network, the key issue is how functional is the one in use (i.e., size, flexibility, strengths of connections with the organization, and, specifically, dedication given that diplomats perform diverse tasks and are not focused on providing specialized trade assistance).

*Financial and Human Resource:* The total amount of financial resources available to the export promotion organizations can be seen as a measure of their size. They can contribute to determine the range, scope, and delivery method of the services than can be provided, and thereby the organizations' ability to have an impact on foreign trade (see, e.g., Lederman et al., 2007). Export promotion organizations can have control of some of the revenues sources in the form of either special fees or taxes or selling of specialized services or can completely depend on public allocation. Revenue sourcing may affect these organizations' adjustment capacity, in general, and on their flexibility to conduct export promotion, in particular.

The human resources are a key determinant of the effectiveness of the activities performed by the organizations. First, well-trained employees with a proper background in foreign trade are more likely to better design and execute export assistance actions. Second, the ability to introduce an active policy for the management of personnel and the specific aspects of this policy such as existence or not of wage incentives and promotional schemes would affect the level of motivation of the employees and henceforth their performance.

*Export Promotion Services:* The services that export promotion organizations can provide to their output set (i.e. firms) include: training on export business; information on foreign markets (either general or specialized based on substantive analysis); counseling and coaching to develop and execute tailored export plans; support to participation in promotional activities abroad (and at home) such as missions and fairs, and to specifically set up meetings with potential customers; coordination of consortia of small exporters; and other specialized assistance such as programs helping firms upgrade the quality of their products (see, e.g., Jaramillo, 1992a; Brokaart, 2007; and Lederman et al., 2007). Noteworthy, some of these services can be focused to address the needs of specific users, whereas other can involve public good elements, thus benefiting relatively large groups of users.

In general, export promotion organizations provide most of these services, but the actual relative composition of their bundle of activities may vary substantially. In particular, some organizations with heterogeneous output sets will tend to provide all services roughly to similar extent to fulfill the demand of their diverse clients, while entities with more homogeneous output sets will expectedly be more specialized, thus concentrating their activity on a few services. This raises at least two main questions: How these organizations decide which services to offer? How do they determine the amount of effort to invest in each service category?<sup>2</sup> A priori, the diversity of services hinge, among other things, upon the organizational configuration of export promotion in the country (e.g., the larger the number of organizations in the country, the stronger will be the pressure to search for specific niches), the role of the public sector, in particular, the government strategy towards foreign trade, and the control setting priorities and potentially accordingly allocating funds.

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<sup>2</sup> Other relevant questions are: How they decide which firms to target? How interrelated are the services from the client point of view? Why some organizations match better their services to client needs than others?

*Effectiveness Assessment:* A careful and rigorous evaluation of the effects of the programs administered by the export promotion organization is required to assess whether and how they contribute towards the achievement of the policy goals established by their principals. In particular, such an evaluation is a key input for the strategic guidance of these organizations (see, e.g., Bendow, 1992). Thus, a proper monitoring of the trade outcomes associated with the activities of the organizations is not only necessary to ascertain whether, overall, resources have been well invested relative to other non-trade promotion related potential uses, but also to determine whether the effectiveness could be increased by modifying the relative composition of the basket of services offered, i.e., by internally reallocating resources devoted to export promotion.

Performing these kinds of assessments requires dealing with several methodological challenges. Either specialized human resources or enough financial resources to outsource them are needed. Further, the ability and capacity of the organizations to conduct these analyses will also depend on the norms regulating their activities and on the practices on this matter prevailing in their organizational environment. A large degree of heterogeneity across countries in terms of the degree of sophistication and quality of their evaluations and even in their actual use can therefore be anticipated to be and, in fact, is observed.

In concluding this section, it is worth noticing that an institutional examination of export promotion organizations requires assessing their leadership within the trade policy community. This leadership is represented by the extent to which these entities are able to provide strategic and long term orientation and policy guidance. A priori, export promotion organizations with strong public sector support, offering a broad set of services (some of them with public good nature), and having a relatively large network of offices might be expected to be better equipped to play this role than peers without substantial public support, providing a limited range of services (probably upon individual requests) which merely execute, and lacking their own network of offices. Admittedly, this result is not surprising as we are comparing two extreme cases. In reality, several combinations of organizational characteristics are possible. The analysis of export promotion organizations in Latin America and the Caribbean as well as in other relevant countries around the world will shed more light on the actual relative merits of the alternative organizational configurations.

### 3 Export Promotion Organizations at Work

As stressed in Section 2, there is *a priori* no unique organizational model for export promotion organizations. The actual specific models and accordingly so the contextual factors (control set, input set, and output set) and the internal structures will depend, among other things, on the institutional context in which they have been created and they operate, and thus will likely vary from country to country. Similarly, the size of major organizations is expectedly heterogeneous, in terms of structure, endowments, and range of export support activities performed. This size heterogeneity can be primarily driven by home countries' varying economic characteristics (e.g., size and level of development). After conditioning for these variables, there may still be differences in size due to, for instance, disparities across economies in the extent export promotion is a policy priority, the specific organizational configuration prevailing in this policy area (i.e., where there is a hierarchical or pluralistic model), the distribution of total resources across relevant organizational actors, and networks of commercial offices. In short, organizational patterns can be anticipated to be complex and diverse.

In this section we precisely characterize these patterns using the results of an extensive survey conducted among several export promotion organizations between the end of 2007 and early 2009.<sup>3</sup> Our sample primarily covers major countries' organizations that operate nationwide. A few sub-national entities have been considered to assess whether there is organizational diffusion, i.e., whether their models replicate (or deviate) from that prevailing at the upper level, and examine whether and to what extent there exists coordination (or overlapping) over levels. From a geographical point of view, surveyed organizations include not only those from (most) countries in Latin America and the Caribbean, and also relevant organizations from countries outside of this region, spread over Europe, Asia, and Oceania.<sup>4</sup>

While direct, unconditional comparisons of raw figures is not advisable across countries in different regions for the reasons exposed above, the diversity of institutional and organizational experiences in our sample allows for a *conditional* benchmarking exercise. Thus, when the dimension being examined requires so, we will first look at the export promotion organizations of, in general, more developed countries outside of Latin America and the Caribbean, and will then focus on those from the

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<sup>3</sup> The questionnaire sent to the agencies is available from the authors upon request.

<sup>4</sup> This sample includes several cases that have been utilized in the existing literature as reference of "good practices" according to certain standards (see, e.g., IERAL, 2001; Boston Consulting Group, 2004; Nathan Associates, 2004, and ECLAC, 2008).



countries in the region. This will enable us exploring whether and how organizational models vary across the world and thereby establishing similarities and differences between those observed in the different regions.

Keeping in mind that there is no unique organizational formula to design and implement an effective export promotion policy, and also that not all organizational configurations are bound to be associated with this policy outcome, this exercise aims at helping identify factors or set of combined factors (e.g., certain organizational structure in a certain institutional environment) that may be more conducive to policy effectiveness.

### *3.1 Export Promotion Organizations: Extra-Regional and Regional Perspectives*

Table 1 lists the countries covered by the survey, the formal name of their export promotion organizations along with their acronyms (which will be used in all successive tables), and their year of creation.

*The Sample:* It is first worth mentioning that the year of creation refers to the year in which the *current* export promotion organization was created. This does not necessarily mean that there was no such an organization before. In virtually all cases in which recent years are informed, this corresponds to the occurrence of organizational reforms. Thus, while FINPRO was established in 1999, some form of export promotion existed in Finland already since 1919 through the Finnish Export Association and latter on, since 1938 with the Finnish Foreign Trade Association. Similarly, whereas today's JETRO dates from 2003, its origin can be traced back to 1958. Moreover, UKTI was originally born in 1999 as British Trade International (BTI). This organization had responsibility over Trade Partner UK and Invest UK, which were established in 2000. Further, export promotion initiatives in the United Kingdom did not start with BTI or UKTI but go back to at least 1978. In the region, APEX initially originated as an internal department of the Brazilian Service to Support Micro and Small Firms (SEBRAE) in 1997, becoming a separate entity in 2003.

Some current export promotion organizations emerged as the result of the merger of pre-existing organizations. This is, for instance, the case of UBIFRANCE, which was constituted in 2004 merging the ex CFCE and ex UBIFRANCE. Trade New Zealand and Industry New Zealand merged into NZTE in 2003. Likewise, in the region,

PROMPERU was founded in 2007 by merging PROMPEX, which had created in 1996, and PERU TOURISM (see also Box 1 for the case of Germany).

In other countries, although without implying the formal emergence of a new organization, comparable changes took place. For example, this includes KOTRA and AUSTRADE taking over investment promotion in 1995 and 2007, respectively. Once again, there are also examples in the region in this regard. PROEXPORT was assigned responsibility for investment promotion when merged with COINVERTIR and that for tourism promotion in 2004.<sup>5</sup> Hence, the evidence overall reveals that there has been intense organizational reforms recently in this field.

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<sup>5</sup> The ICE also underwent an organizational reform in 1997.

### Box 1: Germany

The division of labor between the public and private sector characterizes the organizational configuration of export promotion in Germany. The federal government directly promotes exports through Germany Trade and Invest (GTAI) and its network of 220 embassies and consulates and also co-finances activities of the Chambers of Commerce (AHK, *Auslandshandelskammer*). Regional and local governments and business associations are also engaged in export promotion. The Federal Ministry of the Economy and Technology (*Bundesministerium für Wirtschaft und Technologie*) coordinates the federal and regional actors.

The GTAI was established on January 1, 2009 by merging the former Federal Agency for Foreign Trade (*Bundesagentur für Aussenwirtschaft, BFAI*) and Invest in Germany. The Federal Ministry of the Economy and Technology and the Federal Ministry of Transport, Building and Urban Affairs (*Bundesministerium für Verkehr, Bau und Stadtentwicklung*) fund the GTAI. The mission of this organization is to support export-oriented companies based in Germany and to promote Germany as a location for industrial and technological investments in order to attract investors who create or secure jobs. More precisely, the GTAI provides German firms that pursue to increase their international operations with comprehensive foreign market information and advises foreign companies that seek to expand their business activities in Germany.

The GTAI reports to the Supervisory Board according to the German legislation. The head of the organization is appointed by the Minister of the Economy and Technology and has a fixed-term mandate. Employees are recruited through public competition conducted by the entity and their wages are determined by contract.

The GTAI has two offices in Germany (Cologne and Berlin). Furthermore, it has an own network of 46 offices abroad. These offices are staffed with industry analysts who perform research onsite about foreign markets, thereby gathering the data that are used as inputs for the information services. This network consists of approximately 60 specialists (based on the former BFAI) distributed in the main export markets. In general, these specialists hold degrees in economic journalism. Every five years they change location and once a year they meet to exchange information. The services provided by the GTAI include comprehensive and client-oriented data (e.g., macroeconomic analyses and forecasts; country and industry analyses for over 125 countries; practical business tips; and business contacts and addresses) as well as information about calls for proposals in foreign countries (e.g., from international organizations), investment and development projects, and legal, tax, and customs regulations. In gathering these data, the GTAI targets countries, sectors, sectors within countries, and countries within sectors. The main users of these information services are SMEs over the whole range of export experience (i.e., non-exporters, potential exporters, exporters with limited experience, and experienced exporters).

The GTAI usually charges a price below market for specialized reports requested by individual companies. In 2008, the joint annual budget allocated to this network of analysts and the international fair program was USD 50.1 million. In addition, this year USD 10.4 million were assigned to finance the participation in world exhibitions (e.g., Zaragoza) and that of young innovative firms in relevant international marketing events. The GTAI has periodic meetings with similar organization in the framework of the Network of European Trade Promotion Organizations.

Support abroad to exporting companies is also provided by 120 chambers of commerce (AHK) in more than 80 countries. This support consists of provision of market and sector information; legal, tax, and custom advice; assistance in searching business partners and arranging business meetings; and representation and accompaniment in fairs, among others. Access points in Germany to this chamber network are the 81 German chambers of commerce and industries. As per law, all companies must be member of one chamber. The federal government provides funding to these foreign trade chambers to perform export promotion activities. In 2008, resources amounted to USD 62.4 million (including those applied to investment attraction).

The GTAI and the AHK closely cooperate in gathering and publishing trade information and promoting Germany as a business location. Their employees currently share offices.

*Mission and Areas of Activity:* Most surveyed organizations have responsibility for both export promotion and investment promotion (see Table 2.ROW and Table 2.LAC). As highlighted above, in most countries, placing these two responsibilities under one entity is a relatively recent and growing phenomenon.<sup>6</sup> Among developed countries, organizations exclusively focused on export promotion are observed in Finland, France, Italy, Netherland, and Spain, whereas, in the region this occurs in Argentina, Chile, Costa Rica, Ecuador, El Salvador, and Guatemala.<sup>7</sup>

In a few cases, notably EI and NZTE, the entities' mission clearly extends beyond fostering cross-border economic activities and encompasses the design and implementation of programs to favor business development in general. This creates an integrated support chain for companies, especially SMEs, that aims at increasing their overall competitiveness and thereby facilitating their access to and consolidation in international markets.<sup>8</sup> This is also precisely the idea behind the establishment of ACC10 as a merger of COPCA with the Catalonian Center of Innovation and Entrepreneurial Innovation (CIDEM). In the region, an incipient collaboration agreement between PROCHILE and the Chilean Economic Development Agency CORFO attempts to reproduce this assistance strategy. Attempts to improve coordination between these two areas are also observed in other countries. Notice that there may be a tradeoff between having specific organization to provide specialized support in particular areas, which require more intense coordination efforts, and having a centralized organization which would ameliorate coordination problem, but potentially at the price of being less specialized in the different areas (see also ECLAC, 2008). The optimal organization arrangement would depend on several (country-specific) factors.<sup>9</sup>

Moreover, in Latin America and the Caribbean, there are cases in which export promotion has been also combined with tourism promotion within the same organizational structure (although operationally these remain quite separate). These are the cases of PROEXPORT and PROMPERU.

*Legal Status and Reporting:* Export promotion organizations are legally separate entities, public, mixed public and private, and in a few cases private (e.g., IECI and, in

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<sup>6</sup> In contrast to this general pattern, responsibility for these two policy areas has been recently split in Ecuador between CORPEI (Ecuador Exports) and Invest Ecuador.

<sup>7</sup> The investment promotion organizations in these countries are: Invest in Finland, Invest in France, Invitalia in Italy, NFIA (Netherlands Foreign Investment Agency), Invest in Spain; and PROSPERAR, Foreign Investment Committee and CORFO (Chilean National Economic Development Agency), CINDE (Costa Rican Coalition of Development Initiatives), Invest Ecuador, PROESA (National Commission of Investment Promotion), and FUNDESA (Guatemalan Development Foundation), respectively.

<sup>8</sup> EI assists international companies who want to set up food and drink manufacturing activities in Ireland. However, IDA Ireland (Investment Development Agency) is the formal Irish inward investment promotion organization.

<sup>9</sup> Precisely identifying these factors along with their relative importance is beyond the scope of this paper and would deserve a study on its own.

the region, FIDE) (see Table 3.ROW and Table 3.LAC) or departments within public ministries or secretaries (e.g., TCD, BETP, DEPT, and UKTI, and, in the region, PROCHILE, DPC/ME, and DNPE/VICOMEX). In general, these organizations must present periodic reports (usually, on an annual basis) containing information regarding the activities undertaken, in many cases, along with their estimated outcomes to the ministry or secretary responsible for this policy area, the board of directors (if any), and the public. The degree of detail of these reports actually varies substantially across countries.<sup>10</sup> In addition, most organizations must also submit finance and administrative reports explaining how they utilized allocated resources and the respective procedures followed. Typically, public organizations or those that rely on public funding must present this documentation to the general accounting office and also to the general comptroller office. These are commonly two separate reports and only the former is readily available to the public in general. However, in a few cases, both sets of information are well integrated into a unified public report (e.g., AUSTRADE, IE, NZTE, and UKTI).

*Head of the Organization and Composition of the Board:* The head of public or mixed organizations, who can be the general director, general or executive manager, or the president, is generally appointed by the government, most frequently through the responsible ministry (see Table 4.ROW and Table 4.LAC). Sometimes the country's president directly designates these officials. This is primarily observed among countries in the region (e.g., Colombia, Mexico, Paraguay, and Uruguay). The holder of this position can be also appointed by the Board of Directors (e.g., FINPRO, COPCA, and, in the region, EXPORTAR -with the approval of the corresponding ministry-, PROCOMER) and, in a few cases, is selected through public contests (e.g., IE, COPCA, UKTI, and, in the region, CORPEI, FIDE, and JTI). Appointments can be indefinite (i.e., without a predefined tenure) or for a fixed term (e.g., three years for CEPROBOL; four years for the ICE, APEX, and CORPEI, and five years for TCD). In the latter case, mandate can in general be renewed at least once.

Professional background of recent managers include positions in the public sector (e.g., AUSTRADE, UBIFRANCE, KOTRA, ICEX, and DEPT and, in the region, EXPORTAR, PROCHILE, DPC/ME, JTI, and REDIEX), private sector (e.g., FINPRO, IECI, JETRO, NZTE, and, in the region, CORPEI and PROMEXICO), and both sectors

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<sup>10</sup> Some organizations must present their report to the Congress (e.g., UKTI and, in the region, PROCHILE).

(e.g., COPCA and, in the region, EXPORTA and FIDE).<sup>11</sup> Among those who have previously worked for the public sector, relevant sectoral experience varies widely. Thus, while the head of AUSTRADE has been the managing director of Australian Hearing, an Australian government trading company, the head of JTI worked for HEART Trust-NTA, a statutory organization of the Ministry of Education, Youth, and Culture. More specifically, some organizations' managers have reached their positions after working in the responsible ministries (e.g., TCD, UBIFRANCE and PROCHILE), in the same entities (e.g., KOTRA and PROEXPORT), or related entities (e.g., EI, PROCOMER, and APEX, whose managers worked for their countries' investment promotion organizations IDA and CINDE, respectively; and presided the Brazilian Agency for Industrial Development, respectively).

When present the board of these organizations may have from 3-6 members (e.g., ICE, EVD, PROMENDOZA, PROEXPORT, and URUGUAY XXI) to more than 20 (e.g., UBIFRANCE, JETRO, ICEX, COPCA, and EXPORTAR). The average number of members is smaller for organizations from Latin America and the Caribbean than for those of countries from outside of this region (i.e., 9.3 and 13.6, respectively), but dispersion is similar across groups (i.e., the coefficients of variation are 0.8 and 0.7, respectively).

With a few exceptions, the composition of the board is mixed, i.e., the board is composed of representatives of both the public and private sectors.<sup>12</sup> Interestingly, even organizations that are not legal separate entities have boards with private sector representatives (e.g., TCD and UKTI). In general, among these entities, the private sector holds a majority of the seats.<sup>13</sup> The share of seats that this sector accounts for ranges from 30.0% (CEPROBOL) to 84.6% (REDIEX) for entities in Latin America and the Caribbean and from 30.0% (UKTI) to 90.0% (EI) for peers in other countries. In the region, representatives from this sector are typically authorities of national sectoral chambers of business associations, e.g. the Chambers of Exporters of the Argentine Republic (CERA), the Argentine Rural Society (SRA), and the Argentine Industrial Union (UIA) in EXPORTAR; the National Association of Exporters and Importers (ANIERM) in PROMEXICO; the Federation of Chambers of Industries; the National

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<sup>11</sup> For instance, the head of FINPRO previously worked for information technologies and communication companies; the head of JETRO for Mitsui Trading Company; the head of NZTE for several dairy and other manufacturing firms; the head of CORPEI for telecommunication and electrical companies; and the head of FIDE for the National Company of Electrical Energy, the Secretary of Finances, and the Honduran Board of Private Company.

<sup>12</sup> Two particular cases are UBIFRANCE and PROEXPORT whose boards include "qualified personalities" and individuals directly designated by the country's president, respectively.

<sup>13</sup> Exceptions are ICEX and UKTI and, in the region, CEPROBOL, APEX, PROMEXICO, and URUGUAY XXI.

Federation of Chambers of Commerce; the National Federation of Agricultural Chambers, and the National Federation of Chambers of Small Industries in CORPEI; the Association of Exporters (ADEX) and the National Society of Industries (SNI) in PROMPERU; the Chamber of Industries of Uruguay, the National Chamber of Commerce and Services, and the Rural Association of Uruguay in URUGUAY XXI. The same holds for ICEX. In other organizations, staff of individual companies directly represents the private sector (e.g., FINPRO, NZTE, EI, and JTI).

Representatives from the public sector primarily include officials from the relevant ministries or secretaries (e.g., economy, trade, foreign affairs, etc), and also from public financial organizations (e.g., the Foreign Trade Bank BICE in EXPORTAR and the National Financial Corporation in CORPEI) and investment promotion organizations (e.g., PROSPERAR in EXPORTAR and PROINVERSION in PROMPERU).

We should notice herein that, even though the organizational models may be formally similar, they can diverge in practice due to their specific operating contexts.

*Budget and Number of Employees:* Export promotion organizations may need a minimum critical mass in order to be able to perform effective export support activities. Thus, we first look at these entities' absolute size (see Table 5.ROW and Table 5.LAC). In developed countries, their budgets easily exceed USD 100 million. In fact, for several organizations, annual resources are above USD 300 million (i.e., AUSTRADE, EI, ICE, JETRO, ICEX, and UKTI).<sup>14</sup> In general, the number of employees is larger than 300. In some organizations, personnel even reach and surpass the barrier of 1,000 (i.e., AUSTRADE, JETRO, KOTRA, and UKTI).<sup>15</sup>

In the region, only two organizations have annual budgets close to or exceeding USD 100 million (i.e., PROMEXICO and APEX, respectively) and, remarkably, 11 out of 16 have less than USD 20 million to undertake promotional activities. Further, only three of these entities have more than 300 employees (i.e., PROCHILE, PROMEXICO, and PROMPERU).

Admittedly, cross-hosting country size differences may drive these cross-organization size differences. We therefore also analyze the entities' relative size, i.e., conditioning on the size of the economies they operate in. In doing this, we explore the relationship between the annual budget of the surveyed organizations and the countries' GDP (and population) as well as that between their personnel and the countries' total

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<sup>14</sup> These are total annual budgets, thus including grants conceded to companies in the cases of AUSTRADE, NZTE, and EI, as well as the relevant resources consumed by parent departments in the case of the UKTI. See notes to Table 5.ROW for additional details.

<sup>15</sup> Noteworthy, UKTI is not an employer in its own right. See notes to Table 5.ROW for additional details.

population (see Figure 1). There are entities whose size in terms of both financial and human resources available is clearly below what would be expected according to their country's size –at least for our sample-. This is notoriously the cases of EXPORTAR and URUGUAY XXI. In contrast, other organizations such as PROCOMER, PROCHILE, and PROEXPORT have endowments as or above expectations. Outside of the region, AUSTRADE, EI, and NZTE are evidently also in this situation.

Even after accounting for countries' size, caution is necessary when reading and making inferences from these data. Relative differences in funding cannot only be attributed to the level of priority assigned to export promotion. First, as the notes underneath Table 5.ROW and Table 5.LAC suggest, accounting rules are far from homogeneous. In particular, the fraction of available resources specifically allocated to promotional varies significantly across organizations. Second, as mentioned above, these entities may have different areas of activity. Thus, while some organizations are only in charge of export promotion, others also have responsibility for investment and even tourism promotion. In the former case, there are usually separate organizations dealing with these policy competencies with own independent budget and personnel. Hence, the size of the entities will also vary across countries depending on the functions they have been assigned. Third, figures reported in the tables correspond to the countries' main national organizations. To what extent they represent a quantitative measure of the total resources invested in export promotion will hinge upon the degree of organizational fragmentation prevailing in these countries. If the degree of fragmentation is low and accordingly the organizational configuration of export promotion policy consists of a unique organization (although potentially accompanied by minor entities) that concentrates most resources and can articulate most public and private efforts, the aforementioned figures would be a reasonable approximation of the country's total. In this case, the distribution of resources across relevant organizations would be virtually degenerate and then, by just considering the main one, we would be looking at the whole distribution.

If, however, the degree of fragmentation is high, this will no longer be true. As will become clear from our case studies, fragmentation may occur along several lines. There may be horizontal fragmentation. Different national public sector organizations linked to different government units can be simultaneously involved in export promotion running specific support programs and personnel. Similarly, there may be both national-level public and private entities engaged in this policy field. In addition, in federal



countries, fragmentation may be also vertical as both separate public and private organizations may be active at both the national and sub-national levels (e.g., Spain and Argentina). If more than one relevant entity is present, size measures shown in Table 5.ROW and Table 5.LAC will just reflect those of the entity under examination and may severely misrepresent the whole amount of resources used to promote exports in the economies. This again will vary from country to country. It is then possible that a country's organization is larger than that of other, but the latter country may, on aggregate, be devoting more funds to export promotion. We will thus strictly interpret measures as those of the organization and not as quantification of the overall allocation of resources to this purpose. Further, a given total amount of resources may have different outcome implications depending on which specific export assistance initiatives are undertaken and how are they coordinated with each other, i.e., whether they are properly articulated so that they reinforce each other or they overlap, thus leading to ineffective spending. Clearly, in the second, more resources do not necessarily ensure better effects. Hence, drawing robust inferences about the relationship between organizations' size as proxied by budget (or personnel) and countries' export performance requires properly and carefully account for all these factors.

*Sources and Application of Resources:* While the largest fraction of resources available to export promotion organizations are directly allocated by the public sector, those in countries outside of the region in general generate own revenues through the provision of costly services, primarily consulting activities (see Table 6.ROW and Table 6.LAC). Thus, for instance, the TCD charges for its services and consultancy USD 150 per hour, whereas firms supported by COPCA must pay 50% of the costs of the assistance they receive.<sup>16</sup> Some entities such as IEICI and JETRO (and also FINPRO) receive funding through membership fees paid by companies (see also Box 2 for the Austrian case).<sup>17</sup> In contrast, in the region, except for a few entities such as JTI and PROMEXICO, operations are entirely funded by their governments. Most of these resources come directly from the public budget, but in a few cases originate from specifically assigned revenues from particular taxes. For example, funding for APEX amounts to 12.75% of the 3.00% tax that companies must pay on their expenditures on salaries as social contributions, whereas that for (the tourism promotion program of) PROMPERU partially derives from taxes on flight tickets. There are also some variants.

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<sup>16</sup> In these cases, firms using such costly services might be presumed to perceive them as useful for their purposes.

<sup>17</sup> In the case of JETRO, membership fees cover subscriptions to publications and reports.

PROCOMER finances its activities primarily through the collection of fees for using the free trade zone regime (49.0%) and incomes from sales of customs forms of export and import (46.0%). CORPEI counts on contributions from exporters and importers, redeemable in 10 years, as follows: 1.50 % of the FOB value of private exports (for exports larger than USD 3,330, otherwise USD 5.0); 0.25% of the FOB value of imports (for imports larger than USD 20,000, otherwise USD 5.0); and, until last year, 0.50 % of the FOB value of oil exports.

#### **Box 2: Austria**

In Austria organizational arrangement of export promotion is primarily within the private domain and the government is therefore not a key actor. In particular, private and quasi-private organizations are the principal provider of export promotion assistance. These organizations focus on region-specific needs but operate at the national level. Overall, this organizational system seems to be managed in an integrated manner (see Seringhaus and Botschen, 1991).

The most important entity is the Austrian Economic Chamber (Wirtschaftskammer Österreich, WKO). The structure and mandate of this chamber is more comprehensive than those of peers from other countries are. To start with, membership is obligatory for all business enterprises. Currently, around 400,000 firms are member of the WKO. Within the Austrian Federal System of Economic Chambers, the WKO operates as the national umbrella organization for the nine regional chambers (one in each Austrian federal region) and 110 trade associations for different industries. Export assistance is mainly provided through a central service division called Austrian Trade (Aussenwirtschaft Österreich, AWO). AWO was established in 1946. Its main mission is to help create and sustain successful sales and promotion of Austrian goods and services in international markets.

The President of the WKO, who is elected by the member companies, appoints the director of the AWO. Recruitment of personnel is open. Individuals must have 27 years old or less when joining the trade unit. Most employees are lawyers or economists and some have master's degrees. Their first assignment is in Austria; afterwards they must stay abroad in three different positions (three years each); and, upon completing this rotation, they must come back to Austria for one year. Wages are not tied to individual performance measures.

The AWO has 703 employees and an annual budget of USD 83.5 million. These resources originate from member contributions (85.0%) and from marketable sales (15.0%). In recent years, AWO has partnered with the Austrian government through the Federal Ministry of the Economy and Labor (Bundeministerium für Wirtschaft und Arbeit, BMWA) in a joint initiative to, among other things, identify new exporters and prepare them to compete internationally ("Go International"), whereby the AWO receive additional funding (roughly, USD 34.8 million).

The AWO runs 108 offices (68 trade commissions, 7 branch offices, and 23 marketing offices) spread over 72 countries. These offices are staffed with 599 employees and endowed with an annual budget of USD 74.2 million USD. It is worth mentioning that trade commissioners have diplomatic status (and are accordingly remunerated). Hence, the Ministry of Foreign Affairs (Aussenministerium) must approve their designation.

Export support actions include provision of market information, business contacts, and consultancy services, assistance with cross-border sourcing, financing, research, technology transfer, and setting up subsidiaries abroad. Some of these services are costly. For instance, a company requesting an individually-tailored market report can be charged approximately USD 140 per person/eight hours devoted to its elaboration. Every year the AWO assists around 20,000 firms.

Organizations can be broadly classified into two groups depending on how they allocate their resources across the different export promotion activities. First, some entities prioritize organization and coordination of firms' participation in international marketing events such as missions and fairs (e.g., EXPORTAR, PROCORDOBA, DPC/ME, and PROMPERU). Second, there are organizations that focus on other trade assistance activities such as training, provision of specific commercial information, and specialized consulting (e.g., PROCHILE, PROEXPORT, and EXPORTA).<sup>18</sup> Although similar information is not readily available for all entities in more developed countries, there is evidence that actions aiming at strengthening firms' export capabilities behind the borders are increasingly important vis-à-vis pure marketing actions. Noteworthy, in general, copayments by private firms to participate in the aforementioned marketing events (usually, around 50.0%) have not been included in the organizations' total budgets.<sup>19</sup> These copayments can be substantial. For instance, in 2008, they amounted to USD 64 million in the case of the ICE and USD 16 million for PROCHILE.<sup>20</sup>

*Personnel and Remuneration Policy:* Export promotion organizations usually recruit their personnel through public competition they arrange, (sometimes) advertise, and conduct. In a few cases, employees are partially selected by other public organizations (e.g., APEX and REDIEX), consulting companies (e.g., EXPORTAR and APEX), or directly hired (e.g., PROMEXICO and DNPE/VICOMEX) (see Table 7.ROW and Table 7.LAC).

In several entities from countries outside of the region, personnel remuneration consist of a fixed wage plus a variable component based on individual performance, which can be up to 25.0%. Among other things, these bonuses may hinge upon the external sales of supported companies, the number of firms assisted, and, when costly services are provided, on the annual turnover.<sup>21</sup> This is, for instance, the case of COPCA whose employees' remuneration has a variable portion calculated based on the achievements of their annual targets of service sales.<sup>22</sup> The picture is substantially different in the region. With only a few exceptions (e.g., PROEXPORT and CORPEI),

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<sup>18</sup> Recall that some organizations also promote foreign direct investment. In those cases "Other Applications" in general include the portion of resources assigned to this purpose.

<sup>19</sup> Otherwise, the size measures might be distorted depending on the specific set of promotional activities undertaken by the organization. Most importantly, these are in fact resources that are not available to the entities.

<sup>20</sup> One key issue that deserves closer consideration due to its potential relevance for organizational performance is how resources are internally distributed between generic support and operative areas. Our case studies shed some light on this issue.

<sup>21</sup> Using the number of firms assisted as a merit pay criterion compensates the incentives to focus on large companies generated by that based on export values.

<sup>22</sup> In particular, employees are set annual targets regarding the time spent in providing specialized costly services (excluding time devoted to other tasks such as dealing with organizational issues, provision of basic information, etc). The variable component of the compensation is determined according to the level of achievement of these targets, adjusted to each specific context. A priori this creates incentives for employees to be active in finding private firms to provide them with revenue generating assistance.

most organizations apply a fixed wage scheme without specific bonuses tied to work accomplishments.

All entities in the region have employees with master's degrees in various fields of specialization (e.g., marketing, international relations, information technologies, engineering, etc). The share of these employees in total personnel reaches or exceeds 25.0% in some cases (e.g., CORPEI, FIDE, JTI, DNPE/VICOMEX, and REDIEX). Some have employees with Ph.D.s (e.g., PROMENDOZA, APEX, EXPORTA, PROMEXICO, REDIEX, and PROMPERU). Moreover, these organizations tend to hire individuals with previous trade experience. These employees account for more than 50.0% of the personnel in several entities (e.g., PROCORDOBA, CEPROBOL, PROCOMER, DPC/ME, PROMEXICO, and PROMPERU). Further, staffs even include former businessmen, who represent 10.0% or more of the personnel in a few cases (e.g., PROCORDOBA, EXPORTA, JTI, DNPE/VICOMEX, and PROMPERU).<sup>23</sup>

*Presence in the Country and Abroad:* Besides their headquarters –which are typically located in the countries' capitals-, export promotion organizations may have regional offices to facilitate the access of companies to their services and offices abroad both to support their activities and to provide firms with onsite assistance. We should mention herein that we have chosen to work with a generic definition of “office”. In particular, we consider that an organization has an office in a specific location if there is a mission staffed either by direct employees or personnel that somehow depend on this entity (e.g., they are selected, can be set goals, and evaluated by these entities, potentially together with other ones), regardless where they are physically located (e.g., either in a separate office or within diplomatic foreign mission such as embassies or consulates). Applying this criterion, we observe that many organizations from developed countries tend to have several regional offices that cover a large fraction of sub-national administrative divisions (see Table 8.ROW). Importantly, they have a large number of offices abroad that provide them with presence in many countries. More specifically, there are organizations with more than 90 missions in more than 60 countries (e.g., AUSTRADE, ICE, KOTRA, ICEX, and UKTI). In some of these organizations, more than 50.0% of the employees are located abroad (e.g., AUSTRADE, UKTI).

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<sup>23</sup> Unfortunately, similar data could be obtained only for a few entities from countries outside of the region. For example, the share of employees with master's degree, Ph.D.s, who were businessmen, and have previous trade experience are: 60%, N/A, 50%, N/A for TCD; >30%, >10%, N/A, >40% for EI; 36.4%, 0.0%, 9.1%, 36.4% for IECI; and 39.3%, 1.0%, 0.0%, and 50.0% for UBIFRANCE, respectively. In general, the proportion of staff with master's degrees is larger in this group of countries, which are on average better endowed in terms of human capital.

On the other hand, in the region, many entities have only one office in their countries, the headquarters (see Table 8.LAC). Admittedly, there are intermediate organizational arrangements that contribute to ensure that these entities have some form of presence in the region. Thus, for instance, EXPORTAR has 63 access points to its services established in partnership or through agreements with, and hosted by, provincial or municipal governments and business associations throughout the 24 Argentine provinces. APEX has established similar access points in partnership with the National Confederation of Industries (CNI) and the state federations of industries. These offices are placed in buildings of the federations. Currently, there are five such offices in five states (Ceara, Minas Gerais, Parana, Rio Grande do Sul, and Santa Catarina). Further, in addition to their regional offices, PROEXPORT and PROMPERU have local information centers in collaboration with other local public and/or private organizations, thereby expanding their regional presence. Remarkably, since the late 1990s PROCHILE is virtually present in all regions of the country. The same hold for PROMEXICO since this year.

Moreover, there is a substantial heterogeneity across countries' export promotion organizations in terms of their presence abroad. A few of these organizations have more than ten offices in ten or more countries (i.e., PROCHILE, PROCOMER, PROEXPORT, and PROMEXICO). Other entities have a very limited direct representation in foreign countries (e.g., EXPORTA, DPC/ME, FIDE, and JTI). Finally, a group of organizations does not have foreign missions (i.e., EXPORTAR, CEPROBOL, DNPE/VICOMEX, REDIEEX, PROMPERU, and URUGUAY XXI). These organizations must declaredly rely on the support of diplomatic personnel at embassies and consulates in assisting exporting companies. However, as we shall discuss latter in our case studies, this support depends, in general, on subjective personal relationships (i.e., it is not adequately institutionalized). Furthermore, the lack of appropriate trade expertise and sometimes the resource constraints faced by these diplomats both in terms of financial means and available time limit the export assistance they can provide. More specifically, even when actively engaged in export promotion, this is most frequently not a full time activity, as these officials have other concurrent responsibilities. Hence, the existence of missions abroad can be expected to matters for the impact of the organizations' promotion efforts on their countries' trade performance.<sup>24</sup>

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<sup>24</sup> This is explicitly explored in two separate papers (see Volpe Martincus et al., 2009a, 2009b).

*Profile of Assisted Companies and Targeting:* Assisted companies belong to all size segments (i.e., small, medium, and large) and are located over the whole spectrum of export experience (i.e., non-exporters, potential exporters as defined according to some evaluation of firms' export capabilities, exporters with limited experience, and experienced exporters) (see Table 9.ROW and Table 9.LAC). Nevertheless, organizations in general prioritize small and medium-sized companies -frequently through specifically designated programs- because these are more likely to be affected by informational and other trade barriers.<sup>25</sup> Moreover, virtually all entities, although to different actual extents, perform some kind of geographical and/or sectoral targeting and even certain combinations of both, i.e., specific sectors (destination countries) in (for) particular destination countries (sectors) (e.g., EXPORTAR, APEX, PROCHILE, PROEXPORT, JTI, PROMEXICO, REDIEX, and PROMPERU).

*Service to Exporters:* Export promotion organizations offer exporters multiple services. These services include: training for inexperienced exporters on the export process, marketing, and business negotiations; producing and disseminating analyses on country and product market trends; providing specific information on trade opportunities abroad as well as specialized counseling and technical assistance on how to take advantage of these opportunities; coordinating and supporting (and in some cases co-financing) firms' participation in international trade missions and trade shows, and arranging meetings with potential foreign buyers in particular; organizing these kinds of trade events; and sponsoring the creation of consortia of firms aiming at strengthening their competitive position in external markets (see Table 10.ROW and Table 10.LAC).

In general, most organizations offer all these services. In other words, with some variants, these entities seem to have a similar basic portfolio of activities, especially within the region. However, disparities arise in terms of the delivery process, the scale and scope of the different activities as determined by the priorities set, the overall available funding, the conditions under which the respective assistance services are rendered, including whether they are articulated with each other, and the implied quality of the support provided. Some organizations tend to bundle different activities into specific programs to accompany firms with no or limited experience in external markets throughout the whole export development process, thereby facilitating synergies among them. Examples in this regard are UKTI's "Passport to Export" and IES' "Exporter

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<sup>25</sup> Interestingly, KOTRA just focuses on medium-sized companies.

