

Pillars of Trade Competitiveness

A framework outlining the range of issues that affect countries' ability to compete in international markets includes the following critical elements:

Aligning Macro-incentives:

Eliminating anti-export biases and ensuring policies (trade, fiscal, competition, labor markets, and exchange rates) support productive investment.

Reducing Trade Related Costs:

Improving backbone services and inputs such as energy, telecommunications, transport and logistics, and customs.

Overcoming Market and Government Failures:

Facilitating coordination of economic actors, linkages and spillovers, industry clusters and SEZs, export promotion, and innovation policy.



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TRADE COMPETITIVENESS

Engine to Growth and Development



World Bank Group
International Trade Department

STRATEGY

Trade competitiveness is an engine for economic growth and poverty reduction.

Intensifying globalization raises the importance for developing countries to focus on competitiveness in order to exploit opportunities for growth.

Our strategy is to assist developing countries around the world in:

- **Integrating** with the global economy;
- **Increasing** market access and trade competitiveness; and
- **Incorporating** trade and competitiveness into their overall development strategies.



PROJECTS

Our work on Trade Competitiveness includes the following research and projects:

COMPETITIVENESS DIAGNOSTIC

Export Competitiveness Diagnostic Tool - for countries to assess their level of competitiveness in global markets.

SPECIAL ECONOMIC ZONES / CLUSTERS

Special Economic Zones (SEZs)– evaluates the performance, policies, and practices of SEZs in developing countries.

Clusters Tool Kit- provides a framework for developing a cluster-based approach to exploit economic benefits of agglomeration, location-specific externalities and coordination.

SERVICES TRADE COMPETITIVENESS

Export of Services for Developing Countries- evaluates factors that determine developing countries' competitiveness in services exports.

COMPETITIVENESS AND GROWTH

Export Survival in Africa– addresses factors that affect the survival rates of exports and identification of pro-growth and export diversification policies.

Global Buyers and the Apparel Sector in Low-Income Countries- assesses how the apparel sector can help developing countries in export diversification and industrial development in the post-quota environment.

Trade and Sub-national Competitiveness– focuses on factors which impact the ability of firms in non-core regions to compete in regional and global markets.

PUBLICATIONS

- **Clusters for Competitiveness**-A Practical Guide and Policy Implications for Developing Cluster Initiatives, by the World Bank, 2009.
- **Duty and Tax Relief and Suspension Schemes**-Improving Export Competitiveness (A Learning Toolkit), by the World Bank, 2009.
- **China's Investment in African Special Economic Zones: Prospects, Challenges, and Opportunities**, by Deborah Brautigam, Thomas Farole, and Tang Xiaoyang (Economic Premise Note No. 5) March 2010.
- **Export-led Growth v2.0**, by Otaviano Canuto, Mona Haddad, and Gordon Hanson (Economic Premise Note No. 3) March 2010
- **Analyzing Trade Competitiveness: a Diagnostics Approach**, by Thomas Farole, José Guilherme Reis and Swarnim Wagle, forthcoming.

