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Women empowerment through trade

A few ideas and thoughts for a way forward

A presentation to: IORA Women Economic Empowerment event
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Date: 25 August 2015

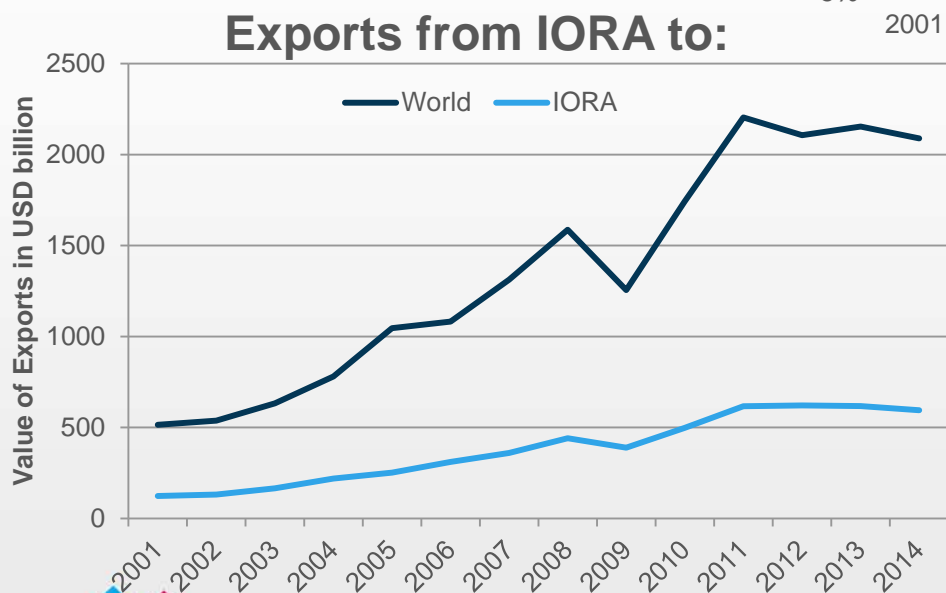
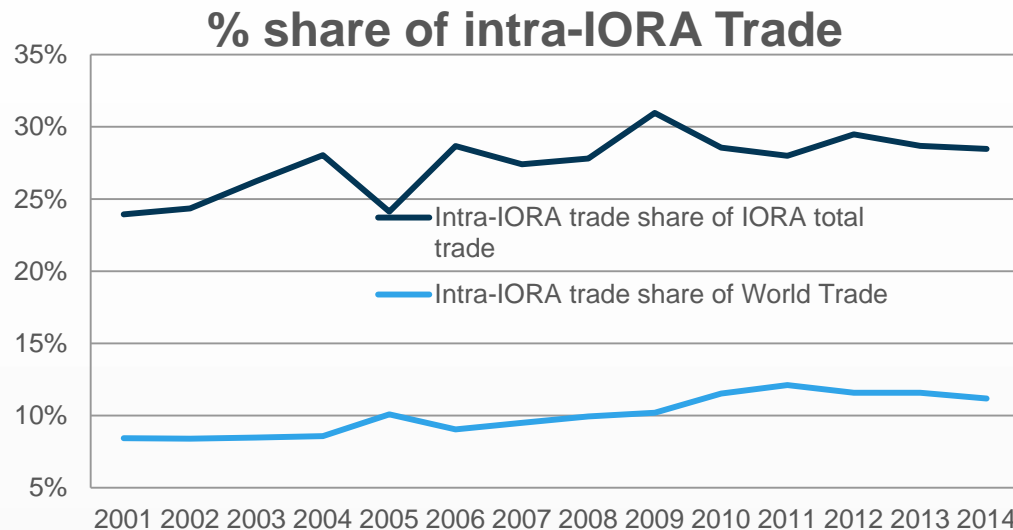


Introduction

- Promotion of women economic empowerment entails having markets for those products and services.
- Medium- and large-sized Women Business Enterprises require moving beyond local markets.
- But... what is the potential for growth of WBEs through trade in the region?