Development Program” and, in the region, PROEXPORT’s “Expopyme” and “Plan Exportadores”. Noteworthy, these programs have an important component of behind borders support activities aimed at strengthening firms’ export capabilities.<sup>26</sup>

Additional services include facilitation of production linkages with multinational companies (e.g., PROCOMER) and support to firms’ initiatives to increase the value added and quality of their products (e.g., PROEXPORT).

*Effectiveness Assessment:* Organizational performance is usually assessed using activity (input) and outcome (output) indicators. Inputs indicators are on average well developed and typically consist of the number of firms using (each of) the services provided by the organization and the number of export support actions undertaken. Virtually all entities use one of these quantitative measures or both (see Table 11.ROW and Table 11.LAC). This is unsurprising given that, as mentioned before, most organizations must submit periodic reports containing information regarding these activities. Some organizations also utilize other input indicators capturing alternative dimensions of their performance such as the quality and/or conditions of service delivery. Such indicators include: call responsiveness rates, share of market intelligence report services whose relevance has been per-reviewed by marketing managers (NZTE); quality of export support services according to ISO 9001 (KOTRA); time to respond to service requests (COPCA); and, in the region, time needed to approve a new export project (APEX); and percentage of services offered by electronic means and percentage of users utilizing electronic systems (PROCOMER). Other indicators are specialization of the foreign offices in their respective countries and education of personnel (KOTRA); full time equivalent staff and administrative spending (UKTI); and staff costs as a share of total expenditures (JTI). Noteworthy, a few entities have their own balanced scorecard (e.g., FINPRO and, in the region, PROEXPORT).

In contrast, output indicators are, on average, less developed and more heterogeneous in terms of their design and implementation. Organizations such as AUSTRADE, EI, NZTE, and UKTI have clear specific indicators that have been purposely defined in accordance with the strategic goals established in their multiannual work plans. These indicators are periodically monitored to evaluate the degree of accomplishment of these goals. These include, for instance, the number of both established and new or irregular assisted exporters that have achieved export “success”

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<sup>26</sup> An exhaustive analysis of the specific programs of all organizations is beyond the scope of the present paper. Nevertheless, additional information can be found in the next section for our case study entities. Moreover, Boston Consulting Group (2004) and Nathan Associates (2004) have detailed description of the programs for the organizations they examine.

(AUSTRADE), number of assisted firms that achieve global sales above certain threshold (EI), number of assisted firms implementing changes in their business models based on the “manufacturing +” model (NZTE); and financial benefits generated by trade services as determined by the sum of the value of additional profits that firms expect to achieve as a result of the help provided by the organization (UKTI).

Otherwise, most entities assess the effects of their actions based on mere client satisfaction measures and many on the value of exports achieved by supported firms (or its change). In the latter case, the organizations in the region follow two main procedures. First, those that have access to export firm-level data from customs sum over (the change of) exports by supported companies and impute this value as additional exports generated by their promotional activities and thus as own contribution to the countries’ exports. Second, those without such access rely on the data they gather through questionnaires sent to firms participating in the activities they organize, typically missions and fairs. These surveys usually include a question about the value of exports achieved in these international marketing events. However, the answer rate of this question is, on average low, and highly variable across activities (and, of course, across entities). Moreover, the implied figures are likely to be subject to bias due to misreporting. More importantly, substantive methodological problems flaw all these measurement strategies, which are therefore unable to produce reliable impact indicators. Further, some organization also directly use countrywide measures as relevant outcomes (e.g., country’s total exports, change in country’s non-traditional exports, change in total national employment), even though a meaningful link between their activities and these indicators is difficult if not virtually impossible to establish. Hence, impact evaluation clearly remains an area needing substantial improvement. This is especially so given the declared implications of such assessments, i.e., the decisions that may potentially be taken based on their results (e.g., budget allocated to the organization, redefinition of strategy, redistribution of resources across units and programs, evaluation of employees, and/or removal of managers).

*Inter-Organizational Relationships:* Table 12.ROW and Table 12.LAC map the network of relationship of export promotion organizations revealing the specific entities (e.g., public organizations, business associations, universities and research centers, and peers) they are connected to and the nature of the links. In general, although with noticeable differences across cases, these networks are dense and complex. Our in-depth



case studies will provide further specific insights into this issue (see also Box 3 for the Canadian and US cases).

**Box 3: Canada and Unites States**

*Canada:* Canada's export promotion efforts are coordinated underneath the umbrella of the Canadian Trade Commissioner Service (CTCS), which operates as a sub-unit of the Ministry of International Trade. As identified by the Ministry of International Trade's annual budget, this initiative seeks to increase Canadian commercial activity, with a focus on the promotion of exports through the provision of "high-quality international commerce services" to "Canadian exporters, importers, investors and innovators." CTCS coordinates export promotion with 22 federal agencies and departments, as well as with regional and provincial state governments, and maintains presence of 13 offices in all of Canada's regions and territories. As a sub-unit of the Ministry of International Trade, CTCS's budget originates from the Canadian governments budget appropriation to the Ministry. For 2009, the Ministry of International Trade has allocated \$200.0 million Canadian dollars to fund CTCS initiatives, services, and programs. Services offered through the Trade Commissioner Service for Canadian exporters include the provision of general information on exporting, programs that aide in the development of necessary exporting skills, strategic development counseling, market entry support, and in-market assistance.

*United States:* United States export promotion services are coordinated between 19 Federal agencies, with the United States Commercial Services (USCS) serving as the lead agency tasked with trade promotion efforts. Established in 1980 and located within the United States Department of Commerce, the USCS operates as a division of the U.S. International Trade Administration (ITA). USCS operates a domestic and global network of offices; including locations in 107 U.S. cities, and abroad in 80 markets. Funded through government appropriation, this year the budget request for ITA activities and commercial priorities has been set at \$420 million USD. USCS export promotion services focus on providing assistance to U.S. exporting firms through the provision of market research, the organization of trade events and fairs, aiding and developing relationships with potential buyers and distributors of American products, and providing counseling and advocacy for all steps of the exporting process. The USCS offers trade promotion services to enterprises of any size, yet has a particular focus on providing assistance that will improve the capacity and capability of small to medium size firms to enter and compete in international markets.

### 3.2 Discussion

The results of our survey provided a global perspective on the organizational patterns in export promotion policymaking. From this perspective we can establish some stylized facts. First, the mode organizational configuration, both within and outside of the region, is characterized by the presence of a leading entity with public nature. In a few countries where the main organizations are private, these are under the supervision of the public sector or operate under intersectoral arrangements involving semi-public actors (e.g., Finland and Germany). In particular, in countries that are federal (e.g., Argentina) or highly decentralized (e.g., Spain) autonomous export promotion organizations exist at the regional level, thus generating a decentralized public model. Whether these are in fact pluralistic models cannot be established from the data reported in the tables. This would demand detailed case studies. This also applies to the operational context of the export promotion organizations, as properly learning about this context requires understanding the interplay between the control, input, and output sets. The next section precisely attempts to do so.

Second, there is a trend to integrate promotion activities (export, investment, and also tourism in a few cases) into single organizations. This trend is slightly more intense outside of the region, but it is also clearly emerging in Latin America and the Caribbean. In more advanced stages of this process, these policy activities are combined with those more generally aimed at facilitating business development (e.g., EI and NZTE), thus creating an integral support chain for companies. This is likely to contribute to cross-fertilization across programs and coordination by reducing fragmentation, but, if not properly managed, might potentially pose some challenges on reaching the required specialization in support provision. From a normative point of view, this implies that, while initiatives to assist private sector actors need to be properly coordinated, there may be not be a unique organizational formula to achieve this goal. For instance, instead of adopting a single organization model, a strategy consisting of cross-membership of relevant of relevant entities' officials in the respective boards (e.g., a representative from TEKES, the Finnish Funding Agency for Technology and Innovation is member of the board of FINPRO) (see also ECLAC, 2008).

Third, organizational structures exhibit differences. Remarkably, these are country-specific instead of region-specific. More specifically, all variants of formal

organizational models (i.e. department of ministries or secretaries, separate legal entities of public, private or mixed natures, along with their boards, if any) can be observed both in Latin America and the Caribbean and the Rest of the World. The typical export promotion organization is a public separate legal entity (about 60% of all cases, with similar proportions across regions). However, we should notice herein that, as we will see below in our case studies, formal similarities do not necessarily imply factual similarities. Models will actually differ in practice depending on the specific context they operate in. This clearly makes difficult to quantitatively assess the role of these factors in shaping the effectiveness of the organizations in question.

Fourth, in absolute terms, the size of the entities in the region as proxied by the financial and human resources available to them is substantially smaller than that of counterparts from more developed countries. Budget constraints may result in suboptimal scale and scope of the services provided to firms and even reduced quality, thereby affecting their ability to have an impact on firms' export outcomes. Admittedly, the aforementioned size differences are at least partially driven by size differences of their hosting country. Once conditioning on size, some organizations in the region appear to be relatively well endowed (e.g., PROCHILE, PROEXPORT, and PROCOMER), at least relative to the group of entities in our sample. Does this larger amount of resources automatically translate into larger effects on exports? Ascertaining whether this is the case is again challenging when considering a cross section of countries. As the notes underneath Table 5.ROW and Table 5.LAC suggest, ensuring strict homogeneity in reporting budget figures is difficult and henceforth measurement errors are likely to be important. In addition, as stated above, depending in the degree of horizontal and vertical organizational fragmentation and the specific set of programs and their coordination, entities' size will be a more or less precise of the overall resources invested in export promotion. Establishing the true relationship between organization's budget and export performance would require properly addressing all these factors.

Fifth, in most cases the head of the organization is appointed by the government either through or based on a proposal made by the Minister overseeing the activity of the entity, and often has a fixed-term mandate.<sup>27</sup> In a few cases, notably in countries in the region, the manager is directly designated by the country's president. Other less frequent appointment procedures include designation by the Board of Directors and

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<sup>27</sup> A fixed-term appointment can a priori be considered a better protection for the autonomy of the manager's autonomy.

public contests based on merit. As for the rules to recruit personnel, most organizations hire their personnel through public competition. Nonetheless, as with other formal aspects, specific procedures can be expected to differ in practice. Furthermore, whereas several entities from countries outside of Latin America and the Caribbean apply remuneration policies that foresee some kinds of bonuses based on performance, this is rather the exception in the region (e.g., PROEXPORT). Although one would expect that bonuses make a difference, whether this is actually the case or not is still an open question. Addressing this question, however, would demand specific data that are not readily available.

Sixth, most export promotion organizations from developed countries have a large presence abroad. This does not hold for their peers in Latin America and the Caribbean. The existence and size of a network of foreign offices is related to the financial resources available to the entities and their interplay with other relevant actors such as the Foreign Service. However, it may also reflect particular export promotion strategies.<sup>28</sup> Along these lines, we identify three groups of organizations: those with a significant number of foreign missions; those with a limited number of external offices; and those with no direct representation abroad. These latter entities must thus rely on the work of diplomats within embassies and consulates for assisting exporters. Given the differences between these arrangements, the nature of the presence abroad (i.e., direct vs. indirect through diplomatic missions) is likely to be non-neutral in terms of the impact on exports. Unlike other factors considered before, the role played by these offices can be assessed in a cross-country framework. The reason is twofold. The existence and location of foreign missions can be established with accuracy and, given that the implied data require working at the country-pair level, country heterogeneity can be more easily controlled for with conventional econometric methods.

Seventh, monitoring of activities undertaken as well as their respective participation rates is standard since organizations need this information as a basic input to elaborate the periodic reports they must typically submit to their constituencies. However, quantitative evaluation of the effects of these activities is in most cases, especially those in the region, far from being rigorous or directly absent. The lack of reliable impact estimates makes virtually impossible to properly draw policy relevant conclusions such as what is the rate of return of resources allocated to export promotion, whether the

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<sup>28</sup> In fact, while PROEXPORT has approximately four times the annual budget of PROCOMER both have a similar number of offices abroad (although these are differently staffed).

level of these resources is adequate, or whether these returns can increase following a reallocation of financial means across the different promotional programs. This is without hesitation an area where substantial progress can and should be made by using econometric techniques widely applied in other fields such as labor market policies.<sup>29</sup>

## **4 Meeting Latin American Trade Promotion Organizations: Six Case-Studies**

### *4.1 Selection Criteria and Analytical Approaches*

We have selected six Latin American countries to perform a more in-depth analysis of their export promotion organizations. These case studies will cover the institutional network they are part of, their operational context, and their internal structure. We thereby expect to provide more refined insights about the factors (e.g., political economy elements) shaping the organizational configuration of export promotion policymaking and their dynamics as well as their potential implications. The countries in our subsample are: Costa Rica, Colombia, Uruguay, Argentina, Chile and Peru.

In selecting these countries we have used as criteria three different variables that are likely to be correlated or directly capture key characteristics of the entities in question. First, we take into account the size of the country, which might affect the absolute amount of resources invested in export promotion (input set) and thereby the variety of services provided to the firms (output set). Relative to the average country in the region, we identify two small countries, Uruguay and Costa Rica; two mid-size countries, Chile and Peru; and two large countries Colombia and Argentina. Second, these countries' organizations differ in terms of their organizational dependence (control set). Thus, the organizations from Colombia, Costa Rica, and Peru are linked to a specialized Ministry of Foreign Trade, whereas those from Argentina, Chile, and Uruguay are attached to the Ministry of Foreign Affairs. Third, as for the internal aspects of the entities, we distinguish between countries whose export promotion organizations have an own network of offices abroad, Chile, Colombia, and Costa Rica; from those that do not, Argentina, Peru, and Uruguay.

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<sup>29</sup> This is done for six Latin American countries in separate studies (see Volpe Martincus and Carballo, 2008, 2010a, 2010b, 2010c, 2010d, and Volpe Martincus et al., 2009a).

Besides these three main variables, we also take into consideration the attributions of the export promotion organizations in terms of regulation and administration of fiscal instruments and access to information, as these represent additional elements to differentiate their input sets. Along these lines, the countries' organizations can be classified into three groups: organizations tasked with information gathering to produce official statistics on foreign trade and with tax regulatory and collection responsibilities, Costa Rica; organizations with privileged access to detailed information on exports from customs, Chile, Colombia, Peru, and Uruguay; and organizations with no direct control nor access to this information, Argentina.

We apply the same analytical approach to all six cases. First, we review the historical background of the organization. In doing this, we precisely identify and contextualize its creation and establish the existence of institutional continuities and discontinuities over time. Second, we assess which organizational configuration of trade policymaking prevails in the country and carefully describe the operational context, in general, and the control set, in particular. When a pluralistic model exists, we explain why we have chosen a particular organization for our analysis. Third, we focus on the internal characteristics of the organizations. In particular, we explore their organizational status; their network of own offices in the country and abroad, if any; their budget, personnel, and the corresponding management policies; the export promotion activities they perform; and the mechanism they use to evaluate their effectiveness. Finally, we characterize the context in which the organizations operate by describing their inter-organizational relations.

#### **4.2 Costa Rica: A Case of Organizational Consolidation**

Costa Rica is a relatively small country that has an export promotion organization with a dedicated network of foreign offices. The current organizational arrangement is the result of a complex and gradual process of institutional building. This process clearly reflects the difficulties faced by most countries in the region when attempting to establish effective organizations to execute innovative public policies.

#### 4.2.1 Historical Background

Exports were highly concentrated in Costa Rica during the import substitution period. Thus, just two products coffee and banana, accounted for approximately 80% of the country's total exports over the 1950s and the 1960s. Precisely, at the end of 1960s, Costa Rica launched the first initiatives to favor diversification towards non-traditional exports, primarily within the agricultural sector. Beginning during this period, the process of organizational development associated with export promotion policy that took place thereafter can be split in three different phases.

First, from 1968 to 1982, early moves to abandon the prevailing import substitution strategy emerged. Various public entities such as the Central Bank, the Ministry of Economy, Industry and Trade, and the Ministry of Finance encouraged an active trade policy at the highest political levels of the government (see Monge, 1998). Thus, in 1968, CENPRO, Centro para la Promoción de las Exportaciones e Inversiones (Center for the Promotion of Export and Investments), became the first Costa Rican public organization explicitly tasked with the promotion of exports (in particular, non-traditional ones) and investments. This organization was linked to the Ministry of Economy, Industry, and Trade and had an own managing board composed of representatives primarily from the public sector, with some private sector members. In its first years of operation, CENPRO was not particularly active and the broad export promotion programs it had developed did not prove to be effective.

Second, from 1982 to 1996, Costa Rica abandoned its adherence to the import substitution strategy and progressively introduced a more active promotion policy, mainly focused on non-traditional exports. Although a strong political coalition supported this policy orientation, the process of organizational transformation was complex and thereby slow. This was at least partially due to the involvement of several public organizations in the previous public policy regime.

In this context, a private sector organization, CINDE, Coalición Costarricense de Iniciativas de Desarrollo (Costa Rican Coalition of Development Initiatives), was created to attract foreign direct investment to Costa Rica and promote the country's exports. More specifically, CINDE was established in 1982 under the leadership and financial assistance of USAID (United States Agencies for International Development)

and with the participation of Costa Rican private firms and prominent professionals.<sup>30</sup> This organization played a key role serving as a think tank favoring export oriented policies in Costa Rica. CINDE, thereby, developed public campaigns to promote economic reforms in Costa Rica and established strong links with the government in the formulation of economic policies.<sup>31</sup> In particular, this organization promoted the creation of the Corporación de Zonas Francas (Corporation of Free Trade Zones), which allowed foreign firms to invest under special conditions in specific areas within the country. On the operative side, CINDE implemented several programs aiming at attracting investment and promoting exports. These programs, which changed over time, consisted primarily of the provision of training, information, and technical assistance to firms. In order to perform its core activities, CINDE established a network of offshore promotion offices.

A substantial change in export promotion policymaking took place in 1984. The strategic leadership within the public realm on this policy shifted from CENPRO to a new organization with a more political profile, the CNI, Consejo Nacional de Inversiones (National Investment Council) (Law 6.855). The board of directors of the CNI was composed of two Ministers, the executive directors of CENPRO, and two representatives from the private sector. CENPRO served as the first technical secretary of the CNI and was granted the ability to regulate investment policy and recommend fiscal and customs policies aiming at facilitating exports. Throughout the 1980s, CENPRO was involved in the introduction and administration of different initiatives to promote trade. These initiatives include programs such as “One Stop Shop”, which sought to eliminate bureaucratic obstacles faced by exporters, and “Export Contract”, which provided export subsidies under certain conditions. In 1990, 45% of CENPRO’s revenues came from fees charged for the management of export forms and the provision of other services. Coordination between CENPRO and CINDE was initially weak until 1988 when a CINDE staff member became the executive director of CENPRO.<sup>32</sup> At this point, CENPRO began to receive support from USAID to finance specific projects.<sup>33</sup>

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<sup>30</sup> An alternative to creating a new organization would have been to use CENPRO to execute investment and export promotion programs. However, this alternative was disregarded because of the private sector orientation of the United States policies towards Latin America at that time and the potential obstacles associated with the bureaucratic structure and procedures of this public organization. From 1982 to 1993, CINDE received 63 millions dollars from USAID. This external support as well as that from other countries was considered important to back up Costa Rica as a stable democracy in a geographical area of political unrest. At the beginning of the 1990s financial assistance to CINDE started to decline as the United States ceased to provide financial support to foreign direct investment programs.

<sup>31</sup> The impacts of these campaigns were reinforced by the presence of political leaders within the Board of Directors.

<sup>32</sup> In 1984 CENPRO started to be technically assisted by the World Bank.

<sup>33</sup> The creation of FUNDEX in 1990 involved a different procedure as to the distribution of funds from USAID. FUNDEX was created as an agreement between the Costa Rican Government and USAID to provide resources to support non-traditional export



The cooperation agencies from Germany and Sweden, GTZ and Swedorp, also assisted this organization by covering expenses related to the participation in trade fairs and missions.

The organizational continuity and the experiences accumulated in the development and implementation of export promotion programs over more than a decade generated a process of learning-by-doing, facilitating both the identification of exporter needs and the activities that could effectively meet these needs.<sup>34</sup>

The third stage is marked by the creation of the Ministry of Foreign Trade (COMEX) and a new export promotion organization, PROCOMER, Promotora del Comercio Exterior de Costa Rica (Promoter of Costa Rican Foreign Trade). The law establishing the Ministry and of this new organization (law 7.638), to which it provides political coverage and strategic leadership, was enacted in October 1996.<sup>35</sup>

The Costa Rican government created PROCOMER as a mixed public private organization with broad participation of both public and private sectors in the Board of Directors. In fact, PROCOMER can be seen as a formal transformation of CENPRO into a new, larger organization, with an also larger presence of private sector representatives, and a more coherent organizational structure. In terms of activities, PROCOMER undertook those performed by the CENPRO, the CNI, and the Corporation of Free Trade Zones. Regarding financing, PROCOMER was secured a stronger position as it can directly collect and administer some fees related to foreign trade operations and the use of free trade zones.

After this organization reform, the Ministry of Foreign Trade officially delegated investment promotion activities to CINDE, thus delineating a distribution of tasks between this organization and PROCOMER. CINDE continued to maintain its own network of foreign offices in Europe (Germany and the Netherlands), Asia (Hong Kong), and the United States (California, Illinois, Florida, and New York) over several years.<sup>36</sup>

In the next sections, we will analyze the current organization structure and dimension of PROCOMER, its operational programs, and the network of relationships it has developed to accomplish its missions.

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projects. Different organizations, including CINDE and CENPRO, could apply for these resources. In fact, CENPRO obtained funds from FUNDEX to cover expenses derived from international fairs and missions.

<sup>34</sup> This, of course, did not preclude the existence of inefficiency.

<sup>35</sup> In fact, the Ministry of Foreign Trade was created 10 years before, in 1986, as a program closely connected to the President of the Republic, and then converted into a Ministry, at the beginning of the 1990s. However, the absence of a proper creation law left the Ministry with an unclear formal status. This situation was first corrected with the 1996 law.

<sup>36</sup> As of 2008, however, CINDE operated only one office abroad located in New York.

## 4.2.2 Organizational Structure

The Board of Directors is PROCOMER's government body. This board is chaired by the Ministry of Foreign Trade and composed of three representatives from the Executive Power, which are renewed at the beginning of each presidential mandate, and five representatives of five business associations, Cámara de Comercio de Costa Rica (Chamber of Commerce of Costa Rica), Cámara de Industrias de Costa Rica (Chamber of Industries of Costa Rica), Cámara de Exportadores de Costa Rica (Chamber of Exporters of Costa Rica), Pequeños y Medianos Exportadores de Costa Rica (Small and Medium Exporters of Costa Rica), and Cámara de Agricultura de Costa Rica (Chamber of Agriculture of Costa Rica).

A general manager leads the organization. This manager is appointed by and reports to the Board of Directors.<sup>37</sup> PROCOMER has five managerial offices and four directorates: Trade Promotion, Operations, One Stop Shop, Administration and Finance, Trade Intelligence, Costa Rica Provides, Investment, Human Resources, and Legal Counseling.<sup>38</sup> These units play specific roles in four service areas: trade promotion (e.g., missions, fairs, etc.); information and analysis (e.g., statistics, market research, etc.); support to firms' export capabilities (e.g., training, counseling, facilitation of production linkages between smaller and larger companies, etc.); logistics for investors (in particular, free trade zones) and exporters (one stop shop access) (see Figure 2).<sup>39</sup> In this sense, PROCOMER manages a network of five offices, which are "one stop shop" points for exporters aiming at simplifying and thereby accelerating formal trade procedures (e.g., registration, certification of origin, technical import notes).<sup>40</sup> More precisely, firms can therein present forms and ask for different permits in a single place, as opposed to the case when companies need to go through a myriad of public offices. Although managed by PROCOMER, these offices have an intergovernmental nature, as they are staffed with officials from diverse governmental entities. They are placed close to customs departments within the country. In particular, they are located in Aeropuerto Santa María (opened in 1990), Limón (opened in 1991), Caldera (opened in 1992), Peñas Blancas (opened in 1992), and Paco Canoas (opened in 1992).<sup>41</sup>

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<sup>37</sup> The current general manager was previously director of a unit of CINDE.

<sup>38</sup> Two additional support divisions are Communication and Press and Information Technologies.

<sup>39</sup> PROCOMER managerial activities have been certified with ISO 9001.

<sup>40</sup> This initiative actually started in the late 1980s.

<sup>41</sup> Many online applications have been recently established to further simplify and streamline the procedures to be undertaken by trading firms. In order to make possible the required coordination, some legal norms were introduced and the Consejo Asesor para las Oficinas de Ventanilla Única (Advisory Council for the One Stop Shop Offices) was created.

#### 4.2.3 Presence in the Country and Abroad

PROCOMER's headquarters are located in the country's capital, San José. Established in 2005, there also exists a network of five regional offices located in Limón (Región Huetar Atlántica), Ciudad Quesada (Región Huetar Norte), Liberia (Región Chorotega), Puntarenas (Región Pacífico Central), and Pérez Zeledón (Región Brunca) (see Figure 8). These offices, called CREAMYME, Centros Regionales para el Apoyo de las Pequeñas y Medianas Empresas (Regional Centers for the Support of the Small and Medium-Sized Companies), are a joint initiative of PROCOMER, the Ministry of Foreign Trade (COMEX), and the Ministry of the Economy, Industry, and Commerce (MINPRO). The purpose of these centers are to promote exports and production linkages of the SMEs; to increase the export capabilities of these kinds of firms located outside of the Central Valley; and to create a national export culture. In pursuing these objectives, these offices offer training on foreign trade, counseling on inscription and formal export procedures, and basic assistance services to firms, and map and identify companies that have the potential to become exporters.

PROCOMER also operates a network of foreign offices which is currently composed of 13 representations (see Figure 9). A manager and one or two trade officials staff these missions. These employees elaborate annual work plans under the supervision of the headquarters in San José.

The first offices abroad were established in 1999 in Mexico and the Dominican Republic. In 2003 PROCOMER opened offices in Trinidad and Tobago, Puerto Rico, the United States (Miami), and Canada (Toronto), and in 2004 in El Salvador (moved to Guatemala). Later new missions were settled in the European Union (originally in Belgium but currently in Germany) in 2006, and the United States (Boston) and China in 2007. More recently, PROCOMER added two additional representations in the United States (Los Angeles and Houston). The establishment of these foreign offices has been linked to the advance or conclusion of negotiations towards free trade agreements. PROCOMER offices are therefore focused on facilitating export initiatives by Costa Rican firms to take advantage of these agreements (e.g., gathering direct market information on local demand patterns and relevant trade regulations and establishing contacts in place), and providing direct onsite support to individual companies (e.g., managing trade agendas, participating in business dialogues with potential buyers) (see Nathan Associates, 2004).

#### 4.2.4 Budget and Personnel

The budget of PROCOMER was 11.8 million USD in 2007. This budget is based on the estimates of the organization's income. The 1996 Law defined the sources of this income. Thus, revenues primarily come from fees for the use of free trade zones and payments made for import and export customs declarations.<sup>42</sup> Specifically, in 2007 these sources accounted for 50.0% and 45.8% of the available resources, respectively. The remaining 4.2% corresponded to subscriptions to events organized by PROCOMER and others direct sources. The entity allocated these resources in the following way: training (3.6%); technical assistance (4.9%); marketing events such as fairs and mission (16.5%); research and publications (1.2%); foreign trade offices (15.7%); regional trade offices (0.4%); management of Special Regimes (4.1%); and trade advocacy (22.6%).<sup>43</sup> Operational costs absorbed the rest (28.3%).<sup>44</sup>

Including personnel in foreign offices, PROCOMER staff consists of 149 employees in 2008, up from 120 in 2004. Approximately 20% of these employees have a master's degree and more than 50% had previous experience in foreign trade. About 100 employees were directly involved in promotion actions. The remaining employees performed different activities, including administrative procedures related to processing statistics, official paperwork for exports and imports, and the collection of fees.<sup>45</sup>

PROCOMER has substantial contractual autonomy due to its public entity with non-state character. In fact, this organization contracts as a private employer and its labor relationships are not under the public sector regime.

PROCOMER utilizes a well-defined selection mechanism for new employees. When no appropriate internal candidate appears to fill a vacant position, online announcements and pre-selection of candidates are applied. Personal interviews with shortlisted candidates complete this process. In addition, advanced university students are often recruited for internships, which in some cases serve as the starting point of a career at PROCOMER.

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<sup>42</sup> Noteworthy, when PROCOMER was established, an endowment fund was created with resources from the preexisting organizations that merged into PROCOMER. This endowment fund, however, has not yet been utilized as the resources derived from the two main sources have been enough to cover the expenses incurred by the organization in performing promotional activities, and so returns on this fund are reinvested in it.

<sup>43</sup> The latter refer to actions supporting activities of the Ministry of Foreign Trade, including those related to trade negotiations.

<sup>44</sup> The law of creation of PROCOMER exempted this organization from public controls in the economic area as well as from public regulations as to contractual matters. However, at end of 2004, there was a parliamentary discussion regarding the lack of economic control over PROCOMER by other public institutions. The law was not reformed, but the issue of public control over PROCOMER was taken to the Costa Rican Supreme Court. The Court ruled that, given that the sources of PROCOMER's funding were public, the finances of this organizations should be examined and supervised by the General Comptroller.

<sup>45</sup> PROCOMER is considered to be free of corruption and nepotism and appointment at this organization are considered prestigious (see Nathan Associates, 2004).

Salaries are considered to be in line with those paid in similar positions in the private sector.<sup>46</sup> Remunerations are fixed, i.e., they do not contain a variable component based on performance. PROCOMER rotates employees to induce them to acquire experience in different areas of trade management. This is appealing for firms that, not exceptionally, hire personnel from PROCOMER. Furthermore, this organization has established internal professional career paths to motivate employees.

#### 4.2.5 Promotion Activities

PROCOMER ask firm requesting assistance, primarily SMEs, to answer a questionnaire geared at identifying the firms' needs and accordingly determining which services are more suitable to meet these needs.<sup>47</sup> Regular interactions between PROCOMER officials and these firms enhance this initial assessment.

PROCOMER offers multiple services.<sup>48</sup> Thus, this organization provides private companies and their associations, other public entities, and individuals such as researchers and students with information on foreign markets, sometimes tailored to meet specific demands.<sup>49</sup> Research to produce this information, particularly on those countries Costa Rica has signed a free trade agreement with, is normally conducted at PROCOMER offices (based also on inputs from different organizations).

PROCOMER also runs different training programs, which primarily target SMEs. Overall these training activities intend to increase the familiarity of these firms with foreign markets, in general, and with the relevant factors that need to be taken into account when operating therein, in particular. Specifically, these programs include "Creating exporters" (to support non-exporting SMEs in the rural areas of the country); "Export decision" (to generate awareness on the opportunities created by international markets); "Learning about the market" (to provide market-specific information); "Specialized training" (on topics such as marketing, innovation, certification, and standards); "Annual plan of entrepreneurial training" (devoted to those entrepreneurs seeking to develop an export project or strengthening their knowledge in international

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<sup>46</sup> Salary differences between Ministries had been quite prevalent in the past, becoming a focus of tension amongst them. In particular, salaries at the Ministry of Foreign Trade were much higher than at the Ministry of Foreign Affairs.

<sup>47</sup> Firms already exporting are essentially attended at headquarters, while potential SME exporters are initially assisted by the regional offices.

<sup>48</sup> A few years ago there had been a debate in the Costa Rican Congress whether investment promotion should be also covered by PROCOMER. A primary argument to incorporate such an activity to this organization's mandate was that, despite the fact that the Ministry of Foreign Trade was responsible for this policy, its implementation was completely delegated to a private organization, CINDE. However, the initiative did not materialize and CINDE still operates as the Costa Rican investment promotion organization.

<sup>49</sup> In fact, PROCOMER is tasked with gathering information to produce official statistics on foreign trade.

trade and marketing); and “Impulse to value added” (to stimulate ideas to generate new products and thereby favor competitiveness through differentiation).

In addition, PROCOMER organizes several promotional activities, ranging from trade missions to foreign countries to setting up of business agenda with the logistic support of its network of foreign offices. This organization covers nearly 70% of the costs associated with the participation of Costa Rican firms in trade missions and 100% of the costs of the annual buyers’ trade missions to Costa Rica to meet with domestic producers (see Nathan Associates, 2004). In general, these activities have been growing fast in recent years.

It is also worth mentioning that PROCOMER supports the creation and strengthening of production linkages within specific sectors between (domestic) SME suppliers and large exporting firms through a program called “Costa Rica Provee” (Costa Rica Provides).<sup>50</sup> This program specifically aims at fostering inter-firm collaboration in export-related activities, whereby increasing the value added generated by Costa Rican firms and improving their ability to reach and expand their activities in external markets.<sup>51</sup>

#### 4.2.6 Effectiveness Assessment

PROCOMER periodically defines strategic objectives in terms of specific indicators which refer to countrywide figures such as the aggregate level of exports, the share of national content, the amount and volume of business between transnational corporations and domestic suppliers; and the activities performed by the organization such as the share of services that are provided electronically, and the share of users that utilize PROCOMER electronic systems. The organization verifies the degree of advance towards the goals every six months.

#### 4.2.7 Inter-organizational Relations

PROCOMER interacts regularly with the Ministry of Foreign Trade (COMEX) to both coordinate relevant policy issues and handle management and human resource

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<sup>50</sup> Sectoral committees were established in 2000 to develop specific strategies to promote production linkages.

<sup>51</sup> The IDB, through the MIF, has supported this initiative.

matters. In particular, the minister and PROCOMER's general manager informally meet on average once a week and have daily contact by phone.

PROCOMER also maintains close working relationships with CINDE on investment related issues. Both organizations participate in the visiting agendas of potential international investors. Specifically, as the entity responsible for the administration of the free trade zone, the outward processing (*perfeccionamiento activo*), and the definitive regimes, PROCOMER educates these investors on how these regime work and on their potential implications for their businesses. It also accompanies the investors throughout the process of pre-establishment, establishment, and post-establishment, providing support, in general, and facilitating the coordination of their relations with domestic public and private entities, in particular.

Within the Ministry of Foreign Affairs there exists a unit under the Directorate of Promotion that also has export promotion responsibilities.<sup>52</sup> This unit has formal contact with all Costa Rican embassies and has to ensure that designated representatives managing trade issues provide trade data about Costa Rica, collect trade data about the countries they are located in, and monitor trade fairs and missions in these countries.

In 1999 PROCOMER signed an agreement with the Ministry of Foreign Affairs, whereby it would operate within its network of foreign offices and assist this ministry's employees outside of the country and its employees abroad would obtain diplomatic status. Nevertheless, actual cooperation between these public entities has not been particularly strong. In particular, despite the presence of a PROCOMER contact person in Costa Rican embassies, task and responsibilities are not clearly defined. Collaborative work is therefore primarily driven by personal networks.

Additionally, there is an autonomous organization linked to the Ministry of Agriculture, the CNP, Consejo Nacional de la Producción (National Council of Production), which promotes agrarian products, especially from small and medium producers. This organization operates an office in Miami to help introduce these productos into the American market.

Major business associations participate as members of PROCOMER's Board of Directors, which meets every two weeks. They hold a majority of the seats and thus exert influence on the activities performed by the organization. PROCOMER has joint programs with these private sector associations, including training and missions.

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<sup>52</sup> The Directorate of Promotion within the Ministry of Foreign Affairs also manages promotion programs in other areas such as tourism, investment, and culture.

Among the most important chambers is CADEXCO, the Cámara de Exportadores de Costa Rica (Chamber of Exporters of Costa Rica). This association of exporters of non-traditional products founded in 1981 has been very active in lobbying for export oriented policies. CADEXCO manages its own targeted support programs, which have received financial and technical assistance from Netherland's Cooperation Agency CBI and the IDB through the MIF.

In performing activities, PROCOMER has a large network of organizational relationships. Thus, the "one stop shop" program represents an important effort of inter-governmental coordination with different departments of the Costa Rican public administration. The CIEX, Centro de Información al Exportador (Exporter Information Center), a unit within PROCOMER, has links with universities and research centers such as Universidad de Costa Rica, Universidad Nacional, Universidad Nacional a Distancia, Universidad Latina, and Universidad Internacional de las Américas. As for gathering and dissemination of official trade statistics, there is collaboration with the General Directorate of Customs, the Central Bank, and the National Institute of Statistics. Furthermore, together with other governmental entities and relevant firm associations, PROCOMER participates at the Council for SMEs, a forum that seeks to coordinate policy actions on SMEs. Moreover, PROCOMER has forged an agreement with the ITCR, Instituto Tecnológico de Costa Rica (Technological Institute of Costa Rica) to cooperate in specialized training on industrial production. These are just a few examples. In general, the list of contacts and formal agreements with other organizations is large and diverse.<sup>53</sup>

#### *4.3 Colombia: Towards a Sophisticated Export Promotion Services Provider*

Colombia appears as a visible case of organizational development in export promotion since the 1960s. This organizational development process has two well differentiated stages. First, until the 1990s organizational modalities were consistent with those prevailing during the import substitution period. After 1990, Colombia adopted a new model, based on a different design, under the umbrella of the newly created Ministry of Foreign Trade. Unlike what occurred in most countries in Latin American and the Caribbean, reduced institutional and organizational instability

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<sup>53</sup> A complete list is available from the authors upon request.



characterized this 40-years evolution process. This led to export promotion policies with more than average long term orientation.

#### 4.3.1 Historical Background

Over several decades, Colombian exports were highly concentrated in traditional agricultural products such as coffee. During the late 1950s and the early 1960s the country started the first attempts to reverse this pattern implementing exchange rate and fiscal policies aimed at diversifying exports and created the first free trade zones. The most important economic policy shift, however, took place in 1967 when the incoming Lleras Restrepo administration faced a balance of payment crisis. Although the import substitution strategy was maintained, in response to this situation, the government introduced an entirely new framework to actively promote exports consisting of both policy and organizational reforms, while overall keeping the import substitution strategy (see Juárez, 1994). These changes aimed at creating incentives to stimulate non-traditional exports, partly among firms that were benefiting from high tariffs and fiscal concessions in the context of the aforementioned strategy, thereby favoring export diversification (see Díaz Alejandro, 1973).<sup>54</sup>

Among these reforms, the government created INCOMES, the Instituto de Comercio Exterior (Institute of Foreign Trade) in 1967 as a public entity linked to the Ministry of Industry. The use of an institute as organizational model aimed to provide the new organization with more autonomy, thereby isolating it from political patronage and enabling the creation of a pool of professionals in this policy area.<sup>55</sup>

The same year the Colombian government established another public organization, PROEXPO Fondo de Promoción de las Exportaciones (Export Promotion Fund), as a more operative entity to promote exports (Decree 444). More specifically, PROEXPO was created as a trust fund aimed at fostering non-traditional exports, which as inspired by the Mexican experience with the Banco Nacional de Comercio Exterior (National

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<sup>54</sup> Policy measures included tax incentives for exports (mainly the Certificado de Abono Tributario, and later CERT, Certificado de Reembolso Tributario) and tax exemptions on inputs used to elaborate exported products. These are known in Colombia as “Plan Vallejo” (see Ochoa, 1998).

