

Activities 2004



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Editorial

Last year was a year filled with projects. We focused on the one hand on implementing the planned SIPPO activities in line with the new 2004 - 2007 mandate, and on the other hand on establishing the administrative foundation for project management and monitoring, as well as on stepping up external communication activities.

Our programmes and projects for promoting trade that benefits emerging markets and markets in transition make effective, efficient use of all three levels of SIPPO activity (trade and market information, matchmaking, and training).

Among the greatest needs of emerging markets and markets in transition are the need for trade and market information, information about import regulations, tariff and non-tariff customs regulations, quality requirements, design, European norms and standards, as well as for information on certifications such

as the ISO 9000 series, EurepGap, IFS, BRC, social responsibility, environmental regulations, FSC and organic production, to name a few. In order to help export-oriented companies in emerging markets and markets in transition understand these issues, we published 11 hand-outs and brochures in the year under review.

Swiss importers and buyers, too, sought more information about potential new suppliers, new products and new sourcing markets. We collaborated with our partner organisations in our partner countries to create and distribute 11 product and industry overviews: an effort that resulted in various new partnerships.

Finding customers is not an easy task, particularly in new export markets. One of SIPPO's primary roles is to provide support in this area. At the second level, that of matchmaking, we used all the tools for forging contacts between

exporters and importers, including establishing direct contacts, direct mails, selling/buying missions, business forums and participation in trade fairs. The matchmaking programmes generated a large number of promising contacts as well as notable export contracts. Several hundred companies from our 20 partner countries benefited from these matchmaking programmes.

Several hundred companies also took part in various workshops and further training seminars. In addition to industry-specific workshops, the participants showed keen interest in issues related to export marketing and administration. It is particularly important for exporters in emerging markets and markets in transition to ensure that the «4 P's» of their marketing mix, i.e. product, price, promotion and place, are closely aligned.

In this age of globalisation, the overwhelming response to SIPPO activities in emerging markets and markets in transition is proof that our trade promotion programme is right on target. Exports are the engine of economic growth. They create jobs and income. But Swiss importers and buyers and, last but not least, the Swiss consumer, also benefit from the SIPPO programme: an ideal win-win situation. It is our hope that our programmes and projects have contributed to economic improvements in the emerging markets and markets in transition. But see for yourself by taking a look at the following pages.





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 anti-corruption.

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 recognises 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 institutionalised by suitable intermediaries.

Target groups

In the partner countries

- SMEs and cooperatives with
 - sufficient management potential for exporting and a willingness to implement consulting recommendations
 - 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 organisations, chambers of commerce, trade associations

In Switzerland

- Business organisations, chambers of commerce, trade associations
- Importers, wholesale distributors and manufacturers
- Environmental and development organisations, fair trade organisations

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.





SIPPO at a glance

Services

SIPPO's services are divided into three categories: trade and marketing information, establishing and fostering trade relationships, and training.

Cooperation Partners

SIPPO works closely with local export promotion organisations, business organisations, chambers of commerce and trade associations, as well as with other seco instruments, SDC (Swiss Agency for Development and Cooperation) offices, and embassies in emerging markets and markets in transition.

Corporate Governance

As of 1.1.2004, SIPPO consists of the following committees:

- The **board of directors** decides whether to accept or reject the mandate. By signing the mandate, the board of directors delegates responsibility for the strategic alignment and monitoring of the mandate to the supervisory board. At the same time, responsibility for operational planning and implementation of the defined mission is transferred to SIPPO's executive management.

- The **supervisory board** is responsible for all strategic decisions and governs the basic management issues relevant to these decisions. It is responsible in particular for appointing the SIPPO executive management. It is made up of four members with voting rights. The managing director and another seco representative have a seat on the board but are not entitled to vote.

- The **advisory board** advises the SIPPO team on questions specific to programme and project management, and sets up contacts with Swiss importers. Its members comprise representatives of trade and industries being promoted and of other (related) seco programmes/mandates (Swiss Organisation for Facilitating Investments, SOFI).

- **seco** is represented on all committees and is therefore responsible for the strategic (including economic) orientation of the mandate and for core programme management issues.





