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Import promotion from emerging markets and markets in transition into the European markets

Activities 2006



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EDITORIAL

Exports generate jobs and income – and Switzerland is a prime example of this. In addition to every second Swiss franc being earned from export activities, exporting also leads to competitive products. This simple truth naturally also applies to all other countries, and to developing and transitional economies in particular. But how can these countries manufacture competitive products, and how can they get access to lucrative markets and the customers themselves? How can they adapt their products to increasingly strict requirements and import regulations, not to mention comply with the ever-growing plethora of – albeit necessary – certification conditions?

SIPPO’s various programmes once again addressed all of these issues over the past year. In order to improve companies’ export capability and products, SIPPO worked on three different platforms in seven labour-intensive sectors:

The seven sectors are:

- Agricultural products (traditional and organic), fruits and vegetables, culinary and aromatic herbs and their extracts, fish and seafood, organic prawns, wine
- Clothing, fashion, alpaca products, household fabrics
- Interior design, furniture, garden furniture, wood for technical applications
- Technical components, supplier industries, electronics, plastic products, software
- Leather accessories, jute products
- Jewellery, arts, handicrafts
- Green tourism

The three platforms comprise:

- Commercial and market information about Switzerland and the EU for potential exporters in developing and transitional countries, as well as sector and country-specific product and industry overviews for Swiss importers.

- Matchmaking programmes to pair up exporters and importers using a wide variety of methods, such as direct contact, mailings, selling/buying missions, contact forums and participation in trade fairs

- Training programmes covering design, quality, norms and standards, export marketing, how to maximize sales at a trade fair stand, etc.

Sustainable success requires all such activities to be geared to the sector in question and coordinated between themselves.

Trade promotion programmes are frequently extremely complex and programmes must therefore be run professionally and coordinated thoroughly. In addition to its own highly competent staff, SIPPO has built up an entire network of partner organizations and experts in specific fields. All of them share a single goal – to help companies with export potential achieve success with products appropriate to their target market. As part of its economic development partnerships, the State Secretariat for Economic Affairs, SECO, runs a variety of programmes in cooperation with multilateral organizations. SIPPO follows up on the companies that have received assistance and includes them in its own programmes.

This report will give you a general idea of the breadth of our activities over the past year. We hope that our work will also have helped to alleviate poverty in the world – but that is something you can read about for yourself.

Kind regards

Markus Stern
CEO





SIPPO AT A GLANCE

Vision

Our aim is to reduce poverty and to strengthen civil society in emerging markets and markets in transition through economic growth. The emerging markets and markets in transition, their trade institutions and industry associations in general as well as the industries and sectors involved in SIPPO projects especially have competitive products and the marketing knowledge required to export these products. Thanks to provision of the best possible information about new products, new suppliers and new sourcing markets, as well as access to optimal trading contacts, the CH/EU import sector is able to forge new and successful trading partnerships that promote economic development in emerging markets and markets in transition by creating new or additional export opportunities in these countries.

Mission

As one of the economic development instruments of the State Secretariat for Economic Affairs (SECO), SIPPO sustainably and effectively promotes the competitiveness of emerging markets and markets in transition. By using trade promotion programmes and the associated matchmaking instruments, SIPPO helps small and medium-sized enterprises in emerging markets and markets in transition to enter the Swiss and European Union market, and provides Swiss importers with assistance in finding new products, new suppliers and new sourcing markets. SIPPO pays close consideration to the environmental compatibility of the products in question, and to the social policies of the manufacturers based on the Global Compact's ten principles in the areas of human rights, labour, the environment and anticorruption.

Objectives

The main objective of the SIPPO mandate is to provide export-oriented small and medium-sized enterprises in emerging markets and markets in transition with better access to markets in Switzerland and the EU. The objective is subdivided into the following subsidiary objectives:

- Sustainable trade capability: export-oriented SMEs are «ready» for access to the Swiss and EU market. SMEs that already have a product suitable for export are provided with support in developing and exporting quality products, and in selling them successfully and establishing a position on Western European markets. They can meet the quality criteria required and handle the timetables necessary for an export business.

- The selected SMEs have access to Western European export markets: even after the SIPPO programme is completed, SMEs that received support can maintain and further expand their export activities and trading contacts in Western Europe. They have become accepted trading partners.

- A growing number of Swiss importers recognizes the potential of markets in the SIPPO target countries: players in the Swiss import sector obtain comprehensive, reliable information about the potential of new sourcing markets in emerging markets and markets in transition, and about the conditions under which such markets operate.

Sustainable trade contacts are established between the SIPPO target countries and Switzerland. The trade contacts created by SIPPO are institutionalized by suitable networking partners, e.g. branch associations, export promotion organizations.

Target groups

in the partner countries

- SMEs and cooperatives with

- a) sufficient management potential for exporting and a willingness to implement consulting recommendations

- b) sufficient potential (from a business and technical standpoint) to be able to sustain international competitiveness over the medium and long term

- as well as business organizations, chambers of commerce, trade associations

in Switzerland

- Importers, wholesale distributors and manufacturers

- Business organizations, trade associations

- Environmental and development organizations, fair trade organizations

Countries and industrial sectors

The countries in which SIPPO is active are specified by SECO based on the 2006 strategy drawn up by the Economic Development Service Centre. The sectors to be promoted in the individual countries are defined in the objectives drawn up by SIPPO.



Aceh (Indonesia), after the Tsunami



OVERVIEW COUNTRY PROGRAMMES

Region

- Southeast Europe
- Eastern Europe
- Middle East
- Africa
- Central Asia
- South East Asia
- South America

Legend sector programmes

Agricultural products and food specialities

- Food specialities, rice, lama meat
- Organic products, dried fruits
- Fruits and vegetables
- Medicinal herbs and essential oils
- Wine
- Fish and seafood

