



International
Trade
Centre

TRADE IMPACT
FOR GOOD

SME Competitiveness Survey (SMECS)

Agriculture Value Chains

Presentation by: Marion Jansen

Date: 22 January 2018



Key objectives of the SMECS

Global Outreach: firms and institutions matter

- “Ultimately, only companies themselves can achieve and sustain competitive advantage” (Michael Porter, 1990)
- World wide, comparable, firm-level competitiveness data on SMEs
- Feed the ITC publications with up-to-date statistics on SMEs from around the world

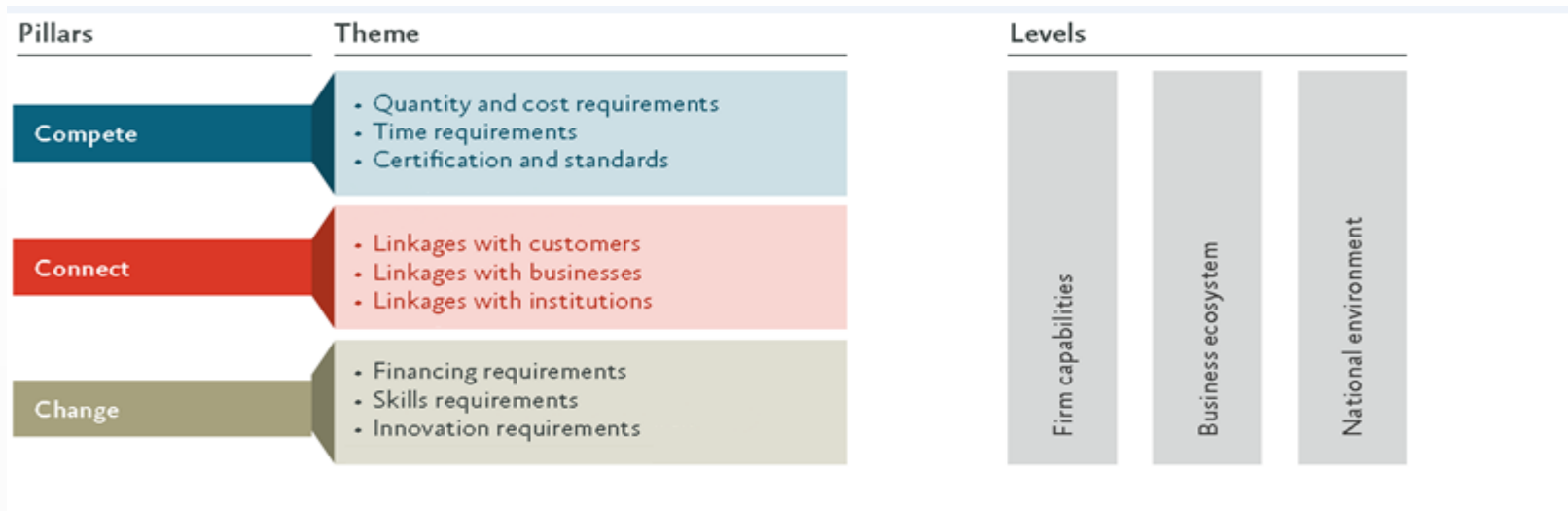
Corporate approach: getting ITC on one page

- **Connect , compete, change**
- « Competitiveness is the demonstrated ability to design, produce and commercialize an offer which fully, uniquely and continuously fulfils the needs of targeted market segments, while connecting with and drawing resources from the business environment and achieving sustainable return on resources employed»,

Project level: streamlined needs and impact assessment

- **One harmonized (but modular) survey**
- **One ITC data set**

The SME Competitiveness Grid



SME Competitiveness Surveys have been deployed in:

