TPO Network World Conference and Awards 2016

READINESS AND RISK – PREPARING FOR THE UNIMAGINED

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Speakers

Mr. Olusegun Awolowo, Chief Executive Officer, Nigeria Export Promotion Council
Ms. Aziza Htira, President Director-General, Tunisia Export
Mr. Caleb Jarvis, Trade Commissioner, Pacific Islands Trade & Invest, Australia
Mr. Sung Gi Lee, Director of Planning and Coordination Department, Korea Trade-Investment Promotion Agency

Moderator

Ms. Pennie Hurndell, Senior Benchmarking Officer, Trade and Investment Support Institution Strengthening Section, ITC

CONCLUSIONS

- Trade and support investment agencies are critical partners in helping small and medium-sized enterprises (SMEs) cope with risk, as they do not have the resources to pursue solutions. SMEs are essential to a nation’s economic recovery, as was proven during the economic crisis in 2008.
- Some risks can be anticipated, such as the impact of commodity price crashes, for example the oil price in Nigeria, and climate change in the Pacific. ‘Black swans’ include the risk to tourism created by civil unrest and terrorism, for example in Tunisia. Both Nigeria and Tunisia developed export diversification strategies to mitigate risk.
- Stakeholder engagement is critical to mitigating risk. Collaboration with the private sector and SMEs in particular helps to understand the effect of crises. Partnerships are needed with civil society, the public sector, and collaborative partners such as international organizations which offer financial and expert support to craft and implement effective solutions.

QUOTES

Olusegun Awolowo, Chief Executive Officer, Nigeria Export Promotion Council

- Strengthening our institutions is a key first step to ensure readiness and responsiveness to risk.
- In the face of falling commodity (oil) prices, export diversification programmes based on a ‘zero oil plan’ are necessary, drawing on best practices from countries having survived similar situations.
- SMEs are vital for any country in recession. They are the drivers of growth and creators of jobs.

Aziza Htira, President Director-General, Tunisia Export

- Risk and contingency management in government institutions should be the norm, not the response to emerging risks. Institutions must adapt their tools and strategies to ensure readiness.
• Our capacity to anticipate and respond to risk is essential to survival of SMEs and stability of the economy in times of turmoil.

Caleb Jarvis, Trade Commissioner, Pacific Islands Trade & Invest, Australia

• When cyclones, storms and other climatic events occur, small businesses suffer tremendously, hence the economy suffers. We must anticipate what SMEs need during crisis and how to service those needs.
• For climate sceptics out there, they only need to look at what’s happening in the Pacific to know that the climate really is changing.

Sung Gi Lee, Director of Planning and Coordination Department, Korea Trade-Investment Promotion Agency

• Risk management should be embedded in the organization, but it should not be simple and passive. With growing uncertainty, there is a need to design a proactive risk management system focused on improving three aspects: ownership and governance; pro-activeness and agility; and information sharing and collaboration with stakeholders.
• The Korean Trade-Investment Promotion Agency consulted stakeholders to define seven risk categories: disaster risk; government policy risk; budget risk; business risk; operation risk; public relations risk; and information security risk.
• We can use four steps to anticipate and mitigate risk: recognise, prevent, respond, and restore.

RECOMMENDATIONS

• Institutions need to develop and implement systems, including scenario planning and response to risk.
• Understand what SMEs need when risk becomes reality and results in crisis; address SME needs.
• Develop partnerships with countries and organizations that have experienced risks and crises to facilitate learning lessons that can be used in developing mitigation strategies and solutions.