ITC’s Market Analysis Tools

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ITC enables small business export success in developing countries by providing, with partners, trade development solutions to the private sector, trade support institutions and policy-makers.
### Market Analysis and Research

#### I. Market Analysis Tools
- Trade Map
- Market Access Map
- Investment Map
- Trade Competitiveness Map
- Standards Map

#### II. Tailored Analysis
- Trade Competitiveness Assessment
- Export Potential Assessment
- Export Opportunity Scan
- Sector Competitiveness Scan
- Customised analyses

#### III. Capacity Building and Training
- Introduction to Market Analysis
- Preparation of Market Profiles
- Training-of-Trainees
- Mentoring for Tailored Analyses
- Face-to-face and E-training
- Customised training

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### Market Analysis Tools

#### Trade Map
- Monthly trade statistics
- HS-6 digit products
- Trade indicators
- Direct and mirror statistics

#### Market Access Map
- Customs tariffs
- HS-6 digit products
- Tariff scenario simulations

#### Investment Map
- FDI statistics (total, country and sector breakdowns)
- Information on foreign affiliates

#### Standards Map
- Private voluntary standards
- Environmental, social, economic, ethical, traceability, quality standards

[www.itc-learning.org](http://www.itc-learning.org)
Market Analysis Tools – users (1/2)

Total number of user accounts, by level of development

Number of user accounts from developing countries including LDCs, by ITC’s region

Country location based on the user’s IP address location at registration.

Market Analysis Tools – users (2/2)

- Tata Group
- Novartis
- Avon
- Maersk Line
- Ford Company
- Shell Oil Company

- London School of Economics
- Lund University
- University of Sorbonne
- Shanghai University of Finance and Economics
- Harvard University

- Nielsen
- Euromonitor
- McKinsey
- Ernst & Young
- Boston Consulting Group

- JETRO
- Brazilian Trade and Investment Promotion Agency
- Ghana National Chamber of Commerce
- Dubai Chamber of Commerce
- OXFAM
For an improved identification of opportunities for FDI attraction

What is Investment Map

Launched in 2004

A joint undertaking

- Between the International Trade Centre (ITC) and the United Nations Conference on Trade and Development (UNCTAD)

- In partnership with:
  - Multilateral Investment Guarantee Agency (MIGA)
  - World Association of Investment Promotion Agencies (WAIPA)
Who?
Trade Support Institution
Investment Promotion Agency

Why?
Attractiveness of a sector
Identification of investors

What?
Harmonized information on
• FDI and Foreign Affiliates
• Trade

FDI – Foreign Direct Investment
Country A
FDInvestor
10% ownership

Country B
FDEnterprise
Potential impact of FDI

**Benefits:**
- Increased employment
- Upgraded infrastructure: utilities, logistics, business services
- Fast transfer of technology and managerial skills, that:
  - Increase labour productivity
  - Contribute to innovations
- Increased market competition: push for further innovation and efficiency
- Greater consumer choice at lower prices

**Risks:**
- Lack of sufficient technology transfer
- Enclave investment with no links to domestic economy
- Excess fiscal incentives jeopardize local investment
- Race to the bottom and unethical behavior:
  - Child labour employment
  - Cross-border "shipment" of environmentally costly activities

Measuring FDI

**FDI flows**
- It is the total amount of FDI undertaken over a given period of time, and it comprises:
  - **Equity capital:** purchase of shares of an enterprise in a foreign country (10% participation threshold)
  - **Reinvested earnings:** part of an affiliate's earnings accruing to the foreign investor that is reinvested in that enterprise
  - **Intra-company loans:** short- and long-term borrowing and lending

Source: Central Banks
Measuring FDI

FDI stocks

- It is the total accumulated value of foreign-owned assets and liabilities at a given time, and it comprises:
  
  The value of the share of capital and reserves belonging to foreign companies
  The net indebtedness with the parent companies

Source: Balance sheets or enterprise surveys

Coverage

- Total annual amounts of FDI (FLOW and STOCK) ~ 220 countries
- FDI sectoral and/or country breakdown ~ 110 countries
- Information on foreign affiliates 150,000 companies established in DCs
- Trade and Tariff data Over 185 countries
• Trade and investment are closely related, they have the potential to boost economic growth
• Investment analysis is required to identify adequate locations for investment. Moreover, it must be complemented by investment climate management and investment promotion.

Investment Map provides information to identify opportunities to attract FDI

**Data limitations - FDI**

• Difficult to capture due to intangibility of financial flows
• Level of aggregation varies due to confidentiality issues
• Countries that report often do so with considerable time lag
• International reporting practices (IMF, OECD) are not followed uniformly
  • all 3 components (equity, reinvested earnings, intra-company loans) may not be included
• Differences in time periods over which the FDI transactions were recorded
• Book value of FDI stocks
Data limitations - foreign affiliates

- Data on foreign affiliates vary from country to country
- Fields not systematically reported
  - Sales and number of employees
- Data available only for developing countries

Data limitations – classification

- FDI data cannot always be allocated accurately to a given industry or a given country
  - “Unspecified secondary” or “Unspecified European Union”
- Foreign affiliates are based on the United States nomenclature, US SIC87
  - Its conversion to the ISIC nomenclature can only be approximate
- Trade data (HS 6 digit level) are converted into the ISIC classification
  - Hybrid group called “mixed goods (trade data)”
The main modules of Investment Map