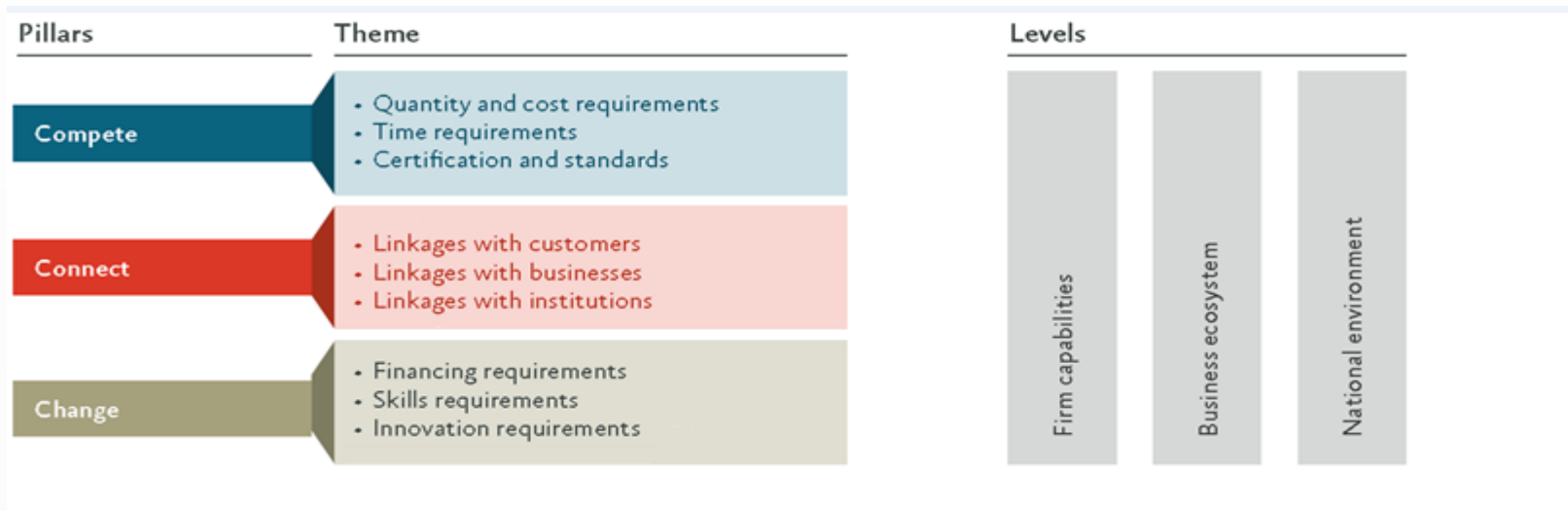
- Ghana (200), NTFII Kenya (23) and Uganda (42), SheTrades Indonesia (100) and Kenya (100), Morocco (200), Argentina (300), Gambia (110), Hungary (123), St Lucia (200)

Currently, the SMECS database contains data on **1327 enterprises** of which less than a quarter are active in the agro-food industry.

This is projected to rise to over 3000 by the end of 2018.



The SME Competitiveness Grid



SME competitiveness affects

- ⇒ Exports
- ⇒ Employment
- ⇒ Economic growth
- ⇒ Inclusiveness (young, gender)
- ⇒ Environmental sustainability



What can we learn from SME Competitiveness Surveys?

- Does it make a difference to be part of a value chain?
- Is agri-food different from other sectors?
- Do exporters behave differently from non-exporters?
- Differences between small and large firms?

Strengths and weaknesses at the country level:

- ⇒ To inform project design
- ⇒ To inform services portfolio of TISIs or policy change
- ⇒ To assess investment climate

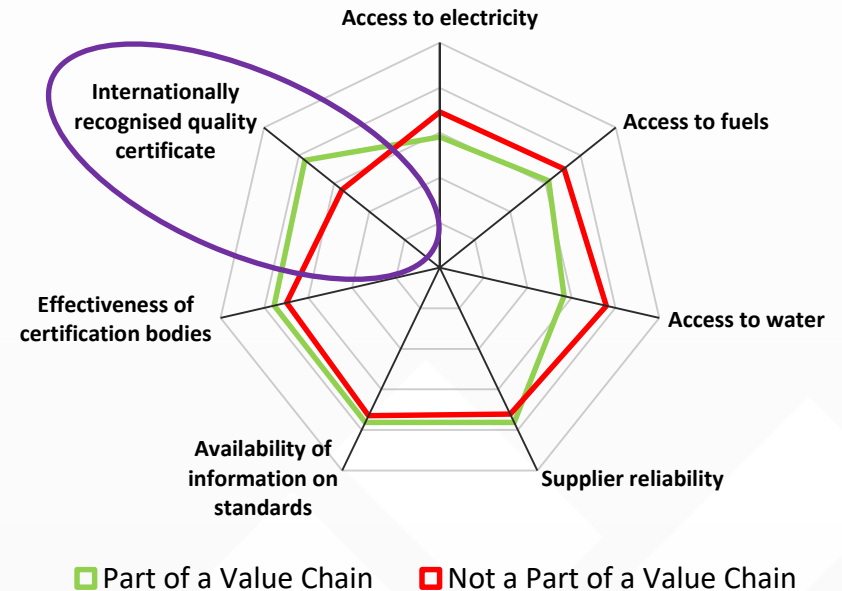
Agriculture and Food Industry sub-sample

Firm-size	Argentina	Gambia	Ghana	Hungary	Morocco	St. Lucia
Micro	12	4	17	5	3	19
Small	18	19	53	6	6	8
Medium	11	8	30	5	28	1
Large	3	9	0	4	18	0
NA	2	0	1	1	0	2
All	46	40	101	21	55	30

- Firms in the sample are evenly split between Agriculture and Food Industry

Results: Certification









- Firms in value chains are more likely to hold an internationally recognised quality certificate than firms outside these chains.



