



Enabling Trade - Valuing Growth Opportunities

In collaboration with Bain & Company and the World Bank

See full report for more details:

http://www3.weforum.org/docs/WEF_SCT_EnablingTrade_Report_2013.pdf

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- **Bain partnered with the World Economic Forum and the World Bank** to build the *Enabling Trade – Valuing Growth Opportunities* report under the WEF's Enabling Trade Programme
- The Enabling Trade Programme aims to **foster a supply chain approach to trade negotiations** by quantifying the impact of supply chain barriers
- The work is **informed by the WEF Global Enabling Trade Report**
- The report was launched at the World Economic Forum's **Annual Meeting 2013 in Davos, Switzerland**



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Executive Summary (1/2) – Main Lessons

- We examine **supply chain barriers to trade** by **combining a macro-economic analysis with 18 in-depth company case studies**, resulting in insightful lessons for governments and companies
- A. Reducing supply chain barriers to trade could increase GDP up to six times more than removing tariffs. They have been under-managed by both countries and companies**
- Reducing supply chain barriers to trade could increase GDP by nearly 5% and trade by 15%
 - Reducing barriers benefits households by lowering prices and improving employment prospects
- B. Trade increase from supply chain barriers reduction can be achieved only if specific “tipping points” are reached**
- The effects of reducing barriers are not gradual; changes occur when tipping points are reached
 - A barrier’s consequences vary by industry
 - Barriers are harder to overcome for smaller businesses
 - Clear regulations and better coordination among agencies are needed
- C. Recommendations to countries and companies – the devil is in the details**
- Governments need to remove relevant set of barriers for their industries. They should be aware that certain companies have a vested interest in preserving barriers
 - Companies may not recognize costs where they should



Executive Summary (2/2) – Policy Implication: Think Supply Chain!

- **World Bank** provides a set of **policy implications** based on main insights
- **Create a domestic agenda to improve national supply chain performance**
 - Create a national mechanism to set policy priorities for improving supply chain efficiency based on objective performance data and feedback loops between government and firms
 - Create a focal point within government with a mandate to coordinate and oversee all regulation that directly affects supply chain efficiency
 - Ensure that SME interests are represented in the policy prioritization process and that solutions are designed to address specific constraints that impact SMEs disproportionately
- **Several options for international cooperation**
 - Whether through multilateral or regional agreements, governments should agree to pursue a whole of the supply chain approach to negotiating barrier removal
 - Launch a global effort to pursue conversion of manual and paper-based documentation to electronic systems, using globally agreed data formats



Policy implication: *Think Supply Chains!*