Furniture, home

- Home textiles
- Garden and office furniture
- Wood for industrial purposes

Garments and textiles

- Alpaca products
- Clothing

Leather, jute

- Leather accessories
- Jute products

Jewellery, handicrafts

- Jewellery
- Handicrafts
- Toys

Technical products, electronics

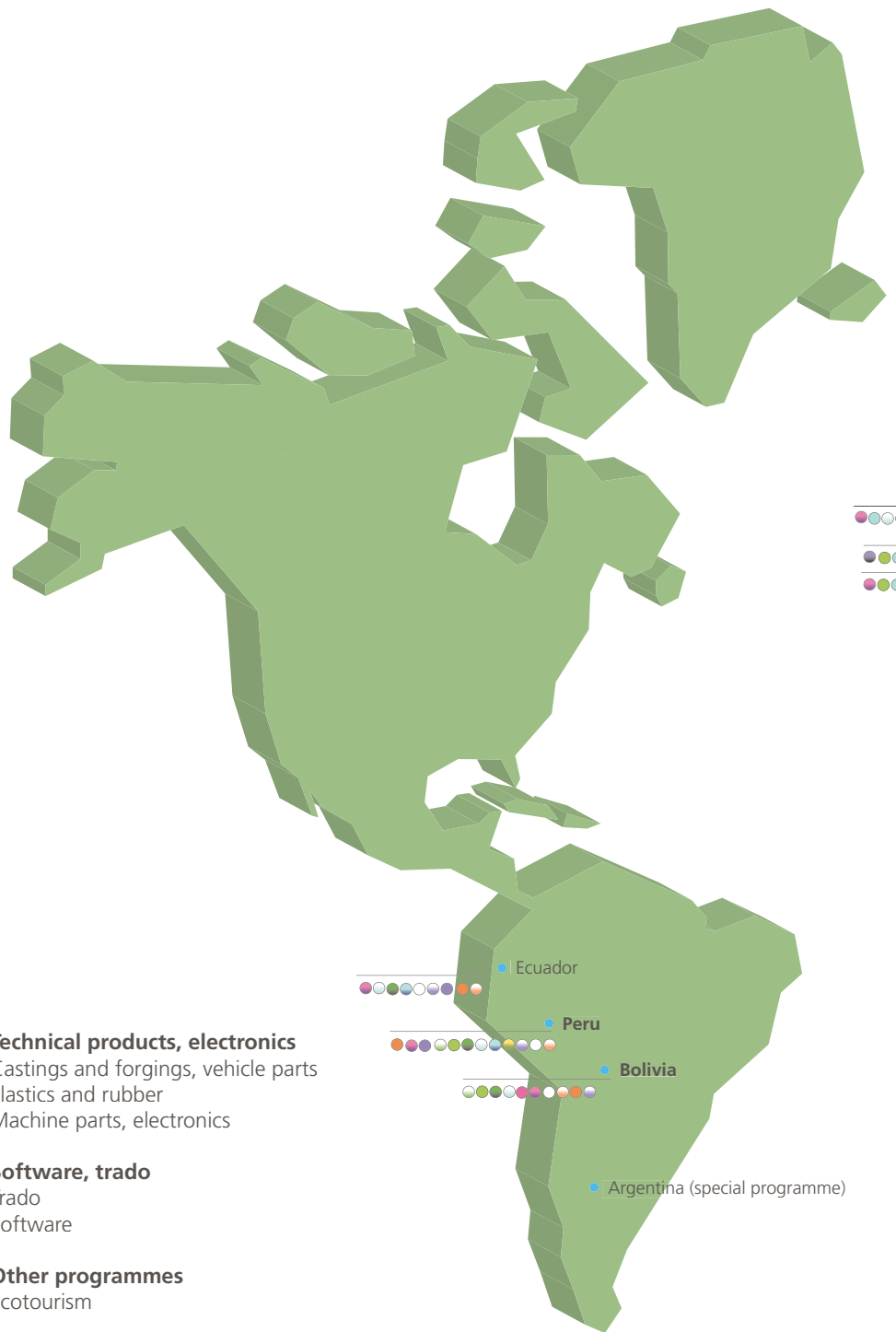
- Castings and forgings, vehicle parts
- Plastics and rubber
- Machine parts, electronics

Software, trade

- Trade
- Software

Other programmes

- Ecotourism







HIGHLIGHTS

Leather Forecast – a new service for firms supported by SIPPO

It is obvious that SMEs in the leather business can export successfully to Switzerland or the EU only if they understand how to adapt to the current fashion trends. However, most manufacturers in SIPPO partner countries do not have access to reliable sources of information regarding trends and colours: Internet access and fashion magazines do not suffice. This means that time and again, companies produce goods that do not meet market requirements, or they simply wait passively for the importer to tell them exactly what to make and in which colours – something which rarely happens.

SIPPO has responded to this information gap by publishing a Leather Forecast for programme participants. This appears twice yearly and can be ordered in hard copy form or downloaded from the SIPPO website at info.sippo.ch/leatherforecast. Each 20-page issue presents three themes with the accompanying colour palette. The colours can be unambiguously identified by means of the Pantone system, an application which is used throughout the world. Leather accessories and garments are shown in various colour combinations, along with cutting patterns and sketches, to inspire the manufacturers to design and produce their own export collections.

Extensive use of the Leather Forecast was made at workshops for leather manufacturers in Indonesia, South Africa, Vietnam and Egypt. Programme participants were also prepared for other SIPPO events, such as the I.L.M. Summer Styles international leather goods fair in Offenbach, Germany, which was held in autumn 2006.

Feedback from partner companies reveals that the Leather Forecast provides useful input and is seen as a vital part of the SIPPO service range.

Mercatoo – electronic access to the global market for SMEs in developing countries

The globalization of the world economy means that one of the most important prerequisites enabling SMEs in developing and transitional countries to enter the international market is the capacity to present their companies on the Web and do business electronically. However, these SMEs require additional resources in terms of finance and staffing if they are to participate in e-commerce. The State Secretariat for Economic Affairs (SECO) took these factors into account when launching the e-marketplace project.

The concept – that of linking SMEs from selected developing and transitional countries by means of modern e-marketing tools in order to promote long-term trade – was realized through the

Mercatoo e-marketplace project, www.mercatoo.com. The combination of e-commerce tools with physical B2B meetings at business round tables takes account of the local market situations and offers a service package to SMEs in these countries. The project was carried out in cooperation with the Stocker Group in Chile and the Swiss firm Metaversum AG. It was launched in close collaboration with the Peruvian Exporters Association (ADEX) in Lima in October 2006. A business round table was held in Lima from 11 to 13 October 2006, with more than 6,000 face-to-face meetings taking place between buyers and vendors. Over 300 companies have already registered their enquiries and offers on the platform. They can now do business throughout the world right round the clock. In 2007



Mercatoo is to be extended to include Ecuador and Vietnam. Mercatoo offers companies from Switzerland and the EU excellent opportunities to source goods from previously untapped markets.

HIGHLIGHTS

Award for Serbian toy manufacturer

Serbia has had no difficulty in taking its place among the countries participating in the SIPPO wooden toy programme. Following in the wake of Slovakian, Baltic, Romanian and Bulgarian firms, Serbian companies are increasingly becoming the centre of attention when they exhibit at the joint SIPPO stand at the Nuremberg International Toy Fair.

Wood Art, a firm from Belgrade, is a prime example of the SIPPO wooden toy programme. This small, innovative company is managed by highly motivated young people who really know how to handle wood. The business was accepted into the SIPPO toy programme in 2005, and benefited from the consultancy and marketing services on offer.

After exhibiting at an international trade fair for the first time under the aegis of SIPPO, Wood Art began to develop its own new products and prototypes, incorporating the experiences and impressions gained. Several interesting ideas were implemented, showing a sensitive understanding of how children play. This resulted in the creation of wooden toys that had previously been available only in plastic. In preparation for the 2007 Toy Fair, the firm came up with its Ring Tower toy, which not only helps children aged three and upwards to understand shapes, colours, and horizontal and vertical planes, but also promotes creativity, imagination and co-ordination. Ring Tower was awarded the «Dobra Igracka 2006», award in Serbia



for the best toy. SIPPO entered this educational toy in the «Knowledge and Learning» category of the Toy Award 2007 in Nuremberg.