- In line with findings from previous work, where it is shown that under certain conditions the VCs help SMEs become certified via information and cost sharing.

What determines cost-sharing schemes?

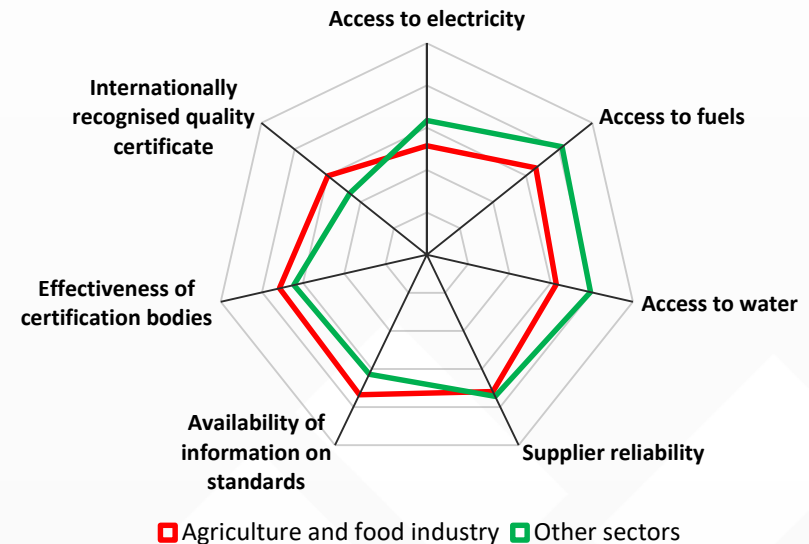
Probability of shared costs among suppliers, standards and supply chain players

If standard setters ...	Shared implementation costs	Shared certification costs
Involve buyers in standards management	 +23%	 +24%
Are ISEAL full members	 +52%	 +37%
Have headquarters located only in OECD countries	 +23%	 +21%
Are businesses, rather than not-for-profit organizations	 +36%	 +41%

Source: Social and Environmental Standards: Contributing to More Sustainable Value Chains

Agro food industry vs other sectors

- Agro food industry firms in the SMECS database report that access to electricity, fuels and water are a bigger problem than for other sectors.
- However, they have better access to information on standards, rate certification bodies more highly, and tend to hold internationally recognised certificates.

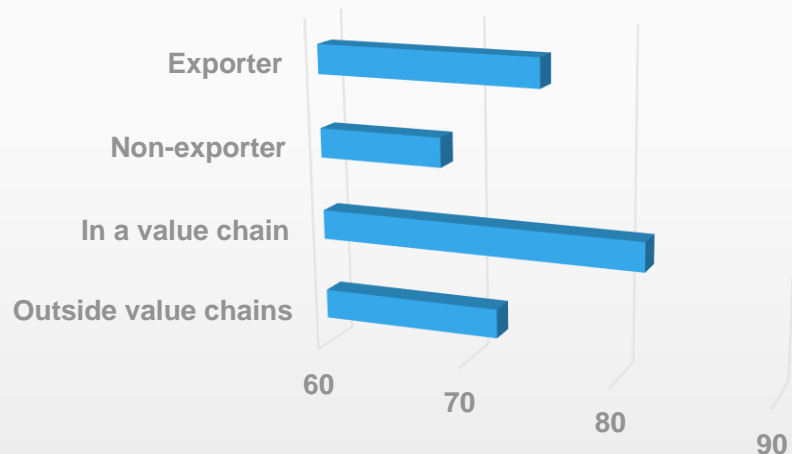


- In Africa, agro food industry firms were likely to hold some kind of product related quality certificate, but were unlikely to hold other types (e.g. ISO management)