<sup>55</sup> While this was the case in headquarters, established regional branches had less technical expertise. INCOMES often tended to align positions with industrial sectors.

Bank of Foreign Trade).<sup>56</sup> As a trust fund, PROEXPO was linked to the Banco de la República (Central Bank) and under the supervision of the banking regulatory agency.<sup>57</sup>

The Central Bank and the government established a contract to delineate PROEXPO's mandate. This organization was in charge of the provision of credit and export insurance to Colombian firms in order to contribute to the expansion and diversification of exports. Resources originated from a partial direct transfer of taxes levied on trade transactions.

In addition, PROEXPO was tasked with the selection and compensation of the newly established positions of commercial attaches at the Colombian foreign missions (Decree 1215). However, at the beginning, Ministry of Foreign Affairs appointed and removed these officials. Only in 1976, in the context of a reform of INCOMES, it was clearly established that these commercial attaches would depend from INCOMES and PROEXPO.

In the second half of the 1980s a consensus grew inside the government regarding the need to dismantling both the import protection and export support regimes to change the general incentives structure for production. Nonetheless, the timing of such a reform remained an issue and it proved to be difficult to eliminate the export credit system (see Reyna, 1988).<sup>58</sup>

Finally, in the early 1990s, at the end of the Virgilio Barco presidency and after a long policy debate, a new economic strategy was introduced. This new strategy was a major policy change that implied the end of the import substitution era in Colombia. The trade regime henceforth underwent a substantial reform. In particular, the government removed restrictions to imports as well as special taxes that provided financing to PROEXPO. Importantly, significant organizational innovations in trade policy accompanied these reforms. Thus, the president Gaviria, who decided to continue with this strategy, created the Ministry of Foreign Trade (MINCOMEX) (Law 7/91). This Ministry was established as a relatively small organization whose main purpose was to coordinate administrative units within the public sector and private actors to pursue strategic objectives. In doing this, most of the resources and employees of the INCOMES were employed, and additional expert personnel were recruited.

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<sup>56</sup> The IDB financed a Mexican consultant to help the Colombian government establish this new organization in 1967 (see Ortíz Mena, 1987).

<sup>57</sup> Also with INCOMES, the organizational design stressed autonomy and technocratic character with the purpose to protect the entity from political pressures.

<sup>58</sup> This view coincided with the diagnosis of international organizations such as the World Bank.

In addition, the government established or redesigned several autonomous organizations to focus on particular trade policy activities under the leadership of this new ministry. For instance, a new high-level board, Consejo Superior de Comercio Exterior (Superior Council of Foreign Trade), was created to coordinate trade policy. Several ministers took part in this entity, which represented a step forward towards stronger bureaucratic consolidation in this policy area with more control of public officials (see Juárez, 1994). Furthermore, INCOMES was downscaled to focus on registration of trade operations, antidumping controls, and management of fiscal incentives. Later, in 2000, this entity merged within the ministry organization and formally dissolved. Moreover, the government transformed PROEXPO into two different organizations in November 1991 (Law 7/91). One of these organizations is BANCOLDEX, Banco Colombiano de Comercio Exterior (Colombian Bank of Foreign Trade), a new foreign trade bank under the control of the Ministry of Foreign Trade. More specifically, BANCOLDEX was established as a second level bank under public control but with mixed public and private capital primarily tasked with the provision of credit to exporting firms and financing export related infrastructure. The other organization is PROEXPORT, Fideicomiso de Promoción de Exportaciones (Export Promotion Trust Fund), an endowment fund to promote non-traditional exports.<sup>59</sup>

#### 4.3.2 Organizational Structure

PROEXPORT was designed as a public entity operating under private law. Besides firms' contributions to financing the costs of export promotion activities, PROEXPORT received an endowment fund. In October 1992, the government created a national mixed society call FIDUCOLDEX, Fiduciaria Colombiana de Comercio Exterior (Colombian Trust Company of Foreign Trade), to administer PROEXPORT's assets and resources under the supervision of BANCOLDEX. In fact, FIDUCOLDEX is a subsidiary organization of BANCOLDEX, which owns 89% of its capital, and so the Ministry of Trade, Industry, and Tourism controls PROEXPORT.<sup>60</sup> The remaining 11% is held by nine associations representing non-traditional export sectors (8%) and five major industrial chambers (3%).

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<sup>59</sup> More traditional export sectors (e.g., coffee, banana) were excluded because they already had well established promotion programs.

<sup>60</sup> The Ministry of Foreign Trade was merged with the Ministry of Economic Development into the Ministry of Trade, Industry, and Tourism in 2002 (Law 790).

A president, who acts as a general manager under the supervision of the Board of Advisors, heads the organizational structure of PROEXPORT.<sup>61</sup> The president is appointed by the President of the Republic. Thus, when this changes, so usually does the president of PROEXPORT.<sup>62</sup> The Advisory Board is composed of the Minister of Trade, Industry, and Tourism; the President of BANCOLDEX; two individuals designed by the President of the Republic; and two representatives from the private sector appointed also by the President of the Republic based on a list of three candidates presented by exporter and producer associations registered with the Ministry of Trade, Industry, and Tourism, and a list of entrepreneurs submitted by Regional Advisory Committees of the aforementioned Ministry.<sup>63</sup>

Underneath the president, there are four vice-presidencies: export promotion, investment promotion, tourism, and country-image (see Figure 3).<sup>64</sup> The vice-presidency of export promotion has four divisions: agro-industry, manufacturing, clothing, and services. The vice-presidency of investment promotion also has four divisions: investment promotion, investment climate, attention to investors, and strategic support. There are three divisions within the vice-presidency of tourism: corporate tourism, vacation tourism, and tourism marketing. In addition, there are seven separate departments for market intelligence (commercial information), planning, strategic institutional development, technology, management, events, and international cooperation agreements.

#### 4.3.3 Presence in the Country and Abroad

Besides the headquarters in Bogota, PROEXPORT operates seven regional offices located in the country's main cities: Barranquilla, Bucaramanga, Cali, Cartagena, Cucuta, Medellin, and Pereira (see Figure 8). Forty five employees currently staff these offices, up from 20 in 2004. Moreover, as a part of a joint initiative with the Ministry of Trade, Industry, and Tourism, and BANCOLDEX, there is a network of 22 centers of information and advice on foreign trade, *Zeikys*, covering 19 departments: Antioquia, Atlantico, Bogota, Boyaca, Caldas, Cauca, Cesar, Huila, Magdalena, Meta, Nariño,

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<sup>61</sup> The current president served as director of PROEXPORT's office in Brazil for over eight years.

<sup>62</sup> In recent years there has been more continuity as the former president of PROEXPORT became Minister of Trade, Industry, and Tourism during Uribe's second term.

<sup>63</sup> PROEXPORT's board is the same as that of FIDUCOLDEX.

<sup>64</sup> These vice-presidencies were established in 2004 when PROEXPORT took over the responsibility of also promoting tourism and investment.

Norte Santander, Quindio, Risaralda, San Andres Isla, Santander, Tolima, Valle, and Valle del Cauca.

In addition, PROEXPORT has a network of foreign trade offices (see Figure 9). These offices are located in 15 countries: Brazil (Sao Paulo), Canada (Toronto) Chile (Santiago de Chile), China (Beijing), Costa Rica (San Jose), Ecuador (Quito), Germany (Frankfurt), Guatemala (Guatemala City), Italy (Rome), Mexico (Mexico City), Peru (Lima), Spain (Madrid), United Kingdom (London), United States (Miami), and Venezuela (Caracas).<sup>65</sup> Foreign offices employ total 76 persons, which is an increase of 16 relative to 2004. The largest office in terms of budget and personnel is located in Miami (more than 1.5 million USD and 14 employees) and the smallest office in Rome (less than 200.000 USD and three employees).

These foreign missions provide support to Colombian exporters by different means in cooperation with headquarters. More specifically, these offices identify barriers to Colombian exports in the host country and thereby help remove them; detect and inform trade opportunities; organize and coordinate trade missions and shows of Colombian products in their countries; and assist exporters in contacting, preparing business agendas, and meeting potential buyers.

#### 4.3.4 Budget and Personnel

Since its creation and until recently, the budget was autonomously established by the Advisory Board and it was mainly financed with the interests earned on the endowment fund.<sup>66</sup> This fund was created in 1991 with the resources accumulated so far by PROEXPO through the taxes on foreign trade transactions. At that time, the fund was envisaged to be utilized within 10 years, but it actually lasted longer, even when new promotion areas such as investment and tourism were added to PROEXPORT's mandate. In recent years, the fund was almost exhausted and, in fact, the capital was also used to finance the organization's operation. Hence, different options were considered to funding PROEXPORT. This year the government has decided to shift to a public allocation scheme, whereby resources come directly from the national budget. In particular, this year roughly 55.0 million USD were allocated to the organization.

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<sup>65</sup> In addition, PROEXPORT collaborates with commercial representations of the Ministry of Trade, Industry, and Tourism in four different cities (Miami, New Delhi, New York, and Washington).

<sup>66</sup> Additional revenues were only marginal and mostly correspond to income from sales of specialized services to firms or funds associated with international collaboration agreements allocated to specific projects.

The number of PROEXPORT's employees increased in recent years from 190 (110 in headquarters) in 2004 to 281 (160 in headquarters) in 2008. This parallels not only the acquisition of new responsibilities in investment and trade promotion but also the expansion of export promotion activities performed by the organization. Roughly 37.5% of these employees have an advanced university degree (e.g., specialization, masters, or doctoral studies).

While at the beginning PROEXPORT adopted practices of the more bureaucratically oriented precedent organization PROEXPO, it currently follows personnel and management policies that are autonomous from the Ministry of Trade, Industry, and Tourism, and closer to private sector procedures. For most administrative and technical positions, when a vacant occurs, PROEXPORT opens an internal selection process and, if no suitable internal candidate is found, search is performed externally through public calls for applications. For top-level positions selection procedures are similar to those used by private firms when recruiting managers. More specifically, PROEXPORT makes use of human resources consulting firms (*head hunters*) to look for well-trained personnel in the private sector. This procedure also applies when selecting the directors of foreign offices.<sup>67</sup> Nonetheless, remaining personnel in these offices are primarily hired locally among those candidates who have some previous trade experience.

PROEXPORT has a relatively sophisticated system to control the performance of its employees. Human resource management is based, first, on setting annual goals for each employee, in accordance with the organization's strategic planning, in general, and with those objectives of the unit they work for, in particular, and, second, on assessing the degree of accomplishment of these goals (this is done with the help of a management software).

PROEXPORT basic salaries are quite similar to those in the public administration. They are most comparable to those found at the Ministry of Trade, Industry, and Tourism, although the procedures and wage scales differ. In particular, there exist economic incentives in the form of a variable bonus additional to the basic salary (approximately up to 25%) based on the degree of achievement of individual goals, which makes total salaries relatively higher in PROEXPORT. In addition, the organization has established more specific incentives for employees with outstanding

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<sup>67</sup> Representatives abroad were initially appointed by the President of the Republic. Some analysts pointed out that, in the past, patronage appointments were not unusual among the directors of foreign trade offices. Some of these directors did not have previous trade experience, although they were enough qualified to act as country representatives (see Nathan Associates, 2004).

performance. On the other hand, individuals who do not reach their set goals may experience some reductions in the variable component of their wages. However, these reductions are not automatic, since the role of potentially attenuating external factors is taken into account. PROEXPORT closely examines these employees and offers them different types of support to improve their performance (see Obando and Gómez Escalante, 2008).

While PROEXPORT has a relatively stable core of experience personnel, there is also in this case an important turnover, because private firms attract well-trained employees offering them higher wages.<sup>68</sup>

#### 4.3.5 Promotion Activities

In 1994 PROEXPORT launched a strategic plan to expand Colombia's exports based on three main objectives: diversifying export products, diversifying destination countries, and securing export markets (see Ochoa, 1998). Operatively, this plan was conceptually based on a stronger collaboration among relevant public actors involved in trade policy and consisted of several actions, including training on foreign trade, activation of information services, and development of private export consortia, and specific promotional activities in particular sectors and countries. Most of the aforementioned objectives still remain basic priorities for PROEXPORT and, similarly, most of these concrete export assistance actions are still executed, even though, over time, they have been refined through several specific programs, including sectorally focused ones.<sup>69</sup>

The current offer of services to exporting or potentially exporting firms is diversified, including information on foreign markets, both overall and for specific products (in particular, PROEXPORT has developed an online information center, SIIC); training on export procedures, technical obstacles to trade, and transport and marketing logistics; support to obtain international quality certification; organization and coordination of firms' participation in international events such as trade shows, fairs, and incoming and outgoing missions, and specifically setting up business

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<sup>68</sup> PROEXPORT does not aim at competing with private firms along the salary dimension. According to our interviews with lead officials, they conceive this situation as a natural process of personnel rotation and, to some extent, see it as an indicator of organizational success.

<sup>69</sup> PROEXPORT prioritizes certain sectors. These priorities have been often jointly established with representatives from the private sector. Admittedly, this might potentially imply that those sectors that are more influential might, to some extent, become especially favored by export promotion policies.

meetings with potential clients; and assistance in the formation, coordination, and functioning of exporter consortia (“special export projects”).<sup>70</sup> These services are *a priori* open to all Colombian firms, in some cases, under a copayment scheme, and they are sometimes provided in the framework of specific programs.

Three main programs aiming at developing firms export capabilities are worth mentioning: *Zeiky*, *Expopyme*, and *Exporters Plan*. These programs are open to any firm satisfying the respective eligibility conditions and, to some extent, are based on different copayment formulas.

As mentioned above, *Zeiky* is a joint initiative of PROEXPORT, the Ministry of Trade, Industry, and Tourism, and BANCOLDEX. This programs aims at integrally providing firms with information and counseling on exporting through on line means (phone and internet); (one-day) training workshops; and personalized attention by specialized counselors.<sup>71</sup>

*Expopyme* consists of the provision of export training and assistance in the development of export plans for SMEs with the purpose of helping them place their products in foreign markets. More specifically, this program leads firms with export potential through a capacity enhancement process over one year. This process has three main stages: assessment of firms’ capabilities to identify the gap between these capabilities and those required to successfully meet the relevant international demand; development and implementation of an improvement strategy, including new management tools; and design and execution of an export plan, which includes the search for appropriate international buyers by means of special events organized by PROEXPORT.<sup>72</sup> In running *Expopyme*, PROEXPORT interacts with universities, several business associations such as the Confederation of Chambers of Commerce, Confecámaras, and ACOPI, the Colombian Association of SMEs; FOMIPYME (Colombian Fund for the Modernization and Technological Development of the Micro, Small, and Medium-sized Enterprises) and SENA (National Service of Learning).

The third program, *Exporters Plan*, assist companies in formulating and executing these plans.<sup>73</sup> Export plans are documents containing an evaluation of the firms’ export

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<sup>70</sup> Regional branches concentrate on providing information, training, and advice to firms. In performing these activities collaborate with local business associations and authorities. Operatively, they use an integrated software system, so the quality of the services in question is expectedly similar across regions.

<sup>71</sup> A fraction of the reports that, in the framework of this activity, are given to firms are prepared with the support of PROEXPORT external network of promotion offices. Some technical cooperation funds from multilateral organizations have been channeled to improving and expanding these market reports.

<sup>72</sup> Firms that successfully complete the program receive an accreditation diploma and then gain access to additional support from PROEXPORT such as participation in trade missions.

<sup>73</sup> Successful graduates from *Expopyme* are natural candidates to join the *Exporters Plan*.



opportunities in a particular market, a self-diagnosis of the firms identifying their specific needs (in the areas of production, financing, marketing, etc) and a list of actions to market their goods abroad. PROEXPORT assistance includes advice from international experts, validation of target and goals by foreign offices, support to participate in international fairs and visits to clients and to open and consolidate distribution channels, thus leading to an integral accompaniment of firms throughout the export process. Hence, multiples promotion activities are combined together and this requires important coordination efforts across different departments.

In advanced stages, when Colombian firms are already experienced exporters, they continue receiving support, for instance, through PROEXPORT foreign offices, which attend their request for business information or commercial contacts and help them in closing trade deals. In doing this, the “PROEXPORT Selling Methodology” is used. This implies utilizing special software for business intelligence to exploit collected information on Colombian exporting firms and international buyers in order to facilitate businesses between them. This system also allows employees to introduce detailed information on their assistance actions as well as on the sales firms eventually made (see Obando and Gómez Escalante, 2008).

#### 4.3.6 Effectiveness Assessment

PROEXPORT currently has an overall action plan that covers all areas of activity and involves all units. Every year all units discuss the actual accomplishments in general employee meetings.

Performance assessment is primarily based on measuring the amount of Colombian firms that have received export assistance from PROEXPORT and the monetary value of the export deals achieved by these firms and contrasting these figures with the objectives initially established.<sup>74</sup> The organization carries out this assessment along several dimensions: sector and country markets; departments and offices; and even at the individual level (see Obando and Gómez Escalante, 2008). In addition, the quality of management processes themselves is controlled. In this sense, PROEXPORT makes use of satisfaction surveys directly sent from the organization’s headquarters asking for the quality of the programs. However, the entity does not conduct detailed systematic

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<sup>74</sup> Similar figures are used to evaluate investment and tourism promotion activities.

program evaluations, but rather hires consultants occasionally to realize some specific assessments.<sup>75</sup>

#### 4.3.7 Inter-Organizational Relations

Coordination between PROEXPORT, the Ministry of Trade, Industry, and Tourism, and BANCOLDEX was complex in the past.<sup>76</sup> However, it has substantially improved in recent years as the former President of PROEXPORT was appointed Minister of Trade, Industry, and Tourism. The Minister managed to define a common strategy for all areas under the ministry's responsibility, including PROEXPORT activities.<sup>77</sup>

Relations with the Ministry of Foreign Affairs have not been very fluid. While there are diplomats serving as commercial attaches in many embassies, whose duties include the coordination of tasks with PROEXPORT, especially in those countries PROEXPORT doesn't have offices in, there are no explicit rules to encourage collaboration in export promotion and, unsurprisingly, interactions are often not intense.<sup>78</sup> Nevertheless, we should mention herein that PROEXPORT organizes some courses for diplomats about the organization and its activities.

PROEXPORT usually contributes to design and monitor export promotion programs administered by other ministries such as the Ministry of Agriculture, which also have funds for purpose.

Several business associations perform promotion activities. This is for instance the case of ANALDEX, Asociación Nacional de Comercio Exterior (National Association of Foreign Trade), which provides member firms with training and organizes an annual conference where it grants a prize to successful exporters. However, with the exception of the most traditional coffee growers association, these private sector organizations usually collaborate with PROEXPORT in performing these activities. The program *Expopyme* is an example in this regard.

PROEXPORT also enjoys good connections with other trade promotion organizations outside of the country.<sup>79</sup> Thus, it has a long term collaboration partnership

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<sup>75</sup> In general, firms tend to consider those activities involving the possibility of direct contacts with potential buyers as the more profitable actions made by PROEXPORT, such trade missions and trade shows. Also direct assistance from foreign offices to contact possible clients is highly valued (see Nathan Associates, 2004).

<sup>76</sup> This was particularly the case for the latter organization, whose president has strong political influence.

<sup>77</sup> Admittedly, this is clearly a contextual situation, which might change depending on the political distribution of offices within the government.

<sup>78</sup> For example, diplomats do not have access to PROEXPORT internal on line pages.

<sup>79</sup> There are no export promotion organizations at the regional level, but there exists some investment promotion agencies in few cities such as Medellín.

with the CBI, the Dutch Center of Import Promotion. This agency has provided technical assistance and specialized training to the organization's officials over many years. On the other side, PROEXPORT has assisted different export promotion organizations from small Latin American countries, such Uruguay, El Salvador, and Guatemala.

#### *4.4 Uruguay: Does Country Size Matter?*

Uruguay is an interesting case study in comparative perspective. First, performing the full range of activities carried out in larger countries might *a priori* seem to be impossible, and this might create some problems in the relationships between the organization and its clients. However, this may not necessarily be the case. Alternative organizational designs combined with targeting policies may help mitigate the difficulties associated with being a remote small country. We herein provide elements to shed light on this discussion. Second, in recent decades, countries such as Colombia and Costa Rica transferred export promotion activities from their Ministries of Foreign Affairs to specialized organizations that established dedicated networks of foreign offices. An opposite pattern is observed in Uruguay. This country had created a governmental unit and a network of dedicated offices linked to the Ministry of Economy already in the 1970s, but the aforementioned activities were progressively concentrated under the sphere of influence of the Ministry of Foreign Affairs over the 1990s and accordingly diplomats were assigned responsibility on export promotion abroad. We briefly review this historical background next.

##### 4.4.1 Historical Background

In 1974 Uruguay started to abandon its import substitution strategy by lowering tariffs and adopting export promotion policies, which primarily consisted of subsidies and tax rebates for exporting firms (see Favaro and Spiller, 1991). Responsibility for public export promotion was then originally assigned to the recently created General Directorate for Trade Policy within the Ministry of Economy. There was also an inter-ministerial commission CFIE, Comisión de Fomento de Inversiones y Exportaciones (Commission of Promotion of Investment and Exports) with competencies in trade promotion and foreign investment attraction.

However, over the 1980s instruments used to promote exports needed to be redefined as result of the crisis that affected the country and, most importantly, the existing organizational arrangement lost relative strength within the government (see Roldos, 1994).

In the early 1990s, different public organizations began to perform trade promotion activities and some concurrence emerged among them in obtaining funding for their initiatives. Finally, in 1995 the government decided to create a new organization to coordinate and lead export promotion strategies (but not take over all existing activities), URUGUAY XXI or formally Instituto de Promoción de Inversiones y Exportaciones de Bienes y Servicios (Institute of Promotion of Investments and Exports of Goods and Services). Some officials working at the CFIE moved to this new organization.

In 1996, at the beginning of the second term of President Sanguinetti, Uruguay XXI was formally established as a public institute. The board was initially presided over by the Ministry of Economy and included a representative from the Ministry of Foreign Affairs as well as representatives from business associations (Law 16.736/1996). However, the new Battle Presidency moved responsibility on export promotion from the Ministry of Economy to the Ministry of Foreign Affairs (Law 17.296/2001) and this translated into position changes within the board of URUGUAY XXI.

In July 2003 URUGUAY XXI presented a project to reform the organization in order to increase the coordination of activities and its overall efficiency. This reform project envisaged a redesign of the organizational structure, the introduction of an advisory council, and a redefinition of the financial resources available to the entity (see Uruguayan Strategy Team, 2004). However, no changes were introduced at that time. Later on, an initial report prepared by a consultative group established by the new President Tavaré Vazquez, suggested the need to implement substantial reforms in trade policy, in general, and to invigorate URUGUAY XXI, in particular. Nevertheless, actual reforms were much more modest than those recommended by the consulting group were. Perhaps the most important one was the establishment of a high-level inter-ministerial commission under the presidency of the Ministry of Foreign Affairs with the purpose of enhancing intra-governmental coordination in foreign trade policy (Decree 101/006). Some additional changes specifically concerned URUGUAY XXI. These changes included the creation of permanent delegations of the other three ministries involved in trade promotion (Industry, Energy, and Mining; Stockbreeding, Agriculture,

and Fishing; and Tourism and Sports) to the board of URUGUAY XXI in order to strengthen the mutual coordination, the formation of a permanent commission within this board (as a more executive body) and the establishment of an advisory committee composed of several representatives from both the public and private sectors aiming at favoring more effective decision making procedures (Decree 624/006).

#### 4.4.2 Organizational Structure

URUGUAY XXI is a public organization managed under private law. The head of this organization, the executive director, is directly appointed by the President of the Republic, usually with an informal agreement with the Minister of Foreign Affairs, who is the president of its board.<sup>80</sup> Other members of this board include a representative of the Ministry of the Economy, the executive director, and three representatives from the private sector. Although the government appoints the latter representatives, these are proposed directly by the business associations that are considered the “more representative” in each area. These positions currently correspond to the presidents of the Cámara de Industrias del Uruguay (Industries Chamber of Uruguay), Asociación Rural del Uruguay (Rural Association of Uruguay), and Cámara Nacional de Comercios y Servicios (National Chamber of Commerce and Services). There are also two alternate representatives from the private sector, which nowadays are the president of the Cámara Mercantil de Productos del País (Mercantile Chamber of the Country’s Products) and Cámara de Construcción de Uruguay (Construction Chamber of Uruguay). The board of URUGUAY XXI meets four to five times a year.

As aforementioned, there also exists a smaller executive committee chaired by the executive director that meets often, and an advisory committee, which is in fact an expanded board designed to integrate other public and private organizations to this decision making instance, including also representatives from the Ministry of Industry, Energy; and Mining, the Ministry of Stockbreeding, Agriculture, and Fishing; the Ministry of Tourism and Sport; and the Union of Exporters of Uruguay.<sup>81</sup>

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<sup>80</sup> While this might lead one to expect turnovers at the top of the organization each time a president leaves, this has not been always the case in Uruguay. In fact, in 2000, when the first presidential change occurred after the creation of Uruguay XXI, the executive director in office at that time was confirmed in his position. On the other hand, since 2005, under the presidency of Tavaré Vázquez, two executive directors have been already appointed, the last one in March 2009.

<sup>81</sup> Remarkably, the precise procedure according to which private sector representatives formally participating in URUGUAY XXI are selected and appointed have been modified several times, the last one in 2006 (Decree 624/006). These changes seem to suggest that this has been a controversial issue, probably due to its relevance when deciding which services URUGUAY XXI is going to provide.

URUGUAY XXI has a general manager who reports to the executive director. Underneath the general manager there are five divisions in charge of competitive intelligence, export promotion, investment promotion, image and communication, and administration and finance. These divisions have in turn two to three units dealing with specific aspects of their areas of competencies (see Figure 4).

#### 4.4.3 Presence in the Country and Abroad

URUGUAY XX's headquarters are located in the country's capital Montevideo and there are no regional offices (see Figure 8). This organization does not operate offices abroad, either, and must rely upon the diplomatic officials at the embassies (see Figure 9). In a few, larger foreign missions, there are commercial attaches (e.g., Argentina, Brazil, Chile, Mexico, and Spain), but in remaining diplomatic representations handling of trade promotion issues is only a part-time task for some diplomats.

#### 4.4.4 Budget and Personnel

The budget of URUGUAY XXI has declined since 1996 and is relatively small. More precisely, when this organization was created in 1996, its budget was 4 million USD, but it was later reduced to 2 million in 2001, and then to 600.000 USD in 2002, in the aftermath of a strong macroeconomic crisis.<sup>82</sup> Annual resources available to URUGUAY XXI remained at this level until 2008.

Financing to URUGUAY XXI comes virtually entirely from the public sector through the national budget, which is jointly determined by the executive and legislative powers. URUGUAY XXI does not usually charge for the assistance it provides to firms. Only when special services are requested a specific fee is applied, but this is far from being a substantial source of income.

URUGUAY XXI uses approximately 30% of these resources to provide export support services such as training and technical assistance; 30% to conduct market research and prepare publications; 20% to finance participation in marketing events such as missions, fairs, and shows; and the remaining 20% towards investment promotion.

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<sup>82</sup> These cuts have primarily affected the ability of the organization to sponsor the participation of Uruguayan firms in trade fairs and missions.

The number of employees of URUGUAY XXI is also relatively small. They are only 22. About half of this personnel has accrued previous working experience with foreign trade but none, except one, has postgraduate studies related to this area. The organization selected virtually all these employees following formal procedures based on public calls. Wages are fixed and their levels are similar to those in technical autonomous organizations within the public sector, and, to some extent, larger than those in many ministries.<sup>83</sup> URUGUAY XXI has developed informal internal career paths for its employees to motivate their engagement with the organization. There is, however, some personnel rotation because of recruitments of well-trained individuals by firms in the private sector.<sup>84</sup>

#### 4.4.5 Promotion Activities

The board of URUGUAY XXI has formal autonomy to set the priorities and to define the programs, thereby determining the working agenda. The organization's portfolio of activities is relatively standard, combining both specific assistance services and general country-image initiatives. Among others, it includes the following services: general and specific information, training, market intelligence, support to participation in international marketing events (in particular, it covers up to 50% of the associated costs), and assistance in establishing business contacts abroad. While this organization devotes some special attention to SMEs, it does not explicitly target specific types of firms. Occasionally, individual sectors and/or countries are targeted.

The aforementioned specific services are provided in a relatively customized way (either individually or on a sector basis) and, in some cases, are delivered as joint actions with business associations (especially those participating at URUGUAY XXI's board) under particular agreements.

Since 2007 the Ministry of the Economy manages a one stop shop regime aiming at simplifying the formal procedures related to investment (Decree 455/007). URUGUAY XXI, nevertheless, contributes to investment promotion, for instance, by providing potential investors information about the investment conditions.

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<sup>83</sup> Admittedly, though, those public officials have non-monetary benefits.

<sup>84</sup> Although the executive director changed in 2005, all technical employees remained in their positions, thus allowing for the organization to maintain the accumulated expertise and continue its policy without major disruptions.

#### 4.4.6 Effectiveness Assessment

Besides occasionally distributing surveys to firms to inquire them about their degree of satisfaction with the assistance received, URURGUAY XXI does not systematically evaluate the management performance or the impacts of its programs. More specifically, this organization does not use input or output indicators, thus its outcomes remain completely unrelated to its budget.

#### 4.4.7 Inter-Organizational Relations

At least until very recently, intergovernmental relations regarding export promotion activities in Uruguay have been complex because of the large number of intervening actors, and the lack of appropriate organizational articulation. In fact, this has been suggested to be a major problem for export promotion policy in the country, whereas the associated problems originated in conflictive or contradictory decisions made by other governmental entities are specifically seen as an important limitation for the role played by the organization (see Uruguay Country Report, 2007). More generally, more than 30 organizations, both public and private, have been identified as being involved in activities related to export promotion. This implies an important fragmentation of efforts and, given the loose, informal relationship-based coordination, some overlapping of actions (see Zurbringgen, 2006).

Among these other organizations engaged in export promotion, probably the most important one is the Directorate of Trade Programming (Dirección de Programación Comercial) within the Ministry of Foreign Affairs.<sup>85</sup> This directorate was created in 1995 to improve the coordination of export promotion activities across Uruguayan diplomatic foreign missions abroad as well as that with the Ministry of Economy. It currently offers business information to firms from its website, including collected self-reported data on product supply and demand for Uruguayan companies, remarkably without a direct link to Uruguay XXI (as of July 2009). Nevertheless, we should mention herein that staff of Uruguay XXI has coordination meetings with representatives from the Ministry of Foreign Affairs every two weeks.

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<sup>85</sup> The General Directorate for Trade Policy, within the Ministry of Economy, is no longer active in direct export promotion. It is currently in charge of managing free trade zones in the country. URUGUAY XXI also provides information on this through its website



In addition, the Ministry of Industry, Energy and Mining has been providing support to SMEs exports since 2005 through the program PACPYMES, funded by the European Union. A component of this program, called PROEXPORT, directly finance groups of firms (or single firms) to participate in trade missions and fairs, and reverse missions. Declaredly, activities performed in this framework are coordinated with URUGUAY XXI. In fact, there is link in this entity's website referring to the aforementioned program.<sup>86</sup> There are also other public organizations involved in export promotion, which focus on specific sectors, such as wines (INAVI, Instituto Nacional de Vitivinicultura) and meat (INAC, Instituto Nacional de Carnes, INAC).

In the private realm, there are many business associations that operate their own programs to promote their respective firms' exports. In some specific cases, these programs are joint initiatives with URUGUAY XXI. This is particularly the case for those associations participating in URUGUAY XXI's bodies such as Industries Chamber of Uruguay, the Rural Association of Uruguay, and the Exporter Union of Uruguay.

URUGUAY XXI has established collaborative links with different universities, such as Universidad de la República, ORT, Universidad Católica, Universidad de Montevideo, and Universidad de la Empresa, through internship programs and consulting activities.

Uruguay XXI has received technical support from other similar organization such as ICEX, COPCA, KOTRA, IECI, PROCHILE, PROCOMER, and PROEXPORT. In particular, the most important partnership is with PROCHILE. Both organizations have signed an agreement to share trade intelligence on Asian markets and to organize joint meetings of experts and other common activities. Working together with partners is seen as the only way to be effective in promoting trade, especially with large, distant markets (see Uruguay Country Report, 2007). URUGUAY XXI has also benefited from technical assistance from the ITC (International Trade Center), both for designing export promotion strategies and staff training.

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<sup>86</sup> In this website there is also a link to a program aiming at increasing firms' competitiveness by supporting the conglomerate and/or production chains they are part of. This program is managed by the Dirección de Proyectos de Desarrollo (Directorate of Development Projects) within the Oficina de Planeamiento y Presupuesto (Office of Planning and Budget) at the Presidency.

#### *4.5 Argentina: A Case of Organizational Pluralism in Export Promotion Policy*

Argentina is clearly a case of organizational pluralism in terms of the number and diversity of characteristics of the entities that are active in export promotion. There is a relatively large number of organizations operating within this area. Some of these organizations have a broad scope, whereas others concentrate on particular sectors and regions, and even based their operations on specific instruments. We do not pretend herein to precisely map the whole variety of trade promotion organizations existing in Argentina (see, e.g., Grimaldi, 2005; and IERAL, 2001, for an approximation), but we rather focus on the most important one, the Fundación ExportAR (ExportAR Foundation), ExportAR hereafter. We specifically analyze its organizational characteristics and describe its main activities, whereby identifying its strengths and weaknesses. In doing this, we briefly discuss the main features of the pluralist model of export promotion, primarily from the point of view of ExportAR interactions with other organizations.

##### 4.5.1 Historical Background

Major industrial policies during the 1970s and 1980s were consistent with the import substitution strategy. In this context, policy towards exports was very unstable in Argentina. Successive governments introduced different instruments to foster exports, which mainly consisted of economic incentives including credit facilities for exporting firms. In organizational terms, until 1986, primary responsibility for trade policies corresponded to the Secretary of Foreign Trade at the Ministry of Economy, although the Secretary of Industry and Commerce at the same ministry was also involved in the management of the aforementioned incentives policy. Thereafter, important organizational changes were introduced. From 1986 to 1990, Secretary of Industry and Foreign Trade was in charge of export promotion. In these years, this secretary started to develop a network of foreign offices tasked with performing promotion activities abroad.

By late 1980s the rampant fiscal crisis accompanied by high inflation that characterized this period forced to downscale the incentives-oriented export policy.

More specifically, the government reduced and even eliminated many subsidies.<sup>87</sup> The need to stimulate foreign trade by means of softer measures started to emerge.

As a by-product of a governmental reorganization that took place in 1990, responsibility for trade policy was shared among two ministries, the Ministry of Foreign Relations, International Trade, and Worship, and the Ministry of Economy and Public Works and Services.<sup>88</sup> In particular, export promotion outside of the country was formally assigned to the Ministry of Foreign Relations, International Trade, and Worship and, as a consequence, those officials in charge of the corresponding activities at the Secretary of Industry and Foreign Trade (the so-called trade technicians) were moved to this Ministry and merged together with the diplomats in a single civil servants corp. The Ministry of Economy and Public Works and Services, nevertheless, remained with authority in the area of export promotion as well as in that of international trade negotiations (involving, among others, tariff, trade regulation, custom, and investment issues). Since then, both ministries have designed and implemented policies to promote exports with some degree of overlapping of actions.

At the beginning of the 1990s, other policy priorities, different from export promotion, dominated the agenda of the aforementioned Ministries. In this context, ExportAR was established in 1993 as a joint initiative of multiple public and private actors, under the coordination and with technical assistance from the United Nations program UNDP (Decree 2303/93).<sup>89</sup> ExportAR represented an important attempt to enhance promotion activities, based on a new organizational design beyond the ministerial confrontation. However, resources allocated to this organization were initially scarce. Furthermore, cooperation with diplomats at the embassies was not properly established. Moreover, collaborative links with the Ministry of Economy and Public Works and Services were particularly weak throughout the 1990s. Hence, in contrast to what we have observed in other countries of the region, ExportAR could not consolidate a leading role in export promotion in this period.

Over time, other public organizations became also engaged in export promotion, specifically focusing on SMEs within specific areas. In addition, several business associations launched their initiatives in this area. Thus, a network of multiple organizations has been involved in trade promotion over the current decade.

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<sup>87</sup> The devolution of the value added tax paid on exported products as well as that of other indirect taxes was not discontinued.

<sup>88</sup> Diverse analysts have been considered this scheme as the outcome of internal disputes within the government at that moment.

<sup>89</sup> Support from UNDP finished in 2002. Other multilateral organizations such as the IDB have also contributed to the development of ExportAR through technical cooperation and resources.

#### 4.5.2 Organizational Structure

EXPORTAR is a private foundation whose board is composed of 28 members. Among these members, there are representatives from the public sector, in particular, from the Ministry of Foreign Relations, International Trade, and Worship (through the Secretary of Trade and International Economic Relationships and the Undersecretary of International Trade); the Ministry of the Economy, now Ministry of Industry and Tourism (through the Secretary of Tourism; the Undersecretary of SMEs and Regional Development; the Undersecretary of Trade Policy and Management, the latter two being under the Secretary of Industry, Trade, and SMEs) and Ministry of Agriculture, Stockbreeding, and Fishing; the BICE, National Bank of Investment and Foreign Trade; and the BNA, Bank of the Argentine Nation. The remaining members of the board are representatives from the private sector, including both those affiliated to business associations such as SRA, Sociedad Rural Argentina (Argentine Rural Society); the CGE, Confederación General Económica (General Economic Confederation); and ABA, Asociación de Banco de Argentina (Association of Banks of Argentina); as well as adhering individuals. The presidency and the two vice-presidencies of ExportAR are occupied by private actors, namely, the UIA, Unión Industrial Argentina (Argentine Industrial Union); CERA, Cámara de Exportadores de la República Argentina (Chamber of Exporters of the Argentine Republic); and CAC, Cámara Argentina de Comercio (Argentine Chamber of Commerce), respectively.

ExportAR possesses an executive director appointed by the board, but requiring the approval of the Ministry of Foreign Relations, International Trade, and Worship.<sup>90</sup> This position is held for a fixed term, which can be renewed. The organizational structure of ExportAR consists of one executive directorate, two main operative departments, and several supporting divisions (see Figure 5). Thus, underneath the executive directorate, there are two units which are responsible for trade analysis and intelligence and coordination with the Undersecretary of International Trade and the foreign missions of the Ministry of Foreign Relations, International Trade, and Worship. The operative departments include Trade Promotion, which provides direct support multisectorally and to particular sectors (aliments, high differentiation, and industry); and Trade Strategy, which technically assists firms and manages various programs such as training, provincial and sectoral promotion, missions, and exporter groups. In addition, there are

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<sup>90</sup> The current executive has previously worked for the public sector.

three divisions in charge of institutional communication (website and logistics of events), and public and institutions relationships (with firms, chambers, and organizations acting as ExportAR access points). Finally, there exists an administrative division that handles all relevant financial and human resources management issues.

