



Part 4



4.2 Policy brief 7

Developing a Strategic Policy Framework (SPF) using the 17 Sustainable Enterprises Policy Pillars

TRADE AND SUSTAINABLE ECONOMIC INTEGRATION

Open trade and investment policies are instrumental in fostering economic growth, creating wealth, and generating employment.

Open markets allow enterprises to expand, compel greater standards for efficiency on exporters, and enable enterprises to import low-cost supplies. However, trading also forces enterprises to deal with customs services and trade regulations, obtain export and import licenses, and in some cases, face additional costs due to losses during transport.

- ❑ The main *protection* that enterprises and their workers need is the security that economies remain open, that opportunities to grow and develop exist, and that new commercial relationships across borders will not be closed off.
- ❑ Trade, economic openness, and competition underpin not only the development of our economies but more broadly, our societies. They help the spread of scientific knowledge that can eradicate diseases and raise agricultural efficiency. They spread culture and new ideas. Protection does the opposite: it leads to complacency and stagnation.
- ❑ Identifying where an economy has comparative advantages which will then enable export-driven growth to take hold is paramount. Importantly, sectors in which the country has a comparative advantage will shift over time as a result of changes in relative costs and prices (especially labour).
- ❑ Successful economies have often in the preliminary stages of growth pathways that provide incentives for investment in export diversification and structured foreign direct investment, so as to increase the rate of inbound transfer of knowledge and technology to domestic individuals and institutions.
- ❑ Better customs processes and trade logistics benefit exporters.
- ❑ Across economies, regardless of income level, installing electronic data interchange systems for submitting and processing documents remains a popular and effective way to reduce delays in the trading process.
- ❑ Accessing up to date information on tariffs applied by importing countries needs to be straightforward.
- ❑ Vital information flows pertaining to export and import markets need to be readily accessible by the business community.

- ❑ Getting the necessary certificates of origin and other essential documentation needs to be straightforward.
- ❑ Customs officials need to be fully aware of all trade agreements and their implications.
- ❑ Infrastructure has to be sufficient to enable efficient export and import of goods and products.
- ❑ Product standards and certifications should never be deployed in a protectionist fashion.
- ❑ Open trade and investment policies are instrumental in fostering economic growth, creating wealth, and generating employment.
- ❑ Sustainable enterprise policies need to look beyond the domestic market. In developing countries the domestic markets are often too small; however, size is not the only problem: the pattern of domestic spending may not correspond well to the strengths of domestic supply.
- ❑ The private sector (global and domestic) will find opportunities and exploit them.
- ❑ Open markets offer major opportunities to producers in developing countries.