Intra-IORA trade has been growing:

- Upward trends
- Intra-IORA share peaked in response to the 08-09 slump in World Trade

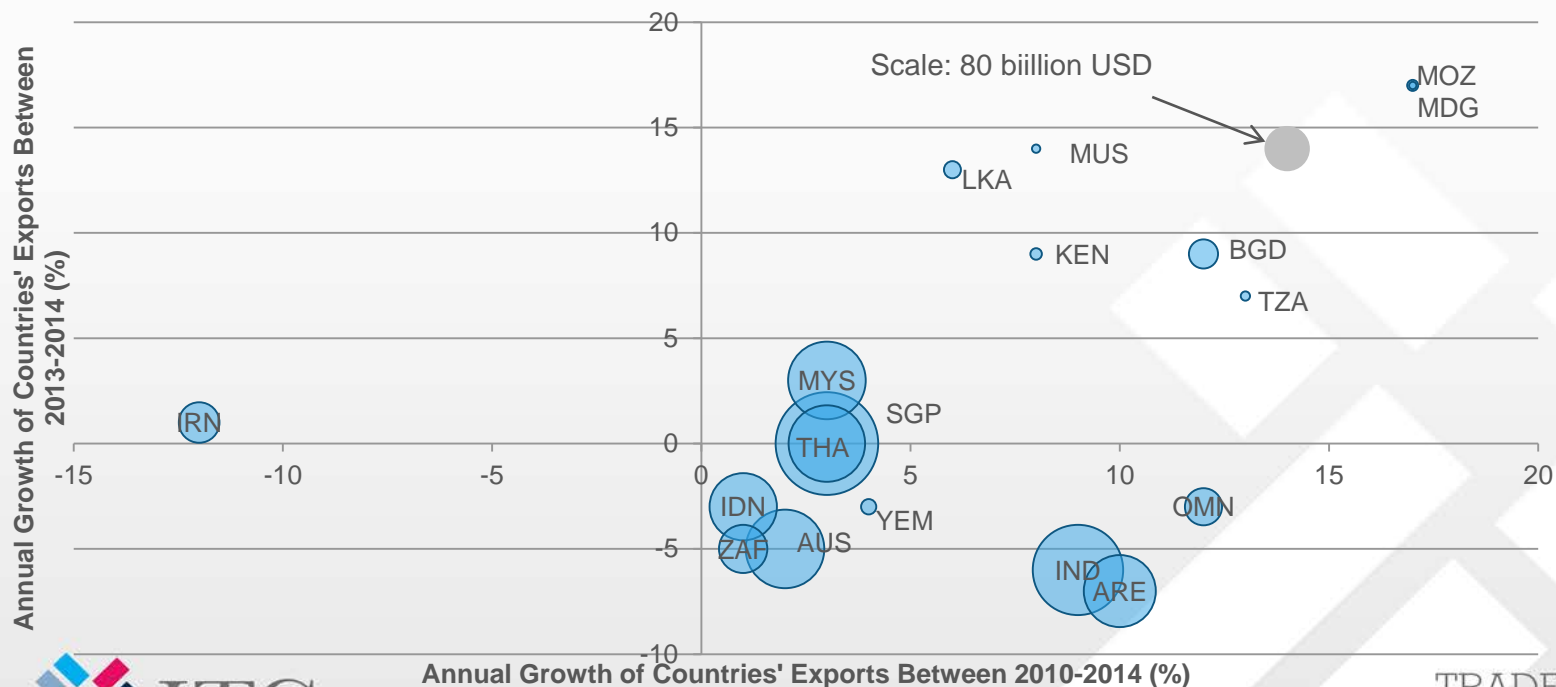


- Upward trends
- Intra-IORA trade was more resilient to the 08/09 slump

... especially for the smaller countries

- More integration among IORA members would be especially beneficial to the smaller exporters
 - Upwards trend is visible in the medium (5 years) run for all IORA countries except Iran
 - The smallest countries have been growing remarkably fast, and are maintaining their momentum as the larger countries' performance is falling.
 - Slump in the last year is not unique to IORA, the entire world trade slumped in the last few years.