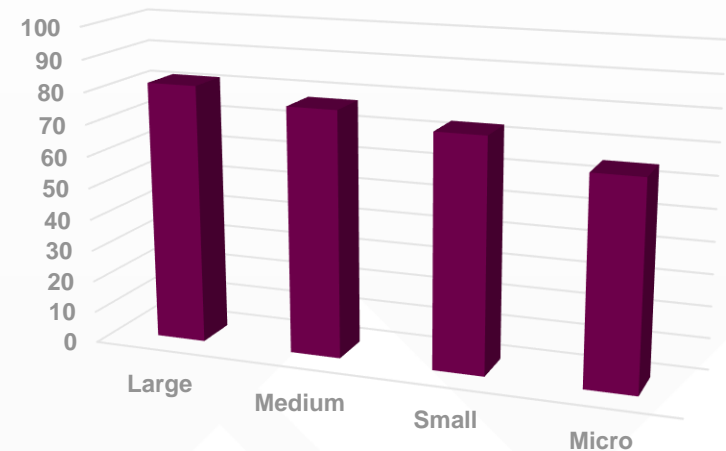
Exporter versus non exporter, large versus small

- According to the data, firm size is correlated with capacity utilisation. In other words, the bigger the firm the more efficient it is at use its resources in the agri-food sector.

Capacity Utilisation (%)



Capacity Utilisation (%)

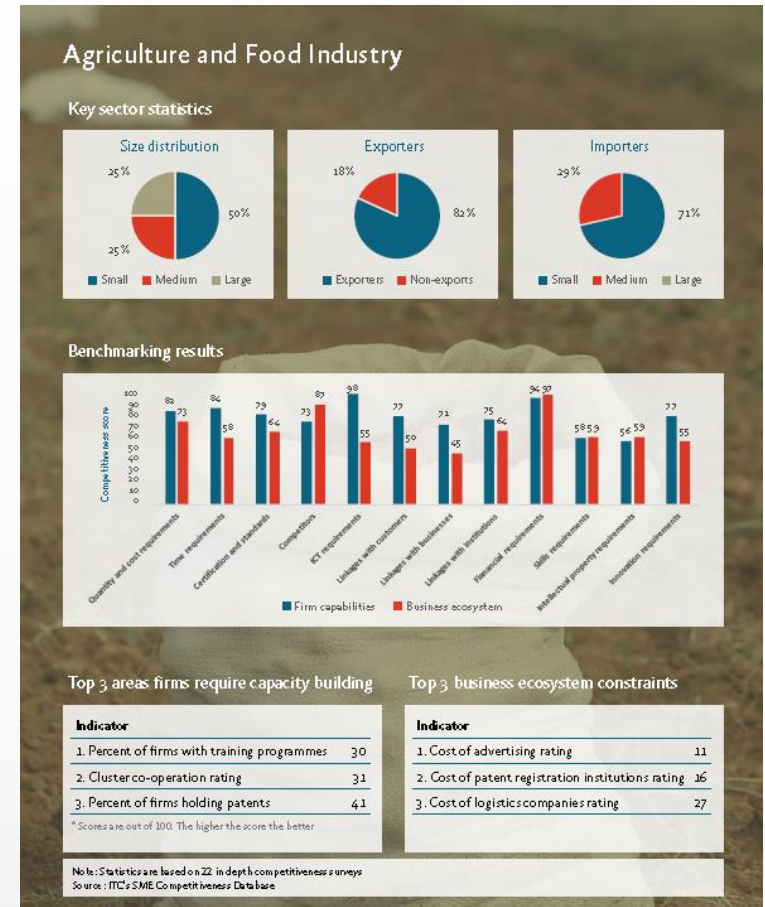


- Exporters have a high capacity utilisation compared to non-exporters
- Firms in value chains are more efficient than firms outside such chains.

Results: Spotlight on Hungary

Key findings

- Hungary's agriculture enterprises scored highly on meeting quantity and cost requirements.
- The survey asks companies to rate the cost and quality of logistics services companies. Findings show the quality is high, but they are costly to use.
- Agri food industry firms complain about the cost of advertising their products. Since these firms sell mostly into the EU, language requirements are often a bottleneck.



Source: SME Competitiveness in Hungary

Results: Spotlight on Ghana



SME COMPETITIVENESS IN GHANA

ALLIANCES FOR ACTION



In collaboration with

AGI
Association
of Ghana
Industries



Firm-level



Business ecosystem



TRADE IMPACT FOR GOOD

Upcoming SME Competitiveness Surveys

- More surveys are currently being planned
 - A second round of surveying in Ghana in collaboration with the Association of Ghana Industries
 - Data collection in Kenya with the Kenya National Chambers of Commerce and Industry
 - Surveying of selected firms from the NTFIV project
 - Data collection in the Ukraine under the National Export Strategy
 - And more!