Participating in Designers' Saturday with young designers from Eastern Europe

The SIPPO furniture programme focuses on garden furniture, and, increasingly, on smaller individual pieces and home accessories. New products developed by SIPPO-supported companies have already made it into the pages of European lifestyle magazines, thanks to detailed advice on design and marketing.

Since the SIPPO programme participants cannot compete on price with competitors from the Far East, good design and effective marketing are crucial to the success of their niche products. This is why it is vital to ensure that creative young designers work more closely with production companies, so that their ideas can be incorporated into new ranges.

Designers' Saturday, which is held in Langenthal every two years, has turned into a notable event whose reputation has spread far beyond Switzerland's borders. Participating at this exhibition is not only a must for well-known Swiss firms, it is also a not-to-be-missed event for design experts and media representatives. This has made it an ideal platform for promoting the image of the Eastern European furniture industry.

In 2006 SIPPO helped colleges of design in Romania, Bulgaria and Serbia to set up a partnership that assists final-year students to develop a project for Designers' Saturday, with due reference to the input received from selected production companies.

SIPPO was able to convince the organizing committee of the value of the proposed project, and succeeded in obtaining permission to exhibit at the event – for free. The «Design Mile» concept which was mounted at Designers' Saturday was greeted with keen interest. The 9,000 visitors were greatly impressed by the work on display and by the expertise of the young designers. The furniture industries of the countries concerned received a boost to their image, and SIPPO's services were presented to a wider public.





HIGHLIGHTS

Harvesting wild plants in a sustainable manner

Collecting plants in the wild provides many people with an income. It is also vital for mankind to protect the natural environment in a sustainable manner. In recent years, various European organizations have been getting to grips with the problem of how wild plants – some of which are threatened with extinction – can be harvested sustainably.

For the past seven years, SIPPO has been working with firms which sell plants collected in the wild. We have repeatedly come across companies that sell their products at prices which do not cover their costs or that have been disappointed by collectors who broke off long-term business relationships. It has become evident that sustainable colle-

ction in the wild can only function if man and nature are seen as a unity. Wild plants can be collected in a sustainable manner only if a plant census is carried out and costs carefully calculated to show when and where it is worth collecting, and at what point the collection costs become so high that the price charged can no longer be borne by the market.

Questions like these prompted us to support the establishment of an international standard to measure whether wild plants have been collected in a socially accountable way. We found that we were preaching to the converted where companies and consumers in Europe were concerned. That is how the

FairWild standard (www.fairwild.org) came to be set up in cooperation with Forum Essenzia (www.forum-essenzia.org) and IMO (www.imo.ch), based on the principles of fair trade (www.fairtrade.net), social justice (www.ilo.org) and ecological sustainability (organic certification or ISSC-MAP). The organizational structure resembles an internal control system (ICS), bringing collectors together in groups, providing education and training and establishing accountability.

Setting up organic aquaculture projects in Bangladesh

SIPPO is currently assisting three countries to set up organic shrimp breeding projects. The organization provides support on condition that there are already shrimp farms in existence which can be converted to organic standards, and that the country in question is willing actively to promote the project and bear some of the costs.

Following a successful fact-finding mission in 2004, SIPPO began setting up a pilot project in collaboration with the Bangladesh Frozen Food Exporters Association (BFFEA). The Mushiganji district, near Khulna in Western Bangladesh, which borders on the Sunderban nature reserve, was identified as the most suitable region for launching the organic aquaculture project. The local partner BFFEA helped to select the

intermediaries and agents as well as the processors and exporters for this project. In a further step, a local organization was sought that could manage the project on site and train the farmers. An NGO called Shushilan was appointed to act as local agriculture and aquaculture advisor. Around 1,500 to 2,000 farmers are needed to produce a suitable export quantity of certified organic shrimps. The farmers are divided into groups and assessed and trained by a local advisor. An international expert supervises this work and provides training to the local advisory organization. At the end of 2006 some 600 farmers were attached to the project. SIPPO made contact with importers in Switzerland and Europe while the project was still being developed. A range of samples was successfully produced in November. The unique thing



about this project is the active cofinancing by local institutions and the «train the trainer» model, i.e. SIPPO trains the staff of the Shushilan NGO, who in turn train the aqua farmers, thereby guaranteeing the sustainability of the project.



HIGHLIGHTS

Bolivia, the second Andean country after Chile to be recognized by the OIE

The OIE (World Organisation for Animal Health), which has its headquarters in Paris, is globally responsible for certifying internationally regulated husbandry practices which ensure that animals are free from certain diseases. On 25 May 2006 the OIE granted the Oruro district of Bolivia certification as an «FMD-free zone with vaccination».

In order to promote the export of llama meat, SIPPO supported Bolivia and, in particular, SENASAG (Servicios Oficiales Veterinarios de Bolivia) in their efforts to achieve OIE certification. SIPPO conducted a market analysis and test sales in Switzerland in 2004, which established that there was potential for marketing

llama meat in Europe. Llama meat is very healthy, since it combines the best qualities of veal and horse meat and is virtually free from cholesterol and fat. In many countries it is the first type of meat served to patients recovering from heart operations. SIPPO prepared SENASAG for OIE certification by holding workshops in Bolivia. The inhabitants of this region were very pleased to receive such assistance, since many people of working age tend to leave the area because of the meagre incomes available there. IE certification attests to satisfaction of the requirements for an EU-compatible slaughterhouse and for the export of llama meat – this creates jobs and an income for llama breeders, the



infrastructure sector, and the llama meat processing industry. There has been considerably more interest in llama meat in the local market, too, since SIPPO began supporting the venture. As a result, the price of a kilo of llama meat has risen by about 50% locally. The population of Oruro is benefiting from this, as well as the breeders.