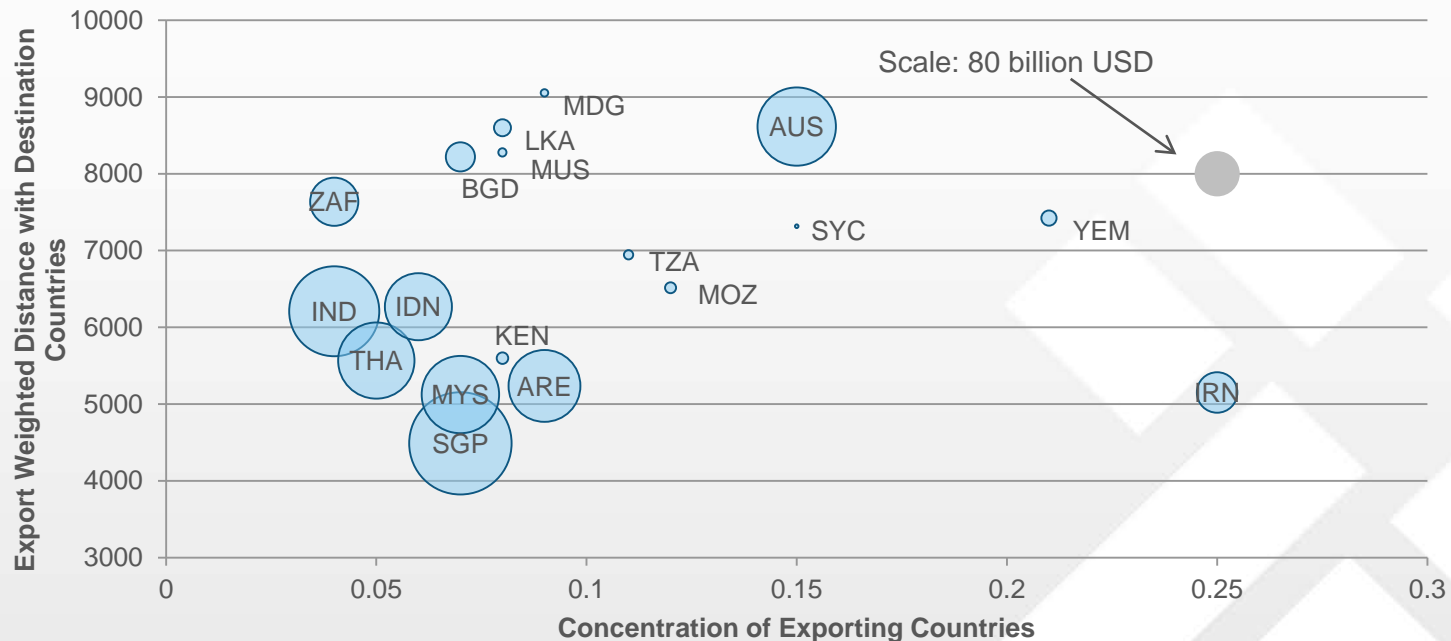
Growth of IORA countries' Exports



Much potential for integration: destinations

- Low Herfindahl index, so the larger exporters are already fairly diversified in destinations (IORA average = .1, world average = approx. .2)
- But High WEIGHTED Average distance (world is about 4633 km from the ITC TradeMap), i.e. IORA countries trade more with partners that are far away.
- Shows countries that are closer to their partners have larger volume of exports, so again integration would be more beneficial for the smaller countries.

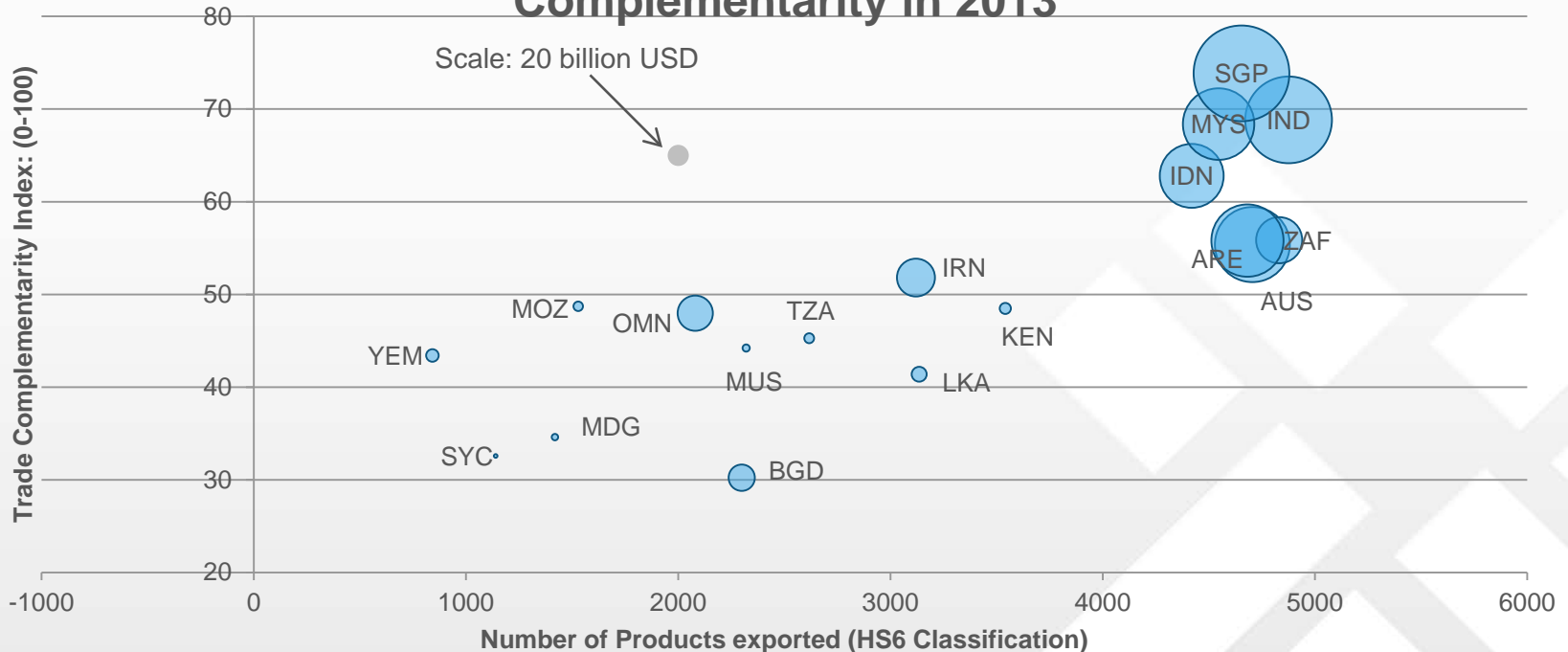
Concentration of Export Destinations and Weighted Distance of Exports in 2014