#### 4.5.3 Presence in the Country and Abroad

ExportAR headquarters are located in Buenos Aires, Argentina's capital. This organization does not have own regional offices (see Figure 8). However, as mentioned above, there is a large network of access points to its services across the country. More specifically, there are 63 ExportAR "windows" located in every province in the country. It is worth mentioning that these offices have been established in partnership or through agreements with, and are hosted by, provincial or municipal governments and business associations. Thus, employees at these offices are neither hired nor formally staff of ExportAR, but of the hosting organizations. These access points offer information and facilitate contacts with those departments of ExportAR dealing with firms' needs.

ExportAR does not have own foreign offices to promote exports abroad (see Figure 9). This organization relies on the officials working at the Argentinean diplomatic foreign missions, especially those responsible for trade issues. Those diplomats support ExportAR in gathering information and assisting exporters in business activities in their countries of duty. There are currently about 90 diplomats involved in export promotion activities around the world. In performing these activities, they use common software to share information which facilitates certain coordination among them. However, we should notice that these diplomats not only received assistance requests from ExportAR but also from other entities such as provincial governments through their own export promotion organizations. Furthermore, they are often not only engaged in trade promotion, but also in investment attraction and even in other general diplomatic activities. Consequently, it is not uncommon that diplomatic missions do not have enough resources and personnel with appropriate profile and time allocation to address specific export promotion needs.

Since the late 1990s Argentina began to establish more specialized export promotion offices ("Argentina's Promotion Centers") in a few countries. These offices are attached to general consulates located in important non-capital cities such as Sao Paulo in Brazil; Los Angeles, Miami, and New York in the United States; Barcelona, Frankfurt, and

Milan in Europe; and Shanghai in China. These offices provide firms with information and local assistance.

#### 4.5.4 Budget and Personnel

The internal operational procedures regarding budget and contracting derive from those established in the UNDP technical assistance program.

ExportAR budget mostly consists of resources that are received from the Ministry of Foreign Relations, International Trade, and Worship, as established in the budget law approved by the Congress.<sup>91</sup> These resources have increased from 1 million USD in 2002 to 4.5 million in 2008. Copayments by firms to participate in events organized by ExportAR such as trade missions and fairs amounted to 2 million USD in 2008. ExportAR spends approximately 10% of its available funds to cover operation costs and the remaining 90% are applied to finance promotion activities as follows: support services to exporters such as training and technical assistance (13.0%); marketing and other specific promotional actions such as mission, fairs (78.0%), and market research and publications (9.0%).

Since its creation, ExportAR has had only three executive directors. The first director was in charge of the organization between 1993 and 1999, the second one between 1999 and 2001, and the current one since 2002.

The number of employees is currently 95 (85 staff and 10 consultants and interns), up from 35 in 2002. Among employees, 7% have a master's degree (in marketing and strategic management, politics and strategy, international relations, and agricultural aliments) and 15% have previous experience in international trade issues.

When a vacancy occurs, the formal recruiting procedure consists first of identifying a minimum of three candidates via direct public announcements; screening of personnel, primarily students doing internship at the organization; and/or pre-selection by specialized consulting firms; and second on personal interviews.

Salaries are fixed and their levels are comparable to those in similar organizations within the Argentine public administration.

There is no a formal structured schema for professional carriers in EXPORTAR, but there is some mobility paths within the organization. These are partially enabled by employee turnover. After having been employed five to six years with the organization,

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<sup>91</sup> Occasionally, ExportAR has received additional funds from the Ministry of the Economy, now Ministry of Industry and Tourism.

many employees, especially those in technical areas, leave for positions in the private sector.

#### 4.5.5 Promotion Activities

EXPORTAR activities are defined in an annual working plan that is prepared in coordination and under the strategic guidelines established by the Ministry of Foreign Relations, International Trade, and Worship.

ExportAR organizes several training activities aimed at explaining the organization's services and increasing firms' familiarity with the export process, its specific stages and implied operations; and with international marketing events such as fairs and missions.<sup>92</sup> This organization also provides firms with trade information. In doing this, it performs market intelligence, both in general and on demand, and prepares reports and specific profiles on sectors and/or countries.<sup>93</sup>

Most ExportAR activities consist of international marketing initiatives, which, as mentioned above, account for the largest fraction of the organization's budget. Thus, ExportAR coordinate the participation of Argentinean firms in fairs; organizes outgoing general and sectoral missions, incoming missions of buyers, and Argentinean promotion weeks/months abroad.<sup>94</sup>

In collaboration with the Standard Bank Foundation, ExportAR also supports the establishment of exporter consortia ("Grupos de Exportadores"), i.e., groups of firms, mostly SMEs, within the same area of activities that join efforts in their internationalization.<sup>95</sup> In particular, besides provision of technical assistance, a manager is partially financed for the group over their first two years of operation (the amount paid declines from the first to the second year).<sup>96</sup>

Finally, we should notice that ExportAR recently developed sectoral promotion programs. In the framework of this program, ExportAR collaborates with important

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<sup>92</sup> While the number of events has not significantly changed over the period 2002-2008, the number of participants has declined in recent years. In fact, this number has decreased from 8,360 participants (96 courses) in 2003 to 7,309 (92 courses) participants in 2007. This obeys, among others things, to a change in the training strategy, whereby courses are increasingly oriented to officials responsible for export promotion in sub-national entities such as municipalities, who then train firms in their territories.

<sup>93</sup> On average, the organization produces more than 150 documents and more than 200 market profiles. These figures have been relatively stables in recent years. A substantial fraction of this material is accessible over the website.

<sup>94</sup> In general, the number of these activities have increased in recent years: 38 fairs with 895 firms in 2003 and 70 fairs with 1,435 firms in 2008; 4 outgoing missions with 56 firms in 2003 and 15 outgoing missions with 246 firms in 2008, 5 incoming missions with the participation of 11 foreign firms and 80 Argentinean firms in 2003 and 22 incoming missions involving 235 foreign firms and 1,102 Argentinean firms in 2008.

<sup>95</sup> There have been also initiatives to connect large exporting firms with SMEs to facilitate their mutual collaboration and support from the former to the latter in their export activities.

<sup>96</sup> Exporter groups have increased from 36 with 263 participating firms in 2003 to 56 with 389 member firms in 2008.

firms within the sector and other relevant organizations in formulating a strategic marketing plan.<sup>97</sup> This plan identifies the most suitable destination markets for the firms' products, main marketing modalities, prevailing consumption trends and market segmentations, and accordingly defines a set of strategies aiming at improving the international positioning of the respective firms.<sup>98</sup> ExportAR supports the implementation of this plan with specific promotional activities.<sup>99</sup>

#### 4.5.6 Effectiveness Assessment

ExportAR keeps track of all promotion activities, which are detailed in the annual reports along with the evolution of the number of participating firms. Outcome of these activities are primarily assessed using the information provided in client satisfaction surveys filled by participating firms. In particular, these surveys include questions about the sales made by companies in the framework of these activities. Whenever reported at all, these figures, which are not always accurate, are then aggregated and presented as the organization's contribution to Argentinean exports. While ExportAR's budget is not formally explicitly related to this assessment, the implied results are likely to actually affect its evolution over time.

#### 4.5.7 Inter-Organizational Relations

As mentioned above, the level of organization fragmentation in export promotion has been historically important in Argentina, which clearly makes this country a case of organizational pluralism. Several organizations, both public and private, are active in this area with multiple initiatives and specific programs. In this context, unsurprisingly, we observe some degree of overlapping. Nonetheless, we should notice herein that collaboration among entities is actually not absent. This collaboration is expectedly more likely, the more specialized and thereby the less intense the competition is among organizations. In fact, in Argentina there are patterns of organizational specialization, whereby different entities focus on specific "niches" along the sector, region, firm segment or even program dimensions.

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<sup>97</sup> Sectors have been initially selected using a list of 25 activities and 25 countries elaborated by the Ministry of Foreign Relations, International Trade, and Worship.

<sup>98</sup> These plans explicitly take into account the existence of SMEs in each sector.

<sup>99</sup> There are currently 34 ongoing programs of sectoral promotion assisting 358 firms.



Traditionally, there have been two organizational poles of export promotion policymaking within the national public sector, the Ministry of Foreign Relations, International Trade, and Worship; and the Ministry of Economy, now the Ministry of Industry and Tourism. Diverse ministerial departments and organizations are part of these poles and have their own links with the private sector entities. We refer below to the most prominent ones.

First, ExportAR formally depends from the Ministry of Foreign Relations, International Trade, and Worship. Operatively, when firms participating in activities organized by ExportAR require support, officials directly contact and ask for assistance, those diplomats responsible for trade issues in the country in question. While these diplomats are expected to attend these requests, no formal collaboration mechanism exists. Further, ExportAR does not intervene in the selection of these officials and cannot set them targets nor evaluate their work.

In addition, this Ministry promotes exports through the Undersecretary for International Trade, which coordinates the network of diplomats with trade promotion duties within the Argentinean embassies abroad. This undersecretary maintains a website, “Argentina Trade Net”, that includes an exporter directory; as well as information on markets and specific business opportunities collected by the foreign missions, international marketing events such as fairs and shows along with the entities that organize them or coordinate the participation of Argentinean firms, and financing alternatives for exporting firms. Moreover, this unit is directly involved in executing promotional actions such as missions.

Second, the Ministry of Industry and Tourism, through the Secretary of Industry, Trade, and SMEs and specifically the Undersecretary for Trade Policy and Management, has been active in promoting SMEs exports. This undersecretary has a dedicated website, “PROARGENTINA”, that, among other export promotion services, offer information, including access to databases; training; and support to exporter groups. Some of these services are provided in collaboration with business associations. In addition, the Secretary of Agriculture, Stockbreeding, Fishing and Alimentation of the aforementioned Ministry contributes to promote exports by delivering specialized information and services to firms in these sectors through the PROARGEX program.<sup>100</sup>

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<sup>100</sup> An Advisory Council of Foreign Trade (Consejo Asesor de Comercio Exterior, CACE) was created in the mid-1980s as an organizational mechanism aiming at contributing to the definition of trade policy, including export promotion. Representatives of multiple private sector organizations participate in this Council. However, this council was not very active

Moreover, noteworthy, the national agency of investment promotion, PROSPERAR, depends from the Ministry of Industry and Tourism.

Entities have tended to collaborate with each other within each pole, but less so across poles. As a very simple illustration, the websites of ExportAR and PROARGENTINA do not directly refer to each other (as of July 2009).

Besides this, as Argentina is a federal country, virtually all 24 provinces have created their own export promotion organizations either as separate entities such as PROCORDOBA in the province of Cordoba or as ministerial departments such as the Undersecretary of International Economic Relations of the Ministry of Production in the province of Buenos Aires. This naturally increases the potential for coordination problems and thereby the risk of overlapped promotional actions. In this regards, we should mention that there have been recent attempts to strengthen organizational coordination, both horizontally (i.e., among entities at the federal level) and vertically (i.e., among federal and provincial entities).<sup>101</sup> Thus, for instance, there is now closer working relationship between ExportAR and the Undersecretary of Trade Policy and Management. While they both have their own separate operative plans, they mutually inform each other about these plans and collaborate in specific promotion activities such as incoming missions, which are particularly relevant for SMEs.<sup>102</sup> Further, since October 2008, both federal entities participate in quarterly meetings with sub-national export promotion organizations. In these meetings, parties exchange information on their planned activities.<sup>103</sup>

ExportAR cooperates with diverse business associations within the country, including those that are member of its board and several others.<sup>104</sup> Many of these organizations have their own promotion programs. ExportAR has also a large number of collaboration agreements with export promotion organizations and private sector associations from other countries, both developed and developing ones.<sup>105</sup>

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<sup>101</sup> The COFECEX, Consejo Federal de Comercio Exterior (Federal Council of Foreign Trade), precisely aimed at promoting the exchange of information and coordination between national and provincial authorities and their agencies. However, its activities were not systematic and its accomplishments were accordingly limited (see Tussie, 2004).

<sup>102</sup> Admittedly, personal factors play a non minor role in this case, so the sustainability of this collaboration beyond the tenure of current unit heads remains an open issue.

<sup>103</sup> At this moment, there is project to establish a common web platform to share information on specific promotion actions to be performed by participating organizations, accessible by all relevant officials. This might help increase coordination, thus reducing overlapping and even stimulating collaborative initiatives.

<sup>104</sup> Provincial and regional foreign trade chambers are inked together in a second level entity, FECACERA, Federación de Cámaras de Comercio Exterior de la República Argentina (Federation of Chambers of Foreign Trade of the Argentine Republic).

<sup>105</sup> A detailed list is available from the authors upon request.

Moreover, ExportAR has established an academic council.<sup>106</sup> This council is primarily composed of representatives of several universities and research centers. This body seeks to facilitate contacts and collaborations between academia and exporting firms in the areas of research and consultancy for foreign trade. Finally, it is worth mentioning that ExportAR has received support from foreign cooperation agencies (e.g., GTZ from Germany) and multilateral organizations (e.g., UNDP and IDB).

#### *4.5 Chile: Does Policy Stability Favor Organizational Stability?*

Chile has followed a stable trade policy over the last three decades. This policy has been primarily based on two pillars, unilateral opening and multiple bilateral trade agreements, which have facilitated Chilean firms the penetration of foreign markets. Over this period, PROCHILE, the major export promotion organization in the country enjoyed a remarkable organizational stability. In this context, this singular unit of the General Directorate of International Economic Relations at the Ministry of External Relations created a large network of foreign offices and launched several programs to support the internationalization of an increased number of Chilean firms.

##### *4.6.1 Historical Background*

First policy debates about the need to create an export promotion organization emerged at the late 1960s, still in the framework of the prevailing import substitution strategy. However, PROCHILE was established not until in 1974 (Decree 740). At the beginning, this organization was attached to the Ministry of Economy and was primarily focused on promoting non-traditional exports. At that time budget constraints were important and this significantly limited its operational capabilities. PROCHILE consisted of 40 employees and no network of offshore offices. This network started to be gradually built up over the second half of the 1970s (see Boston Consulting Group, 2004).

In 1979, because of a major ministerial reform, substantial organizational changes were introduced. In particular, the government relocated export promotion to other ministerial department and placed it together with trade policymaking under a new general directorate, DIRECON, General Directorate of International Economic

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<sup>106</sup> A list of the members of this council is available from the authors upon request.

Relations, within the Ministry of External Relations. Further, the status of PROCHILE foreign offices was consistently defined under the supervision of this ministry and head of these offices were given diplomatic status (DFL-53).

In accordance with the government export-oriented policy, PROCHILE progressively grew over the 1980s. More specifically, its personnel increased to 60, its network of offices expanded, and its promotion activities diversified to reach more firms. With the transition to democracy in 1990, a detailed revision of PROCHILE's strategies and activities was performed. As a result, new missions were assigned to the organization, such as improving country image abroad. A few years later, a new strategic plan was launched aiming at intensifying promotional activities.

Later on, the need to reform PROCHILE's organizational model was discussed several times. Thus, in 1996, there was a proposal to transform PROCHILE into a mixed public private organization, and two years later, in 1998, to specifically provide PROCHILE with a larger autonomy while creating a governing board of nine members, four of them being representatives from the public sector. The Chilean Congress revised again this initiative in 2002 (see Boston Consulting Group, 2004). However, these proposals did not materialize, and so far the core organizational design of PROCHILE has remained virtually unchanged since 1979.

#### 4.6.2 Organizational Structure

PROCHILE is a directorate under the DIRECON, the General Directorate of International Economic Relations, at the Ministry of External Relations. There are two other directorates within DIRECON, the Directorate of Bilateral Economic Affairs and the Directorate of Multilateral Economic Affairs. In addition, there are eight departments (Legal Affairs, Administration, Communications, Programming and Management Control, Unit Executing DIRECON Capacity Building Program, Internal Audit, Risk Management, and Studies). DIRECON has significant autonomy within the Ministry of External Relations. Because DIRECON has an own organizational identify it is able to define own plans to fulfill its strategic objectives. More specifically, DIRECON has a separate budget, which is directly negotiated with the Ministry of Finance, separate management processes with own control mechanisms, and separate personnel structure. Further, it has internally a very integrated organizational structure, which facilitates the mobility of employees across directorates. Thus, being part of the

same ministerial department can be expected to make easier the circulation of information and collaboration between PROCHILE and other directorates within DIRECON. In particular, PROCHILE can have access to updated, precise inputs on new markets for which privileged access is achieved thanks to trade agreements and can support trade negotiators when defining their strategies. This would *a priori* an important benefit of integrated organizational model.

In the early 2000s, PROCHILE was organized in four divisions, sectors, international, marketing, and information (see Boston Consulting Group, 2004). More recently, however, a more horizontal organizational configuration has been adopted (see Figure 6). Thus, PROCHILE currently has 16 departments directly accountable to the director of the organization. This flat structure includes four departments focused on different world areas (North America, Europe, Asia-Pacific and New Markets, and Latin America); four departments concentrated on different sectors (processed aliments, agriculture, industry, and service trade); four departments dealing with different export promotion services (commercial information, international diffusion, promotion and international marketing, and fair and events); and four departments attending internal organizational needs (planning and resources allocation, strategic development, control and projects follow up, and regional development). Most of these departments do not have formal organizational units underneath.

#### 4.6.3 Presence in the Country and Abroad

PROCHILE has headquarters in Santiago de Chile and 14 additional regional offices (see Figure 8). These offices have been primarily established between 1996 and 1998 and are located in each administrative region of the country: Antofagasta (1998), Arica y Paranicota (1996), Araucania (1998), Atacama (1998), Aysen (1998), Bio Bio (1996), Coquimbo (1996), Los Lagos (1998), Los Rios (2007), Magallanes (1998), Maule (1998), O'Higgins (1998), Tarapaca (1996), and Valparaiso (1996). These offices are managed by personnel of PROCHILE and have certain degree of autonomy to develop and implement their own programs to identify new business opportunities for local producers and promote exports of regional products. In doing this, they collaborate with the respective regional development agencies under the Presidency and local authorities and business associations. Notice, however, that funding for new regional export promotion initiatives is decided at the central level.

PROCHILE has also 50 foreign offices in 39 different countries: Argentina (Buenos Aires, Mendoza, and Córdoba), Australia, Belgium, Bolivia, Brazil, Canada (Toronto and Montreal), México (Mexico City and Guadalajara), China (Beijing, Hong Kong, and Shanghai), Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, France, Germany (Berlin and Hamburg), Guatemala, Honduras, India, Indonesia, Italy (Milan and Rome), Japan, Malaysia, Netherland, New Zealand, Nicaragua, Panama, Peru, Russia, Singapore, South Korea, Spain, Sweden, Thailand, United Kingdom, United States (Los Ángeles, Miami, Nueva York, and Washington), Uruguay, Venezuela, and Vietnam (see Figure 9).

These offices have 161 employees. The number of offices has declined relative to the 1990s, when PROCHILE had 63 offices in 49 countries. However, the number of employees was very similar, 162, suggesting that some geographical concentration of resources has taken place. A typical office has a head that has diplomatic status as a commercial attaché, and two to four employees, who are generally hired locally. Offices can have their own physical space or can be located within the diplomatic missions, but their staffs are formally PROCHILE employees for all personnel management and administrative purposes. These foreign representations identify trade opportunities, produce market reports, and perform promotional activities to support Chilean exporters in their respective countries, under the overall guidance of the headquarters.

Three times a year employees from sub-national offices meet together to share experience and coordinate strategies. The same holds for heads of foreign offices on a regional basis every two years. Further, country managers return to Chile once year to gather direct information on Chilean exporting firms, update contacts, and review export promotion initiatives with staff at the headquarters.

#### 4.6.4 Budget and Personnel

PROCHILE's budget is annual set by the Congress, based on a proposal submitted by PROCHILE and validated by the Ministry of Finance. In recent years this annual budget was 33 million USD. Additional funds come from loans and technical cooperation from international organizations.<sup>107</sup> Revenues from services are marginal

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<sup>107</sup> Thus, for instance, DIRECON has received assistance from the IDB as well as support from the European Union and the German cooperation agency GTZ.

and are not even directly collected by PROCHILE but by DIRECON.<sup>108</sup> Copayments by firms to participate in promotion activities organized by PROCHILE such as trade shows, missions, and fairs were approximately 16 million USD.

PROCHILE applied available resources to provide specific support services to exporting companies (63%); projects with funds obtainable via competition and direct presentation, including those allocated to finance activities performed by third parties (23%); international marketing events such as fairs and missions (13%); and market investigation and publications (1%).

The size of the budget has been stable since the mid 2000s, but it is smaller than in the 1990s.<sup>109</sup> Assistance programs have been accordingly adjusted. Thus, the organization reduced support to individual (non-agricultural) firms to participate in trade missions and fairs, whereas it expanded the provision of more generic services such as detailed online trade information and promotion of country image abroad.

Noteworthy, PROCHILE manages two special funds: a fund to support farming and forestry exports originally established in 1996 with resources from the Ministry of Agriculture (7.5 million USD in 2009) and a fund to be devoted to improve Chile's image abroad from the Presidency (eight million USD in 2008 and two million USD in 2009). These funds are administered under different procedures. We will explain this in the next sub-section.

PROCHILE currently has 384 employees who are distributed as follows: 223 work at the headquarters (154) and regional offices (69) and the remaining employees serve at the foreign offices. Since 2006 PROCHILE fills positions through public competitions and has consistently established a more professional selection unit.

Wages are fixed, i.e., there is no variable individual bonus based on performance. However, there are some collective incentives, i.e., at the organizational level, which amount to 2-3% of the annual wages, depending upon aggregate export outcomes and the degree of fulfillment of managerial goals. We should mention herein that this wage policy is not specific for PROCHILE, but a more general one within the Chilean public administration. In general, basic wages are higher than those for similar positions at the Ministry of External Relations. Nevertheless, diplomats have a higher wage scale when serving outside of the country.

PROCHILE personnel consist of different types of employees (i.e., staff, employees

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<sup>108</sup> These incomes, mostly derived from studies on demand, have an annual average of 3,500 USD.

<sup>109</sup> In particular, expenses associated with direct promotion activities fell approximately 50% from 1996 to 2006, whereas managerial expenses grew 50% over the same period (see Ayala Noceda, 2006).

under fixed-term contracts, honorary employees, etc.). This complicates human resource management and career development programs. There exists personnel mobility between PROCHILE and other directorates of DIRECON, and previous experience within the organization or in these other directorates is expected.<sup>110</sup> However, no mobility schemas exist with other ministries.

Employee rotation is important. About 10% of PROCHILE personnel leave the organization each year. Nevertheless, this does not preclude the existence of a stable core of employees that have been employed there for many years, thus facilitating organizational continuity.

#### 4.6.5 Promotion Activities

Major objectives of PROCHILE include increasing the number of exporting firms (in particular, SMEs), keeping these firms active as exporters, enlarging the number of countries reached by Chilean firms, and also, more recently, improving the image of the country abroad. PROCHILE specifies these objectives into more operative goals based on market analyses and information inputs derived from consultations with industry and service associations and from direct interactions with exporting firms. In pursuing these goals, PROCHILE provides direct assistance to Chilean companies as well as funding to export supporting activities performed by the aforementioned associations. In general, countries Chile has trade agreements with are focused.

PROCHILE frames its interactions with Chilean firms as provider-client relationships. In this framework, PROCHILE provides companies with multiple services. These services cover, through diverse, specifically focused instruments, the different stages of the firms' export development process, i.e., exploration of new markets (prospective), enter into foreign markets (penetration), and consolidation of their presence in these markets (permanence). We can group the main activities into four main categories: specialized information and technical advice on international markets and particular products; training activities; organization and assistance to participate in missions and fairs; and financial support to export initiatives under copayment schemes.

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<sup>110</sup> Heads of PROCHILE are appointed by the Ministry of External Relations. They usually have a professional profile and often they are not tenured officials (except for the current office holder).



One of PROCHILE's most innovative program is inter-firm coaching. In this program, experienced businessmen assist firms that are new to exporting with specialized advice. Moreover, PROCHILE has also programs specifically targeted to SMEs such as *Pymexporta*. This is a joint initiative with the Chamber of Commerce of Santiago de Chile that aims at providing those companies that have passed an export potential test with training and counseling to overcome tariff and non-tariff barriers, improve their export supply, and develop appropriate logistic, distribution, and marketing channels. PROCHILE provides financing up to 80% of the costs of this assistance.<sup>111</sup>

As referred to above, PROCHILE also administers a farming-forestry fund with resources from the Ministry of Agriculture. Unlike previous ones, this initiative involves public calls for applications to export promotion assistance. A mixed public-private council then decides on what project to support among those submitted. Selected projects get up to 50% of their costs financed with resources from this fund.

Finally, some programs consist of initiatives whose expected outcomes provide a public good. This is typically the case of those actions aiming at promoting the image of the country or generally Chilean products abroad (see PROCHILE, 2004). Thus, PROCHILE organizes diverse events in target countries to increase the familiarity of local consumers with Chilean culture and goods. Precisely, these kinds of generic promotion actions have become more important in recent years. In fact, as noticed before, in the last two years the Presidency has assigned an additional fund to PROCHILE to apply in developing activities to improve the image of the country abroad. As with the farming-forestry fund, a public-private council decides on the allocation of resources across submitted projects. Nevertheless, in this case, the public sector fully covers the costs.

#### 4.6.6 Effectiveness Assessment

In 2001 the Ministry of Finance performed a comprehensive impact evaluation of PROCHILE export promotion programs. While this report was not conclusive, users confirmed their satisfaction with PROCHILE services.

Since 2004, PROCHILE measures performance and impact using several indicators related to PROCHILE strategic plan. These indicators include the change in the number

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<sup>111</sup> This program has been supported by the IDB.

of firms that have used the services provided by PROCHILE, the change in the number of services provided, the change in the private sector co-financing of PROCHILE activities, and the change in the exports of assisted firms. The organization annually tracks these changes to gauge tendencies in operational processes and their outcomes (see Ayala Noceda, 2006).

In addition, satisfaction questionnaires are sent to firms using specific PROCHILE services such as assistance to participate at an international trade fair. A more general survey about overall satisfaction with the organization is conducted every two years.

Finally, we should mention that PROCHILE is introducing a Balanced Scorecard (BSC).<sup>112</sup> This will allow, in the future, monitoring whether and to what extent the different units fulfill their operational objectives as defined in the general plan.

#### 4.6.7 Inter-Organizational Relations

Although clearly smaller than in other countries in the region, organizational fragmentation in export promotion is not negligible in Chile. To varying extent, many ministries, through particular bodies, and several business associations engage in promotional activities (see Boston Consulting Group, 2004). In fact, PROCHILE lacks the political power to fully articulate this large number of actors. Unsurprisingly, some problems of overlapping have been observed. However, coordination seems to be stronger than in other cases, and, in recent years, has even improved through certain division of labor. This includes the distribution of resources by PROCHILE to private sector associations to execute their own promotion activities, while keeping an overall supervising role.

Thus, PROCHILE has recently reached a collaboration agreement with CORFO, Corporación de Fomento de la Producción, the Chilean Economic Development Agency. This agency seeks helping Chilean firms increase their competitiveness through assistance programs focused on investments, technological innovation, and quality upgrading. This agreement aims at developing a “support chain”, whereby CORFO assists the firms in achieve export potential status and PROCHILE assists them in materializing this potential. The range of collaboration activities between these organizations has expanded in the last years, including the joint programs “Business Platforms” and “Markets Research”. PROCHILE has also established a partner

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<sup>112</sup> This initiative is also being supported by the IDB.

relationship with the Chilean Tourism Promotion Agency. In particular, PROCHILE collaborates with this agency in specific programs and provides support its activities through the network of foreign offices.<sup>113</sup>

PROCHILE also has working relationships with the Ministry of Agriculture regarding the farming-forestry fund mentioned above, and cooperates with the Ministry of the Economy in providing the export promotion support component of its SMEs competitiveness program “Chile Emprendedor”. In addition, PROCHILE interacts with the National Directorate of Customs, from which it receives detailed statistical information on trade flows at the firm level, and with the SII, Servicio de Impuestos Internos (Internal Tax Service), from which it obtains additional data on exporting firms such as their sales range. These data allow PROCHILE to prepare more precise market reports on specific sectors and countries as well as keep track of exporting firms’ performance.

Although PROCHILE does not have a board in which private business associations may formally interact with the organization, they have fluent informal relationships. Thus, PROCHILE frequently invites these associations to present their export promotion projects. In fact, some of these associations coordinate their activities with PROCHILE and receive funding from this organization to develop these initiatives. For instance, ASOEX, Asociación de Exportadores de Chile (Exporters Association of Chile), an entity that represents the exporters of fruits and fresh vegetables, and Wines of Chile, are supported by the farming-forestry fund managed by PROCHILE. Collaborative links are not restricted to sector-based associations but are also established with broader sector entities such as SOFOFA, Federación Gremial de la Industria (Gremial Federation of Industry), and ASEXMA, Asociación de Exportadores de Manufacturas y Servicios (Association of Manufacture and Service Exporters). PROCHILE has supported some of ASEXMA’s promotion activities such as “exporter committees”, which is a program that helps SMEs newcomers in foreign markets (see Herner, 2006).

In 2003 the government established a “Private-Public Council for Export Development” as a coordination body including representatives from several ministries and major private business associations. This council aimed at stimulating formal

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<sup>113</sup> Other organization public PROCHILE cooperates with in particular export promotion initiatives are the SENCE, Servicio Nacional de Capacitación y Empleo (National Services of Training and Employment) under the Ministry of Labor and Social Security, and the INDAP, Instituto de Desarrollo Agropecuario (Institute of Farming Development) and the SAG, Servicio Agrícola y Ganadero (Agricultural and Stockbreeding Service) under the Ministry of Agriculture.

interaction between all relevant actors on those issues within the national export promotion policy agenda. However, even though the government re-launched the Council in 2006, it has not been very active. In particular, its meetings were very sparse.<sup>114</sup>

PROCHILE has not developed intense contacts with universities and research centers. Yet, there does exist specific collaboration agreements with some of these academic entities (e.g., Universidad de Chile) to prepare market reports and provide trade data. Occasionally, PROCHILE facilitates contacts between universities and firms with consulting needs.

Finally, it is worth mentioning that PROCHILE has provided technical assistance to many export promotion organizations in other Latin American countries (e.g., Peru and Uruguay).

#### *4.7 Peru: Reconstructing Export Promotion Organizations Several Times*

Like in many other countries in the region, Peru gradually introduced export promotion policies in the 1960s, in the context of the still predominant import substitution strategy. These initial policies later evolved into more sophisticated initiatives in the 1970s. Over this decade, active strategies towards foreign trade gained consideration within the government. This translated into organizational developments in export promotion policymaking, including the creation of a Ministry of Foreign Trade in 1973, whereby expertise and policy capabilities within this area started to build up within the public administration, already in the second half of the 1970s. These developments continued to some extent during the 1980s with a new public organization such as FOPEX (until 1986) and the ICE (until 1990). These entities had less policy saliency, but continued to launch export promotion measures while economic incentives to exports began to disappear. Afterwards, due to the general political and economic context, explicit policies towards exports were virtually absent for more than five years (1990-1995) and, as a consequence, most of the existing organizational and policy experiences was lost. This happened precisely in the crucial moment when the export promotion paradigm was changing around the world.

The construction of a new organizational model for export promotion policy started

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<sup>114</sup> Later on, in 2008, a new private-public committee was created to steer country-image strategy, in which PROCHILE also participates. This committee manages the funds referred to in Subsections 4.6.5 and 4.6.6.

in the second half of the 1990s with the creation of a new specialized organization, PROMPEX. This process consolidated from 2002 onwards, when the government developed a major strategy to foster exports, including the re-creation of a ministry of trade. We have therefore selected PROMPEX, currently PROMPERU, as the relevant export promotion organization for our study. Admittedly, this is not the only Peruvian organization active in this field. Like in Argentina, there seems to be a pluralist model featuring an important level of fragmentation with multiple entities more or less directly involved in trade promotion. We will next perform an organizational analysis of PROMPERU and, as with Argentina we will refer to other important actors from the perspective of this major organization.

#### 4.7.1 Historical Background

While still framed within the import substitution strategy, policy measures to stimulate exports can be traced back to 1959 when tax deduction incentives were established for some value added products through the Ley de Promoción Industrial 13270 (Law of Industrial Promotion 13270).

Over the 1960s, the Vice-Ministry of Trade was in charge of trade policy. Its export promotion efforts were modest and primarily consisted of organizing trade missions and coordinating Peruvian firms' participation in trade fairs.

In 1968 the Ley de Fomento a la Exportación de Manufacturas DS 227/68/HC (Law of Manufacturing Exports Promotion DS 227/68/HC) introduced additional fiscal incentives for exports, also taking the form of tax deductions. The reimbursement of taxes for export products, CERTEX, was the most prominent of these fiscal instruments.

In this context, the government created several funds to foster exports. Thus, the “Fondo de Exportación de Manufacturas” (Manufacturing Exports Fund) was established in 1968 as a means to stimulate exports. This fund was managed by the Peruvian Central Bank. In addition, the FENT, “Fondo de Exportaciones No Tradicionales” (Non-Traditional Exports Fund), was put in place in 1972 with the purpose of providing exporting firms, particularly SMEs, with credit at low interest rates. Later on, a new fund, FONEX, “Fondo de Exportaciones” (Exports Fund) was introduced to also finance non-traditional exports (such as capital goods and services). This fund was administered by COFIDE, Corporación Financiera de Desarrollo (Financial Development Corporation). These initiatives were complemented with the

establishment of COPEX, Comité de Exportaciones no Tradicionales (Committee of Non-Traditional Exports), as policy coordinating body, chaired by the Vice-Ministry of Trade, and including representatives from three ministries (Economy and Finances, External Relations, and Transport and Communication), the Central Bank, and business associations involved in foreign trade.

In 1973 the government created a Ministry of Trade from the Vice-Ministry of Trade. Moreover it established several public firms to coordinate exports in major traditional sectors. However, this Ministry disappeared in 1977 and trade was merged with industry and tourism into a single ministry, becoming organizationally again a Vice-Ministry. The structure underneath essentially remained in place, including a general directorate of export promotion, that was in charge of defining the export policy strategy, and a more operative general directorate of foreign trade that managed the fiscal incentives.

During 1976 the tax incentives straightened by extending eligibility to all non-traditional export products. Further changes were introduced in 1978, 1981, and 1984 (see, e.g., Schydlofsky, 1983). In parallel, the government enacted in 1978 a new law concerning non-traditional exports. This law pursued integrating and increasing the coherence of the diverse export incentives already existing, but it also introduced additional instruments such as the free trade zones, trade offices in foreign countries, and financing of the participation of firms in mission and fairs.<sup>115</sup> In this context, the government launched measures to favor the formation of exporter consortia, including tax exemptions. This was especially attractive for the SMEs and, in a few years, more than 20 consortia were created.<sup>116</sup>

Furthermore, a new fund to support non-traditional exports, called FOPEX; “Fondo de Promoción de las Exportaciones No Tradicionales” (Non-Traditional Exports Fund), was created in 1978. This fund was in fact a new export promotion organization which was established as a private society in 1979. FOPEX was formally under the supervision of the Ministry of Industry, Trade, Tourism, and Integration. However, this organization relied on own sources of financing derived from import taxes and operated under a considerable level of autonomy. FOPEX became particularly active in export promotion throughout the 1980s. Thus, based on detailed action plans, it provided several services to exporting companies (1,200 in 1985), including training, market

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<sup>115</sup> Although they had autonomous budgets, these offices were linked to the Peruvian embassies and thereby to the Ministry of External Relations.

<sup>116</sup> This strategy has been considered to be related to the democratic transition in Peru during this period.

profiles, technical assistance, and support to participate in international marketing events such as fairs. Moreover, at that time, FOPEX coordinated a network of 14 foreign trade offices. By the mid-1980s FOPEX was consolidated and attempted to intervene in international trade negotiations, which created some overlapping with the Vice-Ministry of Trade.

In 1986, as a consequence of the reorganizational initiative launched by the new President Alan García, the ICE, Instituto de Comercio Exterior (Institute of Foreign Trade), replaced FOPEX. Besides export promotion, ICE was tasked with administering other trade policy measures such as licensing exports. Due to the tight budget constraints associated with the substantial public sector reform initiated when president Fujimori took office, this organization was deactivated in 1990 and, in particular, the entire network of foreign offices it had inherited from FOPEX was closed, and all fiscal incentives to exports were eliminated (see, e.g. Peñaranda, 1996).

Few years later, the government created a new export promotion organization, PROMODEX. This new organization started to operate, but did not receive as much support from the private sector as expected, thus not reaching enough critical mass. Hence, it was closed later the same year. While in late 1993 the government assigned formal responsibility for export promotion to the Ministry of External Relations, to thereby make use of foreign missions with this purpose, this initiative was merely nominal and Peru remained without a specialized public entity for at least four years.

In April 1996, PROMPEX was created. This organization was directly attached to the Office of the Presidency to protect it from internal governmental disputes. PROMPEX was tasked with export promotion and strengthening the country image abroad.

In 2002, President Toledo created the Ministry of Foreign Trade and Tourism (MINCETUR), with two Vice-Ministries underneath, Foreign Trade and Tourism. PROMPEX was then linked to this new Ministry and the Minister became its president and the official who supervises the organization's executive director.

Later on, a new organizational reform took place and PROMPEX merged with the Tourism Promotion Office into a new organization called PROMPERU, Comisión de Promoción del Perú para la Exportación y el Turismo (Commission of Export and Tourism Promotion), also under the supervision of the Minister of Foreign Trade and Tourism (DS 003-2007 MINCETUR). This new organization was established based on PROMPEX, but it was completely redesigned new formal regulations were adopted.

#### 4.7.2 Organizational Structure

PROMPERU's highest directive body is the Directive Board. This board is chaired by the Minister of Foreign Trade and Tourism and is composed of 17 members. Seven of these members are representatives from the public sector, namely, the Vice-Minister of Foreign Trade, the Vice-Minister of Tourism, and representatives from the Ministry of External Relations, the Ministry of Production, the Ministry of Agriculture, the Ministry of the Economy and Finance, and the National Investment Promotion Agency, PROINVERSION. The remaining ten members represent the private sector: the presidents (or their delegates) of ADEX, Asociación de Exportadores (Exporters Association); COMEXPERU, Sociedad de Comercio Exterior del Perú (Peru's Society of Foreign Trade); AGAP, Asociación de Gremios Productores Agroexportadores del Perú (Association of Peru's Unions of Agricultural-Exporter Producers); SNI, Sociedad Nacional de Industrias (National Society of Industries); the National Coordinator of Unions SME-Peru; CCL, Cámara de Comercio de Lima (Chamber of Commerce of Lima); CANATUR, Cámara Nacional de Turismo (National Chamber of Tourism); and union representatives from the tourist zones North-Amazonas, Middle, and South. These representatives from the public and private sectors are proposed by the respective organizations and appointed by the Minister. PROMPERU's general secretary and the directors of export promotion and tourism promotion, who are also designated by this minister, participate in the board but without voting rights.