A strong Swiss partner in the wine sector

The wine sector is of national importance to countries in South-Eastern Europe, partly because of the number of jobs it provides and partly because of its contribution to the gross national product. Since 2003 SIPPO has been supporting winegrowers in these countries, so as to enable them to enter the Swiss and EU markets. One of the trade promotion tools used is a joint stand at the annual ProWein trade fair held in Düsseldorf. Contracts worth EUR 2,250,000 were concluded in 2006. Another successful event was the presentation in Zurich of 21 wine companies from South-Eastern Europe, complete with tastings. Swiss wine importers appreciated the professional approach of the participants. Training has focused on food safety and quality management, to help the winegrowers achieve BRC/HACCP certifica-

tion. SIPPO also actively supported the Macedonian wine industry in setting up a winegrowers' association and establishing links with an international network. The programme also gained a strong partner in Switzerland in the shape of wine producer Rimuss- und Weinkellerei Rahm AG, which decided to build up a business importing wines from South-Eastern Europe as a fourth string to its bow. This new partnership was the result of a great deal of hard work by SIPPO, including setting up a selling mission in Switzerland, organizing a buying mission, giving presentations at Rimuss- und Weinkellerei Rahm and providing specialist advice from the SIPPO team of experts. Over the past year, Rimuss- und Weinkellerei Rahm has taken over an existing trading establishment in Switzerland and added

7 wine producers from Bulgaria and Macedonia – all of which have participated in the SIPPO programme since the start – to its range. The Swiss company is also helping four winegrowers to convert to organic production as part of a project supported by SIPPO and FiBL in Macedonia. The rare, native wines from Macedonia are a perfect complement to Swiss wines. This was also borne out by the great interest shown by wine dealers at last autumn's selling mission in Zurich organized by over 20 companies from Southeastern Europe at which almost 200 wines were on offer for tasting.

Rimuss- und Weinkellerei Rahm is thus allowing the participants to benefit from its years of experience in organic viticulture and marketing.





HIGHLIGHTS

Ushina Design chosen as best small enterprise in Ecuador

The Ecuadorian firm Ushina Design, a participant in the SIPPO jewellery programme, has received an award from the Ministry of Trade and Industry as best small enterprise of the year. In achieving 94 out of 100 points, the company largely met the criteria laid down by the Ministry – in no small part due to the support received from SIPPO over the past two years.

SIPPO's first contact with the owner of the company, Byron Ushina, could hardly have been more unexpected. When the jewellery programme was relaunched in 2004, the project team stopped off in Quito to assess potential participants. The newly announced jewellery programme elicited a huge amount of interest so the SIPPO team's

appointment diary was packed. Byron Ushina, who had been made aware of SIPPO by the local export promotion organization, displayed great interest in participating in the jewellery programme. However, a long-planned business trip prevented him from attending personally, so he asked his wife to present his range of jewellery items to SIPPO in his stead.

The products caught our attention because of their unique combination of traditional motifs and modern shapes, but there were a few problems with the finishing. Our decision not to include this firm in our programme until the following year prompted Mrs Ushina to instruct her husband to return home immediately. The evening before our de-

parture, Mr Ushina was waiting unannounced in the hotel foyer to show us his products, which he had brought up to the required standard in the meantime. Finally, he gave the SIPPO team a guided tour of his workshop. Impressed by the flexibility and determination to succeed demonstrated by this entrepreneur, the SIPPO team reversed its decision. Ushina Design has now been participating in the SIPPO programme since 2004, and has meanwhile built up solid business relationships with a number of European importers. The company owner was helped in this not only by his unusual range of jewellery, but also by his willingness to follow the advice of the SIPPO experts and his daily attendance at English lessons, which he signed up for the day after our first meeting.

Facilitating direct contacts between importers and manufacturers

Since 2004, the SIPPO team of experts has been offering interested importers, buyers and producers in Western Europe the opportunity to make direct contact with selected clothing manufacturers from SIPPO partner countries.

SIPPO and its new contact platform is not only represented twice a year at the CPD fashion fair in Düsseldorf, but also makes direct approaches to potential customers in Europe. In the past year the project team visited a total of 46 importers in Switzerland, Germany and France to tell them about the SIPPO programme and the participating manufacturers. These discussions enabled us to facilitate introductions for eight manufacturers, smoothing the way for long-term business relations. Among those to benefit from this free SIPPO service

was the Swiss textile agency Tobler, which was looking for a new alpaca knitwear manufacturer and finally found one in Peru through SIPPO. Designers such as Adam Jones, Hermes and Sonia Rykiel were also visited by SIPPO experts, with the result that firms supported by SIPPO are now producing knitwear for them. Last autumn some of these garments featured on the Paris catwalks, to great acclaim from the world of fashion. Other French designers are also now showing an interest in sourcing goods from Peru. The SIPPO project team is currently working to ensure that suitable manufacturers are introduced to these potential buyers. These are not the only successes for SIPPO: we have been able to introduce manufacturers from Macedonia, Serbia, India and Peru to other well-known EU importers, such as CWF,



März, Bader, Mayer and Hess Natur. Two of the importers have been to visit production facilities in Macedonia. Samples are currently in the process of being produced. There is every likelihood that orders will follow.



SUCCESS STORY

The SIPPO Plastics Products project: sustainability and networking

The SIPPO Plastics Products project focuses on sustainability, international networking and the transfer of technology and expertise.

We carefully select the firms that participate in our trade promotion activities, but we also consider it important to work more closely with industry associations and firms in Switzerland and the EU.

Milestone achieved

This year's participation at the Fakuma trade fair for plastics processing represented another significant milestone for SIPPO in establishing an international network for the companies it supports. Although the number of visitors to the SIPPO stand was the same as the previous year, there was a big rise in the volume of offers. Quotations worth approximately CHF 5 million were issued. The firms we support are expected to conclude about 25 contracts in the next eight months. SIPPO exhibitors from Serbia and Macedonia obtained trial orders from companies from Italy and Germany during the trade fair. Only one week later, an Indonesian firm received an enquiry from Austria for industrial packaging material – this could lead to a lucrative order.

The exhibitors at the SIPPO stand also did business with each other. Two examples are worthy of mention:

■ The Macedonian company Rolopas, which manufactures PVC pipes and hoses, has found an attractive supplier of regenerated granules for its production line, in the shape of the Romanian firm Recolo.

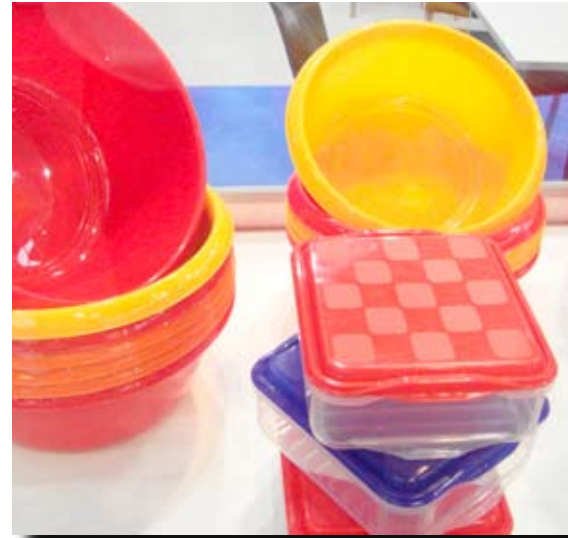
■ In turn, the Romanian company Recolo is to distribute the products of the Indonesian firm Anta Tirta Kirana (stretch film for packaging) in Romania, and also in the EU from 2007 onwards.

These examples show the extent to which SIPPO is fulfilling its role as a facilitator of business relationships.