Much potential for integration: products

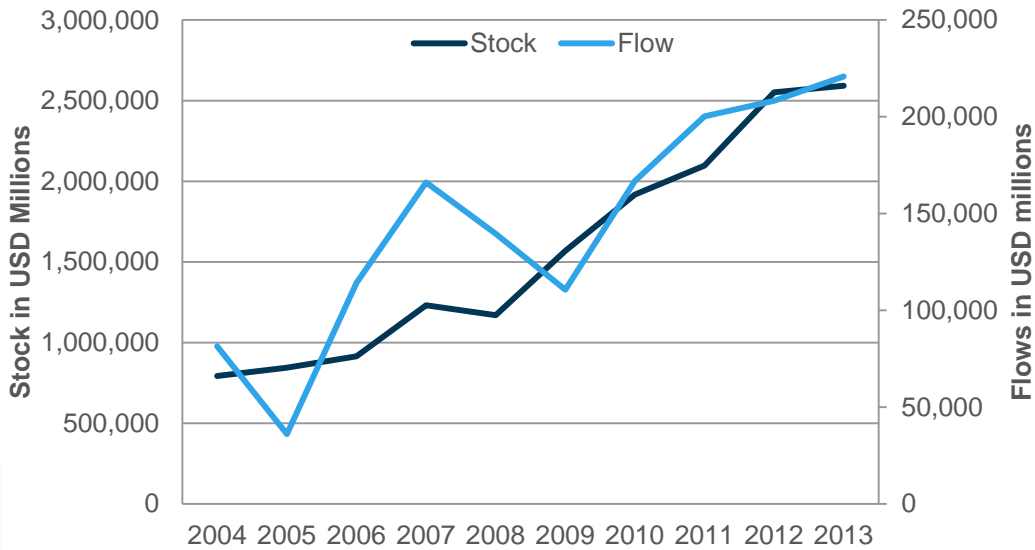
- The large exporters of IORA are exporting a large variety of goods that match well the type of goods that are imported by IORA as a whole, (this is what the trade complementarity index measures)
- Further Integration could allow the smaller exporters to diversify the baskets of goods which they are exporting.

Number of Products Exported and Trade Complementarity in 2013



FDI to IORA region is interesting...

