



Skills and Export Competitiveness for Small and Medium-Sized Enterprises

Marion Jansen
World Trade Organization

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Weak port
infrastructure

Lack of access
to trade
finance

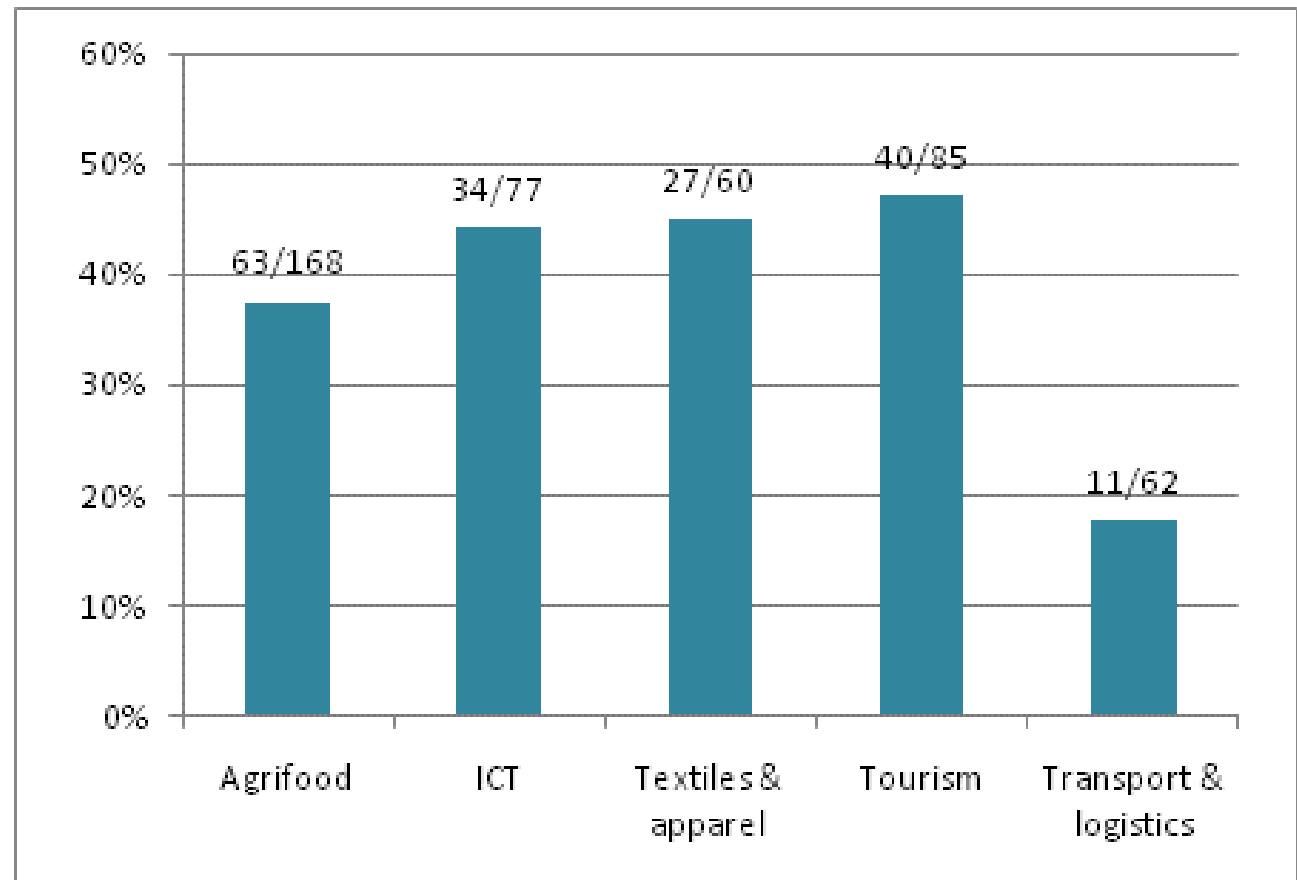
SUPPLY CONSTRAINTS

Standard
compliance

Cumbersome
custom
procedures

Skills Gaps

SHARE OF SUPPLIERS INDICATING LABOUR FORCE SKILLS AS A MAIN NATIONAL SUPPLY SIDE CONSTRAINT AFFECTING THEIR ABILITY TO ENTER ESTABLISH AND MOVE UP VALUE CHAINS