Overview Country Programmes

Region

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

Legend Sector programs

Agricultural products & 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

- Hometextiles
- Garden and office furniture
- Wood for industrial purposes

Garments & textiles

- Alpaca
- Clothing
- Fashion individual programmes

Leather, jute

- Leather accessories
- Jute

Jewellery, handicrafts

- Jewellery
- Handicrafts
- Toys

Technical products, electronics

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

Software, Trado

- Trado
- Software

Other programmes

- Eco-Tourism





Overview Country Programmes





New projects

Sustainable tourism to protect the environment and social infrastructure

International tourism is booming despite global political conflicts and crises in numerous regions. Terrorist attacks tend to be forgotten quickly, and there is a growing trend towards more travel but shorter breaks.

As one of the largest and most rapidly growing global industries, tourism generates a significant number of jobs and drives economic development, especially in many emerging markets and markets in transition. However, such growth adversely affects the environment and social structures, since tourism causes air pollution, produces waste and reduces natural resources. To regulate the negative impact of

tourism, new tools and methods must be developed with a view to preventing damage to the environment and social structures. The idea is to manage tourist activities in such a way that they contribute to sustainable development and protect tourism resources.

With this in mind, SIPPO launched a programme in 2004 in the sector of sustainable tourism. One of the goals of the first year was to define and lay down the criteria for sustainable tourism and identify ways of protecting environmental resources and cultural treasures while simultaneously promoting tourism from emerging markets. Sustainability guidelines include envi-

ronmental, economic and socio-cultural aspects of tourism development. The goal is to create a balance among these three aspects in order to ensure sustainability.

In 2004, SIPPO travelled to Jordan with a dozen tour operators from Switzerland to sound out the potential for sustainable tourism and search for potential cooperation partners and tour operators in Jordan who would be interested in fostering projects of this type.

Leather: a product with export potential

The leather market is sourced from around the world. For many emerging markets and markets in transition, it plays a vital role. As a key link in the value chain for meat (and wool), leather is a by-product whose value sometimes even exceeds that of the primary product. Leather is also produced in poorer emerging markets. However, important parameters must be observed in leath-

er production (animal slaughter and the initial hide-processing steps) to ensure the correct basis for producing high-quality leather that creates added value in the supply chain. The conditions at this stage vary widely around the world. In addition, important ecological and social criteria need to be met as early as the slaughtering and tanning phases so that, when they reach the sales markets, not only are the finished products good value for money but they also do

not compromise the reputation of the market partners.

Sales partners around the world must be provided with better tools for establishing long-term sourcing partnerships in the leather sector, preferably in SIPPO partner countries. The interests of the Swiss leather and leather product industry, including the leather processing segments, must be simultaneously promoted and all SIPPO activities must be structured around these interests. Support must be given to the sourcing strategies pursued by importers. In addition to optimal price/performance, particular attention must be paid to ensuring integral quality assurance and modern product design.





New projects

Fostering the biodiversity of «non-timber forest products» from Vietnam in cooperation with UNCTAD

In 2002 SIPPO began working with the Biotrade Facilitation Programme (BTFP) of UNCTAD, in the sector for natural ingredients for the food and pharmaceuticals industry in Latin America. The aim of this partnership is to promote biodiversity products produced in a sustainable manner by SMEs or associations in Vietnam for export to Europe, and consequently to alleviate poverty by creating added value and new jobs in the region.

In 2004, SIPPO and BTFP launched a pilot project in Vietnam for «non-timber forest products», the aim of which was

- to integrate Vietnamese companies that sustainably produce biodiversity products in accordance with the criteria

laid down by the UNCTAD biotrade initiative

- to provide assistance to export companies or companies with export potential in adapting their products to the requirements of European markets

- to prepare a technical manual containing country-specific criteria, indicators and descriptions of experiences from which other companies can benefit

SIPPO has acquired major experience of «non-timber forest products» (NTFP) in the Balkan region as well as from the UNCTAD/BIOTRADE project in Latin America. The NTFP sector has a great deal of potential in terms of biodiversity products from Vietnam.