Exploiting synergies

In order to exploit synergies to the full, SIPPO organized a workshop and a trade mission to Switzerland after the fair for the companies being supported. The workshop, which was held in cooperation with the Institut für Kunststofftechnologien (Institute of Plastics Technologies, University of Applied Sciences Northwestern Switzerland) in Windisch, enabled the company representatives to gain detailed knowledge of the latest plastics technologies and processes.

The following day, the SIPPO-supported companies visited two firms, Elista and DISTRIMONDO. Elista is a plastics processing company interested in setting up a strategic partnership with SIPPO-supported companies and acting as Swiss and EU distributor for their products. DISTRIMONDO is one of the biggest importers of packaging, catering utensils etc., and is inter-



ested in importing directly.

Trends in the plastics sector

The results achieved so far indicate that trends in the plastics sector are prompting an increasing number of firms and importers from the EU and Switzerland to consider forging partnerships with suppliers from developing and transitional countries.



SUCCESS STORY

Furniture from Ghana – an ecologically and socially sustainable SIPPO project

EcoCraft, an ecologically responsible firm in Ghana, produces modern furniture with an unmistakable African flavour using sustainably managed tropical hardwoods.

In recent years EcoCraft, which has been supported by SIPPO for some years now, has developed from a simple handicrafts operation into a fully-fledged furniture design company. The business, which is based in Samreboi, a small town in Western Ghana surrounded by tropical rainforest, is part of an extensive government-sponsored agroforestry programme. The project is successfully meeting its objectives of improving the living standard of the rural population while exploiting the natural forest with its great variety of animal and plant species in a sustainable and environmentally friendly manner. The firm is a member of the WWF's Producer Group and is working towards FSC certification. Young people are trained in the associated woodcarving school. After completing a three-year training period, the students can work either at EcoCraft or for another wood-processing company. They can also choose to start supplying the local market independently.

Ethnic furniture made from tropical hardwoods

The items of furniture are made by hand in Ghana, often from a single piece of wood. The only wood used

is waste wood that cannot be processed industrially and that would formerly have been used for fuel. The shape of the wood often suggests how the piece of furniture will ultimately look, and its small natural blemishes make it intriguingly unique.

Image building

EcoCraft exhibited very successfully at the SIPPO joint stand at the «imm» international furniture fair held in Cologne in January 2006.

Targeted marketing on our part ensured that the project and the SIPPO-supported firm were brought to the attention of the publishers of the homes magazines *Ideales Heim* and *Atrium*. *Ideales Heim* then sent a journalist to Samreboi to find out for herself about how the forest is being managed sustainably and to take a look at the social aspects of the firm's activities.

The result was a comprehensive report on the SIPPO programme and the company it supports, accompanied by a special sales promotion campaign for its products in Switzerland and Germany.

Outlook

EcoCraft's tropical hardwood creations are just what the furniture-buying public is looking for at present. The combination of modern design, natural materials and ethnic influences has resulted in a niche product which

appeals to a growing number of customers in Europe and the USA. These unique pieces of furniture from Ghana blend perfectly with the interiors and environmental design of modern buildings. A visit to the Werner Oechslin Library in Einsiedeln, which was designed by Mario Botta and built by



architects Hanspeter Kälin & Partner, proves the point. The conservatory features a table and benches, developed with SIPPO's help, that conjure up an atmosphere of primal nature.



MATCHMAKING

Trade fair participations

Trade fair	Sector	Total companies	Trade fair	Sector	Total companies
Ambiente	Handicrafts	3	imm	Furniture	7
Biofach	Organic products	17	Midest	Industrial components	13
CeBlt	Software	14	WTM	Tourism	3
Designers' Saturday	Furniture	3	ProWein	Wine	22
ESE	Fish and seafood	6	SaieDue	Furniture production, wood	14
Fish Intl	Fish and seafood	7	Spielwarenmesse	Toys	10
Fakuma	Plastics	12	Spoga	Garden furniture	8
Fruit Logistica	Fruits and vegetables	15	Tendence Lifestyle	Jewellery	16
Hannover Messe	Cast and wrought iron parts	14	Tendence Lifestyle	Handicrafts	13
Heimtextil	Home textiles	13	TTW	Tourism	7
Health Ingredients	Medicinal and aromatic plants	10	Vitafoods	Medicinal and aromatic plants	9
I.L.M. Summer Styles	Leather accessories	12	World of Coffee Conference	Specialty coffees	6

In all there were 24 joint presences involving a total of 254 companies, as well as 118 individual stands at five further trade fairs. In addition, 150 companies were represented on the CPD contact platform.

Overall, 522 companies from SIPPO partner countries benefited from the SIPPO trade fair programme.



MATCHMAKING

Selling missions

Sector	Country	No. of participants
Fish and seafood	Vietnam	48
Fruits and vegetables	Vietnam	12
Information technologies	Bangladesh, Bulgaria, Macedonia, Palestine, Jordan, Argentina, Romania	27
Jewellery	Bulgaria	3

Buying missions

Sector	Country	No. of participants
Organic products	India	5
Leather accessories	Egypt	4
Technical products	Bulgaria	50

Business forum, round tables and fact-finding missions

Sector	Country	No. of participants
Fair-trade fruits	Ghana	3
Fruits and vegetables	Macedonia	4
Wood for industrial purposes	Bosnia and Herzegovina	16
	Macedonia	3
Technical products	Romania	130
Wine	Romania	35

PUBLICATIONS

Trade- and market information

Publication	Content	Cooperation partner
Fashion Forecast, Summer 2007 and Winter 2007/2008	Colours, fabrics, cuts, materials	SIPPO consultant
Jewellery Trend Forecast 2006/2007	Colours, shapes, materials	SIPPO consultant
Leather Fashion Forecast 2007	Colours, trends, materials	SIPPO consultant
Handicrafts Trend Forecast	Colours, trends	SIPPO consultant
Handicrafts Forecast	Trends, materials, design	SIPPO consultant
Home Textile Forecast 2007	Colours, trends, materials	SIPPO consultant
Timber and Timber products	Swiss/EU market overview	CBI Centre for the promotion of imports from developing countries
Buyers' guide 2006/2007	Selected Bulgarian vineyards and their wines	GTZ Deutsche Gesellschaft für Technische Zusammenarbeit

Product and industry overviews

Publication	Content	Cooperation partner
«Guide to Packaging in the Fish Industry»	Information on the increasing importance of packaging in connection with hygiene and traceability, as well as value creation in the seafood sector	FAO Globefish, Eurofish
«Estudio de Oportunidades Embajada Argentina-Suiza»	50 niche products with growth potential	Argentinean Embassy in Switzerland
Branche overview «Clothing industry in Bulgaria and Serbia»	B2B platform with information on the clothing industry in Bulgaria and Serbia, incl. company profiles	GTZ, Deutsche Gesellschaft für Technische Zusammenarbeit
Branche overview «The Indonesian Plastic Sector»	Online directory of 50 exporters, incl. company profiles	Katalyst, Bangladeshi Plastic Association
Vineyards in Serbia	Overview of vineyards and cultural sites and sights in the individual wine-making areas	GTZ, Deutsche Gesellschaft für Technische Zusammenarbeit
Branche overview «Leather producers in Argentina»	Directory of 20 exporters, incl. company profiles and photos on CD-ROM	Argentine Chamber of Leather Goods (CIMA)
Branche overview «Sustainable Tourism in South Africa»	Directory of all tourism operations in South Africa certified by the fair-trade organization FTSA	FTSA Fair Trade in Tourism South Africa
Branche overview «Sustainable Tourism in Peru»	Directory of all tourism operations in Peru run according to sustainability principles	APTAE Asociación Peruana de Turismo de Aventura y Ecoturismo

A full list of all SIPPO publications can be found on our website at www.sippo.ch.