IORA Total Inward FDI

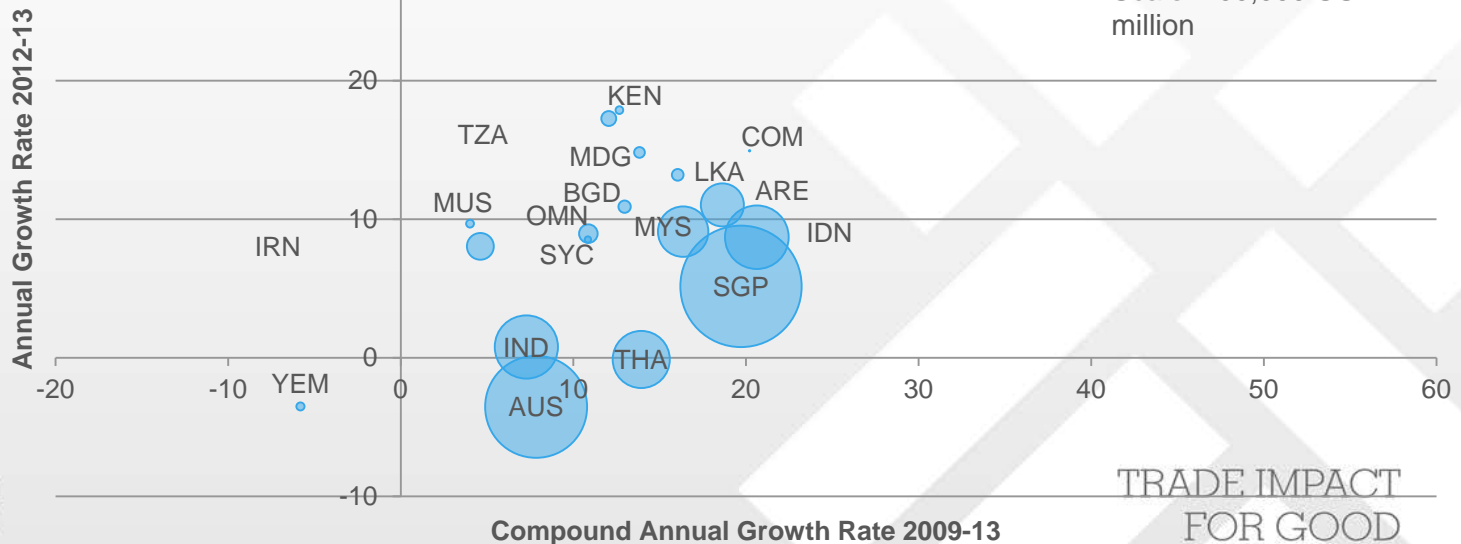


The IORA region attracts substantial and growing amounts of FDI...

Inward Stock of FDI: IORA 2009-2013



... and smaller countries have growth rates more interesting than the larger countries.



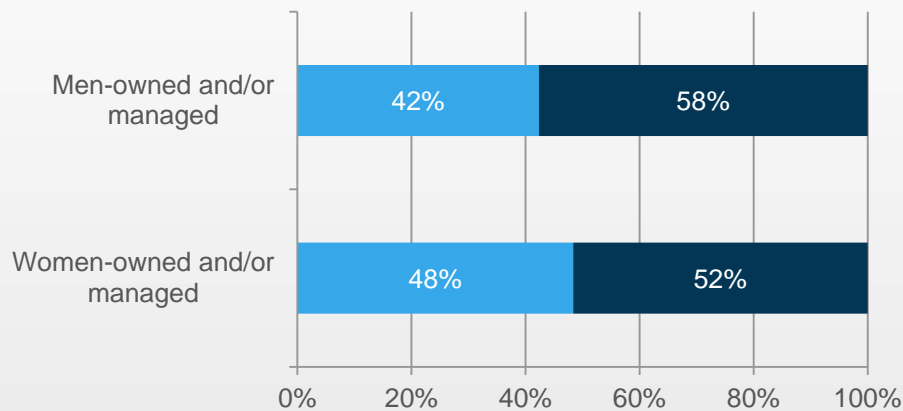
So, positive outlook for IORA

- Potential for gains from trade for smaller IORA countries is large:
 - From general trade opportunities;
 - From more intra-IOA trade in particular.
- Intra-IOA FDI has a strong potential for increased benefit for smaller countries in the region.
- But...
- ... no information on women-owned companies!
 - Existing potential for increased trade and investment is gender-blind.
 - But trade is not gender-blind as such.
 - The region is NOT gender-blind.