The following opportunities were identified:

- Contribution to preserving biodiversity resources in Vietnam under the motto «conservation out of utilisation»

- Sustainable promotion of Vietnamese exports

- Experience acquired in the pilot project can be implemented in other sectors and countries

- Opportunity to promote biodiversity products in emerging markets in a simple and efficient way

- Experience acquired in ongoing Biotrade projects can be transferred to other countries

Wine from south-eastern Europe gaining popularity

In cooperation with the «Vereinigung Schweizer Weinhandel» (Association of the Swiss Wine Industry), a selling mission was undertaken in Zurich in October for Swiss importers and wine dealers. Around 30 wine cellars from Bosnia-Herzegovina, Bulgaria, Macedonia, Romania and Serbia-Montenegro presented their wines and successfully made new contacts. The event was attended by approximately 120 importers and wine dealers. The guests included large importers such as Bataillard and Schenk, who showed major interest in importing wine from these countries and did not exclude the possibility of signing exclusive contracts. Mövenpick has added wines from Bulgaria and Romania to its selection as a result of contacts made on the 2003 and 2004

selling mission. Various smaller wine dealers also added wines from south-eastern Europe to their assortment. The doors were opened to wine enthusiasts in the evening. More than 80 wine lovers took advantage of the opportunity to try out the autochthonal (local) wines and were impressed by their high quality.

On the last day, the 45 programme participants from south-eastern Europe visited the Volg wine cellar in Winterthur: one of the largest in Switzerland. Dr. Otto Geiges, wine expert at SIPPO, led the group. Two competent Volg representatives demonstrated modern wine cellar technology to the visitors. In addition, the participants also learned some interesting details about wine growing and grape pressing methods in Switzerland, cooperative wine growing and local wine varieties. The participat-



ing wine cellars were very happy with the organisation of the event by SIPPO, and highly satisfied with the valuable contacts they made.



Highlights

SIPPO programme participant Varis Toys receives several awards

The Latvian company, Varis Toys, generated one third more revenue after participating for the very first time in the Nürnberg 03 toy fair at the SIPPO collectiv stand. In 2004, Varis Toys was once more able to increase the revenue generated by this trade fair and acquired 14 new customers across Europe. In addition, the company found an agent in Switzerland and received two prizes.

What is the secret to their success? Flawless management coupled with perfect design. At the end of 2004, the company successfully applied for the «German Economic Prize in Latvia» sponsored by the German embassy. Mr Krisjanis Karins, the Latvian Minister of

Economic Affairs, was present when the company was awarded a special prize for product design. The prize-winning company has largely been successful due to its professionalism, the quality of its products and services, and its marketing experience. Over the past two years in which it has been in the SIPPO programme, the company has learned a lot and been able to apply the knowledge it has acquired. Another highlight was the awarding of third prize for the «2004 German Design Prize for Wooden Toys» at the Nürnberg 04 toy fair. The Association of the German Toy Industry and the Nürnberg Designforum explain their decision: «The designer, Maris Peics, takes the well-known concept of the wooden house and re-creates it with a first-rate technical design in a new and yet classical way. Its simple connecting

systems allow children to create amazingly sturdy constructions that can be taken apart again with ease to try out new ideas. The toy is exemplary not just because of its perfect implementation in solid birch, but also because it is reduced to only the most essential building elements.» The push-fit connecting system encourages children to use their motor skills. The building sets, which have long been used in Latvia for therapy purposes, have been FSC-certified since the spring of 2003.

Varis Toys will have its own booth for the first time at the Nürnberg 05 toy fair. We are convinced that we provided this Baltic company with the support it needed to attend this prestigious trade fair on its own from now on.

TRADO – An Internetbased B2B platform for IT products and services

On behalf of the State Secretariat for Economic Affairs (seco) and in cooperation with simsa (swiss interactive media und software association), SIPPO implemented an Internet-based B2B trading platform for the ICT sector in Switzerland and selected markets in transition. Named «TRADO», the platform is free of charge for all registered users and can be found at <http://www.trado.org>. It provides an efficient means of making contacts and establishing business relations with selected partners in SIPPO partner countries, and offers users cost-effective ways of supporting their own IT resources. The platform also creates new potential for identifying distribution partners in the growing markets of the Middle East, Eastern Asia and Eastern Europe.