TRAINING

Sector	Country	Content	No. of participants
Alpaca products	Peru	<ul style="list-style-type: none"> – Design – Fashion trends – Structuring collections 	14
Aquacultures	Bangladesh	<ul style="list-style-type: none"> – Workshops with farmers on organic shrimp farming – Courses for the LAAA run by SIPPO consultants 	421
	Peru	Workshop with local partners aimed at finalizing organic standards for scallops	10
	Vietnam	<ul style="list-style-type: none"> – Training under the aegis of the Shrimp Hatchery Improvement Project: advice on the breeding of brood animals – Evaluation of five hatcheries 	5
Automotive components	Indonesia	<ul style="list-style-type: none"> – Market strategies, market potential – Cost calculations – Growth of the cast metal industry worldwide 	31
Clothing	Peru	<ul style="list-style-type: none"> – Market requirements – Export marketing – Product presentation – Collection management – Trends in the EU clothing market 	50
	Peru	Training of an expert from the PCC ADEX programme at CPD in Düsseldorf: <ul style="list-style-type: none"> – Designing trade fair stands – Sales negotiations, purchasing/selling – Familiarity with the EU market – Importance of trade fairs 	39
	Serbia	Trade fair preparation workshop	20
Organic products	Peru	Trade fair preparation	5
Export marketing and administration	Bolivia	Marketing for exporters	88
	Macedonia	Marketing for exporters	70
	Ukraine	Marketing for exporters	18
Export promotion training	Various	Fact-finding tour to Switzerland for representatives of various export promotion organizations in 12 SIPPO partner countries	17
Fish and seafood	Romania	<ul style="list-style-type: none"> – Company visits and audits (HACCP/traceability) – Seminar on HACCP and traceability (including the National Veterinary Service) 	21
	Bulgaria	<ul style="list-style-type: none"> – Company visits and audits (HACCP/Traceability) – Seminar on HACCP and traceability (including the National Veterinary Service) 	19
	Indonesia	– EU market structure, market requirements	28
Cast & wrought iron parts	Serbia	– Workshop «Norms and standards»	21
Wood for industrial purposes	Peru	A graduate of the School of Architecture, Civil and Wood Engineering (HSB) in Bienne provided firms in the SIPPO wood programme with onsite support over a period of one year.	1
	Mozambique	<ul style="list-style-type: none"> – Certified wood – Sales market Europe 	30



TRAINING

Sector	Country	Content	No. of participants
Timber for industrial use	Bolivia	A graduate of the School of Architecture, Civil and Wood Engineering (HSB) in Bienne provided firms in the SIPPO wood programme with onsite support over a period of one year.	2
Information technologies	Macedonia	– Legal aspects, quality assurance	12
Plastics	Serbia	– Marketing tools – Norms and standards – New technologies in plastics manufacturing	21
	Indonesia, Serbia, Macedonia, Romania	– Market trends – New technologies in plastics manufacturing	12
Speciality foods (llama meat)	Bolivia	Training of veterinarians: – Monitoring – Epidemiology	18
Leather accessories	South Africa	– Trade fair preparation – Leather Forecast launch – Swiss/EU market requirements	35
	Indonesia	– Market overview, trends, success factors	75
	Egypt	– Market overview – Trends – Market prices – Quality systems – Critical success factors	60
Medicinal and aromatic herbs	Ghana	– Webdesign – design for organic/herb producers, with ITC	20
	Serbia	– Sustainable collectino from the wild – EU requirements for medicinal and aromatic herbs	55
	South Africa	– Sustainable collecting from the wild – EU directives – WHO guidelines – Quality management	75
Furniture	Bulgaria, Romania, Serbia	– Preparation for Designers' Saturday – Finalization of exhibition concept	3
	Ghana	– Market requirements, trends in Europe	39
Ecotourism	South Africa	– Quality standards, services	30
	Peru	– Good practices	60
Jewellery	Ghana	– Export marketing – Trends, structuring collections	16
Technical components	Macedonia	– Norms and standards	12
Wine	Bulgaria	– Export marketing, image building – Food safety, quality management	25
	Macedonia	– Export marketing, image building – Food safety, quality management – Industry associations	18

RESULTS

Sector	Bid volume (in CHF)	Contracts (in CHF)
Agricultural products (incl. fish and seafood)	56 752 100	20 929 100
Furniture, homewares, wood	16 950 000	5 060 000
Clothing, fashion	5 800 000	3 350 000
Leather	500 000	105 000
Jewellery, handicrafts, toys	1 000 000	2 097 700
Technical products, electronics	25 700 000	9 000 000
Software	2 200 000	6 975 000
Ecotourism	20 000	55 000
Total	108 922 100	47 571 800

Matchmaking platform for clothing industry going from strength to strength

Last year the SIPPO team represented some 75 companies from the clothing and alpaca sector at the CPD womenswear and accessories fair in Düsseldorf for the second time. All in all we received 34 specific matchmaking enquiries. The figures as at the end of December were very pleasing: our hard work yielded production orders worth CHF 1.5 million and two branded collections for 2007 from a German designer. The SIPPO team also visited 45 Swiss and German importers, which resulted in ten orders for samples for inspection.

SIPPO jewellery programme

■ Two jewellery manufacturers in Ghana have been able to double their workforces thanks to regular deliveries to two Swiss importers.

■ The 14 companies at the joint SIPPO stand at the Tendence Lifestyle trade fair notched up 105 contacts with potential customers and submitted proposals worth CHF 70,000.

■ Three SIPPO programme participants won awards in their home countries: Ushina Design was selected as Ecuador's best small company, while Borobudur and Pelangi Sea from Indonesia won awards for their new collections.

SIPPO exhibitors prosper at Fruit Logistica

For the first time ever, a company from Palestine exhibited at Fruit Logistica 2006 thanks to SIPPO's support. SIPPO also made it possible for the PalTrade export promotion organization to attend. A further 14 SMEs from Bulgaria, Macedonia, Serbia, Montenegro, Ecuador, Ghana, India and Jordan also exhibited at the SIPPO joint stand. The Jordan Exporters and Producers Association for Fruit and Vegetables (JEPAFV) and the Macedonian consultancy and inspection organization Land'O'Lakes were also present in the SIPPO pavilion with their own stands. The firms in the SIPPO pavilion achieved sales worth CHF 2.5 million and issued quotations to a total value of over CHF 30 million. For the first time, CORPEI organized a national pa-

vilion for Ecuador at Fruit Logistica this year, having realized the international importance of the trade fair thanks to an appearance at the SIPPO joint stand last year.