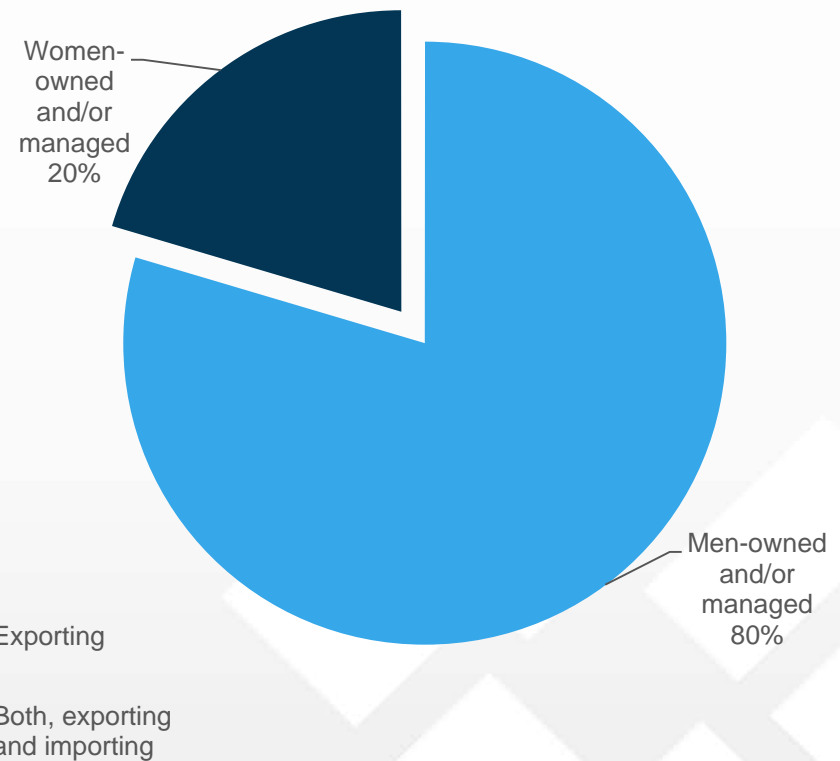
WBEs are becoming active in trade...

Research by ITC shows WBE exporters are fewer than men-owned or –run companies, and they tend to be less sophisticated – they tend to export and import less than men-owned or –run.

% share of exporters and exporters-importers

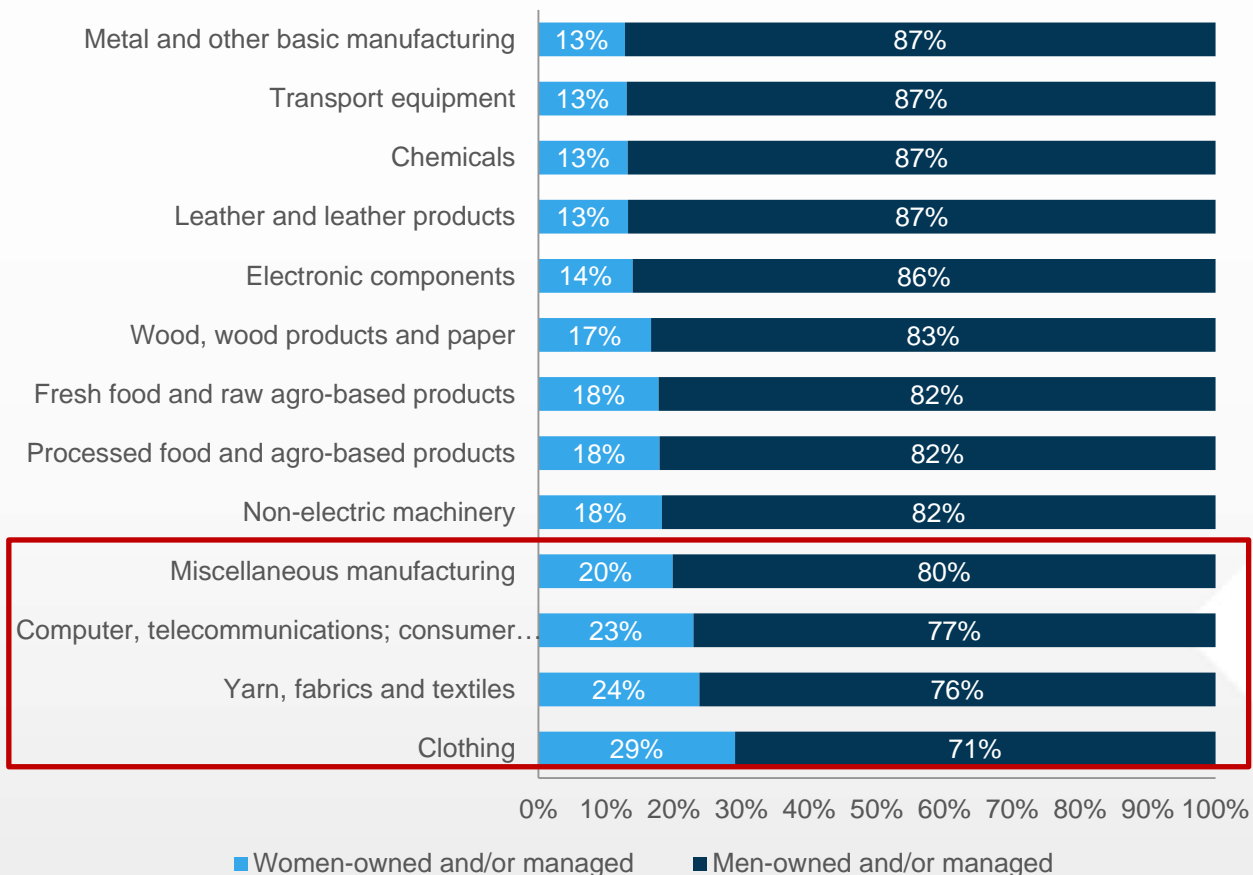


% share of exporters



...WBEs concentrate in specific sectors...