Following the pilot phase when the



platform was only accessible to Swiss and Jordanian IT companies, new and attractive markets in SIPPO partner countries were incorporated at the beginning of 2004. This step was taken to respond to market trends and tap into the potential in Eastern Asia as well as in Central and Eastern Europe.

The official opening ceremonies for the platform (Macedonia in February 2004, Bangladesh in March 2004, Bulgaria in

April 2004, Serbia and Montenegro in September 2004), which were attended by several local IT companies, the Swiss ambassador to each country, official local government representatives and journalists, provided an opportunity to make new business contacts. A subscriber base of more than 350 and the strong media response are evidence that the TRADO initiative is considered an excellent networking platform in the IT sector and is highly valued.



Highlights

Testing standards for the sustainable collection of wild and aromatic plants in Bosnia-Herzegovina

Medicinal and aromatic plants (MAP) have traditionally played an important role in human healthcare. According to the WHO, the majority of the world's population, particularly in emerging markets, relies on traditional medicine which is based on MAPs. Yet comparatively few MAP species are cultivated. The majority are collected in the wild, since most medicinal plants are traded locally and regionally but not internationally. The costs of settlement and cultivation are high and the amount of land available for growing «non-food crops» is often limited. Collecting these plants in the wild is a way for many rural households to work and earn income, especially in emerging markets.

This could create incentives for the conservation and sustainable use of forests and other important plant habitats and thus strengthen the local economy.

However, over-harvesting, land conversion and habitat loss increasingly threaten a significant percentage of MAP species and populations throughout the world. For this reason, methods are urgently being sought to bring the needs of local, regional and international markets in line with the need to conserve and sustain MAPs.

SIPPO has in-depth knowledge of MAPs stemming, in particular, from its experience in the Balkans, where manuals on sustainable wild plant collection were created in conjunction with certification offices and other international institutions. A steering committee, com-

posed of IUCN WWF/TRAFFIC and BfN, has drafted its first paper on standards and sustainability criteria for the collection of wild MAPs. This paper is based on existing guidelines, standards and guiding principles.

The committee has selected the SIPPO project for sustainable collection of wild MAPs in Bosnia-Herzegovina to test the agreed standards. Our in-depth knowledge and advice on formulating practical guidelines will be useful in implementing these MAP standards. Tests will be conducted in the summer of 2005 so that criteria and standards can be finalized by 2006.



Organic Black Tiger (BT) shrimp from Vietnam now available in Switzerland

In 2000, SIPPO launched a project with local partners in Vietnam to farm organic BT shrimp. Initially guidelines with Naturland were established as the standard for this organic aquaculture, and farmers, distributors and processors were given instruction on these special requirements. In December 2001, all who participated received the certificate from Naturland and, in August 2003,

approval from Bio Suisse. The aim of this SIPPO project was to create economic value for the producers in Vietnam and to get a self-financing project up and running. Several Swiss importers were invited for an on-site visit and advised that the purchase price of organic shrimp is 20% higher than the price of conventional shrimp. This «organic bonus» is distributed among participants in Vietnam. Part of it will be used to undergo the annual organic certification and sup-

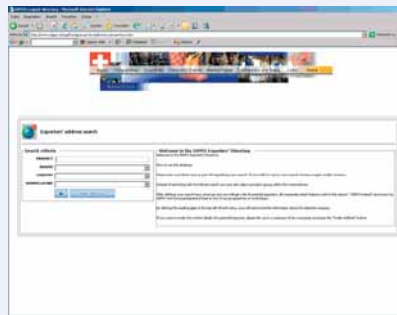
port other organic aquaculture projects. A Swiss retail chain, learned more about the project during the on-site visit, recognised the market opportunity and signed a supply contract. Since May 2004, these shrimps are sold under the Bio-Knospe label. Since the beginning of the project, 200 metric tonnes valued at around USD 3.6 million have already been delivered to Switzerland. In the meantime, the organic bonus has grown to more than USD 450,000. The shrimp is farmed by the «Enterprise 184» farm in the Mekong Delta, in the province of Ca Mau, since this area is a protected mangrove forest and no additional feed is used. The «Enterprise 184» comprises 1,022 small, family-run farms. The project contributes to the well-being of producers in Vietnam and offers importers and retailers in Switzerland and the EU excellent market opportunities. In addition, the strategy also helps to keep animals in their natural environments and to protect nature.