**SMEs CONSIDER ACCESS
TO SKILLS A MAJOR
SUPPLY CONSTRAINT**

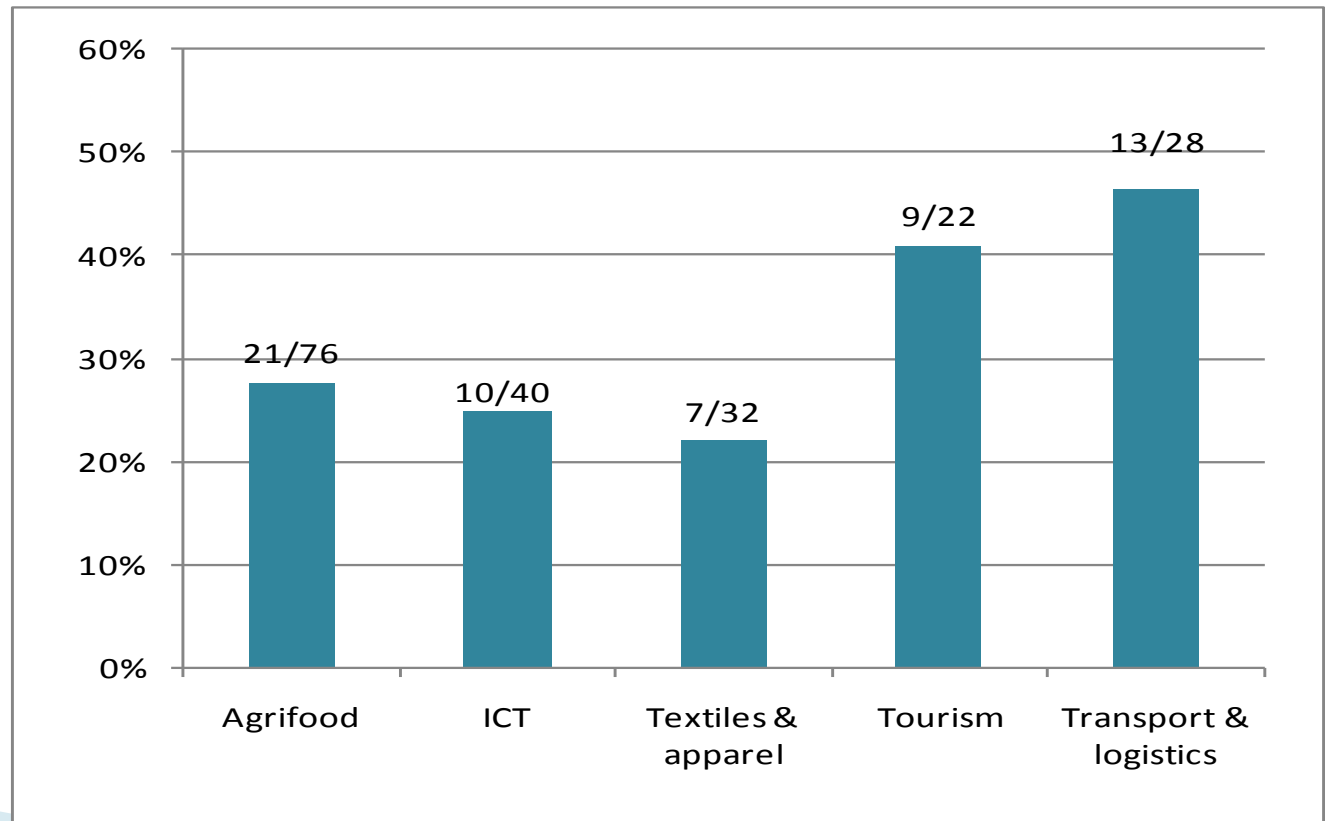
TOP THREE NATIONAL SUPPLY CONSTRAINTS FOR SME SUPPLIERS

Value chain	Top three national supply side constraints	Replies by suppliers	
		Share (%)	Number
Agrifood	1. Access to finance	59	35
	2. Insufficient local supply capacity	42	25
	3. Labour force skills	42	25
ICT	1. Lack of labour force ICT skills	48	11
	2. Access to finance	43	10
	3. Unreliable power infrastructure	35	8
Textiles and apparel	1. Domestic business environment	57	16
	2. Access to finance	43	12
	3. Labour force skills	43	12
Tourism	1. Low labour skills	58	25
	2. Business environment	53	23
	3. Airport or port capacity and infrastructure	35	15
Transport and logistics	1. Inadequate airport, rail, road or maritime infrastructure	57	12
	2. Lack of transparency in regulatory environment	48	10
	3. Informal controls and corrupt practices	43	9
	10. Labour skills	19	4