Besides the board, current organizational structure of PROMPERU consists of a General Secretary and two directorates (see Figure 7). Underneath the General Secretary, there are four divisions providing general services such as planning and budget, juridical counseling, administration and finances, and transversal services (publications, communication, and institutional image). The directorates are operative departments in charge of export and tourism promotion. In particular, within the first directorate, there are three under-directorates that are responsible for trade promotion, services and assistance to firms, and market intelligence. Thus, this organizational structure features three directive positions at the same level, each tasked with one specific set of activities, and no general manager. Hence, it seems designed to ensure that each section remains fully accountable to the Minister, thus avoiding the concentration of power within the entity.



### 4.7.3 Presence in the Country and Abroad

PROMPERU headquarters are in Lima. This organization currently has five regional offices, which started to be opened in 2005 (see Figure 8). These offices are located in Chiclayo (Lambayeque), Iquitos (Loreto), Huanayo (Junin), Cusco (Cusco), and Arequipa (Arequipa). These offices are managed by PROMPERU employees and provide local companies with basic training and general information on the export process and foreign markets. They tend to establish links with local public offices, business associations and other entities to promote export initiatives by means of programs similar to those implemented at headquarters. In fact, whereas the first two are located in its own separate offices, the remaining three are hosted by local chambers of commerce (Huanayo and Cusco) and the Catholic University of Santa Maria (Arequipa).

In addition, PROMPERU has ten regional information centers. These centers are located in Ayacucho, Cajamarca, Huanuco, Ica, La Libertad, Madre de Dios, Piura, Puno, San Martin, and Tacna. They are staffed and managed by employees of local governments (e.g., Piura) or business associations (e.g., Tacna). These centers provide information on marketing, prices of products demanded abroad, profile of products with larger demand abroad, and export procedures and tax regime; and organize training activities.

PROMPERU does not have an own network of offices abroad, but rely on the support of the diplomatic foreign mission of the Ministry of External Relations (see Figure 9). In some embassies, there are separate offices primarily tasked with export promotion and staffed, on average, with more specialized personnel. This is, for instance, the case of those in the United States, France, Germany, Japan, Spain, and the United Kingdom. However, in most diplomatic representations, officials formally in charge of trade issues have multiple concurrent activities and this leads to non-negligible coordination problems (see PROMPEX, 2007). There have been recent attempts to ameliorate these problems. Thus, PROMPERU has reached a collaboration agreement with the Ministry of External Relations to facilitate contacts and information exchange, cooperate in the selection of commercial attaches for the aforementioned special offices, and contribute to co-finance these offices.

#### 4.7.4 Budget and Personnel

PROMPERU's total budget has been approximately 29 million USD in recent years. Annual resources available for the export promotion program have been approximately 5.2 million dollars. This amount is primarily directly allocated by the public sector but also includes funds associated with projects of international organizations such as the IDB or the European Union that have been assigned to the organization (e.g., elaborate to market reports or develop innovative promotion activities). Copayments by private firms to participate in activities organized by PROMPERU have grown in recent years reaching roughly 1 million USD in 2008. This can be attributed to their increased participation in trade fairs and missions, whose costs are only half-covered by PROMPERU. In fact, about two third of resources allocated to the program are used in supporting the participation of Peruvian firms in these international marketing events, while the remaining fraction is allocated to market intelligence (e.g., research, dataset, and reports) and general export services (e.g., training).

The annual budget of the tourism promotion program has been roughly 20.1 million USD and part of these resources originates in revenues from a tax on flight tickets. Finally, the remaining 3.7 million USD correspond to the administration program.

Presently, PROMPERU has 313 employees (as of August 2009), which are distributed as follows: 84 employees are under the Directorate of Export Promotion, 107 employees belong to the Directorate of Tourism Promotion, and the remaining 122 employees staff the General Secretary and the Office of Institutional Control. PROMPERU has many employees who are professional and technicians with advance university degrees and have previous experience in foreign trade. In particular, among those who are specifically engaged in export promotion, 18 have a master's degree (and 10 are doing master programs), 18 are former businessmen, and 59 had accumulated export experience before joining the organization.

The formal personnel selection process at PROMPERU is open and competitive. Vacant positions are announced through the organization website. From the applications received, a short list of candidates is prepared. Those candidates are then interviewed for a final decision.

Wages are lower than those in MINCETUR (although the differences are not large), but similar to those in comparable autonomous public organizations in the country. The remuneration regime is currently under reform in the Peruvian public administration, in

general, including PROMPERU. More specifically, there is an ongoing transition from a public civil service scheme with no wage flexibility to an intermediate system with some wage flexibility based on private sector models.

Turnover among PROMPERU employees is relatively high. Thus, after five years of being with the organization, approximately 20% of the employees involved in export promotion activities leave it for firms in the private sector which value their experience with exporting.

#### 4.7.5 Promotion Activities

Every four years PROMPERU elaborates a strategic plan under the supervision of the responsible Minister. The current plan corresponds to the period 2008-2012 and was approved by the Directive Board on June 2008 after the reorganization was concluded. This plan establishes the organization's main objectives.

PROMPERU's main goal is to contribute to the internationalization of Peruvian firms, by facilitating their penetration of foreign markets and the consolidation of their positions in these markets. In pursuing this goal, this organization provides firms with multiple services.

First, PROMPERU offers diverse training activities. Some of these activities consist of standardized courses on general issues such as the export process, marketing, and business negotiations, but they can also be customized to attend specific needs. In particular, PROMPERU organizes and provides one-day intensive courses called "Miércoles del Exportador" (Exporter Wednesday) to large audiences on topics such as foreign trade basics, e-commerce, quality management, distribution, and financial tools for international trade. These courses are also replicated in the regional offices.

Market intelligence also belongs to PROMPERU's menu of activities. This organization also prepares reports on country and product market trends; and provides firms with specific information on trade opportunities abroad as well as specialized counseling and technical assistance on how to take advantage of these opportunities.

In order to improve firms' access to relevant export information, PROMPERU has led the launching of an integrated website for export promotion called SIICEX, Sistema Integrado de Información de Comercio Exterior (Integrated System of Foreign Trade Information). This website puts together a basic explanation of export procedures; data on trade both at the regional and sectoral level, tariff and non-tariff barriers, and

referential logistic costs; directories of exporters, providers, including those in the logistic area, and foreign buyers; and schedule of activities.<sup>117</sup>

Coordination and support (in particular, co-financing) to firms' participation in international trade missions and fairs is a major activity for PROMPERU. This is sometimes complemented with arrangement of bilateral meetings with potential foreign buyers.

PROMPERU also has programs targeted to SMEs. Thus, it specifically helps build up exporter consortia and accompanies these groups with counseling and support if necessary, and assists these firms in implementing good manufacturing and marketing practices based on the ISO 9001 norm to standardize their processes in order to be able to consistently deliver products according to the specification agreed upon with the customers ("Exporta Perú"). There are particular quality-upgrading initiatives for the agricultural sector, too. Finally, PROMPERU develops activities to promote service trade, including, among others, software, health, and consulting and engineering activities.

#### Effectiveness Assessment

PROMPERU prepares plans of activities and attempts to link the objectives set therein with specific indicators. Some of these indicators relate to activities performed (e.g., number of services provided, number of firms assisted, number of fairs and missions attended) and others refer to the impact of these activities on the firms' and the country's export performance. In assessing the effects of the programs, two main methodologies are applied. First, customs data are used to track export outcomes of assisted firms. Observed changes in their total exports as well as those in their number of destination countries are considered to be the organization's contribution to expand exports in a given period. Second, surveys are sent to firms participating in activities organized by PROMPERU. Besides asking about their overall level of satisfaction with the services received, these surveys include questions on the monetary value of the deals linked to the aforementioned activities. Although the answer rate tends to be low, these data are also utilized as an effectiveness indicator.

#### 4.7.6 Inter-Organizational Relations

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<sup>117</sup> The IDB has supported this initiative as well as another one to create a one stop shop for foreign trade in the country. The latter was managed directly by the MINCETUR without PROMPERU having been involved in the process.

The organizational network of export promotion policies involves at least three ministries, different decentralized agencies, several inter-ministerial commissions, and even three large programs with international organizations. Within this network, PROMPERU, under the policy leadership of MINCETUR, represents a major organization that concentrates a significant amount of trade expertise. However, this is not the only entity active in this area. Thus, the Ministry of External Relations manages the network of foreign trade offices linked to the embassies, whereby information and support are provided to Peruvian firms abroad. Furthermore, the Ministry of Production, through PROMPYME, among other things, assists SMEs in finding business opportunities and offers technical counseling. Noteworthy, the aforementioned SIICEX can be seen as joint initiative of these and other organizations involved in trade promotion.

PROMPERU has working relationships with business associations involved in international trade. Major actors are ADEX; COMEXPERU; SNI; CCL; as well as APEMIPE, Asociación de Pequeños y Medianos Industriales (Association of Small and Medium Industrial Producers); and APIC, Asociación de Pequeños Industriales Confeccionistas (Association of Small Industrial Producers of Wearing Apparel). These private sector associations have developed export promotion capabilities over time and actually provide their members with export training and assistance. PROMPERU collaborates with these entities either executing joint promotional actions or simply supporting their own activities (sometimes through co-financing). Some of these associations such as SNI and COMEXPERU are members of PROMPERU's board, which not only facilitates cooperative relationships but also allows them to influence the organization's programs.

PROMPERU has also established agreements with universities (e.g., Universidad del Pacífico, Universidad Peruana de Ciencias, Universidad San Ignacio de Loyola, Universidad de Lima, CENTUM, and Universidad ESAM). Students from these universities are offered the possibility to do internships at this organization. It also organizes or takes part in training activities with these academic entities.

Contacts and cooperation with other export promotion organizations in Latin America have been regular. This is particularly the case with PROCHILE, PROEXPORT, and PROCOMER. With these organizations, PROMPERU exchanges information and occasionally carries out joint activities.

#### 4.8 Discussion

These case studies have provided additional insights to reach a better, deeper understanding of the structure, dynamics, functions, and inter-organizational interactions of the entities tasked with export promotion in the region. It should be clear by now that there are noticeable similarities and differences across these organizations along the aforementioned dimensions. We will use below these similarities and differences to articulate a more detailed comparative examination to uncover cross-country patterns.

Our analysis of the organizational configuration in export promotion policymaking suggests that, as expected, no pure model actually prevails in reality but instead some intermediate form and that in all cases there is some degree of organizational fragmentation. However, the relative importance of this phenomenon significantly differs across countries. Chile is the clearest case of dominance of a hierarchical public model in the region. Costa Rica and Colombia broadly share similar characteristics. In contrast, even though to different extents, Argentina and Uruguay can be primarily considered to have pluralistic models. Other than the major organization, in these countries there are several other public entities involved in export promotion. In particular, in the case of Argentina, the public side of this system is clearly decentralized, as this includes regional (provincial) agencies. In addition, there are also some relevant private sector organizations that are active in this field, thus also incorporating elements from the private model.

Importantly, countries have transited over time along the organization spectrum whose extremes are the hierarchical public model and the private model. Thus, for instance, Costa Rica moved from a private model featuring a major private organization and diverse minor public entities loosely interconnected among them in the 1960s to a hierarchical model by PROCOMER in the 1990s. Similarly, Peru has evolved from a pluralistic public model with several organizational discontinuities towards an incipient hierarchical public model after the establishment of PROMPEX (currently PROMPERU). In contrast, even though a hierarchical public model has primarily prevailed in Colombia since its inception, some organizational fragmentation has appeared in different moments, thereby partially introducing features of a decentralized public model.

The specific aspects of the organizations' operational context and their internal structure allow distinguishing across countries. In particular, based on the organizational dependence of the entities and the availability of an own network of foreign offices, countries can be classified in two main groups. In neighboring Argentina and Uruguay, organizations are linked to the Ministry of Foreign Affairs and do not have offices abroad but rely on the support of embassies and consulates, whereas in Colombia and Costa Rica organizations are attached to the Ministry of Foreign Trade and have their own missions in foreign countries. Peru and Chile do not fit into these models. PROMPERU is under the Ministry of Foreign Trade but lacks of own offices abroad, while PROCHILE belongs to the Ministry of Foreign Affairs but has an separate network of external missions. Geographic organizational diffusion seems to have played a role here as Southern Cone countries have kept ministries of foreign affairs in charge of export promotion, whereas northern countries have developed separate foreign trade ministries.

Specifically, alongside the control set dimension, there seems to be significant differences between those organizations linked to the Ministry of Foreign Trade and those attached to the Ministry of Foreign Affairs. In general, even though not always harmonious, relationships between the entities and the responsible ministries seem to be closer in the former case. Foreign trade ministries tend to consider their export promotion organizations as a key policy instrument and they are therefore very active in guiding and supervising their activities. On the other hand, the latter tend to have relatively more distant connections with the core-decision making unit of the ministry, take a less subordinated position, and may experience coordination difficulties with this entity (i.e., there might be some degree of overlapping with departments inside the ministries that also responsibilities in export promotion). The exception is, of course, PROCHILE which is a specialized unit strongly hierarchically linked within the Ministry of Foreign Affairs.

As mentioned before, with the exception of PROCHILE, organizations are formally separated from the hierarchic structures of the ministries and have their own specific organizational models with mixed public-private boards. The composition and engagement of this government body varies from entity to entity and thus may a priori provide additional elements to characterize the organizations' control sets. In most cases, major business associations and chambers of commerce and other ministries (as well as other relevant public organizations) participate at the boards of these entities.

Further, the private sector can even have the majority of seats in these government bodies (e.g., EXPORTAR, PROCOMER, and PROMPERU).<sup>118</sup> However, the capacity of these other political or business actors to control and thereby influencing the agenda of the export promotion organizations is actually limited. More specifically, divergent decision-making procedures do not seem to create substantial differences in the political control of the entities.<sup>119</sup> Although some organizational models allow for voice articulation from different constituencies, the representation of the ministry in charge usually guide the policy of the entity either due to the difficulties faced in building a controlling coalition within the board or simply due to the public control of funding.<sup>120</sup> In this sense, it is worth mentioning that in most cases these public resources are directly allocated through the annual public budget, but in Costa Rica where they are directly collected through fees.<sup>121</sup> Hence, the definition of the organizations' control sets (i.e., access to resources, information, etc) appears to be crucial for their actual working.

In general, the nature of the output set is related to the degree of organizational fragmentation existing in the country. For most export promotion organizations this set is actually quite heterogeneous. They must then confront with multiple demands from constituencies across different economic sectors. Despite this, some entities have managed to specialize in a few more homogeneous value-added services, even with sectoral focuses.

Inter-organizational relations also add to the understanding of the input and output sets. Although they exhibit different patterns across countries, in general they are closely related to the organizational configurations of the entities. Moving from the hierarchical to the pluralistic model, export promotion organizations must operate in a more complex environment, with a rising uncertainty and increasing probability of conflicts and coordination problems. In a hierarchical model, public resources available allow the main entity to articulate inter-organizational relations minimizing the risks of major conflict. In contrast, in the presence of different organizations dealing with export promotion and the absence of a clear division of work emerges among them, competition for (public) resources may appear. Similarly, competition for user of services may develop, thus generating a particular logic within the output set. This makes inter-organizational relations more difficult but also more necessary. Effective

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<sup>118</sup> In PROEXPORT, the majority of the seats correspond to the public sector (or its representatives).

<sup>119</sup> In fact, no single tenured civil servant with strong autonomy with respect to the political principal has been found.

<sup>120</sup> Of course, without considering copayments associated with participation in international marketing events.

<sup>121</sup> Recall that funding for PROMPERU's export promotion program exclusively is publicly allocated through the budget.



coordination or efficient mutual adjustment are certainly a challenge in this scenario. Noteworthy, on the other hand, this organizational configuration may have some benefits. It requires building a network of connections around each entity that makes them more attentive to receiving external information about changes in their environment. This is less likely to occur in a more hierarchical model when a single organization prevails at the national level. In this model, pressures to interact with relevant actors in their organizational context may be weaker and export promotion entities, if not induced by political leadership, may accordingly react slowly in adjusting their strategies and specific programs to the changing economic conditions and henceforth firms' needs.

As seen in Section 2, we can characterize the internal organization in terms of formal organizational structure; the network of offices; financial and human resources; export promotion activities, and effectiveness assessment. Once again, there are clear differences across groups of organizations along these specific dimensions.

The way the head of the organization is appointed is also an important factor to be considered. In the cases of PROCHILE, PROEXPORT, PROMPERU, and URUGUAY XXI, this official is appointed directly by the ministry of the area or directly by the president of the country. In EXPORTAR and PROCOMER, the board of directors plays a role in naming the head of the entity, either submitting a proposal or directly designating this official. Notice, however, that designations must be approved by the Ministry of Foreign Relations, International Trade and Worship in Argentina and that PROCOMER's board is chaired by the Minister of Foreign Trade in Costa Rica. Hence, in all cases, governments retain a significant control of the organizations. This is particularly confirmed by these organizations' respective historical development processes.

As for internal structures, EXPORTAR and PROCOMER are organized into few functional departments that, in general, are tasked with support and specific promotion activities. Instead, PROEXPORT has a very sophisticated organizational structure involving a matrix logic, while PROCHILE has a simple but strongly horizontal structure with a large number of departments. Recall that only a few export promotion organizations in the region have their own mission in foreign countries. This is the case of PROCHILE and PROEXPORT, with PROCHILE's network representing the most extensive. Although a detailed study would be necessary to confirm it, these entities' internal models might represent alternative attempts to cope with the coordination

challenges faced in relatively large organizations with extensive networks of internal and external offices. It would be further interesting to explore whether being organizationally inside the Ministry of Foreign affairs has facilitated PROCHILE's expansion abroad.

With the exception of URUGUAY XXI, all entities have some sort of presence in the interior of their countries. PROCHILE, PROEXPORT, and PROMPERU have their own network of offices in the field. PROCOMER's regional representations are a joint initiative with the Ministry of the Economy, Industry, and Commerce and the Ministry of Foreign Trade. PROEXPORT has also used this kind of arrangement to open information and service centers in addition to its own offices, thus expanding its regional coverage. Finally, EXPORTAR does not have such offices but has established access points to its services through agreements with local governments and business associations. Under a similar scheme, PROMPERU has been able to set up information centers in regions other than those where its offices are present.

There are also significant differences between organizations in terms of their budget and personnel. The size of the country might *a priori* partially account for these differences, but this is far from clear in our sample. The range of activities performed, i.e., just export promotion vs. export promotion, investment promotion, and/or tourism promotion, may also play a role. Further, having a large network of promotion offices, internal and external, is naturally associated with larger needs of financial and human resources. As discussed above, differences in the degree of organizational fragmentation prevailing in the countries may contribute to explain the differences in size of the entities, too. Thus, after conditioning for all other relevant factors, in hierarchical models the major organization concentrate most of the resources and its size is expectedly larger whereas in decentralized models resources are split among several entities whose expected average size is relatively small. Finally, yet importantly, priority assigned by the government to export promotion also codetermines how well endowed are the organizations tasked with the execution of this policy.

Almost all export promotion entities have a common set of basic services to exporting (or potentially exporting) firms, including export instruction, market intelligence, coaching, and missions and fairs. When there are few or no private sector representatives in the government bodies and the responsible ministry is strongly involved, these entities might devote larger shares of their resources to finance services with more public good nature such as country-image activities or specialized

information services. This appears to be the case of PROCHILE, which has recently increased the provision of these kinds of services. In contrast, entities whose operating context can be characterized as decentralized public or pluralistic models and/or those that are more autonomous and participation from private sector representatives is relatively important, activities might tend concentrate on supporting individual business initiatives such as participation in trade missions and fairs (which admittedly may also create positive externalities). Establishing which strategy can generate the best results is beyond the scope of this paper. However, we can anticipate that challenges will be faced in both cases. The public good strategy should impede rent-seeking from more established industries and routinely assess their overall impact (as direct specific effects will not be easily identifiable) and, in particular, whether there are individual export promotion services that may lead to larger (aggregate) effects. On the other hand, in the individual service strategy, incentives should be correctly placed, i.e., copayments schemes should foresee larger contributions by private firms as the individual components of these services increases. Moreover, extreme heterogeneity of activities should be avoided for the sake of organizational efficiency. More precisely, a large set of instruments can be anticipated to be associated with high administration costs. Further, given the organization's overall budget, such instruments would be poorly financed (i.e., their scale would be small), which is likely to adversely affect their chances to have a significant impact. Importantly, export promotion organization may not be entirely free to choose between these strategies but are to some extent conditioned by the constellation of other relevant entities existing in the countries and the implied specialization dynamics it might originate. This issue deserves being more closely examined in a separate study.

Impact evaluation mechanisms are, in general, weak. In fact, it is hardly possible to discuss them in a comparative perspective. However, export promotion organizations with external networks of offices (i.e., PROCHILE, PROEXPORT, and PROCOMER) seem to have a relatively more developed system of performance assessment. Whether this is caused by the functional requirements of possessing a much more complex organizational structure or by other reasons such as larger availability of financial and human resources would require further exploration.

## 5 Concluding Remarks

This paper has provided a consistent characterization of major export promotion organization in Latin America and the Caribbean along with those from countries outside of the region, based on information gathered through surveys and secondary sources as well as case studies for a subset of Latin American entities.

Our analysis has revealed several interesting organizational patterns both across regions and across countries in Latin America and the Caribbean. While no definitive conclusions can be drawn, some preliminary remarks can be made regarding the importance of stability for export promotion policymaking and the implications of the operational context for the development of the organizations. First, the formal stability of organizational models does not seem to be a prerequisite for an effective strategy in this policy field. In fact, we have identified significant organizational transformations in different countries that did not affect policy continuity. More precisely, the consistent application of sound export promotion strategies and accordingly, when doing so, introducing reorganizations that build upon previous developments (and their achievements thereof) seem to matter more than the stability of the specific organizational design per se. In contrast, sudden and radical institutional changes and, in particular, sharp strategy discontinuities as those observed in some countries over the 1990s appear are likely to have significant negative impacts on policy effectiveness.

Second, as for the operational context, a consistent control set seems to be a necessary condition for export promotion policy and the respective strategic guidance of the main entity to be also consistent. However, this is not a sufficient condition to avoid inconsistent and overlapping activities when a pluralistic model establishes. In these cases, a different control set would be required. This control set should properly take into account the need to deal with and articulate multiple actors as well as involve different overseeing schemes, potentially at high governmental levels, that either directly coordinate or set the framework conditions. In addition, heterogeneous output sets and/or inability to satisfactorily process assistance demands tend to create difficulties in defining a strategy articulated around clear policy priorities.<sup>122</sup>

Moreover, this paper also calls for additional research, likely in the form of specific

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<sup>122</sup> Nevertheless, existing evidence indicates that export promotion organizations can develop internal managerial processes to cope with these problems, either taking advantage of some political support or adjusting to the competitive pressures.

in-depth case investigations to shed more light on the role played by factors such as the organizational models, the budget, and the remuneration policy in shaping the ability of these organizations to actually affect export outcomes. Importantly, export promotion entities generally lack of adequate procedures to evaluate the impact of their promotion strategies (e.g., the effect of having own offices abroad vs. relying on those from other public organizations) and specifically that of their export support activities on firms' export performance. Improvements in this area would allow for a better assessment as to the extent it makes sense to invest frequently scarce resources in export promotion and whether and how the returns on these resources can be increased.

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**Table 1: The Sample**

<b>Export Promotion Organizations Covered by the Survey</b>			
<b>Country /Region</b>	<b>Organization</b>		<b>Year of Creation</b>
<b>Rest of the World</b>			
<b>Australia</b>	Australian Trade Commission	AUSTRADE	1985
<b>Denmark</b>	Trade Council of Denmark	TCD	2000
<b>Finland</b>	FINPRO	FINPRO	1999
<b>France</b>	Ubifrance	UBIFRANCE	2004
<b>Ireland</b>	Enterprise Ireland	EI	1998
<b>Israel</b>	Israel Export and International Cooperation Institute	IEICI	1958
<b>Italy</b>	National Institute for Foreign Trade	ICE	1926
<b>Japan</b>	Japan External Trade Organization	JETRO	2003
<b>Korea</b>	Korea Trade and Investment Promotion Agency	KOTRA	1962
<b>Netherlands</b>	Agency for International Business and Cooperation	EVD	1937
<b>New Zealand</b>	New Zealand Trade and Enterprise	NZTE	2003
<b>Philippines</b>	Bureau of Export Trade Promotion	BETP	1987
<b>Spain</b>	Institute of Foreign Trade	ICEX	1982
<b>Catolonia<sup>(1)</sup></b>	Consortium for the Trade Promotion of Catalonia	COPCA	1987
<b>Singapore</b>	International Enterprise Singapore	IES	2002
<b>Thailand</b>	Department of Export Promotion	DEPT	1977
<b>United Kingdom</b>	United Kingdom Trade and Investment	UKTI	2003
<b>Latin America and the Caribbean</b>			
<b>Argentina</b>	EXPORTAR Foundation	EXPORTAR	1993
<b>Cordoba</b>	PROCORDOBA	PROCORDOBA	1998
<b>Mendoza</b>	PROMENDOZA	PROMENDOZA	2003
<b>Bolivia<sup>(2)</sup></b>	Center for the Promotion of Bolivia	CEPROBOL	1998
<b>Brazil</b>	Brazilian Agency for the Promotion of Exports and Investments	APEX	2003
<b>Chile</b>	Direction of Export Promotion	PROCHILE	1974
<b>Colombia</b>	PROEXPORT	PROEXPORT	1992
<b>Costa Rica</b>	Costa Rican Promoter of Foreign Trade	PROCOMER	1996
<b>Ecuador</b>	Corporation for the Promotion of Exports and Investments	CORPEI	1997
<b>El Salvador</b>	El Salvador Exports	EXPORTA	2004
<b>Guatemala</b>	Department of Trade Promotion	DPC/ME	2000
<b>Honduras</b>	Foundation for Investment and Export Development	FIDE	1984
<b>Jamaica</b>	Jamaica Trade and Investment	JTI	1990
<b>Mexico</b>	PROMEXICO Investment and Trade	PROMEXICO	2007
<b>Panama<sup>(3)</sup></b>	National Direction of Export Promotion	DNPE/VICOMEX	1998
<b>Paraguay</b>	Network of Investments and Exports	REDIEX	2004
<b>Peru</b>	Commission for the Promotion of Peru for Exports and Tourism	PROMPERU	2007
<b>Uruguay</b>	Institute for the Promotion of Investments and Exports of Goods and Services	URUGUAY XXI	1996

(1) As of March 14 2008, COPCA was merged with the Center for Innovation and Business Development (CIDEM) into ACCI0.

(2)As of October, 2008, a new trade promotion organization was created in Bolivia, Bolivia Promotes, on the basis of CEPROBOL.

(3) The year of creation reported in the table corresponds to that of the Vice-Ministry of Foreign Trade (VICOMEX).

**Table 2.ROW: Mission and Areas of Activity**

Country/Region	Organization	Mission	Areas of Activity
Australia	AUSTRADE	To contribute to national prosperity by promoting two-way investments and assisting more Australians to succeed in export and international businesses	Export promotion and investment promotion
Denmark	TCD	To provide counseling for Danish companies in all aspect of internationalization	Export promotion and investment promotion
Finland	FINPRO	To provide Finnish companies, especially small and medium sized-ones, with access to high quality, comprehensive services to promote internationalization abroad.	Export promotion
France	UBIFRANCE	To promote French companies abroad and develop their export capacities through information	Export promotion
Ireland	EI	To accelerate the development of world-class Irish companies to achieve positions in global markets, resulting in increased national and regional prosperity	Export promotion and business development promotion in general
Israel	IEICI	To promote exports and international collaboration of Israeli companies in the world markets	Export promotion
Italy	ICE	To promote trade, business opportunities, and individual cooperation between Italian and foreign companies, and to support the internationalization of Italian firms, especially small and medium sized-ones, and their consolidation in foreign markets	Export promotion
Japan	JETRO	To promote FDI in Japan, to assist small to medium sized Japanese firms, to promote cross border business, to supply Japan with foreign economic information, and to provide an intellectual base and investigate developing economies	Export promotion and investment promotion
Korea	KOTRA	To promote mutual prosperity between Korea and its partners in facilitating international trade and investment	Export promotion and investment promotion
Netherlands	EVD	To promote trade abroad for Dutch companies	Export promotion
New Zealand	NZTE	To improve the international competitiveness and sustained profitability of New Zealand business by providing access to people, knowledge, and opportunities	Export promotion, investment promotion, and business development promotion in general
Philippines	BETP	To develop, promote, and help expand the foreign trade of the Philippines	Export promotion
Spain	ICEX	To promote and facilitate the internationalization of Spanish companies, in general, and their exports, in particular	Export promotion and investment promotion
Catalonia	COPCA	To promote the internationalization of Catalan firms and to help them adapt to the new challenges of the world economy	Export promotion
Singapore	IES	To promote the overseas growth of Singapore-based enterprises by helping them export, develop business capabilities, find overseas partners, and enter new markets; and to position Singapore as a base for foreign business to expand in the region in partnership with locally-based companies	Export promotion and business development promotion in general
Thailand	DEPT	To foster the development of the competitive capabilities of Thai companies and businesses by organizing activities and events that create opportunities to increase exports	Export promotion
United Kingdom	UKTI	To assist British companies to succeed in international markets and to attract high quality investment to the United Kingdom.	Export promotion and investment promotion

**Table 3.ROW: Legal Status and Reporting**

Country/Region	Organization	Separate Legal Entity	Legal Status	Reporting
<b>Australia</b>	AUSTRADE	Yes	Public	Annual report presented to the Minister of Trade (Department of Foreign Affairs and Trade) containing information regarding finances and activities undertaken by the organization
<b>Denmark</b>	TCD	No	Public	Annual report presented to the public and available on website containing information regarding the contribution of the organization to the export and innovation of Danish companies
<b>Finland<sup>(1)</sup></b>	FINPRO	Yes	Private	Report presented to the Board of Directors (monthly), Ministry of Labor, Employment and Economy, and the Board of Supervisors (annual) containing information regarding finances and the estimated impact of the activities undertaken by the organization on the assisted firms' businesses
<b>France</b>	UBIFRANCE	Yes	Public/Private	Annual report presented to the Board of Directors and the Ministry of Finance containing information regarding finances and activities undertaken by the organization
<b>Ireland</b>	EI	Yes	Public/Private	Annual report presented to the Ministry of Enterprise, Trade, and Employment containing information regarding finances and activities undertaken by the organization
<b>Israel</b>	IEICI	Yes	Private	Annual work plan presented to the Ministry of Industry, Trade, and Labor
<b>Italy</b>	ICE	Yes	Public	Annual report presented to the Ministry of Economic Development containing information regarding the activities undertaken by the organization
<b>Japan</b>	JETRO	Yes	Public	Annual report presented to the Ministry of the Economy, Trade, and Industry and the Japanese public in general and containing information regarding the activities undertaken by the organization
<b>Korea</b>	KOTRA	Yes	Public	Annual report on activities presented to the Ministry of Strategy and Finances containing information regarding the activities undertaken by the organization; inspection of administration is conducted by the National Assembly
<b>Netherlands</b>	EVD	Yes	Public	Quarterly report presented to the Ministry of Economic Affairs containing information regarding finances and the progress of the activities undertaken by the organization
<b>New Zealand</b>	NZTE	Yes	Public	Quarterly reports presented to the Ministers of Economic Development and of Foreign Affairs and Trade containing information regarding the progress of key projects and initiatives as well as annual report presented to key stakeholders and the public in general containing information regarding finances and the activities undertaken by the organization
<b>Philippines</b>	BETP	No	Public	Semiannual report presented to the Undersecretary of the International Trade Group (ITG), and the Secretary of the Department of Trade and Industry (DTI) containing information regarding the accomplishments of the organization
<b>Spain</b>	ICEX	Yes	Public	Annual report and multiple periodic reports presented to the Direction Committee of the State Secretary of Tourism and Trade (SECTYC) and to the Secretariat of Finance and Budgets (IGAE), the Accounting Office (TC), and the ICEX Council of Administration containing information regarding finances and activities undertaken by the organization
<b>Catalonia</b>	COPCA	Yes	Public/Private	Annual report presented to the General Council and the Executive Committee containing information regarding the activities undertaken by the organization
<b>Singapore</b>	IES	Yes	Public	Annual report presented to the Ministry of Trade and Industry and the general public containing information regarding initiatives and activities undertaken by the organization
<b>Thailand</b>	DEPT	No	Public	Quarterly report presented to the Committee of the Civil Service containing information regarding the activities undertaken by the organization and their estimated qualitative and quantitative outcomes relative to the work plan
<b>United Kingdom</b>	UKTI	No	Public	Annual report presented to the Congress containing information regarding finances and activities undertaken by the organization and their outcomes

(1) FINPRO is a private sector organization with public sector participation.

**Table 4.ROW: Head of the Organization and Composition of the Board**

Country/Region	Organization	Head of the Organization		Board			
		Appointment	Tenure	Number	Sectoral Composition (%)		
					Public	Private	Others
<b>Australia</b>	AUSTRADE	Appointed by the Government/Minister of Trade	Fixed Term Appointment	0		N/A	
<b>Denmark</b>	TCD	Appointed by the Government/Ministry of Foreign Affairs	Fixed Term Appointment	11	0.0	100.0	0.0
<b>Finland</b>	FINPRO	Appointed by the Board of Directors of the organization	Indefinite Appointment	8	37.5	62.5	0.0
<b>France<sup>(1)</sup></b>	UBIFRANCE	Appointed by Government/Ministry of Finance	Indefinite Appointment	28	21.4	17.9	60.7
<b>Ireland</b>	EI	Public Contest	Fixed Term Appointment	10	10.0	90.0	0.0
<b>Israel</b>	IEICI	Appointed by the Government/Ministry of Industry, Trade and Labor	Fixed Term Appointment	13	30.0	70.0	0.0
<b>Italy<sup>(2)</sup></b>	ICE	Appointed by the Government/President of the Council of Ministers based on a proposal by the Ministry of Economic Development	Fixed Term Appointment	5	20.0	80.0	0.0
<b>Japan</b>	JETRO	Appointed by the Government/Ministry of the Economy, Trade and Industry	Fixed Term Appointment	22	48.0	52.0	0.0
<b>Korea</b>	KOTRA	Appointed by the Government/Ministry of Knowledge and the Economy	Fixed Term Appointment	5	100.0	0.0	0.0
<b>Netherlands</b>	EVD	Appointed by the Government/Ministry of Economic Affairs	Indefinite Appointment	4	100.0	0.0	0.0
<b>New Zealand<sup>(3)</sup></b>	NZTE	Appointed by the Board of Directors of the organization	Fixed Term Appointment	8	25.0	75.0	0.0
<b>Philippines</b>	BETP	Appointed by the Government/President of the Republic	Indefinite Appointment	0		N/A	
<b>Spain</b>	ICEX	Appointed by the Government/Ministry of Industry, Tourism, and Trade, and State Secretary of Tourism and Trade	Indefinite Appointment	34	73.5	26.5	0.0
<b>Catalonia</b>	COPCA	Public contest /Appointed by the General Committee	Indefinite Appointment	21	28.6	71.4	0.0
<b>Singapore</b>	IES	Appointed by the Government/Ministry of Trade and Industry	Indefinite Appointment	11	36.4	63.6	0.0
<b>Thailand</b>	DEPT	Appointed by the Government/ Ministry of Trade	Fixed Term Appointment	0		N/A	
<b>United Kingdom<sup>(4)</sup></b>	UKTI	Public Contest	Fixed Term Appointment	10	70.0	30.0	0.0

(1) The percentage share that corresponds to the public sector includes the representative from the regions (President of a Regional Council). The category "Others" includes five "qualified personalities" and 10 personnel representatives.

(2) Figures correspond to the Board of Administration and include the President of the ICE among its members.

(3) There are two special advisors to the Board of Directors: the Secretary of the Ministry of Foreign Affairs and Trade and the Chief Executive of the Ministry of Economic Development.

(4) The board includes seven members of the Executive Team who are civil servants and three non-executive members who are private sector representatives.



**Table 5.ROW: Budget and Number of Employees (2007-2009)**

Country/Region	Organization	Budget (million USD)	Number of Employees
Australia <sup>(1)</sup>	AUSTRADE	347.5	1,029
Denmark	TCD	80.4	350
Finland	FINPRO	48.0	322
France	UBIFRANCE	130.3	484
Ireland <sup>(2)</sup>	EI	344.6	950
Israel	IEICI	20.0	110
Italy <sup>(3)</sup>	ICE	264.5	718
Japan	JETRO	390.0	1,680
Korea <sup>(4)</sup>	KOTRA	188.0	1,000
Netherlands	EVD	82.6	490
New Zealand <sup>(5)</sup>	NZTE	165.1	609
Philippines <sup>(6)</sup>	BETP	1.2	91
Spain	ICEX	348.0	600
	Catalonia COPCA	81.6	180
Singapore <sup>(7)</sup>	IES	80.3	350
Thailand	DEPT	25.0	500
United Kingdom <sup>(8)</sup>	UKTI	409.5	2,400

(1) The budget reported in the table includes both operational funding (USD 197.4 million) as well as the resources allocated to the Export Market Development Grant (EMDG) scheme (USD 150.1 million). This scheme is administered by AUSTRADE under different specific rules. It aims at encouraging small and medium-sized businesses to develop export markets by reimbursing up to 50 per cent of expenses incurred on eligible export promotion activities above a certain threshold.

(2) The budget reported in the table includes both net operating costs (USD 144.6 million) and financial support to industries, i.e., grants in aid to companies (roughly USD 200 million). Resources allocated to this latter purpose amounted to approximately USD 300 million in 2008.

(3) The budget reported in the table includes resources allocated to institutional activities including operative costs (USD 154.9 million) and to promotion activities (USD 109.6 million). Copayments by private companies to participate in these latter activities amounted to USD 64.0 million. The number of employees has been traditionally around 1,000. In recent years several vacancies have occurred, primarily due to retirements. ICE plans to fill these positions over the next years.

(4) The budget reported in the table corresponds to the fiscal year 2010.

(5) The budget reported in the table includes both operation funding (USD 121.3 million) as well as the resources devoted to concede grants to companies (USD 43.8 million).

(6) The budget reported in the table strictly corresponds to the BETP. Overall, the DTI budget for 2008 included USD 8.5 million for promotion of exports and investment overseas through commercial intelligence work and direct promotion. Furthermore, in 2009 the government has launched an Export Support Fund endowed with USD 20.8 million.