% share of WBEs in exporters per industry



It is no surprise that women-owned companies tend to concentrate in 'traditional' sectors (*although 'computer, telecommunications...' is interesting and unexpected*)

...and are more prevalent in certain countries

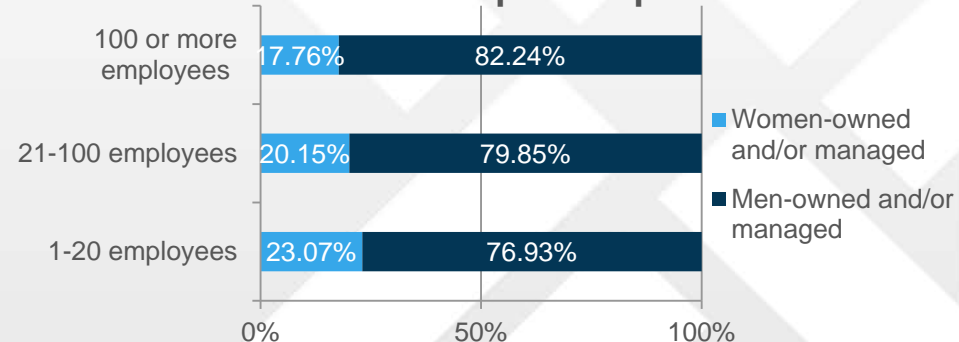
% share of WBEs in exporters per country/region

	Women-owned and/or managed	Men-owned and/or managed
Americas	27%	73%
Asia	16%	84%
Indonesia	17%	83%
Sri Lanka	12%	88%
MENA	21%	79%
West Africa	14%	86%
East Africa	24%	76%
Kenya	46%	54%
Madagascar	36%	64%
Mauritius	22%	78%
Tanzania (United Republic of)	8%	92%

Differences in prevalence of WBEs across countries and regions are vast...

