At a time when global business-to-consumer e-commerce is valued at some 1.2 trillion USD, it is hard to believe there are still vendors unable to market their goods internationally. But this is precisely the case for many micro, small and medium enterprises (MSMEs) around the globe, according to Raquel Ferrari, manager of trade facilitation at the UPU.

“These enterprises tend to do their business locally because they lack the capacity and face too many barriers to export,” she explains.

For many small business owners, these barriers tend to include lengthy and complicated customs procedures, high export costs, and exclusion by logistics providers, which usually cater to businesses exporting large volumes of goods. Many MSMEs are also located outside large centres, which can also add extra costs and difficulties. Others simply lack knowledge about the international market.

Because Posts specialize in providing logistics services for smaller quantities of goods and are located in all corners of a country, they are the perfect partner for local small businesses wishing to expand their customer base internationally.

However, Posts cannot act alone, since export processes involve a number of government agencies, including customs authorities, export promotion agencies and small business promotion institutions, among others. That is why the UPU recently launched its Easy Export Programme, which sets out to do just what it says – help governments put together systems to facilitate exports for local MSMEs through the postal network. The programme is based on three pillars: low export costs, simplicity and national coverage.

Though it may sound like an ambitious project, the UPU’s Easy Export methodology is based on a tried and trusted model implemented by Brazil in its country and across South America over the course of the past 15 years.

Brazillian expertise

The Brazilian model, known across South America as Exporta Fácil, began in 2001 after the Brazilian Post (Correios) began exploring ways to use the postal sector to boost the country’s economic and social development.

“Brazilian enterprises have always faced many challenges in exporting due to complex and bureaucratic administrative, customs and logistical processes, especially for MSMEs,” says Rose Mary Antunes, an advisor with the Brazilian Ministry of Science, Technology, Innovations and Communications.

These challenges meant that the country’s MSMEs traditionally kept their business close to home. Students at Correios’ postal university saw an opportunity in this difficulty, developing new products and solutions to fill the gap. Exporta Fácil was the fruit of this labour.

While the Post had the infrastructure required to run the programme, Antunes highlights that the government played a very large role in securing support from other key players in the export process, including the central bank, trade stakeholders, Customs and foreign affairs.

The programme was successful in cutting through the red tape preventing Brazilian small businesses from accessing the global market, offering cheaper, simplified export options available at any of the Post’s 8,000 offices, reaching every city in the country.
National coverage in the majority of countries is offered only by the designated postal operator. This characteristic is directly associated with the universal service obligation and, for the purpose of the project, is closely linked to the need for geographically accessible exporting services,” explains Antunes.

“Ultimately, supporting the growth of these businesses is an important means of promoting economic development, primarily in areas far from large centres,” she continues.

Results

Now Exporta Fácil is the second most popular postal brand in Brazil after the SEDEX express parcel and has had a measurable impact on small businesses, says Francklin Furtado, general coordinator with the Ministry’s Postal Services and Governance of State Owned Entities section.

Simplifying the export process has led to a reduction of expenses—now at one per cent of the value of exported goods compared to 16 per cent of the value previously.

The project has also helped to significantly boost exports, which grew from 12,230,000 USD during the first year of the project, to more than 230,000,000 USD in 2016.

Furtado adds that, aside from financial results, the project has also given the Post greater visibility as a potential partner for different branches of the government. Since launching the project, the government has asked to work with Correios on further projects related to financial inclusion, health and education.

“Most government agencies did not see the Post before [Exporta Fácil]. Now the government is trying to make the Post a branch [of delivery] of federal services,” he says.
Across the continent

After the success of the project at home, the Brazilian government later teamed up with the Union of South American Nations (UNASUL) to spread the benefits across the South American continent. UNASUL, which works to promote cultural, economic, social and political integration across South America, has even included Exporta Fácil in its strategic action plan for 2012-2022.

“Brazil is a unique case in partnerships because it worked with UNASUL, which traditionally only funded infrastructure such as roads and bridges. Exporta Fácil was the first case of UNASUL financing an integration project centred on the Post,” says Antunes.

The Postal Union of the Americas, Spain and Portugal and the Inter-American Development Bank have also supported the project’s expansion, helping a further four South American countries – Colombia, Ecuador, Peru and Uruguay – establish fully operation Exporta Fácil programmes. Paraguay is now in the process of implementing the programme, while Argentina, Bolivia, Chile and Venezuela have completed the pre-diagnosis process.

Working with these regional stakeholders also allowed Antunes and her team to create an “expert network” composed of technicians from each country that has already implemented the project.

“As a rule, each country which is committed to letting its qualified employees offer support to develop the project in other countries receives technical support to develop its Exporta Fácil,” she explains.

Though Antunes stresses the total investment needed to implement Exporta Fácil varies from country to country based on available infrastructure, she says recent analyses have shown that the basic costs of implementing the programme such as for training technicians, diagnosis, technical visits to other countries and creation of work plans, can be covered by between one to three per cent of the total value of exports sent through the programme during the first year.