Host country

Industries

Sector breakdown
### Country Breakdown

#### Investment Inflow to Country "Mauritius" in the Sector "Total (merchandise & services)"

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>453.1</td>
<td>285.2</td>
<td>401.3</td>
<td>367.7</td>
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<tr>
<td>India</td>
<td>150.5</td>
<td>33.2%</td>
<td>48.4</td>
<td>17.0%</td>
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<tr>
<td>France</td>
<td>93.8</td>
<td>20.7%</td>
<td>10.4</td>
<td>3.6%</td>
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<tr>
<td>South Africa</td>
<td>51.9</td>
<td>11.5%</td>
<td>75.7</td>
<td>26.5%</td>
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<tr>
<td>Europe Other</td>
<td>47.7</td>
<td>10.5%</td>
<td>16.5</td>
<td>5.8%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>21.1</td>
<td>4.4%</td>
<td>35.5</td>
<td>10.5%</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>19.2</td>
<td>4.2%</td>
<td>14.5</td>
<td>5.1%</td>
</tr>
<tr>
<td>Other Africa</td>
<td>11.0</td>
<td>2.4%</td>
<td>12.4</td>
<td>4.3%</td>
</tr>
<tr>
<td>Singapore</td>
<td>9.3</td>
<td>2.0%</td>
<td>9.9</td>
<td>3.5%</td>
</tr>
<tr>
<td>China</td>
<td>9.1</td>
<td>2.0%</td>
<td>11.3</td>
<td>4.0%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>8.3</td>
<td>1.8%</td>
<td>2.1</td>
<td>0.7%</td>
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</tbody>
</table>

### Foreign Affiliates (1/2)

#### Sectors with Potential to Attract Investment - Mauritius

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number</th>
<th>Number of Parents</th>
<th>Total Affiliates</th>
<th>Total (merchandise &amp; services)</th>
<th>Leading Parent Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (merchandise &amp; services)</td>
<td>306</td>
<td>201</td>
<td>1,555.3</td>
<td>2,336</td>
<td>GEC Ltd. BML</td>
</tr>
<tr>
<td>Transport, storage and communications</td>
<td>161</td>
<td>62</td>
<td>100</td>
<td>287</td>
<td>GEC Ltd. BML</td>
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<tr>
<td>Business activities</td>
<td>93</td>
<td>80</td>
<td>5.7</td>
<td>675</td>
<td>Hera Global Holdings Inc. USA</td>
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<tr>
<td>Finance</td>
<td>70</td>
<td>61</td>
<td>2.0</td>
<td>412</td>
<td>BAMc Global Ltd. DIB</td>
</tr>
<tr>
<td>Construction</td>
<td>12</td>
<td>9</td>
<td>14.4</td>
<td>181</td>
<td>Figgis NBW NL</td>
</tr>
<tr>
<td>Hotels and restaurants</td>
<td>8</td>
<td>4</td>
<td>3.5</td>
<td>45</td>
<td>Club Mediterrane, Pisa</td>
</tr>
<tr>
<td>Chemicals and chemical products</td>
<td>6</td>
<td>2</td>
<td>2.6</td>
<td>18</td>
<td>Asain Paints Limited UK</td>
</tr>
<tr>
<td>Other manufacturing</td>
<td>3</td>
<td>6</td>
<td>0.1</td>
<td>17</td>
<td>Meridian Mobile Private Limited HK</td>
</tr>
<tr>
<td>Textiles, clothing and leather</td>
<td>3</td>
<td>6</td>
<td>2.0</td>
<td>21</td>
<td>Novell Entreprenes Limited HK</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>2</td>
<td>2</td>
<td>2.0</td>
<td>21</td>
<td>LBA Africa Investor Portfolio USA</td>
</tr>
</tbody>
</table>
Foreign Affiliates (2/2)

Foreign affiliates in Mauritius, in selected industries, summary by parent company

<table>
<thead>
<tr>
<th>Select Industry</th>
<th>Community, social and personal service activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>#</td>
<td>Parent Company</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>1. Deutsche Post AG</td>
<td>Germany</td>
</tr>
<tr>
<td>2. General Electric Company</td>
<td>United States</td>
</tr>
<tr>
<td>3. Bank of America Corporation</td>
<td>United States</td>
</tr>
<tr>
<td>4. Reg Int Holdings, Ltd.</td>
<td>United States</td>
</tr>
</tbody>
</table>

Details on the affiliate
- Company: Dig Marketing Ltd
- Sector: 569.31.9.6
- Employees: 76
- Year: 1990
- Trade Industry: Import
- Address: 7 Rue Cours Mgr.
- City: Port Louis
- Country: Mauritius
- CEO: Remi Stoyane
- Title: Director

Parent Company: Deutsche Post AG
- Address: Avenue de la Couronne, 30
- City: Bonn
- Country: Germany

Line of business: Local tracking, without storage

Industry: Transport, storage, and communications

Community, social, and personal service activities

Analysis by sector

You can narrow your research to a specific cluster.
THANK YOU!
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