(7) The budget reported in the table includes both operational expenditure (USD 59.7 million) and development expenditures (USD 20.6 million) (For 2009 these figures are USD 81.1 million and USD 66.2 million).

(8) UKTI is a joint department of the Foreign and Commonwealth Office (FCO) and the Department of Business, Innovation, and Skills (BIS), formerly Department Business, Enterprise, and Regulatory Reform (BERR). Noteworthy, UKTI is not an employer in its own right. For the majority of its human resource requirements it draws on civil service staff employed by one or other of these two parent departments. Thus, in the UK most of its staffs are drawn from the BIS while overseas most of its staffs are from the FCO. The budget amount reported in the table consistently includes both operating costs associated to the UKTI program, mainly direct support for businesses such as grants, "Passport to Export", and marketing, which are voted directly by Parliament (USD 136.4 million); as well as the resources consumed by UKTI's parent departments, FCO and BIS, in meeting UKTI objectives, primarily the costs of directly employed UK staff with their related costs and those of overseas staff with their related costs such as accommodation and IT, respectively (USD 273.1 million).

**Table 6.ROW: Funding Sources (Percentage Shares)**

Country/Region	Organization	Public Allocation	Own Revenues from Services	Other Revenue Sources
<b>Australia</b> <sup>(1)</sup>	AUSTRADE	85.0	14.0	1.0
<b>Denmark</b>	TCD	75.0	25.0	0.0
<b>Finland</b> <sup>(2)</sup>	FINPRO	65.5	34.5	0.0
<b>France</b>	UBIFRANCE	51.6	48.4	0.0
<b>Ireland</b> <sup>(3)</sup>	EI	86.8	4.3	10.8
<b>Israel</b> <sup>(4)</sup>	IEICI	50.0	0.0	50.0
<b>Italy</b>	ICE	97.2	2.8	0.0
<b>Japan</b> <sup>(5)</sup>	JETRO	60.0	40.0	
<b>Korea</b> <sup>(6)</sup>	KOTRA	83.0	17.0	
<b>Netherlands</b>	EVD	100.0	0.0	0.0
<b>New Zealand</b> <sup>(7)</sup>	NZTE	96.7	0.6	2.7
<b>Philippines</b>	BETP	100.0	0.0	0.0
<b>Spain</b> <sup>(8)</sup>	ICEX	93.0	7.0	0.0
	<b>Catalonia</b>			
	COPCA	75.00	25.0	0.0
<b>Singapore</b>	IES	100.0	0.0	0.0
<b>Thailand</b>	DEPT	100.0	0.0	0.0
<b>United Kingdom</b> <sup>(9)</sup>	UKTI	95.0	0.0	5.0

(1) These percentages have been calculated by imputing first own and other sources of revenues to cover the operating costs and the remaining fraction has been assigned to those resources allocated by the government, which, besides this fraction, cover all grants conceded. In this case, "Other Revenue Sources" include property rentals.

(2) Firms that are members of FINPRO pay a membership fee.

(3) These percentages have been calculated by imputing first own and other sources of revenues to cover the operating costs and the remaining fraction has been assigned to those resources allocated by the government, which, besides this fraction, cover all grants conceded. In this case, "Other Revenue Sources" include sales of shares in client companies, rental income, and funding from third parties.

(4) "Other Revenue Sources" correspond to membership fees.

(5) "Own Revenues from Services" and "Other Revenue Sources" include, besides business income associated with services provided (e.g., logistic centers for exporters), membership fees (covering subscriptions to publications and reports), contributions from associations and local governments, and returns on invested capital.

(6) "Own Revenues from Services" and "Other Revenue Sources" include revenues from provision of specialized information (0.6%) and specialized technical assistance (1.7%), lease profits such as those associated with logistic centers for exporters (1.5%), fees from participation in overseas exhibitions (3.7%), and other sources such as participation fees paid by local governments and interests (9.5%).

(7) These percentages have been calculated by imputing first own and other sources of revenues to cover the operating costs and the remaining fraction has been assigned to those resources allocated by the government, which, besides this fraction, cover all grants conceded. In this case, "Other Revenue Sources" include operating and financial incomes (e.g., rent received, conference revenues, and other cost recoveries; and interest on short term deposits, respectively).

(8) "Own Revenues" correspond to fees for national pavilions in international marketing events.

(9) "Other Revenue Sources" correspond to private sector contributions.

**Table 7.ROW: Selection of Personnel and Remuneration Policy**

Country/Region	Organization	Selection of Personnel	Remuneration Policy
<b>Australia</b>	AUSTRADE	Public competition by the organization	Fixed wage, with the exception of performance bonuses for employees who have been there more than 12 months and have performed exceptionally
<b>Denmark</b>	TCD	Public competition by the organization	Fixed wage, plus target based bonus, typically 10-20%
<b>Finland</b>	FINPRO	Public competition by the organization	Fixed wage
<b>France</b>	UBIFRANCE	Internal and public competition by the organization	Fixed wage
<b>Ireland</b>	EI	Public competition by the organization	Fixed wage, plus bonus variable based on performance
<b>Israel</b>	IEICI	Public competition by the organization	Fixed wage
<b>Italy</b>	ICE	Public competition by the organization	Fixed wage. For employees working within Italy, there may be a bonus based on performance usually larger than the monthly wage
<b>Japan</b>	JETRO	Public competition by the organization	Fixed wage plus a variable component depending on additional work and performance
<b>Korea</b>	KOTRA	Public competition by the organization	Fixed wage (75%) plus a variable component (25%) based on performance
<b>Netherlands</b>	EVD	Public competition by the organization	Fixed wage
<b>New Zealand<sup>(1)</sup></b>	NZTE	Public competition by the organization	Fixed wage plus a component based on performance
<b>Philippines<sup>(2)</sup></b>	BETP	Public competition by the Department of Trade and Industry	Fixed wage
<b>Spain</b>	ICEX	Public competition by the organization	Fixed wage plus a bonus based on performance as subjectively estimated by the direct supervisors
<b>Catalonia<sup>(3)</sup></b>	COPCA	Public Competition by the organization	Fixed wage plus a variable component based on qualitative and, for those who have turnover objectives to meet, quantitative performance
<b>Singapore</b>	IES	Public Competition by the organization	Fixed wage, plus a variable component based on performance
<b>Thailand<sup>(4)</sup></b>	DEPT	Public competition by the organization, public competition by other governmental organization, and other procedures	Fixed wage
<b>United Kingdom</b>	UKTI	Internal and public competition by the Foreign and Commonwealth Office (FCO) and the Department of Business, Innovation, and Skills (BIS), formerly the Department of Business, Enterprise, and Regulatory Reform (BERR)	Fixed wage for majority of staff. Bonus based on performance are only paid to senior staff

(1) In defining the wages to be paid, remuneration bands are used for each position based on market rates for similar skills and experiences.

(2) Participation in this competition is conditional on having passed the Civil Service Exam administered by the Civil Service Commission.

(3) Turnover comes from value of the consultancy projects signed with private firms in support of their internationalization.

(4) Public competition by the organization (75%), public competition by other governmental organization (20%), others such as exchange or transfer (5%).

**Table 8.ROW: Presence in the Country and Abroad**

Country/Region	Organization	Offices in the Country		Offices Abroad	
		Total Number	Region Coverage	Total Number	Country Coverage
Australia <sup>(1)</sup>	AUSTRADE	18	8/6 states and 2 mainland territories	117	63
Denmark	TCD	6	5/5 regions	83	63
Finland	FINPRO	8	4/6 provinces	57	40
France <sup>(2)</sup>	UBIFRANCE	6	6/22 metropolitan and 4 overseas regions	15	8
Ireland	EI	10	10/26 counties	31	25
Israel <sup>(3)</sup>	IEICI	1	1/6 districts	0	0
Italy <sup>(4)</sup>	ICE	17	17/20 regions	117	87
Japan	JETRO	38	38/47 prefectures	73	54
Korea <sup>(5)</sup>	KOTRA	1	1/9 provinces and 7 metropolitan cities	94	68
Netherlands <sup>(6)</sup>	EVD	1	1/12 provinces	20	11
New Zealand	NZTE	10	9/16 regions and one territory	37	30
Philippines <sup>(7)</sup>	BETP	1	1/80 provinces	0	0
Spain <sup>(8)</sup>	ICEX	31	18/17 autonomous communities and 2 autonomous cities	98	77
Catalonia <sup>(9)</sup>	COPCA	3	3/4 provinces	38	31
Singapore	IES	1	1/1 city-state	35	21
Thailand	DEPT	6	6/76 provinces	61	44
United Kingdom <sup>(10)</sup>	UKTI	11	9/9 regions	160	98

(1) AUSTRADE also operates within Australia through a national network of 50 export assistance offices called TradeStart. These offices have been established through partnerships between AUSTRADE and local private and public sector organizations (i.e., local business associations and governments, respectively).

(2) UBIFRANCE has 15 integrated economic missions in 8 countries (Canada, Germany, Italy, Spain, United Arab Emirates, Turkey United Kingdom, and the United States). By 2010, almost 50 trade missions would become UBIFRANCE representations abroad. If this plan materializes, this organization would then have 64 offices in 44 countries. Counting in all diplomatic offices, UBIFRANCE would have presence in 150 countries.

(3) Declaredly, IEICI does not have offices abroad. However, this organization can set goals to commercial attaches and can evaluate their activities.

(4) Regional offices are staffed with 156 employees while office abroad jointly have 123 employees.

(5) KOTRA has recently closed its regional offices within the country. This organization has a network of 94 Korea Trade Centers (KTCs) coordinated by 8 regional offices as follows: Moscow for the CIS countries (6 KTCs); Frankfurt for Europe (22 KTCs); Dubai for Middle-East and Africa (15 KTCs); Shanghai for China (9 KTCs); Singapore for Asia and Oceania (17 KTCs); Tokyo for Japan (4 KTCs); New York for North America (10 KTCs); and Mexico City for Latin America (11 KTCs).

(6) EVD directly operates 20 Netherlands Business Support Offices (NBSOs) in 11 countries. In addition, 28 embassies and general consulates in 24 countries provide the same services than the NBSOs. If all these foreign missions are grouped together, EDV would have 48 access points in 35 countries.

(7) The BETP has only one office in Manila, the capital of the country, and does not have representation abroad. However, the Regional Operations Development Group (RODG) of the Department of Trade and Industry (DTI) manages 16 regional offices and 83 provincial offices and the Foreign Trade Service Corps, which is another agency of the International Trade Group (ITG) of the DTI manages 32 trade and investment promotion offices in 23 countries.

(8) The network of offices abroad is shared between ICEX and the State Secretary of Trade of the Ministry of Industry, Tourism, and Trade. In 22 of these 98 offices are direct personnel of ICEX.

(9) In addition, there are 13 representations staffed with personnel who are non-employees of COPCA, but are expected to provide support when requested.

(10) On international trade UKTI has management responsibility for its own staff and programs in the English regions and operates as the Regional Development Agencies (RDA)' international trade arm. UKTI works in partnership with the RDAs on strategy and priorities through a nationally-agreed dual key framework, and jointly signed-off delivery plans at regional level. International Trade Directors (ITDs) are responsible for UKTI activities in the nine English regions. They are based, with their small regional core teams, within each RDA, but work directly for UKTI. The ITD in all cases is responsible for strategic relationships, not just with the RDA but also with other regional stakeholders, partners and the business community. On inward investment, RDAs act in partnership with UKTI with funding via the RDA Single Pot. RDA inward investment staff work with UKTI's sales and investor development teams in UKTI's Business Group and UKTI overseas teams on the combined UK inward investment effort. The RDAs have direct presence in some key overseas markets, in which cases they collaborate with the UKTI inward investment overseas teams in British Diplomatic Missions. Recall that UKTI is not an employer in its own right, so operations abroad are mostly conducted by civil service staff employed by the Foreign and Commonwealth Office (FCO).

**Table 9.ROW: Profile of Assisted Companies and Targeting**

Country/Region	Organization	Assisted Companies		Targeting
		Firms' Size	Firms' Export Experience	
<b>Australia</b> <sup>(1)</sup>	AUSTRADE	Small, medium, and large	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Denmark</b>	TCD	Small, medium, and large; specific segments targeted by particular programs	Potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Finland</b>	FINPRO	Small, medium, and large; specific segments targeted by particular programs	Potential exporters, and experienced exporters	Sectors within countries and countries within sectors
<b>France</b>	UBIFRANCE	Specific segments targeted by particular programs	Potential exporters, exporters with limited experience, and experienced exporters	Countries within sectors
<b>Ireland</b>	EI	Specific segments targeted by particular programs	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Israel</b>	IEICI	Small, medium, and large	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Italy</b>	ICE	Small and medium	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries within sectors
<b>Japan</b>	JETRO	Small, medium, and large	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries and sectors
<b>Korea</b>	KOTRA	Medium	Potential exporters, exporters with limited experience, and experienced exporters	Countries and sectors within countries
<b>Netherlands</b>	EVD	Small and medium	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>New Zealand</b>	NZTE	Small, medium, and large	Non-exporters, potential exporters, and exporters with limited experience	Countries, sectors, sectors within countries, and countries within sectors
<b>Philippines</b>	BETP	Small, medium, and large	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Spain</b>	ICEX	Specific segments targeted by particular programs, although overall small and medium-sized firms are prioritized	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Catalonia</b> <sup>(2)</sup>	COPCA	Small, medium, and large	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Singapore</b>	IES	Small, medium, and large	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Thailand</b>	DEPT	Small, medium, and large; specific segments targeted by particular programs	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, and countries within sectors
<b>United Kingdom</b>	UKTI	Small, medium, and large	Non-exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors

(1) The Export Development Market Grant scheme focuses on small and medium-sized firms.

(2) Small firms (65%), medium-sized firms (30%), and large firms (5%).

**Table 10.ROW: Services to Exporters**

Country/Region	Organization	Services to Exporters
<b>Australia</b>	AUSTRADE	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching, missions and fairs, specific business contacts, assistance on seeking financing
<b>Denmark</b>	TCD	Export instruction, general information and specific market intelligence, counseling and technical assistance, mission and fairs, specific business contacts
<b>Finland</b>	FINPRO	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, exporter consortia, assistance in seeking financing
<b>France</b>	UBIFRANCE	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, assistance in seeking financing
<b>Ireland</b>	EI	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, assistance in seeking financing; in addition, advice and financial support for high potential start-ups, assistance in developing a business growth strategy, and support, including funding, to firms' R&D initiatives
<b>Israel</b>	IEICI	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, assistance in seeking financing
<b>Italy</b>	ICE	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, assistance in seeking financing (specifically, projects from international organizations)
<b>Japan</b>	JETRO	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts
<b>Korea</b>	KOTRA	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts
<b>Netherlands</b>	EVD	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts
<b>New Zealand</b>	NZTE	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching missions and fairs, specific business contacts, assistance in seeking financing
<b>Philippines(1)</b>	BETP	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions, specific business contacts, assistance in seeking financing
<b>Spain</b>	ICEX	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, assistance in seeking financing
<b>Catalonia</b>	COPCA	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching, missions and fairs, specific business contacts, trade infrastructure (landing areas and business platforms), assistance in receiving financing
<b>Singapore</b>	IES	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching (local firm groupings under the leadership of industry associations), missions and fairs, assistance in seeking financing
<b>Thailand</b>	DEPT	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, assistance in seeking financing
<b>United Kingdom</b>	UKTI	Export instruction, general information and specific market intelligence, counseling and technical assistance, specific business contacts, assistance in seeking financing

(1) Responsibility for trade fairs corresponds to two other government organizations which are also under the International Trade Group (ITG) of the Department of Trade and Industry (DTI), the Center for International Trade Exhibitions and Missions (CITEM) and the regional offices of the DTI.

**Table 11.ROW: Effectiveness Assessment and Implications Thereof**

Country/Region	Organization	Indicators		Implications of Evaluation Results
		Input	Output	
Australia <sup>(1)</sup>	AUSTRADE	Number of firms using the services provided by the organization	Value of exports achieved by assisted firms; number of both established and new or irregular assisted exporters that have achieved “export success”, and client satisfaction	Redefinition of the organization’s strategy and evaluation of employees
Denmark	TCD	Number of firms using the services provided by the organization	Value of exports achieved by assisted firms and client satisfaction	Redefinition of the organization's strategy, internal budget redistribution across units and programs, evaluation of employees, and removal of manager
Finland	FINPRO	Balance Scorecard	Impact of the organization’s activities on assisted firms’ businesses as reported by themselves, and clients satisfaction	Budget allocated to the organization, redefinition of the organization’s strategy, internal budget redistribution across units and programs, evaluation of employees, and removal of manager
France	UBIFRANCE	Number of firms using the services provided by the organization, number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs), annual turnover, and number of international volunteers sent abroad by French companies	Client satisfaction	Budget allocated to the organization, redefinition of the organization’s strategy internal budget redistribution across units and programs, evaluation of employees, and removal of manager
Ireland	EI	Number of programs of competitive improvement	Value of exports achieved by assisted firms, new export sales made by assisted firms, number of firms undertaking meaningful and significant R&D levels, number of high potential start-ups, number of assisted firms achieving global sales above certain thresholds	Budget allocated to organization, redefinition of the organization’s strategy, and evaluation of employees
Israel	IEICI	Number of firms using the services provided by the organization	Number of deals out of business opportunities created as reported by assisted firms	None
Italy	ICE	Number of firms using the services provided by the organization	Client satisfaction	Budget allocated to the organization, internal budget redistribution across units and programs, and evaluation of employees
Japan	JETRO	Number of firms using the services provided by the organization and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Client satisfaction and, occasionally, change in the value of exports achieved by assisted companies	Redefinition of the organization’s strategy and internal budget distribution across units and programs
Korea	KOTRA	Number of clients using the services provided by the organization, quality of activities undertaken to support exporting (according to ISO 9001), quantity and quality of market reports, specialization of the KTC's in the resident region; and formation and education of personnel	Value of exports achieved by assisted firms, number of new exports achieved by assisted firms, and client satisfaction as evaluated by the Ministry of Planning and Budget.	Budget allocated to the organization
Netherlands	EVD	Number of firms using the services provided by the organization	Client satisfaction	None
New Zealand <sup>(2)</sup>	NZTE	Number of firms using each of the services provided by the organization, number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs), and quality in delivering the associated services (e.g., call responsiveness rates, share of market intelligence services whose relevance is peer reviewed by the International Market Managers, etc)	Value of exports achieved by assisted firms, number of firms entering new international markets, number of firms implementing changes in their business models based on the “Manufacturing +” model, and client satisfaction	Budget allocated to organization, redefinition of the organization’s strategy, internal budget redistribution across units and programs, evaluation of employees, and removal or manager
Philippines	BETP	Number of firms using each of the services provided by	Value of sales and exports achieved by assisted	Budget allocated to organization, redefinition of the

		the organization, number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs), and several other quantifiable performance indicators	firms, client satisfaction feedback rating, and the Philippine Export Development Plan 2008 to 2010 Scorecard (measured in export growth)	organization's strategy, internal budget redistribution across units and programs, and evaluation of employees
<b>Spain<sup>(3)</sup></b>	ICEX	Number of firms using the services provided by the organization and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Client satisfaction	Redefinition of organization's strategy, internal budget redistribution across units and programs, and removal of manager
<b>Catalonia<sup>(4)</sup></b>	COPCA	Number of firms using services provided by the organization, number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs), turnover associated with services sold, and time of response to service requests	Client satisfaction	Redefinition of organization's strategy, internal budget redistribution across units and programs, evaluation of employees, and removal of manager
<b>Singapore</b>	IE	Number of firms using the services offered by the institution and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Value of exports achieved by assisted firms and client satisfaction	Budget allocated to organization, redefinition of the organization's strategy, internal budget redistribution across units and programs, and evaluation of employees
<b>Thailand</b>	DEPT	Number of firms using the services provided by the organization and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Value of exports achieved by assisted firms and value of exports across sectors and destination countries relative to the respective targets	Budget allocated to organization, redefinition of the organization's strategy, internal budget redistribution across units and programs, evaluation of employees, and removal of manager
<b>United Kingdom</b>	UKTI	Percentage of resources devoted to new to export firms, number of registered customers to the organization's website services, full time equivalent staff, administrative spending, and several other specific indicators	Total financial benefits generated by trade services as determined by the sum of the value of additional profits that firms expect to achieve as a result of the help provided by the organization, share of assisted established exporters that report improved business performance within two years, number of new exporters, number of firms entering new export markets, and client satisfaction in general according to the Performance Impact Monitoring Survey (PIMS)	Budget allocated to organization, redefinition of organization's strategy, internal budgetary redistribution across units and programs, and evaluation of employees

(1) A new Client Relationship Management (CRM) system is under implementation.

(2) A Performance Management Framework (PMF) is under implementation.

(3) Specific impact indicators are being developed in the framework of the Strategic Plan 2009-2012.

(4) Specific impact indicators are being developed.



**Table 12.ROW: Inter-Organizational Relationships**

Country/Region	Organization	Relations with (other) Public Organizations on Trade Matters	Relations with Business Associations	Relations with Universities and Research Centers	Relations with other Countries' Trade Promotion Organizations
		Nature of Collaboration	Nature of Collaboration	Nature of Collaboration	Nature of Collaboration
<b>Australia</b>	AUSTRADE	Export support services provided by AUSTRADE are coordinated with the export financing services of Export Finance and Insurance Corporation (EFIC), including "Headway EFIC", and other industry related programs and community initiatives. AUSTRADE operates in partnership local governments and regional development bodies (and industry associations) a network of regional offices to deliver trade support services, including eight Export Hubs co-located with AusIndustry	AUSTRADE operates in partnership with industry associations (and local governments) a network of regional offices to deliver trade support services. The organization also offers a Corporate Partnership that aids Australian business organizations to increase the provision of services to those companies not reached directly	Joint development of educational programs related to exporting	Periodic meetings to coordinate and discuss common issues of interest approximately once a year with DFAIT (Foreign Affairs and International Trade, Canada), NZTE, and UKTI.
<b>Denmark</b>	TCD	None	Collaboration in specific promotional activities with the Danish Chamber of Commerce and the Confederation of Danish Industries	Joint programs on innovation	Periodic meetings with similar organization in the framework of the Network of European Trade Promotion Organizations
<b>Finland</b>	FINPRO	Joint client projects with Ministry of Foreign Affairs; the Finnish Funding Agency for Technology and Innovation (TEKES); TE-Centers in Finland (Employment and Economic Development Center); Sitra (the Finnish Innovation Fund); FINNVERA (specialized financing company owned by the state); Invest in Finland (IIF); and Finnish Tourist Board	None	Collaboration is specific research activities	Periodic meetings with similar organization in the framework of the Network of European Trade Promotion Organizations
<b>France</b>	UBIFRANCE	None	Periodic coordination meeting and joint development of action plans framed in partnership agreements with all of the French Chambers of Commerce that are part of the UCIFE (Union of French Chambers of Commerce and Industry Abroad) and ACFCI (Assembly of French Chambers of Commerce and Industry)	None	Periodic meetings with similar organization in the framework of the Network of European Trade Promotion Organizations as well as collaborative relationships with several other entities such as PROMEXICO
<b>Ireland</b>	EI	Monthly coordination meetings and joint development of multiannual action plans with all relevant organizations	Periodic coordination meetings and joint development of action plans with a wide range of organizations	Weekly meetings and joint development of action plans. EI finances agreed upon research programs	Periodic meetings with similar organization in the framework of the Network of European Trade Promotion Organizations. Joint development of action plans with some members of this network
<b>Israel</b>	IEICI	IEICI can set goals to commercial attaches and can evaluate their activities	Joint development of multiannual actions plans, joint development and maintenance	Organization of visits to research centers for commercial delegations	Memoranda of understanding with multiple similar organization from other

			of trade databases, and collaboration in the organization of delegations participating in missions and fairs and other international business events with diverse producer associations and bi-national chambers of commerce	from abroad	countries such as APEX
<b>Italy</b>	ICE	Joint development of action plans with the Ministry of Agriculture, Aliments, and Forest Policies; the Ministry of the Environment; customs; and National Institute of Statistics (ISTAT), among others. Cooperation with regional and local organizations such as those of Toscana and Florence, respectively	Collaboration in specific activities with various chambers of commerce, including ASSOCAMERESTERO (Association of Italian Chambers of Commerce Abroad), CONFCOMERCIO (Italian General Confederation of the Firm, Professional Activity, and Independent Labor), CONFINDUSTRIA (General Confederation of the Italian Industry), among others	Cooperation in training activities with the University of Bologna, Polytechnic Institute of Milan, and Venice International University, among others	Periodic meetings with similar organization in the framework of the Network of European Trade Promotion Organizations. Collaboration agreements with organizations of those countries where ICE has offices (e.g., Peru, Mexico)
<b>Japan</b>	JETRO	Exchange of information with JICA (Japan International Cooperation Agency) and JBIC (Japan Bank for International Cooperation)	Meetings with Japan Chamber of Commerce and Industry, Nippon Keidanren	Collaboration in specific research activities	Meetings and collaborative relationships with APEX, PROCOMER, and UKTI, among others.
<b>Korea</b>	KOTRA	None	None	Collaboration in specific research activities with the Samsung Economic Research Institute, LG Economic Research Institute, Korea Economic Research Institute, and Korea Institute of Economic Policy	Memoranda of understanding on mutual cooperation with various similar organizations such as APEX, BETP, IES, and PROCOMER
<b>Netherlands</b>	EVD	None	Period coordination meetings and joint development of action plans with several business associations such as a the Dutch Chamber of Commerce	Joint development of action plans with some research center	Periodic meetings with similar organization in the framework of the Network of European Trade Promotion Organizations Periodic meetings to coordinate and discuss common issues of interest approximately once a year with AUSTRADE, DFAIT (Foreign Affairs and International Trade, Canada), and UKTI.
<b>New Zealand</b>	NZTE	The organization appoints evaluates, and sets targets to commercial attaches	Collaboration in specific activities with various chambers of commerce	Collaboration in specific activities with some research center	Periodic coordination meetings, exchange of experts, development of information material, capacity building and participation in joint trade fairs and missions with KOTRA, APEX, CBI as well as with cooperation agencies such GTZ, CIDA, and USAID.
<b>Philippines</b>	BETP	Monthly coordination meetings, joint development of annual and multiannual action plans, and joint development and maintenance of databases with Central Bank, Department of Agriculture, Department of Foreign Affairs, Department of Science and Technology, Department of Finance, Department of Health, National Development organization, Department of Customs, Export Development council, Tariff Commission, and Department of Environment and National Resources.	Periodic coordination meetings and joint development of action plans with all major associations and chambers, including the leading exporters associations and business councils of foreign embassies	Project-based collaboration primary related to research and development	Periodic coordination meetings, exchange of experts, development of information material, capacity building and participation in joint trade fairs and missions with KOTRA, APEX, CBI as well as with cooperation agencies such GTZ, CIDA, and USAID.
<b>Spain</b>	ICEX	Periodic coordination meetings and joint development and maintenance of trade databases with various relevant public	Annual coordination meetings with all 88 chambers of commerce and the Superior Council of Chambers that groups them,	Research project and analysis on foreign trade with the Cervantes Institute, Spanish Association of	Periodic meetings with similar organization in the framework of the Networks of European and Latin

		administration agencies (central, regional, and local). Periodic coordination with the trade promotion organizations of the Autonomous Communities: IVEX (Velencia), AREX (Aragon), ADE International EXCAI (Castilla y Leon), Extenda (Andalucía), PROMADRID (Madrid), IGAPE (Galicia), ACC10 (Catalonia), SPRI (Basque Country), IPEX (Castilla La Macha), FOMENTO DE MERCADOS (Extremadura), SODERCAN (Cantabria), INFO (Muricia), ADER (La Rioja), ASTUREX (Asturias), PROEXCA ( Canarias)	and the Spanish Confederation of Entrepreneurial Organizations (CEOE), all sectoral associations with activities abroad, and foundations such as Casa Asia and Casa America	Representatives of Business Management Schools (AEEDE), Complutense University of Madrid, Autonomous University of Madrid, Autonomous University of Barcelona, Carlos III University, Pompe Fabra University, Center for Industrial Technological Development, China Europe International Business School (CEIBS), the Centre for the Development of Enterprise (CDE), Massachusetts Institute of Technology (MIT), among other	American Trade Promotion Organizations
<b>Catalonia</b>	COPCA	Periodic coordination meetings with ICEX and other Spanish sub-national trade promotion organizations, and periodic coordination meetings and joint development of action plans with PRODECA (Promoter of Catalan Exports), which is sister organization from the Ministry of Agriculture). Commercial attaches informally support the organization in assisting exporters.	Bimonthly coordination meetings and joint development of action plans (i.e.: trade mission plans) with the 13 Chambers of Commerce in Catalonia, which are members of the Consortium and are represented in the two main governing bodies of the organization, the Executive Board and the General Council.	Bimonthly coordination meetings with universities and research centers located in Catalonia. Private universities dedicated to business internationalization are members of COPCA's General Council (ESCI-Pompeu Fabra University, ESADE-Ramon Llull University, IESE-University of Navarra, and Private University Foundation EADA). COPCA participates via the Observatory for Foreign Markets in a council with other universities	Periodic meetings with other sub-national trade promotion organizations in the framework of the Network of Regional Trade Promotion Organizations (Catalonia, Scotland, Baden-Württemberg, Rhone Alps, Hong Kong, Cordoba, Mendoza, among others). Joint development of action plans with some members of this network
<b>Singapore</b>	IES	Monthly or bimonthly coordination meetings and joint development of action plans and of trade databases with relevant public organizations such as the Economic Development Board (EDB), Singapore Tourism Board (STB), Contact Singapore (a joint initiative of the EDB and the Ministry of Manpower), and the Standards, Productivity, and Innovation Board (SPRING)	Coordination meetings with all of the large associations and chambers of commerce	None	Meetings with APEX, KOTRA, PROMEXICO, and UKTI
<b>Thailand</b>	DEPT	Periodic coordination meetings, joint development of annual and multiannual action plans, joint development and maintenance of database with the National Food Institution Commercial Attaches are employees of the Minister of Commerce but join the Diplomatic Corps. The department appoints, sets targets and evaluates the attaches	Monthly coordination meetings with the Chamber of Commerce of Thailand, Federation of Thai Industries, Thai Gems and Jewelry Traders Association, Thai Garment Manufacturers, the Food Processors Association, among other firm associations	Joint development of action plans	None
<b>United Kingdom</b>	UKTI	Periodic coordination meetings with UK Intellectual Property Office, Export Control Organization, The Simple Trade Procedures Board, and other pertinent departments. UKTI sets targets to and	Period coordination meetings and joint development of action plans with the British Chambers of Commerce and Confederation of British Industries, among other	Joint development of research plans. Research centers sometimes evaluate the impact of UKTI's activities	Periodic meetings to coordinate and discuss common issues of interest approximately once a year with AUSTRADE, DFAIT (Foreign Affairs and International Trade, Canada) and

can evaluate the activities or commercial attaches (through FCO).

NZTE. Periodic meetings with similar organization in the framework of the Networks of European and Latin American Trade Promotion Organizations as well as collaborative relationships with JETRO, PROMEXICO, and IES, among others

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**Table 2.LAC: Mission and Areas of Activity**

Country/Region	Organization	Mission	Areas of Activity
<b>Argentina</b> <sup>(1)</sup>	EXPORTAR	To assist Argentina's companies in their efforts to introduce competitive products in international markets	Export promotion
	<b>Cordoba</b> PROCORDOBA	To promote Cordoba's trade, putting a special emphasis on supporting small and medium enterprises in their insertion in international markets	Export promotion
	<b>Mendoza</b> PROMENDOZA	To promote the internationalization of companies in Mendoza	Export promotion
<b>Bolivia</b>	CEPROBOL	To contribute to the socioeconomic development of Bolivia through the expansion and diversification of exports with increasing levels of value added and the attraction of foreign direct investments to the country	Export promotion and investment promotion
<b>Brazil</b>	APEX	To promote the exports of merchandise and services thereby contributing to the internationalization of Brazilian companies	Export promotion and investment promotion
<b>Chile</b> <sup>(2)</sup>	PROCHILE	To support small and medium sized-firms in their process of internationalization, to assist Chilean companies to take advantage of commercial opportunities generated by trade agreements, develop public private partnerships, and to position Chile's brand in other markets	Export promotion
<b>Colombia</b>	PROEXPORT	To obtain a greater impact in the economic growth of the county through the promotion of nontraditional exports, international tourism and foreign investment in Colombia	Export promotion, investment promotion, and tourism promotion
<b>Costa Rica</b> <sup>(3)</sup>	PROCOMER	To design and to coordinate programs relative to exports and investments, to help exporting (or potentially exporting) small and medium-sized firms in accessing international markets, to support the Ministry of Foreign Trade technically and financially in administering the special regimes of export, to manage a system of one stop shop for foreign trade, that centralizes and makes agile the proceedings of importing and exporting, and to keep track of foreign trade statistics with the competent institutions	Export promotion
<b>Ecuador</b> <sup>(4)</sup>	CORPEI	To promote exports and investments of productive sectors, through the provision of quality technical services, thereby contributing to enhance the image and the competitive development of the country	Export promotion
<b>El Salvador</b> <sup>(5)</sup>	EXPORTA	To promote an effective and sustained basis of insertion of firms in key international markets, thereby increasing their exports	Export promotion
<b>Guatemala</b> <sup>(6)</sup>	DPC/ME	To contribute to the promotion of Guatemalan exports, the development of a favorable economic culture, and the improvement of the pertinent execution instruments	Export promotion
<b>Honduras</b>	FIDE	To promote the sustainable development of the country through he promotion of investment and exports and thereby the continuous improvement of its international competitiveness and that of its firms	Export promotion and investment promotion
<b>Jamaica</b>	JTI	To facilitate and promote investment and trade by fostering creativity and innovation to build existing or potential competitive advantages for the economic benefit of the country ensuring the well being of the staff	Export promotion and investment promotion
<b>Mexico</b>	PROMEXICO	To promote exporting activities, to attract foreign investment, and to coordinate the offices of the federal public administration related to these activities	Export promotion and investment promotion
<b>Panama</b>	VCE/DNPE	To promote investments for exports and the exports of goods and services of the country	Export promotion and investment promotion
<b>Paraguay</b>	REDIEX	To execute the National Plan for Exports to favor economic development through the promotion of exports, attraction of investments, and spurring public and private dialogue to improve the business environment	Export promotion and investment promotion
<b>Peru</b> <sup>(7)</sup>	PROMPERU	To propose and execute plans and strategies to promote exportable goods and services and tourism, promoting and disseminating Peru's image in tourism and export matters according to sectoral policy and objectives	Export promotion and tourism promotion
<b>Uruguay</b>	URUGUAY XXI	To favor the internationalization process of the Uruguayan economy through the promotion of export growth and the positioning of the country as a destination of productive investments	Export promotion and investment promotion

(1) PROSPERAR is the organization responsible for investment promotion.

(2) The Foreign Investment Committee and the National Economic Development Agency CORFO play a role in investment promotion.

(3) As organization responsible for administering the free zones regimes, PROCOMER collaborates with the Costa Rican Investment Promotion Agency (CINDE) in supporting firms that want to invest in Costa Rica.

(4) Invest Ecuador is the organization responsible for investment promotion.

(5) The National Commission of Investment Promotion PROESA is responsible for investment promotion.

(6) The Guatemalan Development Foundation FUNDESA is responsible for investment promotion.

(7) PROINVERSION is the organization responsible for investment promotion.

**Table 3.LAC: Legal Status and Reporting**

Country/Region	Organization	Separate Legal Entity	Legal Status	Reporting
<b>Argentina<sup>(1)</sup></b>	EXPORTAR	Yes	Private	Annual report presented to the Ministry of Foreign Relations, International Trade and Worship containing information regarding the activities undertaken by the organization, the firms participating in each of these activities, and their estimated outcomes
<b>Cordoba</b>	PROCORDOBA	Yes	Public/Private	Annual report presented to the Ministry of Finance, Ministry of Industry, Trade, and Labor, and the Congress containing information regarding the activities of trade promotion, international cooperation, and technical assistance undertaken by the organization along with their estimated outcomes. Budget execution is reported every three months
<b>Mendoza</b>	PROMENDOZA	Yes	Public/Private	Annual report presented to the partners of PROMENDOZA (provincial government, Commercial and Industrial Union, Stock Exchange of Mendoza, and Economic Federation of Mendoza) containing information regarding the activities undertaken by the organization
<b>Bolivia</b>	CEPROBOL	Yes	Public	Quarterly report presented to the Ministry of Foreign Relations containing information regarding on advances of the activities undertaken by the organization; monthly (annual) report presented to the Ministry of Finance (General Accounting Office ) containing information regarding budgetary execution
<b>Brazil</b>	APEX	Yes	Public/Private	Semiannual report presented to the Ministry of Development, Industry, and Foreign Trade and the organization's Board of Directors containing information regarding the evolution of the indicators measuring the degree of accomplishments of the goals set in the management contract
<b>Chile</b>	PROCHILE	No	Public	Quarterly report presented to the Executive Power and the Congress containing information regarding the activities undertaken by the organization and the evolution of specific performance indicators. PROCHILE also periodically informs the Directorate of Budget (DIPRES)
<b>Colombia<sup>(1)</sup></b>	PROEXPORT	No	Public/Private	Annual report presented to the Ministry of Trade, Industry, and Tourism, the Congress, and the Board of Advisors containing information regarding finances, accounting, and management
<b>Costa Rica</b>	PROCOMER	Yes	Public	Annual report presented to the Ministry of Planning containing information regarding the degree of accomplishment of the organization's goals as established on the National Development Plan 2006-2010, and to the Ministry of the Economy, which coordinates policies for small and medium-sized companies
<b>Ecuador</b>	CORPEI	Yes	Private	Annual report presented to the Board of Directors containing information regarding the activities undertaken by the organization
<b>El Salvador</b>	EXPORTA	Yes	Public	Annual report presented to the Executive Power and the Strategic Committee on Exports containing information regarding activities undertaken by the organization
<b>Guatemala</b>	DPC/ME	No	Public	Annual report presented to the Vice-Ministry of Integration and Foreign Trade, the Minister of the Economy, and the National Board of Exports (CONAPEX) containing information regarding the activities undertaken by the organization
<b>Honduras</b>	FIDE	Yes	Private	Monthly reports presented to the Board of Directors, annual reports presented to the Governor's Assembly and reports to donor organizations (whose periodicity is determined in the respective agreements) containing information regarding execution of the working plan and finances
<b>Jamaica</b>	JTI	Yes	Public	Monthly report presented to the Ministry of Industry, Investment, and Commerce, and the Board of Directors containing information regarding key investment promotion, export promotion, and trade facilitation initiatives, outcomes of the work plan, including major targets achieved (monthly and year to date)
<b>Mexico</b>	PROMEXICO	Yes	Public	Annual and quarterly reports presented to the Ministry of the Economy and Finance containing information regarding finances, activities undertaken by the organization, and the degree of achievement of goals
<b>Panama</b>	DNPE/VICOMEX	No	Public	Monthly report presented to the Vice-Minister of Foreign Trade and then to the Minister of Trade and Industries containing information regarding the activities undertaken by the organization as well as outcome measures
<b>Paraguay</b>	REDIEX	No	Public	Monthly, quarterly and annual reports presented to the Ministry of Industry and Trade, the Ministry of Finance, and the Board of Directors containing information regarding budgetary execution, activities undertaken by the organization., and follow-ups of operation plans
<b>Peru</b>	PROMPERU	Yes	Public	Annual report presented to the Board of Directors containing information regarding finances and activities undertaken by the organization
<b>Uruguay</b>	URUGUAY XXI	Yes	Public	Annual report presented to the Board of Directors containing information regarding finances and activities undertaken by the organization

(1) Strictly speaking, EXPORTAR is legally a private entity with public participation and funding.