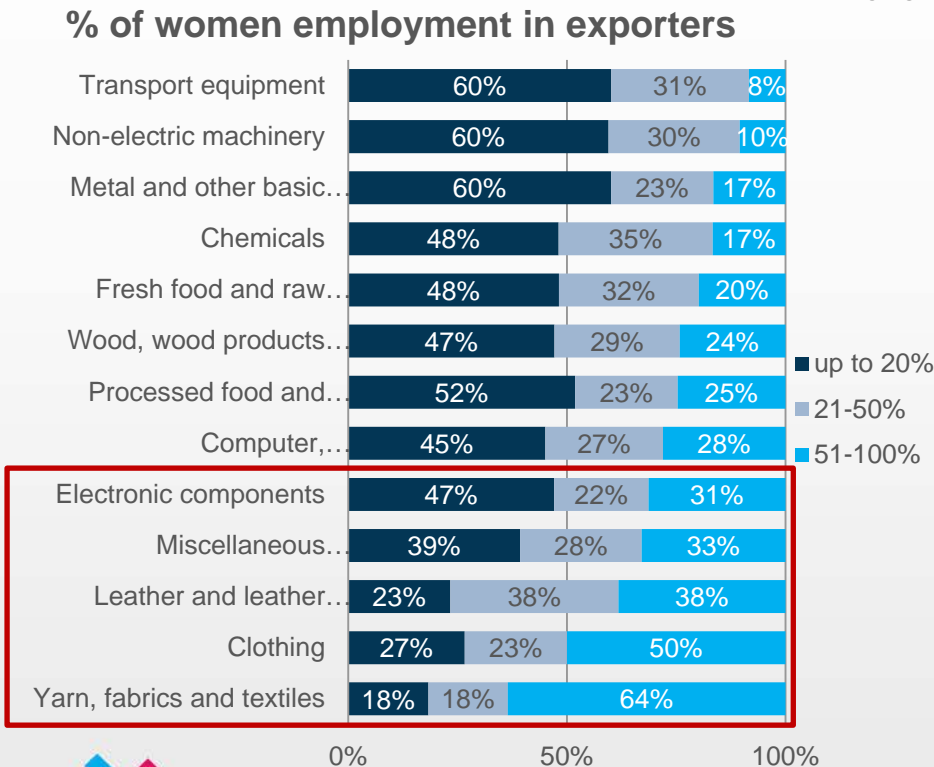
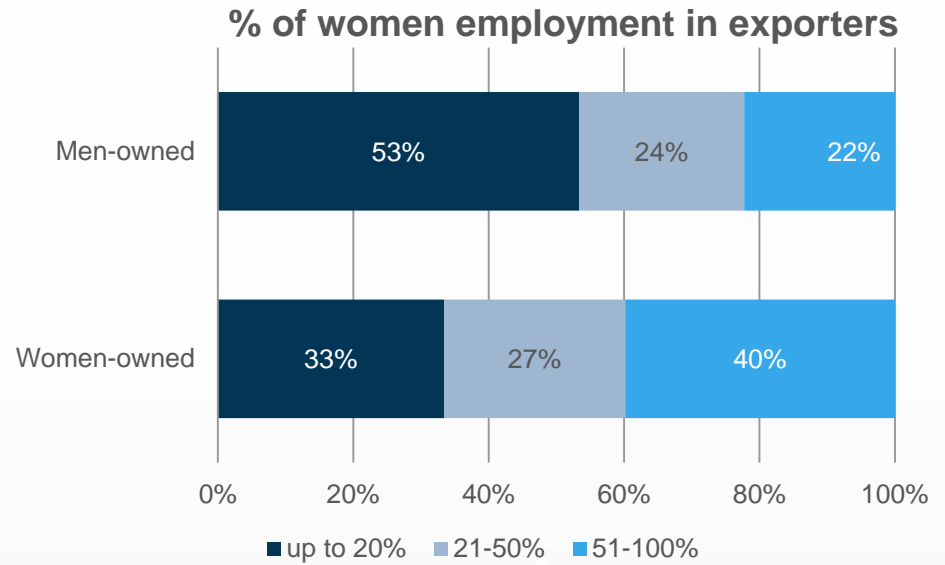
... but also tend to be smaller on average than men-owned or-run companies

% share of WBEs in exporters per size



Employment of women is also concentrated

WBEs tend to generate more women employment than men-owned companies...



... but that is mostly due to the nature of the industry: women are employed mostly in the traditionally “women labour intensive” industries (even if the electronic components industry is interesting and unexpected)

So...

- WBEs tend to be smaller than men-owned or men-run companies.
- They tend to be concentrated in traditional women-centric sectors.
- They tend to generate more women employment because of the nature of the sectors.
- Yet...

- Some unexpected sectors are important for WBEs: computers, telecommunications, electronic components, etc.
- Strong potential benefits from intra-regional trade and investment exist in IORA.

So what next...

- Need for specific programmes to promote intra-IORA trade for WBEs, because of specific characteristics;
- Need to work with WBEs to help them gain access to markets;
- Need to work with TIPOs in the region to help them develop programmes specifically for WBEs:
 - Development – build competencies and capacities.
 - Promotion – get WBEs in contact with potential buyers/investors.
 - Strengthening – building up the TIPOs to do their job well.



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ITC – DFAT – WIGB-Austrade IORA Project

Economic Empowerment of Women in the Indian Ocean
Rim Association Countries – a brief



ITC-DFAT-Austrade IORA Project

Objective: Increase the participation of export-ready Women Business Enterprises in international trade and investment.

Target countries: Australia, Indonesia, Kenya, Sri Lanka

Final beneficiaries: Export-ready Women Business Enterprises in the target countries

Direct beneficiaries: Trade and Investment Promotion Organisations:

- Sri Lanka Export Development Board
- Kenya Export Promotion Council
- Indonesia National Agency for Export Development

Project partners:

- Austrade
- United Nations Global Compact
- buyers/corporations.

Project duration: Three years (possible extension according to funds availability)

Four key components

- Buyer engagement
 - Leverage the ITC-led Global Platform for Action on Sourcing from Women Vendors to engage corporations as buyers and/or investors targeting WBEs in the region.
- TIPO institutional strengthening
 - Strengthen the capacity of Trade and Investment Promotion Organisations in target countries to deliver services that effectively address local WBE needs, and organise effective business generation activities.
- WBE competitiveness strengthening
 - Strengthen TIPOs to address, with appropriate partners, the needs of WBEs so they can ensure they are export-ready.
- Business generation
 - To ensure WBEs from participating countries actively and effectively participate in business generation activities among the four participating countries