Macedonian winegrowers' association up and running

The SIPPO-supported Macedonian wine growers' association, the founding of which was instigated by us in 2006, has now established itself on a sound footing and is functioning independently. There has been encouraging growth in the association's membership: a third of the winegrowers in Macedonia have now joined the association.



RESULTS

Ready for the global future

The Peruvian firm Maderas Peruanas S.A.C., which has successfully completed the SIPPO wood programme, gained contracts to the value of CHF 1.1 million when it exhibited at the SIPPO joint stand for the last time. This was at the SaieDue trade fair in Bologna in 2006. The company has been able to increase its export volume by 35% within two years, offering FSC-certified wood products ranging from parquet flooring to wooden dowels. It now feels well prepared to face the challenges of the global market.

Firms supported by SIPPO have created over 160 new jobs in the past two years by their own reckoning – in no small part thanks to SIPPO's help.

Exotic leather accessories

Making their first appearance at the I.L.M. leather fair in Germany, SIPPO-supported firms surprised both visitors and the organizers with their range of creative fashion accessories at attractive prices. The South African and Egyptian exhibitors, in particular, attracted attention at the SIPPO joint stand thanks to their high-quality exotic leather products. The twelve partner companies from seven countries won orders worth over CHF 100,000 at the trade fair, and issued quotations to the value of more than CHF 500,000. We have clearly succeeded in introducing the European leather trade to new source markets. Finally, special mention must go to the SIPPO stand design, which impressed even the trade fair organizers.

Metal-working and machine parts

Twelve firms from Bulgaria, India, Romania and Serbia exhibited at the SIPPO joint stand at the Midest 2006 industrial subcontracting trade fair in Paris. During the fair, representatives from the

companies supported by SIPPO made contact with over 300 potential customers. This led to 101 proposals being issued – equivalent to a sales volume of about CHF 5.5 million. In addition, four contracts worth a total of CHF 1 million were concluded at the joint stand.

SIPPO at the CeBIT 2006 computer trade fair

SIPPO presented 14 companies from nine developing and transitional countries at the CeBIT 2006 trade fair. The only exhibitors from Palestine, Indonesia, Macedonia and Jordan were those appearing at the SIPPO joint stand. ASAL Technologies was the first exhibitor from Palestine in CeBIT's 20-year history. The results were impressive: visitors to the SIPPO stand were up by 20% compared with 2005, bid volumes increased by 35% and three contracts were signed during the trade fair.

Toys from Romania and Bulgaria in demand

Thanks to the attractive products they exhibited at this year's Nuremberg toy fair, SIPPO-supported firms were subsequently able to issue 208 quotations. These resulted in orders to the value of CHF 1.5 million. All seven Romanian and Bulgarian manufacturers due to leave our programme this year will have their own stands at the toy fair in future.

Participants in the SIPPO garden furniture programme hold their own in export markets

The SIPPO garden furniture programme is making excellent progress. Following their appearance at the SIPPO joint stand at the Spoga 2006 garden furniture fair, companies supported by SIPPO have already exported goods worth CHF 1.3 million to the EU. The successful Romanian participants which left the programme at the end of the year plan to

have their own stands at Spoga in 2007. The African companies which exhibited at the SIPPO stand also impressed visitors with their innovative wares.

Fair trade holidays in South Africa presented at the TTW

This year we had the opportunity to invite seven member companies of Fair Trade in Tourism South Africa to attend the Travel Trade Workshop (TTW) in Montreux for the first time. The South African embassy to Switzerland gave exemplary support and helped the firms establish very useful contacts in the Swiss tourism market. The preparatory work of facilitating direct contact with Swiss companies helped to ensure that leading firms from Switzerland are interested in the concept and have included fair trade holidays in their travel brochures for 2007.

Alpaca knitwear programme expanding well

Export volumes under the alpaca programme had expanded by CHF 1,300,000 by the end of September, which corresponds to a year-on-year increase of 122%. Deliveries for the summer collections generated an additional CHF 1,000,000 in export volume. Furthermore, we were delighted that one of the participants in a SIPPO programme in Peru won the contract to produce hand-knitted items for the collections of three well-known French designers. The companies taken over from the ADEX PCC project are also on the right track: they are currently developing their own debut collections.



Playing kids, Ghana



NEWS

Palestine at European trade fairs for first time

Palestine took part in trade fairs in Europe for the first time, showing fruits and vegetables at Fruit Logistica in Berlin and software at CeBIT in Hanover. Both undertakings were a success. The Palestinian software company subsequently took part in an event in Switzerland.

Awards for and with SIPPO

■ SIPPO received a plaque from the Jordanian Minister of Trade as recognition on the part of JEDCO, the Jordanian export promotion organization, of its long-standing and successful working relationship with SIPPO and SIPPO contact, Ernest Liniger (Amman).

■ Ushina, an Ecuador-based company and SIPPO programme participant, was awarded our «Best SME» prize.

■ In Serbia, Wood Art's new Ring Tower was honoured as one of the top toys of 2006. The Ring Tower was presented in Western Europe for the first time at SIPPO's stand at the 2007 International Toy Fair in Nuremberg.

SECO trade promotion programmes in SIPPO partner countries

Several dozen supported companies have been included successfully in the SIPPO export promotion programme thanks to efforts under the aegis of two SECO trade promotion programmes run in collaboration with ITC in Bolivia and ADEX in Peru. A similar SECO-ITC programme in Vietnam will produce further such companies over the coming year. All SECO trade promotion programmes are conducted as capacity-building initiatives with local organizations.

FairWild standard launched

The new standard for the fair wild collection of medicinal and aromatic plants was launched at the Health Ingredients trade fair in collaboration with IMO (Institute for Marketecology) and the Ger-

man consumer association Forum Essenzia.

SIPPO programme evaluation

The external evaluation undertaken in the autumn of 2006 validated the role that SIPPO has to play in achieving SECO's economic aid objectives. SIPPO makes a significant contribution to improving market access to Switzerland and the EU for SMEs from developing and transitional countries. The evaluation also confirmed that SIPPO's range of services corresponds to the needs of the selected SMEs in the partner countries. Furthermore, it gave SIPPO good marks for the quality of those services.

Two Bienne University of Applied Science graduates in Bolivia and Peru

Two wood engineers from the School of Architecture, Civil and Wood Engineering (HSB) in Bienne were deployed for one year to a number of companies in Peru and Bolivia to provide support to SMEs in the wood industry and help prepare them for the export market. The Latin American companies benefited from Swiss expertise, while the two graduates found a demanding and challenging job in developing countries that will stand them in good stead in the future.