(2) PROEXPORT was created as a trust fund with public resources but is ruled under private law.

**Table 4.LAC: Head of the Institution and Composition of the Board**

Country/Region	Organization	Head of the Organization		Number	Board		
		Appointment	Tenure		Sectoral Composition (%)		
					Public	Private	Others
<b>Argentina</b>	EXPORTAR	Appointed by the Board of Directors of the organization, but approval is required from the Ministry of Foreign Relations, International Trade and Worship	Fixed term appointment	28	32.1	67.9	0.0
	<b>Cordoba</b> PROCORDOBA	Nominated by the Government and selected through a referendum of the assembly of shareholders. President usually comes from the Industrial Union of Cordoba and the Vice President from the Chamber of Foreign Commerce	Fixed term appointment	13	38.5	61.5	0.0
	<b>Mendoza</b> <sup>(1)</sup> PROMENDOZA	Appointed by Government/Ministry of the Economy	Fixed term appointment	8	25.0	75.0	0.0
<b>Bolivia</b>	CEPROBOL	Public Contest	Fixed term appointment	11	70.0	30.0	0.0
<b>Brazil</b>	APEX	Appointed by the Government/Ministry of Development Industry and Foreign Trade	Fixed term appointment	7	57.1	42.9	0.0
<b>Chile</b>	PROCHILE	Appointed by the Government/Ministry of Foreign Relations	Fixed term appointment	0		N/A	
<b>Colombia</b> <sup>(2)</sup>	PROEXPORT	Appointed by the Government/President of the Republic	Indefinite appointment	6	33.3	33.3	33.4
<b>Costa Rica</b>	PROCOMER	Appointed by the Board of Directors of the organization	Indefinite appointment	9	44.4	55.6	0.0
<b>Ecuador</b> <sup>(3)</sup>	CORPEI	Public Contest	Fixed term appointment	13	38.5	61.5	0.0
<b>El Salvador</b>	EXPORTA	Appointed by the Government/President of the National Commission for the Promotion of Exports and Investments (CONADEI)	Indefinite appointment	0		N/A	
<b>Guatemala</b>	DPC/ME	Appointed by the Government/Ministry of the Economy	Fixed term appointment	0		N/A	
<b>Honduras</b>	FIDE	Public Contest	Indefinite appointment	12	0.0	100.0	0.0
<b>Jamaica</b>	JTI	Public Contest	Fixed term appointment	14	21.4	78.6	0.0
<b>Mexico</b>	PROMEXICO	Appointed by the Government/President of the Republic	Indefinite appointment	9	66.7	33.3	0.0
<b>Panama</b>	DNPE/VICOMEX	Appointed by the Government/Minister of Trade and Industries	Indefinite appointment	0		N/A	
<b>Paraguay</b>	REDIEX	Appointed by the Government/President of the Republic	Indefinite appointment	13	15.4	84.6	0.0
<b>Peru</b>	PROMPERU	Appointed by the Government/Ministry of Foreign Trade and Tourism	Indefinite appointment	18	44.4	55.6	0.0
<b>Uruguay</b>	URUGUAY XXI	Appointed by the Government/President of the Republic	Indefinite appointment	6	50.0	50.0	0.0

(1) The number of members reported in the table corresponds to those of both directive bodies, the Administration Board and the Executive Committee. Each of these bodies has four members: one representative from the public sector (Ministry of Production) and three representatives from the private sector.

(2) "Others" correspond to two individuals designated by the President of the Republic.

(3) The number members reported in the table corresponds to the so-called "Institutional Members". In addition, there are "Statutory Members" who represent the sectoral units of exporters, i.e., groups of firms exporting a product that accounts for no less than 2% of the country's private (non-petroleum) exports as weighted moving averages over the last three years. These delegates have voice but they do not have voting rights.

**Table 5.LAC: Budget and Number of Employees (2007-2009)**

Country/Region	Organization	Budget (million USD)	Number of Employees
<b>Argentina</b>	EXPORTAR	4.5	95
<b>Cordoba</b>	PROCORDOBA	1.7	31
<b>Mendoza</b>	PROMENDOZA	0.7	30
<b>Bolivia</b>	CEPROBOL	0.2	22
<b>Brazil</b>	APEX	120.0	214
<b>Chile</b>	PROCHILE	33.0	384
<b>Colombia</b>	PROEXPORT	55.0	281
<b>Costa Rica</b>	PROCOMER	11.8	149
<b>Ecuador<sup>(1)</sup></b>	CORPEI	6.8	91
<b>El Salvador<sup>(2)</sup></b>	EXPORTA	2.0	50
<b>Guatemala<sup>(3)</sup></b>	DPC/ME	0.4	7
<b>Honduras<sup>(4)</sup></b>	FIDE	0.9	28
<b>Jamaica</b>	JTI	6.7	98
<b>Mexico<sup>(5)</sup></b>	PROMEXICO	97.0	401
<b>Panama<sup>(6)</sup></b>	DNPE/VICOMEX	1.8	52
<b>Paraguay</b>	REDIEX	1.4	60
<b>Peru<sup>(7)</sup></b>	PROMPERU	29.0	313
<b>Uruguay</b>	URUGUAY XXI	0.6	22

(1) The budget reported in the table does not include resources associated with international cooperation and those with specific allocations. The number of employees does not include the 40 employees under government programs.

(2) The number of employees reported in the table includes 25 administrative employees which are shared with the country's investment promotion agency PROESA.

(3) The budget informed corresponds to those resources allocated to the Directorate of Foreign Trade Policy (there is no separate budget for the DPC). From the functional point of view, this is the budget for foreign trade management. Not all these resources are available to perform export promotion activities. These are allocated on a case-by-case basis.

(4) The number of employees reported in the table corresponds to permanent staff. In addition, there are 60 employees in the framework of temporally limited programs (i.e., Competitividad, CIPRES, Eurocentro). The budget informed does not include funds from projects with other organizations.

(5) In addition, PROMEXICO manages an additional pool of resources (4.5 USD million) called "PROMEXICO Fund". This fund aims at supporting sustainable foreign investment projects that are expected to generate an important number of jobs in "strategic sectors" contributing to increase the country's competitiveness.

(6) The budget informed corresponds to the total budget of the VICOMEX. Resources devoted to export and investment promotion amount to USD 1.2 million. Specifically, 50% of these resources can be considered to be allocated to export promotion. The remaining USD 0.6 million are assigned to the Office of the Vice-Minister. In addition, in recent years, this organization has had funding from an IDB project amounting to USD 1.8 million. The number of employees reported in the table corresponds to the VICOMEX. In particular, The DPC has 34 employees. The remaining 18 employees are symmetrically distributed between the Office of the Vice-minister and the National Directorate of Investment Promotion.

(7) The number of employees and the budget reported in the table correspond to the whole organization. In particular, the Directorate of Export Promotion has 84 employees and 18.0% of the total budget, i.e., USD 5.2 million, is funding available to the export promotion program.



**Table 6.LAC: Funding Sources and Applications (%)**

Country/Region	Organization	Sources			Applications		
		Public Allocation	Own Revenues from Services	Other Revenue Sources	Non-Marketing Support	Marketing Support	Other Applications
<b>Argentina</b>	EXPORTAR	100.0	0.0	0.0	22.0	78.0	0.0
<b>Cordoba<sup>(1)</sup></b>	PROCORDOBA	76.5	0.0	23.5	35.0	65.0	0.0
<b>Mendoza</b>	PROMENDOZA	100.0	0.0	0.0	50.0	50.0	0.0
<b>Bolivia</b>	CEPROBOL	100.0	0.0	0.0	75.0	25.0	0.0
<b>Brazil<sup>(2)</sup></b>	APEX	0.0	0.0	100.0	22.0	1.0	77.0
<b>Chile<sup>(3)</sup></b>	PROCHILE	99.0	0.0	1.0	64.0	13.0	23.0
<b>Colombia<sup>(4)</sup></b>	PROEXPORT	100.0	0.0	0.0	37.0		63.0
<b>Costa Rica<sup>(5)</sup></b>	PROCOMER	0.0	5.0	95.0	10.9	16.6	72.5
<b>Ecuador<sup>(6)</sup></b>	CORPEI	0.0	1.5	98.5	11.0	24.0	65.0
<b>El Salvador<sup>(7)</sup></b>	EXPORTA	100.0	0.0	0.0	67.0	33.0	0.0
<b>Guatemala</b>	DPC/ME	100.0	0.0	0.0	25.0	75.0	0.0
<b>Honduras<sup>(8)</sup></b>	FIDE	0.0	20.0	80.0	22.0	29.5	49.5
<b>Jamaica<sup>(9)</sup></b>	JTI	85.0	15.0	0.0	21.5	39.5	39.0
<b>Mexico<sup>(10)</sup></b>	PROMEXICO	72.1	27.9	0.0	20.0	30.0	50.0
<b>Panama<sup>(11)</sup></b>	DNPE/VICOMEX	100.0	0.0	0.0	22.6		77.4
<b>Paraguay</b>	REDIEX	100.0	0.0	0.0	40.0	30.0	30.0
<b>Peru<sup>(12)</sup></b>	PROMPERU	100.0	0.0	0.0	33.0	67.0	0.0
<b>Uruguay</b>	URUGUAY XXI	100.0	0.0	0.0	60.0	20.0	20.0

(1) "Other Revenue Sources" correspond to resources from other organizations that financially support specific projects.

(2) APEX receives 12.75% of the 3.00% tax that companies must pay on their expenditures on salaries as social contributions. "Other Applications" correspond to specific export promotion projects.

(3) "Other Revenue Sources" correspond to funding from international organizations (IDB) in the framework of technical cooperation. "Other Applications" primarily refer to projects with funds subject to competition and direct presentation.

(4) "Other Applications" corresponds to tourism promotion (44 percent) and investment promotion (19 percent). These figures are approximate.

(5) "Other Revenue Sources" correspond to fees for using the free trade zone regime (49.0%) and incomes from sales of customs forms of export and import (46.0%). "Own Revenues from Services" are resources primarily gathered through subscriptions to events. "Other Applications" correspond, among other things, to trade advocacy abroad and the trade offices in the country and abroad.

(6) "Other Revenue Sources" correspond to contributions from exporters and importers, redeemable in 10 years, as follows: 1.50 % of the FOB value of private exports (for exports larger than USD 3,330, otherwise USD 5.0); 0.25% of the FOB value of imports (for imports larger than USD 20,000, otherwise USD 5.0); and, until last year, 0.50 % of the FOB value of oil exports. "Own Revenues from Services" are resources primarily gathered through seminars and information sales. "Other Applications" refer to specific projects with cooperating organizations (56%) as well as other particular joint initiatives with the government (9%).

(7) A fraction of the budget normally corresponds to variable funds associated with technical cooperation allocated to the CONADEI (National Commission of the Promotion of Exports and Investments).

(8) "Own Revenues from Services" correspond to commissions and honoraria, whereas "Other Revenue Sources" correspond to interest earned on investments (15.0%), office rentals (28.0%), administration of projects (34.0%), and others (3.0%). "Other Applications" include resources allocated to investment promotion (16.5%).

(9) "Own Revenues from Services" correspond to exporter registration fees, library services, incentive processing fees, missions support and proposal writing. "Other Applications" refer to resources devoted to investment promotion.

(10) This year fees for services have been temporarily waived. "Other Applications" refer to resources devoted to investment promotion.

(11) The Ministry of Trade and Industries (MICI) has revenues from the one stop shop scheme for foreign trade. Usually a fraction of these resources is allocated to the VICOMEX. "Other Applications" include those resources devoted to investment promotion (50.0%).

(12) While resources for the export promotion program are directly publically allocated, resources for the tourism promotion program have two sources, direct public allocation and revenues from a tax levied on flight tickets. Application percentage shares have been computed on the budget assigned to the export promotion program.

**Table 7.LAC: Selection of Personnel, Remuneration Policy, and Personnel Profile**

Country	Organization	Selection of Personnel	Remuneration Policy	Personnel Profile (%)			
				Masters	Ph.D.	Former Businessmen	Trade Experience
<b>Argentina</b>	EXPORTAR	Internal and public competition by the organization; and selection outsourced to private consulting company	Fixed wage	5.9	0.0	11.8	0.0
<b>Cordoba</b>	PROCORDOBA	Public competition by the organization	Fixed wage	6.5	0.0	51.6	12.9
<b>Mendoza</b>	PROMENDOZA	Public competition by the organization	Fixed wage	13.3	6.7	20.0	0.0
<b>Bolivia</b>	CEPROBOL	Public competition by the organization	Fixed wage	18.2	0.0	54.5	9.1
<b>Brazil<sup>(1)</sup></b>	APEX	Public competition by the organization, public competition by other government organization, and selection outsourced to private consulting company	Fixed wage	14.0	1.9	46.7	N/A
<b>Chile<sup>(2)</sup></b>	PROCHILE	Public competition by the organization	Fixed wage plus a common bonus (2 to 3%)	15.7		N/A	N/A
<b>Colombia<sup>(3)</sup></b>	PROEXPORT	Internal and public competition by the organization	Fixed wage plus a variable component based on performance as assessed through the CRMS (up to 25%)	37.5		N/A	N/A
<b>Costa Rica</b>	PROCOMER	Public competition by the organization	Fixed wage	22.1	0.0	53.7	0.0
<b>Ecuador<sup>(4)</sup></b>	CORPEI	Internal and public competition by the organization as well as direct hiring	Fixed wage plus a variable component based on performance depending on the functional area (up to 20%)	26.4	0.0	0.0	2.2
<b>El Salvador<sup>(5)</sup></b>	EXPORTA	Public competition by the organization	Fixed wage	20.0	2.0	24.0	10.0
<b>Guatemala</b>	DPC/ME	Public competition by the organization	Fixed wage	14.3	0.0	85.7	0.0
<b>Honduras<sup>(6)</sup></b>	FIDE	Public competition by the organization	Fixed wage	28.6	0.0	35.7	0.0
<b>Jamaica</b>	JTI	Public competition by the organization	Fixed wage	34.7	0.0	6.1	29.6
<b>Mexico<sup>(7)</sup></b>	PROMEXICO	Direct hiring	Fixed wage	30.0	1.0	50.0	5.0
<b>Panama<sup>(8)</sup></b>	DNPE/VICOMEX	Direct hiring	Fixed wage	25.0	0.0	10.0	10.0
<b>Paraguay<sup>(9)</sup></b>	REDIEX	Public competition by the organization and commissioning of other public organizations	Fixed wage	26.7	1.7	23.3	10.0
<b>Peru<sup>(10)</sup></b>	PROMPERU	Public competition by the organization	Fixed wage	21.4	1.2	70.2	21.4
<b>Uruguay</b>	URUGUAY XXI	Public competition by the organization	Fixed wage	4.5	0.0	45.5	0.0

(1) Public competition by the organization (71.0%), public competition by other government organization (8.5%), and selection outsourced to private consulting company (20.5%).

(2) The figure informed in the table corresponds to the percentage share of staff (i.e., over 255 employees) with postgraduate studies as self-reported (i.e., it likely understates the true share of employees with such education level as only considers the employees that answer the survey conducted).

(3) According to an organizational survey of the Ministry of Industry, Trade, and Tourism 37.5% have advance studies (specializations, masters or Ph.D.). No additional information is available.

(4) Percentage shares have been computed over the total number of employees excluding those under specific government programs. In addition, 9.9% of the employees are currently attending master's programs. Most of the personnel have acquired trade expertise at the organization.

(5) Percentage shares have been computed over the total number of employees (i.e., including the 25 administrative employees shared with PROESA).

(6) Percentage shares have been computed over the permanent personnel.

(7) Direct hiring has been used as the main procedure to fill position to allow for the organization to start operating. The organization plans to implement public competition from now on.

(8) Percentage shares have been computed over the total number of employees of the VICOMEX.

(9) Public competition by the organization (90.0% and commissioning of other public organizations (10.0%).

(10) In addition, 8.4% of the employees are currently attending master's programs.

**Table 8.LAC: Presence in the Country and Abroad**

Country	Organization	Own Offices in the Country		Own Offices Abroad	
		Total Number	Region Coverage	Total Number	Country Coverage
Argentina <sup>(1)</sup>	EXPORTAR	1	1/23 provinces and an autonomous city	0	0
	Cordoba PROCORDOBA	1	1/26 departments	0	0
	Mendoza PROMENDOZA	4	4/18 departments	2	2
Bolivia	CEPROBOL	1	1/9 departments	0	0
Brazil <sup>(2)</sup>	APEX	1	1/26 states and a federal district	5	5
Chile	PROCHILE	15	15/15 regions	50	39
Colombia <sup>(3)</sup>	PROEXPORT	8	8/32 departments and a federal district	15	15
Costa Rica <sup>(4)</sup>	PROCOMER	6	6/7 provinces	14	10
Ecuador <sup>(5)</sup>	CORPEI	3	3/24 provinces	3	3
El Salvador <sup>(6)</sup>	EXPORTA	1	1/14 departments	1	1
Guatemala	DPC/ME	1	1/22 departments	3	3
Honduras	FIDE	2	2/18 departments	1	1
Jamaica	JTI	2	2/14 parishes	1	1
Mexico <sup>(7)</sup>	PROMEXICO	32	32/31 states and a federal district	34	21
Panama <sup>(8)</sup>	DNPE/VICOMEX	10	9/11 provinces and a territory ( <i>comarca</i> )	0	0
Paraguay <sup>(9)</sup>	REDIEX	1	1/17 departments	0	0
Peru <sup>(10)</sup>	PROMPERU	6	6/25 regions and a province	0	0
Uruguay	URUGUAY XXI	1	1/19 departments	0	0

(1) While EXPORTAR does not have own regional offices besides the headquarters in Buenos Aires, there are 63 access points to its services established in partnership or through agreements with and hosted by provincial or municipal governments and business associations throughout the 24 regions.

(2) APEX has only one office in Brasilia. However, this organization has established access points to its services in partnership with the National Confederation of Industries (CNI) and the state federations of industries. These offices are placed in buildings of the federations and are not staffed with APEX employees. Currently, there are five of such offices in Ceara, Minas Gerais, Parana, Rio Grande do Sul, and Santa Catarina. Five additional ones were planned to be opened in 2009. These offices will be located in Amazonas, Goias, Mato Grosso do Sul, Pernambuco, and Sao Paulo.

(3) In addition, in the framework of a joint initiative between PROEXPORT, the Ministry of Trade, Industry, and Tourism, and BANCOLDEX, there is a network 22 centers of information and advice on foreign trade (Zeikys) covering 19 departments:

(4) In addition, PROCOMER manages five one stop shop office for foreign trade in five provinces.

(5) In addition, there are 11 offices that are administered within the framework of an inter-organizational agreement between CORPEI and the Ministry of Foreign Relations, Trade, and Integration (MRECI). These are 11 offices located in 10 countries: Buenos Aires (Argentina), Toronto (Canada), Berlin (Germany), Tegucigalpa (Guatemala), New Delhi (India), Milan and Rome (Italy), Mexico City (Mexico), Lima (Peru), Madrid (Spain), and London (United Kingdom) Together with the MRECI, CORPEI is planning to establish 14 additional foreign offices staffed with technical personnel in the following cities: Sao Paulo (Brazil), Santiago de Chile (Chile), Shanghai and Canton (China), Paris (France), Hamburg (Germany), Teheran (Iran), Tokyo (Japan), Moscow (Russia), Stockholm (Sweden), Pretoria (South Africa), Los Angeles and New York (United States), and Caracas (Venezuela).

(6) EXPORTA has plans to open additional offices in China, Colombia, Dominican Republic, France (or Spain), Japan Mexico, Panama, and the United States.

(7) In addition, PROMEXICO has 6 regional representations.

(8) These offices correspond to the Ministry of Trade and Industries (MICI) and henceforth to the Vice-Ministry of Foreign Trade (VICOMEX). In addition, the DPC manages seven one stop shop offices for foreign trade in seven provinces.

(9) REDIEX uses the regional offices of the Ministry of Industry and Trade to advertise activities and receive support requests.

(10) In addition, PROMPERU has ten regional information centers covering 10 regions.

**Table 9.LAC: Profile of Assisted Companies and Targeting**

Country	Organization	Assisted Companies		Targeting
		Firm Size	Export Experience	
<b>Argentina</b>	EXPORTAR	Small, medium, and large (to less extent). Specific segments targeted by particular programs	Non exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
	<b>Cordoba</b> PROCORDOBA	Small and medium	Potential exporters, exporters with limited experience, and experienced exporters	Sectors and countries within sectors
	<b>Mendoza</b> PROMENDOZA	Small and medium	Non-exporters, potential exporters, and exporters with limited experience	Countries and countries within sectors
<b>Bolivia</b>	CEPROBOL	Small and medium	Potential exporters, exporters with limited experience, and experienced exporters	Sectors and sectors within countries
<b>Brazil</b>	APEX	Small, medium, and large	Potential exporters, , exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Chile</b>	PROCHILE	Small, medium, and large	Potential exporters, exporters with limited experience, and experienced exporters	Countries within sectors
<b>Colombia</b>	PROEXPORT	Small, medium, and large. Specific segments targeted by particular programs	Non exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Costa Rica</b>	PROCOMER	Small, medium, and large. Specific segments targeted by particular programs	Potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, and sectors within countries
<b>Ecuador<sup>(1)</sup></b>	CORPEI	Small, medium, and large	Non exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, and sectors within countries
<b>El Salvador</b>	EXPORTA	Small, medium, and large	Potential exporters, exporters with limited experience, and experienced exporters	Sectors, sectors within countries, and countries within sectors
<b>Guatemala</b>	DPC/ME	Small, medium, and large. Specific segments targeted by particular programs	Non exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries and sectors
<b>Honduras</b>	FIDE	Small, medium, and large. Specific segments targeted by particular programs	Non exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries and sectors within countries
<b>Jamaica</b>	JTI	Small, medium, and large	Non exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Mexico</b>	PROMEXICO	Small, medium, and large. Specific segments targeted by particular programs	Non exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, and countries within sectors
<b>Panama</b>	DNPE/VICOMEX	Small and medium	Non exporters, potential exporters, and exporters with limited experience	Countries, sectors, sectors within countries, and countries within sectors
<b>Paraguay</b>	REDIEX	Specific segments targeted by particular programs	Potential exporters, limited export experience, and experienced exporters	Countries, sectors, and countries within sectors
<b>Peru</b>	PROMPERU	Small, medium, and large. Specific segments targeted by particular programs (Please confirm)	Non exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries, sectors, sectors within countries, countries within sectors
<b>Uruguay</b>	URUGUAY XXI	Small, medium, and large	Non exporters, potential exporters, exporters with limited experience, and experienced exporters	Countries and sectors

(1) CORPEI has selected ten priority sectors including fruits and vegetables, cacao and coffee, flowers, metal mechanics, tourism, software, logistics services.

**Table 10.LAC: Services to Exporters**

Country	Organization	Services to Exporters
<b>Argentina</b>	EXPORTAR	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching, missions and fairs, specific business contacts, and exporter consortia
	<b>Cordoba</b> PROCORDOBA	Export Instruction, general information and specific market intelligence, counseling and technical assistance, coaching, missions and fairs, specific business contact, and exporter consortia
	<b>Mendoza</b> PROMENDOZA	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching, missions and fairs, specific business contact, and exporter consortia
<b>Bolivia</b>	CEPROBOL	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, and exporter consortia
<b>Brazil</b>	APEX	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, assistance in seeking financing, and exporter consortia
<b>Chile</b>	PROCHILE	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching, missions and fairs, specific business contacts, and exporter consortia
<b>Colombia</b>	PROEXPORT	Export instruction, general information (and specialized information on transport logistics) and specific market intelligence, counseling and technical assistance, coaching, missions and fairs, specific business contacts, exporter consortia, and support for quality upgrading
<b>Costa Rica</b>	PROCOMER	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, coaching, production linkage facilitation, and support to firms' initiatives to increase the value added of their products
<b>Ecuador</b>	CORPEI	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching, missions and fairs, specific business contacts, and exporter consortia
<b>El Salvador</b>	EXPORTA	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching, missions and fairs, specific business contacts, and exporter consortia
<b>Guatemala</b>	DPC/ME	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, assistance on seeking financing
<b>Honduras</b>	FIDE	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts
<b>Jamaica</b>	JTI	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching, specific business contacts, exporter consortium, assistance in seeking financing
<b>Mexico</b>	PROMEXICO	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching, specific business contacts, assistance in seeking financing
<b>Panama</b>	DNPE/VICOMEX	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions
<b>Paraguay</b>	REDIEX	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, specific business contacts, assistance in seeking financing, and exporter consortia
<b>Peru</b>	PROMPERU	Export instruction, general information and specific market intelligence, counseling and technical assistance, missions and fairs, and exporter consortia, and support for quality upgrading (agricultural and manufacturing sectors)
<b>Uruguay</b>	URUGUAY XXI	Export instruction, general information and specific market intelligence, counseling and technical assistance, coaching, missions and fairs, specific business contacts, exporter consortia

**Table 11.LAC: Effectiveness Assessment and Implications Thereof**

Organization		Indicators		Implications of Evaluation Results	
		Input	Output		
<b>Argentina</b>	EXPORTAR	Number of firms using the services provided by the organization, share of small and medium-sized companies in the total number of assisted companies, and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Value of exports achieved by assisted firms, in particular small and medium-sized ones, and client satisfaction	Budget allocated to organization, redefinition of the organization's strategy, internal budgetary redistribution across units and programs, evaluation of employees, and removal of manager	
	<b>Cordoba</b>	PROCORDOBA	Number of firms that utilized services offered by the organization and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Client satisfaction	Budget allocated to organization, redefinition of the organization's strategy, internal budgetary redistribution across units and programs, evaluation of employees, and removal of manager
	<b>Mendoza</b>	PROMENDOZA	Number of firms using the services provided by the organization	Client satisfaction	Budget allocated to organization and redefinition of the organization's strategy
<b>Bolivia</b>	CEPROBOL	Number of firms using the services provided by the organization	Client satisfaction	Budget allocated to organization, redefinition of the organization's strategy, internal budgetary redistribution across units and programs, and evaluation of employees	
<b>Brazil</b>	APEX	Number of firms using the services provided by the organization, number of economic segments supported by the organization's projects, number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs), time needed to approve a new export project and budget application (difference between what is spent and the amount received)	Value of exports achieved by assisted firms and related indicators such as: the share of these companies in Brazilian exports, the difference between these firms exports and the goal established in their respective export projects, and the relationship between the total amount invested in a specific export project and the increment in the value exported by these companies; and client satisfaction	Redefinition of the organization's strategy and internal budgetary redistribution across units	
<b>Chile</b>	PROCHILE	Number of firms using the services provided by the organization, change in the number of firms using the services provided by the organization, and change in the number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Change in the value of exports achieved by assisted firms and client satisfaction	Budget allocated to organization, redefinition of the organization's strategy, internal budgetary redistribution across units and programs, and evaluation of employees	
<b>Colombia</b>	PROEXPORT	Number of firms using the services provided by the organization and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs). Internal Balance Scorecard	Value of exports achieved by assisted firms and client satisfaction,	Redefinition of the organization's strategy and evaluation of employees	
<b>Costa Rica</b>	PROCOMER	Percentage of services offered by electronic media and percentage of users using PROCOMER's electronic systems	Value of exports achieved by assisted firms, country's total exports, increase in the national content of exports and productive linkages, both in terms of numbers and volume; and client satisfaction	Redefinition of the organization's strategy and internal budgetary redistribution across units	
<b>Ecuador</b>	CORPEI	Number of firms using services provided by the organization, number of visits to the organizations website	Value of exports achieved by assisted firms, number of exporters, and client satisfaction	Evaluation of employees	
<b>El Salvador</b>	EXPORTA	Number of firms using each of the services provided by the organization (e.g., number of users of the system of commercial information, number of firms	Change in the country's non-traditional exports and change in the value of exports achieved by firms assisted with different services (in particular, change	Budget allocated to organization, redefinition of the organization's strategy and internal budgetary redistribution across units and programs	

		provided with market information, number of firms trained, number of firms advised, number of firms that participated in missions and fairs) and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	in the value of exports of firms that are members of exporter consortia, change in value of exports of firms that participate in missions and fairs, etc)	
<b>Guatemala</b>	DPC/ME	Number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Client satisfaction	Internal budgetary redistribution across units and programs
<b>Honduras</b>	FIDE	Number of firms using the services provided by the organization and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Value of exports achieved by assisted firms and change in total employment (and investments)	Budget allocated to organization, redefinition of the organization's strategy, internal budgetary redistribution across units and programs, and evaluation of employees
<b>Jamaica</b>	JTI	Number of firms using the services provided by the organization, number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs), staff costs as a percentage of total expenditures, volume of cash flow, and percentage of internally generated income. Business Score Card	Value of exports achieved by assisted firms, number and volume of linkage contracts signed, number of jobs created in facilitated projects, and ratio of expenditure to exports facilitated	Budget allocated to organization, redefinition of the organization's strategy, internal budgetary redistribution across units and programs, and evaluation of employees
<b>Mexico<sup>(1)</sup></b>	PROMEXICO	Number of firms using the services provided by the organization and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Value of exports achieved by assisted firms and client satisfaction	None
<b>Panama</b>	DNP/VICOMEX	Number of firms using the services provided by the organization and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs)	Value of export achieved by assisted firms, number of new exporters, and a subjective measure of "percentage" of advance as determined by client satisfaction surveys (as well as opinion gathering from the public in general)	Budget allocated to organization, redefinition of the organization's strategy, internal budgetary redistribution across units and programs, and evaluation of employees
<b>Paraguay</b>	REDIEX	Number of firms using the services provided by the organization, number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs), and budgetary execution	Value of exports achieved by assisted firms and change in the value of exports of firms assisted with business plans and co-financing projects	Redefinition of the organization's strategy and evaluation of employees
<b>Peru</b>	PROMPERU	Number of firms using the services provided by the organization and number of export support activities undertaken by the organization (e.g., training events, reports, missions and fairs), number of visits to the website	Value of exports achieved by assisted firms, change in the number of exporting firms, change in the number of exported products, change in the number markets and segments, and client satisfaction	Budget allocated to organization, redefinition of the organization's strategy, internal budgetary redistribution across units and programs, evaluation of employees, and removal of manager
<b>Uruguay</b>	URUGUAY XXI	None	Client satisfaction	None

(1) PROMEXICO is currently defining how the results from the evaluations performed would effect the organization and its activities.

**Table 12.LAC: Inter-Organizational Relationships**

Country/Region	Organization	Relations with (other) Public Organizations on Trade Matters	Relations with Business Associations	Relations with Universities and Research Centers	Relations with other Countries' Trade Promotion Organizations
		Nature of Collaboration	Nature of Collaboration	Nature of Collaboration	Nature of Collaboration
Argentina	EXPORTAR	Periodic coordination meetings and joint development of action plans with other public organizations such as the Bank of Investment and Foreign Trade (BICE), General Directorate of Customs (DGA), National Institutes of Agricultural and Industrial Technology (INTA and INTI, respectively) as well as with Undersecretary of Trade Policy and Management and sub-national export promotion organizations. There is informal coordination with commercial attaches who are expected to support the organization in assisting exporters	Joint development of action plans with several business associations, including the Argentine Industrial Union (UIA), Argentine Chamber of Commerce (CAC), Argentine Rural Society (SRA), among others. Partnerships with multiple bi-foreign and national chambers	EXPORTAR has an academic council composed of representatives from areas concurrent with trade aimed at the strengthening of links between academia, firms, and organizations involved in export promotion. This council holds periodic meetings and has developed action plans with other public and private organizations related to foreign trade. Member of this council includes: individuals affiliated to Standard Bank, CEI, FIEL, IERAL, UBA, UCES, UDESA, among others	Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Joint development of action plans with some members of this network.. Framework collaboration agreements with several other entities such as TFO (Canada), CZECHTRADE (Czech Republic), ITD (Hungary), NADEF (Indonesia), MATRADE (Malaysia), CMPE (Morocco), IGEME (Turkey), among others
	Cordoba PROCORDOBA	Periodic coordination meetings and joint development of action plans with EXPORTAR, relevant dependencies of the Ministries of Economy and Production, and other sub-national export promotion organizations as well as joint activities with General Directorate of Customs (DGA) and commercial banks. Commercial attaches informally support the organization in assisting exporters. Commercial attaches informally support PROCORDOBA in assisting exporters	Bimonthly coordination meetings with the Industrial Union of Cordoba, the Chamber of External Commerce of Cordoba, Chamber of Metallurgical Industries and Components of Cordoba, Association of Food Industries in the Region of Rio Cuarto, Association of Entrepreneurs of the Central Argentina Region of Villa Clara, and the Chamber of External Commerce of San Francisco and the Region, among other	Joint development of action plans for specific activities with the Graduate School of the Faculty of Economic Sciences of the National University of Cordoba, where a Master's degree in International Trade is offered	Periodic meetings with other sub-national trade promotion organizations in the framework of the Network of Regional Trade Promotion Organizations (Catalonia, Scotland, Baden-Württemberg, Rhone Alps, Hong Kong, Cordoba, Mendoza, among others). Joint development of action plans with some members of this network
	Mendoza PROMENDOZA	Periodic coordination meetings and joint development of action plans (e.g. promotion actions and financing of consulting program for foreign trade) with EXPORTAR, relevant dependencies of the Ministries of Production (in particular, regarding the Programs PROARGENTINA and PROARGEX), and other sub-national export promotion organizations as well as joint activities with the Federal Board of Investments (CFI), the National Institute of Agricultural Technology (INTA), the Institute of Vegetable Health and Quality of Mendoza (ISCAMEN), and Mendoza customs	Periodic coordination meetings and joint development of action plans with the Chamber of Industrialized Fruit of Mendoza (CAFIM); Association of Producers and Exporters of Onions (ASOCAM); Bodegas de Argentina AC; Wine Fund of Mendoza; Center for Oenology Professionals of Mendoza (CLEIFRA), and Chamber of Foreign Commerce of Cuyo	Internship program with the University of Aconcagua, development of training activities with the University of Cuyo. PROMENDOZA is a member of the Board of the Global Network of Great Wine Capitals of the World together with the University of Congress and the University Juan A. Maza	Periodic meetings with other sub-national trade promotion organizations in the framework of the Network of Regional Trade Promotion Organizations (Catalonia, Scotland, Baden-Württemberg, Rhone Alps, Hong Kong, Cordoba, Mendoza, among others). Joint development of action plans with some members of this network. Collaborative relationships with ICEX, PROCHILE, and PROEXPORT
Bolivia	CEPROBOL	Coordination meetings as needed with Vice Ministries of Exports and Microenterprises, the National Customs, the National Institute of Quality Normalization (IBNORGA), and the National Service of Agricultural Health	Coordination meetings as needed and joint coordination of actions plans for specific activities with chambers of industry, exporters, and commerce, diverse producers associations, and the	Joint development of action plans for specific training activities	Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Collaborative relationships with some members of this



		(SENASAG). Commercial attaches informally support the organization in assisting exporters	Bolivian Institute for Foreign Trade		network
<b>Brazil<sup>(1)</sup></b>	APEX	Periodic coordination meetings and joint development of annual and multiannual action plans with the Ministry of Development, Industry, and Foreign Trade (MDIC); the Ministry of Foreign Relations (MRE); the Brazilian Agency for Foreign Development (ABDI); and the Brazilian SME Support Service (SEVRAE), among others	Joint development of actions plans with 68 sectoral chambers, including the Brazilian Machinery Builders' Association (ABIMAQ); Brazilian Textile and Apparel Industry Association (ABIT); Brazilian Chicken Producers and Exporters Association (ABEF); Association for Promoting the Brazilian Software Excellence (SOFTTEX), and Brazilian Association of Design Companies (ABEDESIGN). APEX has partnerships with Brazil-India Chamber of Commerce, the Brazilian-American Chamber of Commerce, Angolan Chamber of Industry and Commerce, Brazil-Spain Chamber of Commerce, among others	Collaboration in the elaboration of studies on international trade with UFRGS (Federal University of Rio Grande do Sul), UFMG (Federal University of Minas Gerais), UFRJ (Federal University of Rio de Janeiro), and IPEA (Economic Research Institute)	Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Joint development of action plans with some members of this network and others entities such as CCIA (Angola), PROMEX (Cape Verde), CCPIT (China), DPIP (Guinea- Bissau), IPIM (Macau), IPEX (Mozambique), ICEP (Portugal), Ministry of Development and Environment (Timor Leste), CEPEX (Tunisia), ITD Hungary (Hungary), TISA (South Africa), PaliZ SA (Poland), CCEB (Spain), BETP, ICE, IEICI, IES, JETRO, KOTRA, and PROCHILE, among others
<b>Chile</b>	PROCHILE	Periodic meeting, joint development of annual action plans and of trade databases with the Ministry of Economy, the Corporation for the Development of Production (CORFO), National Customs Service (SNA), Internal Taxes Service (SII), Agricultural and Stockbreeding Service (SAG), SERNAPESCA, ODEPA (Ministry of Agriculture)	Collaboration with diverse business association in specific activities, including Exporters Association of Chile (ASOEX), Gremial Federation of Industry (SOFOFA), and Association of Manufacture and Service Exporters (ASEXMA), among others	Collaboration to perform research and facilitate data on trade issues with several universities in the country such as the University of Chile	Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Joint development of action plans with some members of this network as well as collaborative relationships with other similar entities such as FIDE and PROMENDOZA
<b>Colombia</b>	PROEXPORT	Quarterly coordination meetings and joint development of actions plans with the Ministry of Trade, Industry and Tourism (MTIC) Joint development of multi-annual action plans with Presidency of the Republic, National Department of Planning (DNP), BANCOLDEX, and FIDUCOLDEX. There is also collaboration with these organizations to develop and maintain trade databases. Informal coordination with the diplomatic service	Collaboration in the development of commercial strategies with the Chamber of Commerce of Bogota and other departmental chambers of commerce. The latter also receive technical assistance from PROEXPORT and host PROEXPORT centers for information and basic advice on trade in those cities where there are no regional offices	Cooperation with the University of Externado of Colombia in specific activities related to tourism	Technical cooperation projects with the Center for the Promotion of Imports of the Netherlands (CBI). Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Joint development of action plans with some members of this network as well as collaborative relationships with other similar entities such as PROMENDOZA
<b>Costa Rica</b>	PROCOMER	Periodic coordination meetings and joint development of annual actions plans and of trade databases with multiple ministries and public organizations. This includes cooperation in information provision to companies through the Exporter Information Center (CIEX) with the Ministry of Agriculture and Stockbreeding (MAG), Ministry of Economy, Industry, and Commerce (MEIC), Ministry of Foreign Trade (COMEX), Ministry of Health, and CINDE; in processing trade statistics with	Cooperation in terms of data and economic research with and joint development of action plans for specific projects with several chambers, including the Chamber of Industries of Costa Rica (CICR), Chamber of Commerce (CCCR), Chamber of Exporters (CADEXCO) National Chamber of Agriculture and Agro-Industry (CNAA), Chamber of Aliment Industries (CACIA), and the Costa Rican Union of Chambers and Associations of Private	Collaboration in training activities for the organization's personnel with Interamericana University, UIA, UCI, Ulacit, University of Costa Rica (UCR), and Technological Institute of Cosra Rica (ITCR); recruitment of personnel and internship programs with the UCR and ITCR; workshop and training events to potential domestic suppliers on production improvement, quality, and efficiency with the ITCR; specific information gathering as input for	Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Joint development of action plans with some members of this network as well as with several other similar entities to organize international marketing events and establish two-way trade links