Passing the baton

After this success across South America, Furtado says Brazil began receiving calls from around the world.

“The project was becoming globally famous and Brazil needed the UPU to be able to share it outside the region,” says Furtado.

This led the UPU and Brazil to sign a cooperation agreement at the end of 2011 aimed at launching the project internationally. Since then, the UPU has made a site visit to Brazil and Ecuador to see the project’s implementation in action and has worked with Brazil on finalizing a project manual, implementation guide, and a specialist training course.

“As part of the agreement, Brazil transferred 15 years’ worth of their experience and knowledge from implementing the programme in Brazil and carrying out technical assistance across South America,” says Ferrari.

With several years of study and collaboration with Brazil under its belt, the UPU is now ready to launch its version of the project, called Easy Export, globally.

Though the UPU’s cooperation agreement with Brazil has now officially come to an end, Furtado says he and his team will still be on hand to offer advice as the UPU rolls out its first pilot project in Tunisia.
Tunisian Pilot

With 98 per cent of Tunisia’s nearly 600,000 businesses having fewer than 10 employees, the country seemed like a perfect candidate to pilot the project, according to Ferrari.

In January she helped organize a national forum on trade facilitation which brought together various arms of the Tunisian government – including those responsible for the Post, trade and Customs – as well as the Secretary General of the Pan African Postal Union, representatives from African Posts, UPU Director General Bishar A. Hussein and other UPU experts. The forum provided an opportunity for Ferrari to pitch the programme’s benefits to the Tunisian authorities, who had already been looking for ways to boost the participation of local MSMEs in the global market. By the end of the gathering, the Tunisian government had formed a national coordination commission in order to effectively start the implementation of the programme’s first pilot project.

“Tunisia is aware that exportation is one important way [to achieve] national economic growth. [Globalization has] created great opportunities for national companies to seek new markets and to develop business activities,” says Sami Ghazali, Director General of the Digital Economy, Investment and Statistics section of the Tunisian Ministry of Communication Technologies and Digital Economy.

Ghazali is now also head of the country’s national coordination team for the Easy Export pilot project, which meets once a week to ensure it achieves its goal: to have the Easy Export Programme fully implemented by the end of 2017.

Ferrari says meeting that goal will require all components of the national coordination team to work closely, with guidance from the UPU.
"Easy Export is not a one-size-fits-all model—it is country-specific. Tunisia must build its own solution based on its national reality and resources, with the UPU there to provide technical and professional assistance through the project methodology created in cooperation with Brazil," she explains.

Aside from the Ministry of Communication Technologies and Digital Economy, the national team includes representatives from the Post; Customs; the government authorities for industry and trade as well as transportation; the central bank and several organizations involved in trade, e-commerce and the promotion of local artisans.

It is this collaboration of stakeholders that made the South American projects such a success, says Ferrari.

Together, the project team will follow a thorough process, including a full diagnosis of the country’s current trade situation, the development of a service model, and complete work plans that consider all business areas, such as operations, marketing, training, and legal and IT requirements.

As the first pilot country, Tunisia will also be required to make experts available to countries who implement the programme in the future, starting a global experts network like the one created in South America. Ferrari says she has already received expressions of interest from several other countries, including Morocco and Malaysia.

Looking forward

If governments invest in the programme at a national level, Ferrari says Easy Export has the potential to help achieve the UN Sustainable Development Goals—particularly those related to decent work and economic growth; industry, innovation and infrastructure; and partnership.

“The great majority of businesses in any country are small businesses and they are considered a factor for employment, development and inclusion at the national level,” she says.

Ferrari says the UPU is now looking to restricted unions and other UN organizations to increase the programme’s reach.

To Posts interested in offering the service, both Ferrari and her Brazilian colleagues have one very valuable piece of advice: don’t go it alone.

“It’s very tempting for operators to take the lead on the project, but if the government is not at the centre, it won’t work,” explains Furtado, adding that certain aspects of the programme, such as helping businesses find buyers in the international market or simplifying customs procedures, are outside of the Post’s realm of expertise.

“Posts have tried to replicate the model, but it hasn’t always worked because there are many parts to its implementation. It isn’t just a logistics solution; it requires cooperation with governments, central banks and other partners. The UPU can help bring these partners together,” advises Ferrari.

For more information on the UPU Easy Export Programme, contact:
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How does Easy Export work?

The UPU Easy Export Programme brings together designated operators and key trade facilitation stakeholders in the national government to help countries implement solutions to boost their MSMEs’ participation in the export market. It seeks to guide countries in:

• providing MSMEs with a less bureaucratic export documentation process with one single, simple export declaration form

• reducing lengthy export processes by streamlining logistics and expediting customs clearance

• reducing export costs for small businesses

• connecting all players in the trade supply chain

• giving exporters access to valuable information and tools to learn about international markets