SIPPO import promotion expertise in ever greater demand

SIPPO staff were called upon to speak about import conditions and regulations at a variety of courses and conferences. These included an EFTA seminar in Albania, the emrc conference in Antwerp, the Eurasian Business Summit in Evian, as well as lectures on biodiversity at the Federal Institute of Technology (ETH) in Zurich, and at the OECD SWAC conference on organic shrimp.

Staff and external experts

At the end of last year, SIPPO's headcount comprised 16 permanent employees, two

part-time employees and one intern. SIPPO can also call upon the services of a pool of around 30 external experts, all of whom are professional specialists in the different sectors served by SIPPO. These experts are brought in on an as-needed basis.

Balanced scorecard (BSC)

Conducted in connection with the annual staff performance review, an analysis of the BSC per staff member and programme revealed that the various objectives had been attained or even exceeded as at the end of 2006.

Network partners

We further broadened and deepened our alliances with network partners:

- Local export promotion agencies
- Local and Swiss/European industry associations
- Multilateral organizations (ITC International Trade Centre, UNCTAD United Nations Conference on Trade and Development, FAO Food and Agriculture Organization)
- Bilateral chambers of commerce
- Local NGOs, ministries

Local institutions are the driving force behind not only economic growth, but also export promotion.

- Other SECO agencies
- SDC, the Swiss Agency for Development and Cooperation
- SOFI, the Swiss Organization for Facilitating Investments
- Service Centre Business Network Switzerland

Cooperation with other organisations and agencies in the field of economic development partnerships magnifies the impact many times over.



SIPPO TEAM

Our management



Markus Stern, CEO

Coordinator

Gaza and Westbank, new countries

Sectors

Trade and market information
Public relations and communication
Strategic projects, administration, controlling and finances

Our project managers



Eve Bächtold

Coordinator

Egypte, Indonesia, Peru

Sectors

Alpaca products
Clothing
Home textiles
Jewellery



Jitka Doytchinov

Coordinator

Jordan, Romania

Sectors

Handicrafts
Furniture (garden, home)
Toys



Franziska Staubli

Coordinator

Ghana, India, Mozambique

Sectors

Sustainable tourism
Food specialities
Organic products
Medical herbs and essential oils



Adrian Bretscher

Coordinator

Bolivia, Bangladesh, Southafrica

Sectors

Leather accessories
Jute products
Timber for industrial use



Boyko Doytchinov

Coordinator

Bulgaria, Russia, Serbia,
Montenegro, Ukraine

Sectors

Automotive components
Machine parts, electronics
Forgings and castings
Machinery, plastics
Software, Trado platform
Technical components



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Ecuador, Vietnam

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Fish and seafood



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Bosnia and Herzegowina,
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Fruits and vegetables
Wine



SIPPO TEAM

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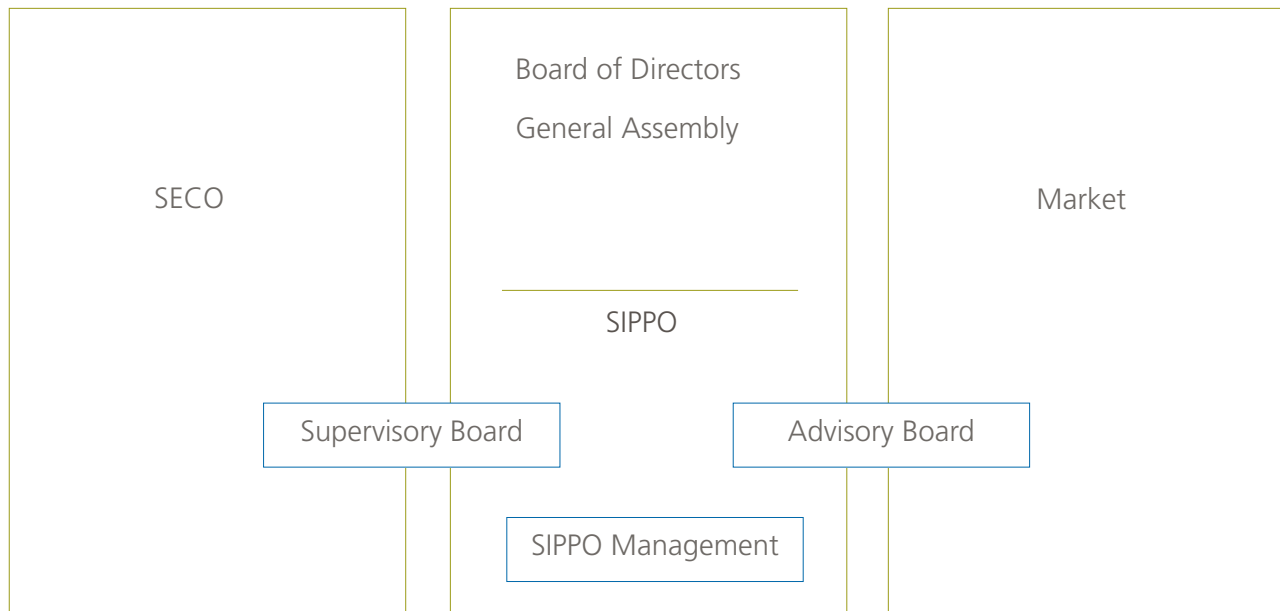
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CORPORATE GOVERNANCE

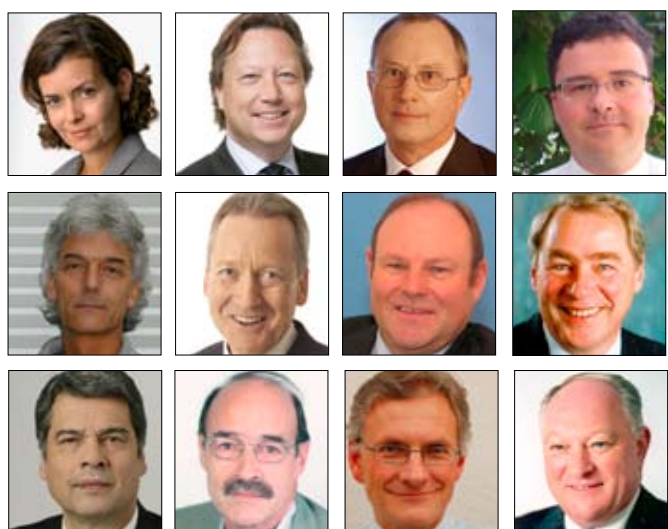


Supervisory Board



Left to right:
Markus Schrader, Markus Stern, Christoph Stückelberger,
Hans Jöhr, Hans-Peter Egler, Martin Roth

Advisory Board



Left to right:
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Jörg Reimer, Kurt van Schellenbeck, Hans Jöhr, Markus Stern,
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Markus Stern
CEO

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