Source: OECD-WTO AFT monitoring survey

**LACK OF LABOUR FORCE
SKILLS IS AN OBSTACLE
TO INVESTMENT BY
FOREIGN FIRMS**

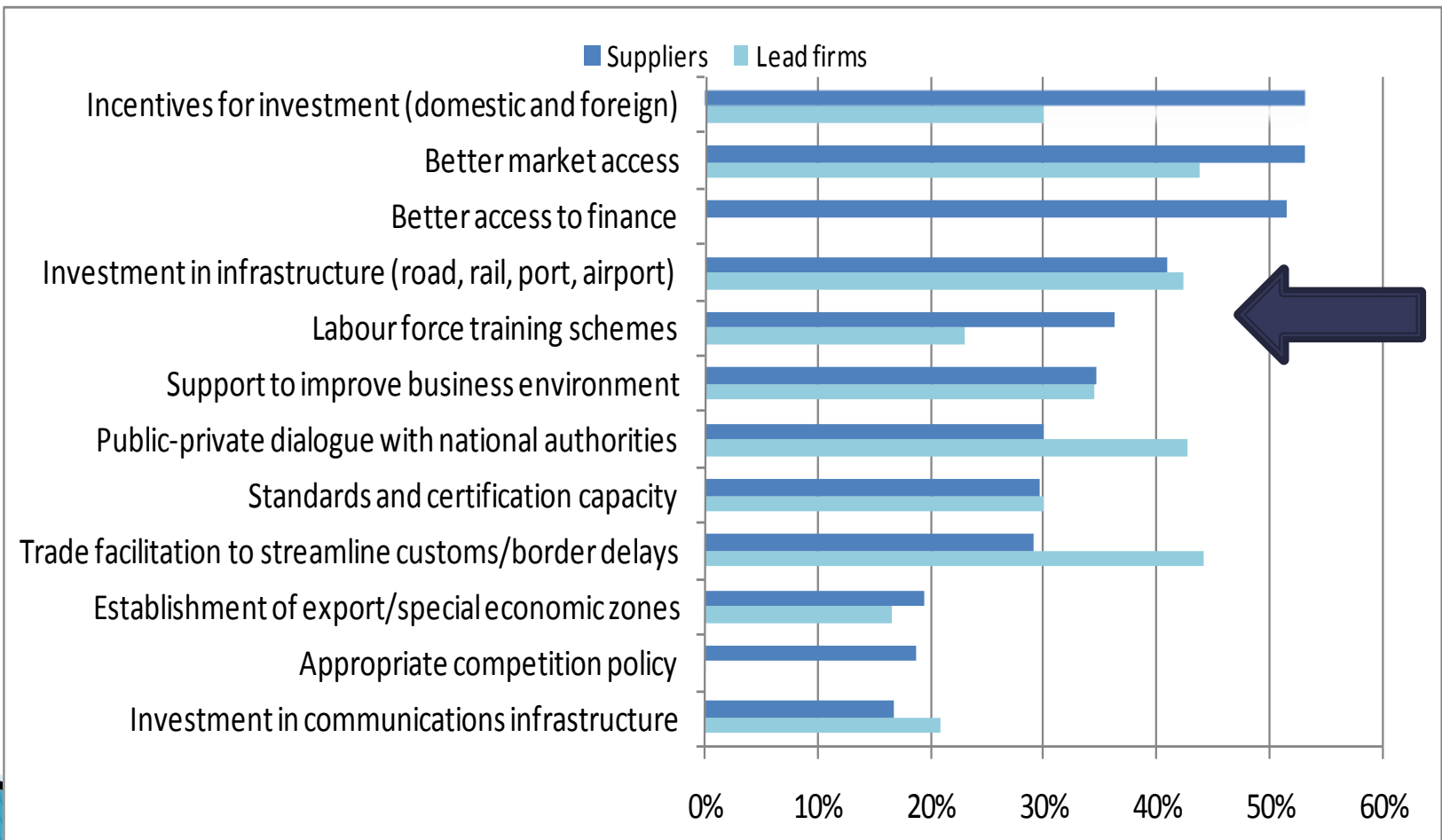
SHARE AND NUMBER OF LEAD FIRMS INDICATING LABOUR FORCE SKILLS AS TYPICAL OBSTACLE WHEN ESTABLISHING A COMMERCIAL PRESENCE IN DEVELOPING COUNTRIES AND LDCS





**SUPPORT FOR LABOUR
SKILLS DEVELOPMENT IS
CONSIDERED AN
EFFECTIVE TYPE OF AID-
FOR-TRADE SUPPORT**

MOST EFFECTIVE TYPES OF SUPPORT AS INDICATED BY SUPPLIERS AND LEAD FIRMS



AID-FOR-TRADE SUPPORT TYPES THAT ARE CONSIDERED AS VERY EFFECTIVE BY PARTNER COUNTRIES IN ASSISTING FIRMS TO ENTER OR MOVE UP VALUE CHAINS BY INCOME GROUP

Support type	All partners		LDCs		LMICs		UMICs	
	Number	%	Number	%	Number	%	Number	%
Infrastructure development support	68	85	35	97	19	100	12	57
Support for labour skills development	58	73	26	72	14	74	17	81
Support to improve business climate	54	68	24	67	15	79	13	62
Trade promotion and market analysis	45	56	18	50	11	58	13	62
Investment promotion support	42	53	22	61	8	42	10	48
Business development	42	53	18	50	8	42	14	67
Support for financial services	39	49	23	64	9	47	7	33
Direct sectoral support	35	44	18	50	7	37	8	38
Support for export processing zones	19	24	10	28	6	32	3	14

TO CONCLUDE



- ▶ The OECD-WTO AFT monitoring survey confirms that skills are a major supply side constraint for SMEs;
- ▶ This is in particular the case in sectors with rapid technological change (e.g. ICT) and in sectors characterized by frequent employee-client contact (e.g. tourism);
- ▶ Technical assistance in the field of education and training can play a powerful role in helping suppliers in developing countries to increase competitiveness and to connect to value chains.