Overcoming Barriers to Export

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• During presentations (14:00 – 14:30) everyone will be muted so that only the presenters will be heard.

• The presentation will be followed by a Q&A session. Click on the hand symbol to show that you have a question.

• If you are experiencing any technical problems please call 0207 344 1611 or 07793 773391
Mike Josypenko
Director of Special Projects
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A historical perspective

Winning the Export Battle requires:

Intelligence

Strategy

Tactics
Obstacles to Exporting

- Issues faced by exporters:

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Legal, tax &amp; regulatory standards</td>
<td>27%</td>
</tr>
<tr>
<td>Customs procedures &amp; paperwork</td>
<td>27%</td>
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<tr>
<td>Getting paid, and enforcing contracts</td>
<td>23%</td>
</tr>
<tr>
<td>Language &amp; culture issues</td>
<td>17%</td>
</tr>
<tr>
<td>Identifying clients, partners, building relationships</td>
<td>15%</td>
</tr>
</tbody>
</table>

- Obstacles faced by large & small companies alike!

Source: UKTI Internationalisation survey 2013, (carried out by OMB Research)
Emerging or Established Markets?

- Asia overtaken USA as target market for exporters.
  (BCC Int’l Trade survey 2013, also IOD Export Trend survey 2012)
- China?
- Other Asian markets?
- Are they right for SMEs?
- Emerging markets perceived as having more barriers, but:
  - Many exporters report barriers in “established” markets *
  - 43% of SME exporters already do business in at least one “emerging market” *
  ( *UKTI Internationalisation survey 2013)
Barriers to Trade, or Obstacles?

Many perceived “barriers” to trade may not be deliberate strategies to prevent market access.

- Can be traditional practices...
  - “.. It’s always been done this way!...”
- Cumbersome or inefficient administration...
- Lack of understanding of different process in different countries...
- Or local misunderstanding or misinterpretation of outside circumstances.
Formal barriers

Tariffs, legislation, regulatory, standards.

- Usually dealt with at inter-governmental level
- Can be slow / lengthy process
- Often easiest to work around
  - Set up local assembly?
  - Work in JV?
- Large companies / multinationals are usually able to overcome these,
  - Rewards are high enough to justify effort
- What about SMEs?
- SMEs can overcome obstacles, but need to:
  - invest in skills and knowledge
  - act strategically
The Value of Knowledge

- Provides systematic basis for market research,
- Allows you to anticipate obstacles and barriers,
- Allows you to develop effective market strategy,
Access to knowledge & skills

Problem faced by companies of all sizes:
Large / multinationals have resources to acquire skills.
SMEs often have limited resources & time – need input from external organisations:

- UK Trade & Investment: business schemes & support, access via Embassy network,
- Trade Associations – SMMT: Provide sector specific information, support,
- General export skills?

The Institute of Export can help!
Export Skills

Understanding export finance – payment mechanisms;
Understanding tariffs, duties, customs strategy;
Understanding how to protect your IP;
Researching and analysing markets;
Understanding regulations,
Market entry & sales strategy;
Marketing skills;
Legal & contractual;
Pricing, distribution / logistics
Market visits (exhibitions, missions, sales visits);
Institute of Export

- The Institute of Export can help you meet all of your export and international trade training requirements.

- Offer courses to suit all levels of knowledge you require:
  - completely new to international trade
    - Starter courses, “Search for Knowledge”.
  - updating your knowledge and skills
    - Intermediate, management courses

- The only professional body in the UK offering accredited training courses in export, import and international trade.
10 Reasons why Training in Exporting is good:

- Getting it right
- Employee satisfaction and retention
- Managing effectively
- Less need for supervision
- Knowledge transfer
- Future-proofing
- Keeping up to date
- Enhancing your company image
- Flexibility and Efficiency
- Looking after yourself
Education & Qualifications

IOE offers educational qualifications in international trade at various levels:

- Certificate in International Trade (Entry level),
- Advanced Certificate in International Trade,
- Diploma in International Trade,
- Foundation Degree in International Trade,
- (in conjunction with Anglia Ruskin Uni),
- User friendly remote learning format – fits conveniently around work commitments.
Typical Content

Certificate in Int’l Trade
  – Fundamentals of International Business
  – Introduction to International Trade Management
  – Global Marketplace
  – International Transport & Documentation

Diploma In Int’l Trade
  – International Marketing Strategy
  – International Logistics & Purchasing
  – Management of International Trade
  – Practical Global Trading
New Qualification module, Covers:

- History & Structure of Regulatory Bodies
- Int’l Conventions & Instruments.
- Structure of Tariffs & Tariff Controls
  - Tariffs, valuation, rules of origin, security
- European Union
  - Customs codes, administration, tariffs, tariff measures, trade agreements,
  - Authorised Economic Operator
- HMRC
  - History, making declarations, Customs Procedure Codes
  - Storage, duty relief & suspensions, transit.
  - Export / Import Licencing
Benefits of IOE membership

IOE Membership gives access to:
- Discounts on IOE training and qualifications,
- Experts in international trade,
- Dedicated member export helpline service,
- Guru Online
- Plus numerous other benefits

Membership open to
- Individual members,
- Business Members,
- Corporate members.
Institute of Export & International Trade

“Promoting Professionalism in International Trade”

To find out more, visit:

www.export.org.uk
Questions and Answers

Please click on the hand symbol to raise your hand if you have a question.

Please ensure that you are connected to the audio to ask a question.

Alternatively, you can type your question.

Email: memberservices@smmt.co.uk with your questions after this session.

Slides emailed to participants after this session