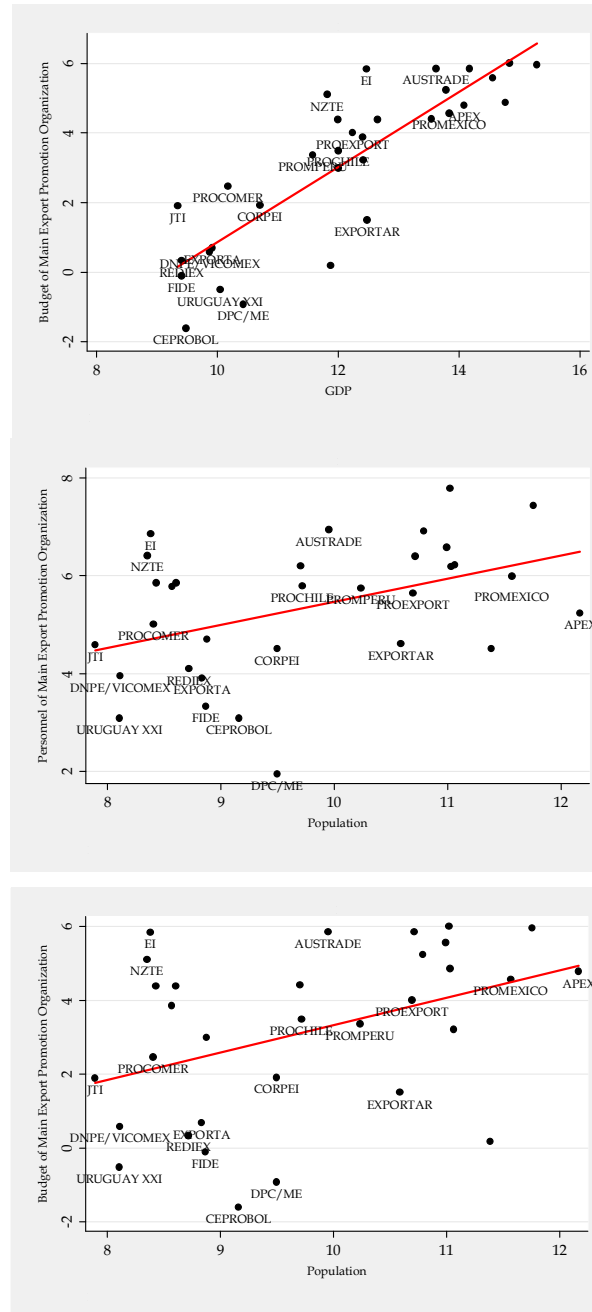
		the General Directorate of Customs (DGA), Central Bank of Costa Rica (BCCR), and National Institute of Statistics and Censuses (INEC); in performing economic research on both potential and actual exports with the MAG, MEIC, and the National Institute of Learning (INA) and on exportable services with the BCCR and CINDE, and market studies with COMEX; and foreign trade logistics with all relevant public and private entities, including transport carriers	Companies (UCCAEP)	PROCOMERs' studies with INCAE, UCR, EARTH, etc.; and exchange of information and material (primarily books) to support the CIEX with UCR, ITCR, National University, State Distance University, Latina University, International University of the Americas, FUNDEPOS, among others	
<b>Ecuador</b>	CORPEI	CORPEI coordinates activities with other relevant public organizations through the Council for Foreign Trade and Investment (COMEXI) and the National Council for the Reactivation of Production and Competitiveness (CNPC). In particular, coordination with the commercial attaches and joint evaluation of their activities with the Ministry of Foreign Relations	Joint development of actions plans with several sectoral business associations: banana (e.g., APROBAN, AGROBAN, PROBANA, etc); fishing (e.g., FEDEXPOR, National Chamber of Fishing, National Chamber of Aquaculture, etc); coffee (e.g., National Association of Exporters of Coffee - ANECAFE, Association of Special Coffees of Ecuador - ACEDE, etc.); wood (e.g., Ecuadorian Association of Teak and Tropical Wood Producers - ASOTECA, Ecuadorian Industrial Association of Wood - AIMA, etc.); flowers (e.g., Association of Producers and Exporters of Flowers of Ecuador - EXPOFLORES); and others (e.g., Textile Industrial Association of Ecuador - AITE, National Association of Exporters of Cacao - ANECACAO, Ecuadorian Association of Software - AES, Chamber of Automotive Industry of Ecuador- CINA, etc).	Periodic meetings and joint activities with Pontific Catholic University of Ecuador (PUCE), Pacific University (UNPAC), Technological University America (UNITA), University of the Americas (UDLA), Technological University Indoamerica (UTI), National University of Chimborazo (UNACH), Polytechnic School of Chimborazo (ESPOCH), Azuay University (UDA), Particular Technical University University of Loja (UTPL), University Eloy Alfaro Manta (ULEAM), Catholic University of Santiago de Guayaquil (UCSG), Specialties University St. Esprit (UEES), and University San Francisco of Quito (USFQ).	Benchmarking and capacity building collaboration with the Center for the Promotion of Imports of the Netherlands (CBI). Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Joint development of action plans with some members of this network (e.g., PROCHILE, PROEXPORT, PROCOMER, PROMEPERU, and ICEX)
<b>El Salvador</b>	EXPORTA	Periodic coordination meetings and joint development of annual and multiannual plans and of trade databases with the Ministry of Economy, Ministry of Foreign Relations, Ministry of Agriculture, Ministry of Tourism, and Central Bank. There is no formal coordination with the commercial attaches	Periodic coordination meetings and joint development of annual and multiannual action plans with the Exporters Corporation of El Salvador, Agricultural and Agro-Industrial Chamber of El Salvador, Chamber of Commerce and Industry of El Salvador, El Salvadorian Association of Industries, El Salvadorian Bank Association, and American Chamber of Commerce	Periodic meetings and Joint development of action plans with the El Salvadorian Foundation for Economic and Social Development	Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. In particular, inter-organizational cooperation projects with PROCHILE (development of an integrated system of commercial information and market intelligence) and PROEXPORT (technical assistance in export promotion, and market intelligence on the Colombian market)
<b>Guatemala</b>	DPC/ME	There is informal collaboration with the commercial attaches	Monthly coordination meetings and joint development of action plans with representative chambers, including the Chambers of Commerce of Guatemala, AGEXPORT, Chamber of Industries, Federation of the Small and Medium-Sized Companies, and bi-national	Informal collaboration in specific activities	None

			chambers (with Canada, China, Colombia, Spain, and Mexico).		
<b>Honduras</b>	FIDE	Quarterly coordination meetings and joint development of action plans with Secretary of Industry and Trade, National Commission for Competitiveness, Secretary of Finance, Secretary of Tourism, Secretary of Agriculture, Secretary of Foreign Relations, Central Bank, and the National Institute of Statistics FIDE participates in the selection process of commercial attaches, the organization provides information and training in trade and investment promotion to these officials Monthly coordination meetings and joint development of annual and multiannual action plans with the Ministry of Foreign Affairs and Foreign Trade (MOFFT), Export and Import Bank of Jamaica, Port Authority of Jamaica, Ministry of Tourism, and Ministry of Culture, and Ministry of Agriculture. Informal collaboration with the MOFFT overseas missions and its staff in investment and trade promotion activities	Periodic coordination meetings and collaboration in specific projects of common interest with the Honduran Council for the Private Enterprise (COHEP), FEDECAMARAS, all the chambers of commerce in the country, and business association in other countries such as Colombia, Germany, and Italy	Collaboration in specific projects of common interest with the Innovation and Technology Center (COMCIT), University José Cecilio del Valle, Technological University (UNITEC=, Agricultural School El Zamorano, and Centroamerican Polytechnic Institute	Programs for institutional strengthening and collaboration in specific projects of common interest with PROCHILE and the Canadian Office of Trade Facilitation
<b>Jamaica</b>	JTI	Monthly coordination meetings and joint development of annual and multiannual action plans with the Foreign Trade Bank; Secretaries of Economy; Foreign Relations; Communications and Transports; Agriculture, Stockbreeding, Rural Development, Fishing, and Alimentation; and Health, and the Port Authority. PROMEXICO coordinates activities with and sets goals to the commercial attaches. In those countries where PROMEXICO is not present these officials informally support the organization in assisting exporters Coordination meetings with relevant dependencies from Ministry of Foreign Relations, Agricultural Development, Economy and Finance, Health, Government and Justice, Labor, and with the General Accounting Office Institute for Agricultural marketing (IAA), National Institute for the Professional Formation and Training for the Human Development (INADEH) There is informal collaboration with the commercial attaches	Quarterly coordination meetings and joint development of action plans with Jamaica Chamber of Commerce, Small Business Association of Jamaica, Private Sector Organization of Jamaica, Jamaica Manufacturers Association, Jamaica Exporters Association, Jamaica Hotel and Tourism Association, among others	Quarterly coordination meetings and collaboration on research and policy advocacy with universities and research centers	Periodic coordination meetings and joint development of action plans with the International Trade Center (ITC) and the Caribbean Export Development Organization
<b>Mexico</b>	PROMEXICO	Monthly coordination meetings and joint development of annual and multiannual action plans with the Foreign Trade Bank; Secretaries of Economy; Foreign Relations; Communications and Transports; Agriculture, Stockbreeding, Rural Development, Fishing, and Alimentation; and Health, and the Port Authority. PROMEXICO coordinates activities with and sets goals to the commercial attaches. In those countries where PROMEXICO is not present these officials informally support the organization in assisting exporters Coordination meetings with relevant dependencies from Ministry of Foreign Relations, Agricultural Development, Economy and Finance, Health, Government and Justice, Labor, and with the General Accounting Office Institute for Agricultural marketing (IAA), National Institute for the Professional Formation and Training for the Human Development (INADEH) There is informal collaboration with the commercial attaches	Semiannual coordination meetings and joint development of annual action plans with national chambers including National Association of Importers and Exports of the Mexican Republic (ANIERM), Board of Foreign Commerce (COMCE), National Chamber of Transformation Industry (CANACINTRA), and the Board of Corporate Coordination (CCE) as well as with sectoral chambers such as those of textiles, wearing apparel, meat, tequila, preserve, automotives, among others	Annual meetings and joint development of annual action plans for specific activities with the UNAM, Ibero-American University, ITAM, Monterrey Tech, Polytechnic University, among others	Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Joint development of action plans with some members of this network. Collaborative relationships with other similar entities such as UKTI, UBIFRANCE, and IES
<b>Panama</b>	DNPE/VICOMEX	Monthly coordination meetings and joint development of annual and multiannual action plans and of trade database with Ministry of Foreign Relations, Ministry of	Joint promotion and training activities with Panama Association of Exporters (APEX), Panama Industrial Union (SIP), Association of Producers, Processors, and Exporters of Sea Fruits (APPEXMAR), Chamber of Commerce, Industries, and Agriculture of Panama, and the Union of Non Traditional Agricultural Exporters of Panama (GANTRAP)	Cooperation agreement with the Superior Polytechnic Institute of America (INSPA), Technological University of Panama, and the University of Panama	None
<b>Paraguay</b>	REDIEX	Monthly coordination meetings and joint development of annual and multiannual action plans and of trade database with Ministry of Foreign Relations, Ministry of	Monthly coordination meetings and joint development of action plans with more several business associations, including the Paraguayan Chamber of Exporters	Joint development of plans with the Center for Information and Resources for Development (CIRD), University of Colombia of Paraguay, Catholic	Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Joint

		Agriculture, National Service of Animal Quality and Health (SENASCA), National Service of Vegetables Quality and Health (SENAVE), National Forest Institute, and National Directorate of Customs, among others. There is information exchange and informal coordination for specific programs with the commercial attaches	(CAPEX) and the National Chamber of Commerce and Services of Paraguay (CNCSP) among others	University (Our Lady of Asuncion), School of Business Administration (EDAN), National University of Asuncion, National Technical Continental University (UTCD), University of San Carlos, Inter-American Institute for Agricultural Cooperation (IICA), Catholic University of Santa Fe Argentina (UCSF), Centre for International Cooperation and Agricultural Research for Development (CIRAD France) among others	development of action plans with some members of this network (e.g., EXPORTAR, PROEXPORT, CORPEI, PROMEXICO, and ICEX)
<b>Peru</b>	PROMPERU	Joint development of action plans with the customs (SUNAT), the National Service of Animal Health (SENASA), National Institute for the Protection of Competition and Intellectual Property (INDECOPI). PROMPERU participates in the selection of the new commercial attaches. There exists informal coordination with these officials	Periodic coordination meetings and joint development of action plans with several chambers, such as the Chamber of Commerce of Lima	Collaboration in capacity building, The organization has agreements with the Pacific University, Peruvian University of Sciences, University of Ignacio de Loyola, ESAN University, University of Lima, Catholic University (CENTUM), and IPAE.	Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Joint development of action plans with some members of this network (e.g., EXPORTA, PROCHILE, PROCOMER, CORPEI, and URUGUAY XXI)
<b>Uruguay</b>	URUGUAY XXI	Biweekly coordination meetings with the Ministry of Foreign Relations. There is informal coordination with the commercial attaches	Joint development of action plans with the Chamber of Industries of Uruguay and the National Chamber of Commerce and Services among others	Cooperation and exchange of information with the University of the Republic, ORT, Catholic University, University of Business, and University of Montevideo	Periodic meetings with similar organizations in the framework of the Latin American Network of Trade Promotion Organizations. Joint development of action plans with some members of this network (e.g., PROCHILE, PROCOMER, and PROMPERU)

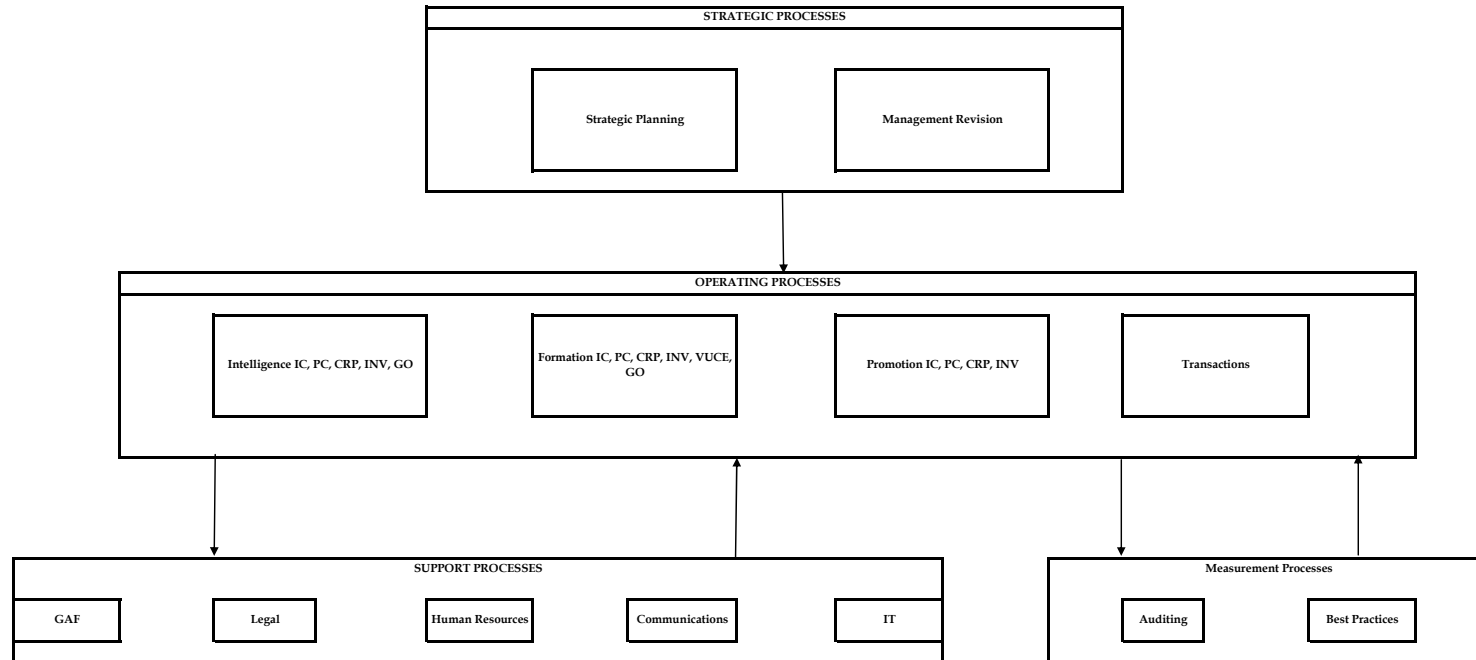
(1) There are plans according to which universities will teach courses on international trade to APEX employees.

**Figure 1: Size of Export Promotion Organizations Relative to Countries' GDP and Population (2007-2009)**



Source: Own elaboration on data from survey and World Development Indicators.  
 The pictures show the relationship between the budget and the personnel of countries' main export promotion organizations and countries' GDP and population. All variables are expressed in natural logarithms.

Figure 2: Organizational Chart of PROCOMER



IC: Department of Commercial Intelligence  
 PC: Management for Commercial Promotion  
 CRP: Department of Costa Rica Provee  
 INV: Management for Investments  
 Go: Management for Operations  
 VUCE: Management for the Single Window  
 GAF: Management for Administration and Finance  
 Legal: Department of Legal Assessment  
 RRHH: Human Resources Department  
 Comunaicao: Office of Communication and Press  
 TI: Information Technology

Figure 3: Organizational Chart of PROEXPORT

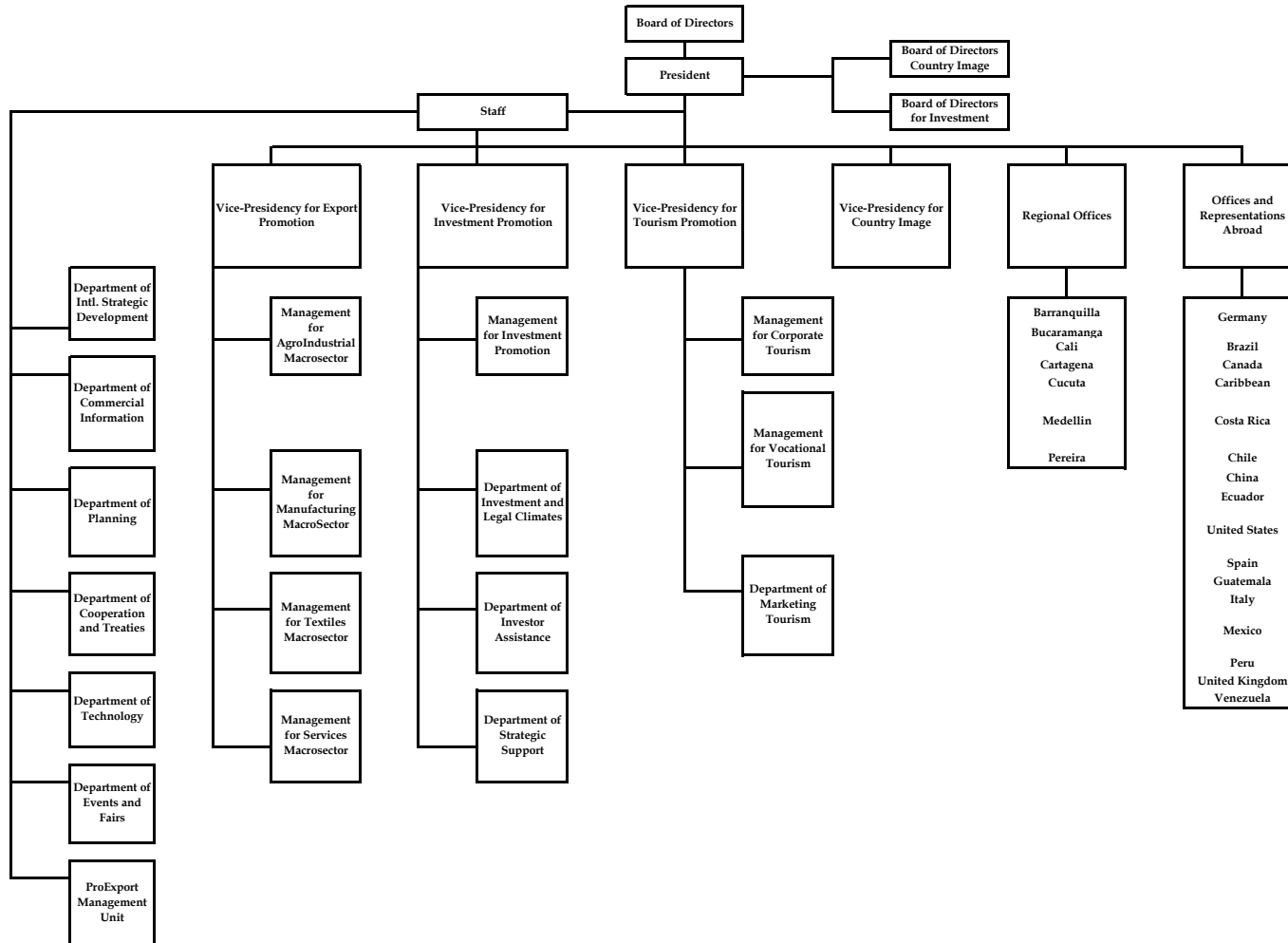


Figure 4: Organizational Chart of URUGUAY XXI

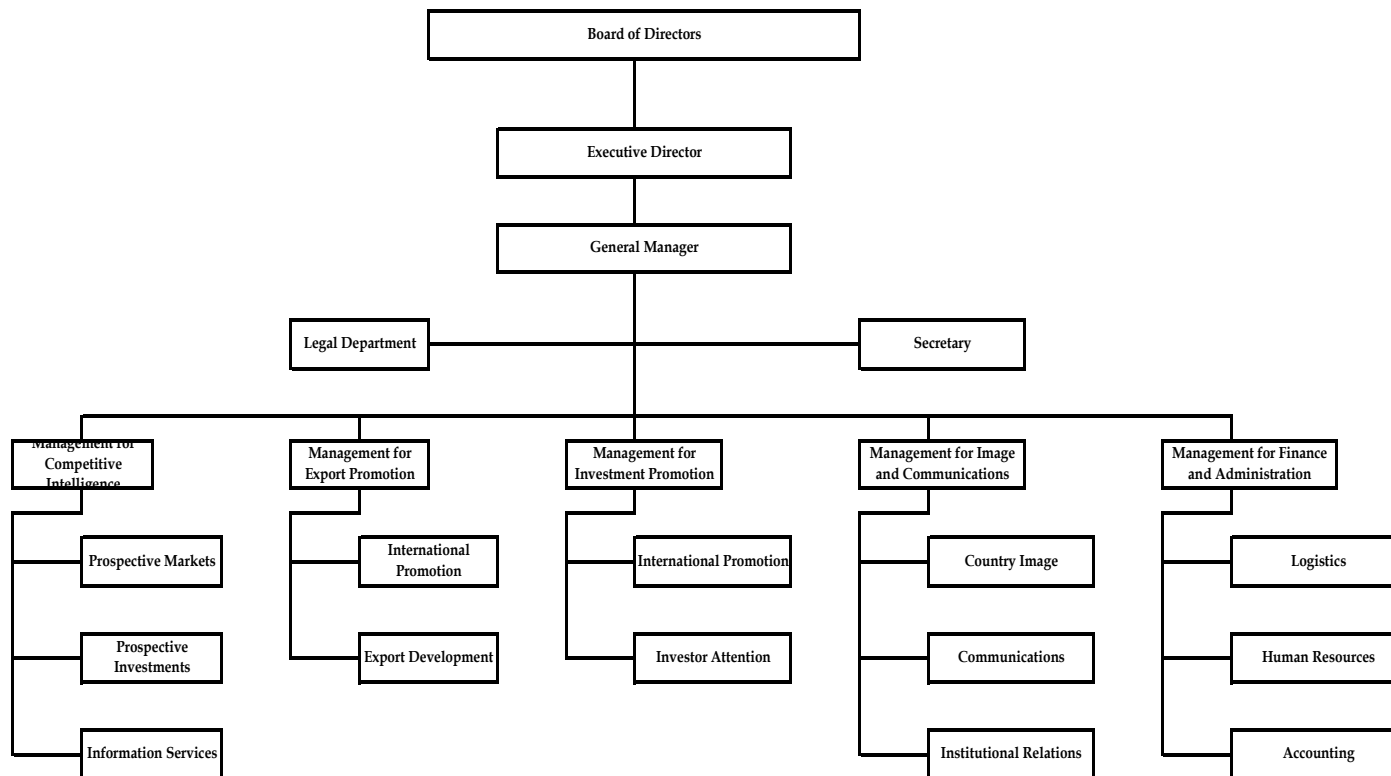




Figure 5: Organizational Chart of EXPORTAR

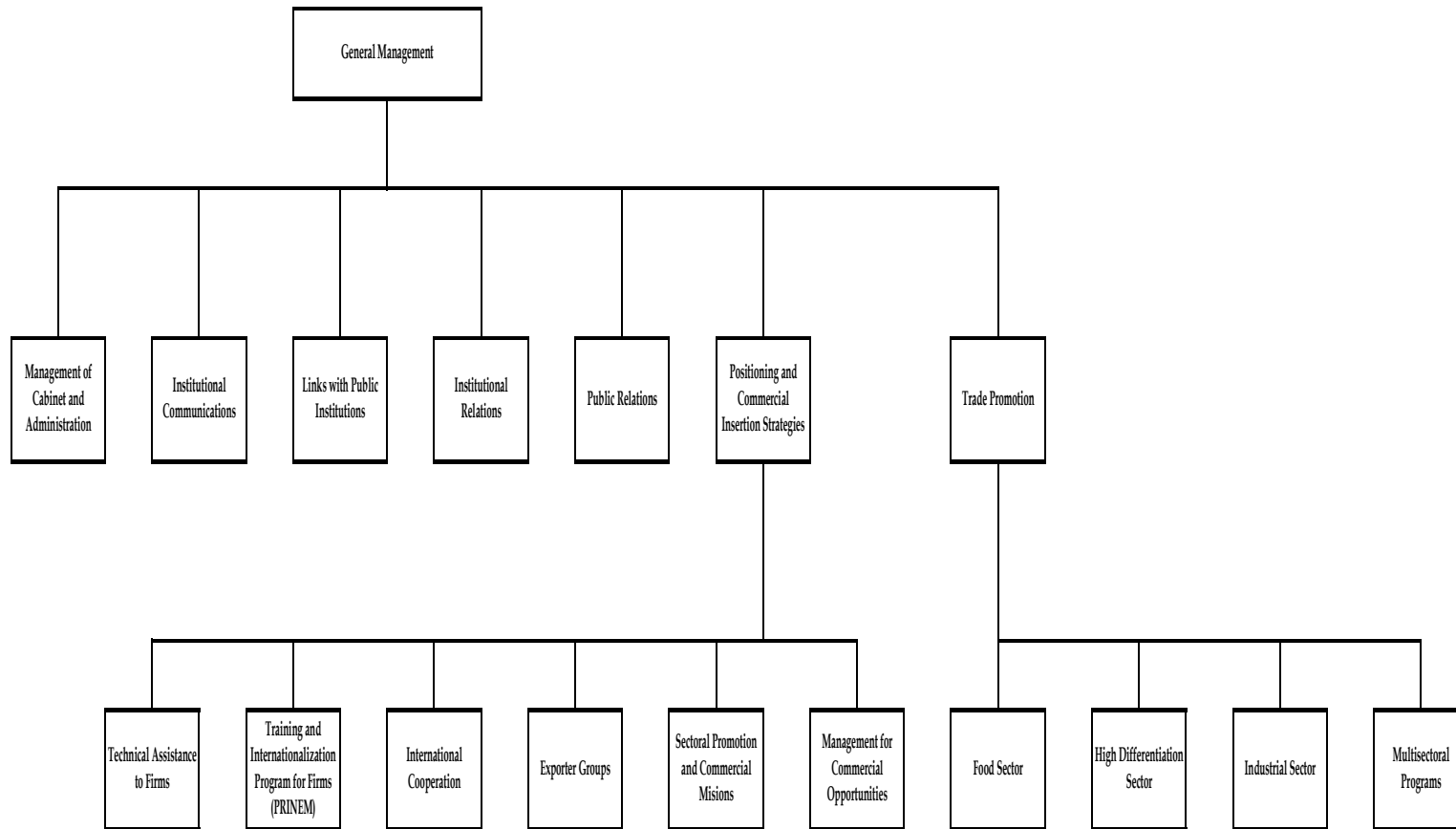


Figure 6: Organizational Chart of PROCHILE

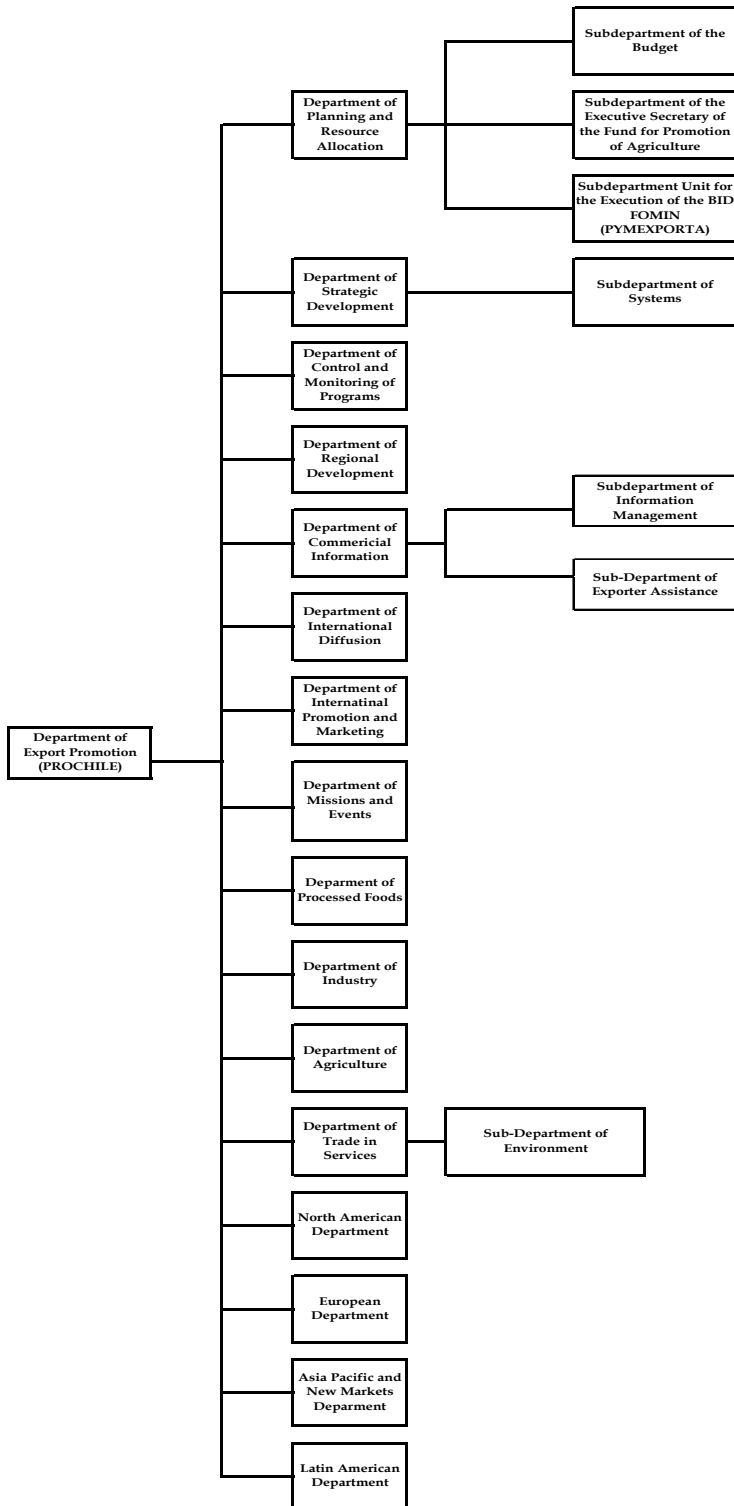
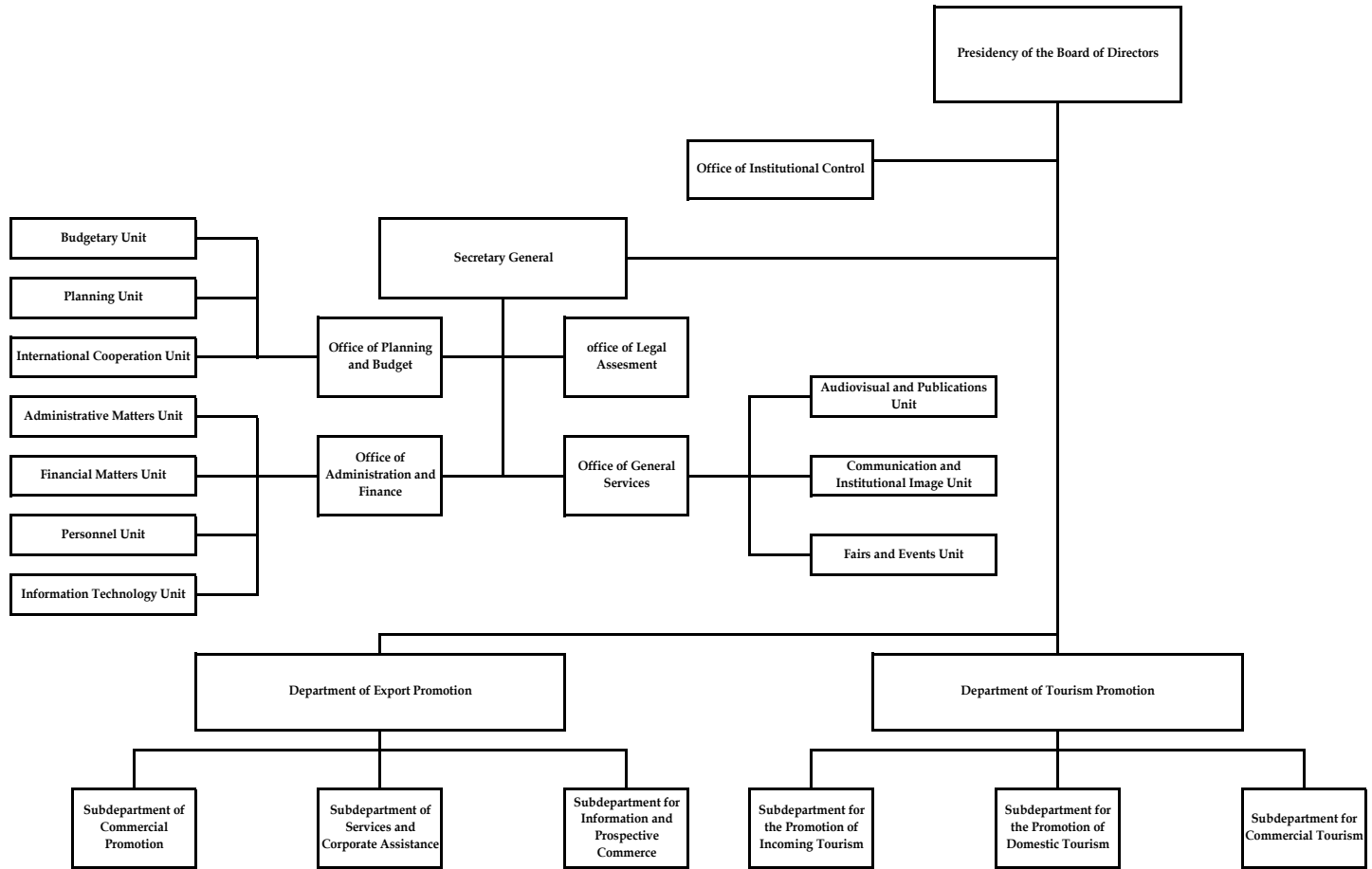
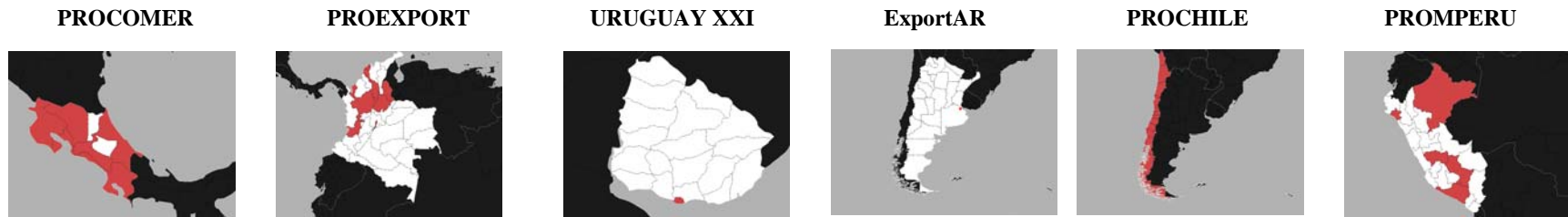


Figure 7: Organizational Chart of PROMPERU



**Figure 8: Direct Presence of the Export Promotion Organizations in their Countries' Regions**



Source: Own elaboration on data from countries' export promotion organizations.

**Figure 9: Direct Presence of the Export Promotion Organizations Abroad**



Source: Own elaboration on data from countries' export promotion organizations.