Highlights

SIPPO Exporters' Directory – an up-to-date, comprehensive data source for importers

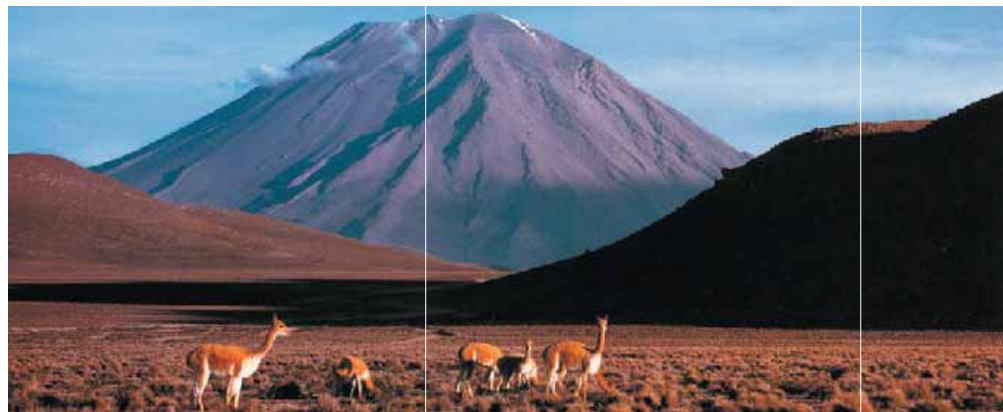
[Http://www.sippo.ch/directory](http://www.sippo.ch/directory) gives buyers and importers access to a unique database containing detailed information about potential suppliers and sub-contractors in emerging markets and markets in transition. It is possible to search by country or product group and to perform a full-text search for individual products. This makes it extremely easy to find new suppliers. Many of the 2,500-plus listed companies received direct support from SIPPO or took part in our trade fair programme. These companies are identified as «SIPPO trained».



Our success stories (<http://www.sippo.ch/success>) provide impressive proof of how Swiss importers and producers have been able to enter new business fields and/or make significant cost savings through business relationships with companies in emerging countries and countries in transition.

Export promotion training for partner organisations

In May 2004, 28 representatives from our partner organisations attended a training course in Zurich organised by SIPPO. One of the goals of the course was to familiarise participants with the instruments used by the Swiss trade promotion network. During the two-week course the participants, who had travelled from 15 different SIPPO partner countries, visited various private-sector service and production companies as well as government agencies and international organisations. The itinerary included the UN and the International Trade Centre in Geneva as well as the Swiss Customs Directorate and the World Trade Institute in Berne, the Federation of Swiss Importers and Wholesale-Traders (VSIG), the World Trade Center and Swiss export companies. This course provided representatives of our partner organisations with an insight into all the aspects of export promotion, world trade and customs/movement of goods. Interna-



tional and bilateral treaties, international law, and the provisions laid down by WorldTariff were also among the topics discussed. The participants were eager to learn and showed keen interest, resulting in a great many stimulating discussions after the individual presentations. The participants exchanged ideas with each other enthusiastically and took advantage of the opportunity to forge new contacts. Despite the heavy schedule, there was still time for each participant

to visit the embassy of his or her home country in Berne. The seminar was concluded with a workshop on export marketing that included not only theory but also the analysis of case studies. The participants were highly satisfied with the content and organisation of the seminar, and set off home motivated and determined to apply their newly-acquired knowledge in support of the local export industry in their own countries.



Highlights

Increasing demand for alpaca and pima knitwear from Latin America

In the year 2000, a project was launched to promote alpaca and pima knitwear in Peru. The project is regionally focused and aims to support producers of alpaca knitwear in Peru, Bolivia and Ecuador. In Peru and Bolivia alike, the production of alpaca is of national importance. In the past it has not been possible to fully exploit the enormous export potential, which is why the industry has relied until now on support from SIPPO. Thanks to intensive, individual recommendations given by our experts on-site, programme participants successfully adapt-

ed their products to European requirements in terms of design, quality and European norms and standards. As a result, the companies have been able to increase their exports by 35% per year since 2002. An agent from France added the products to his selection of merchandise and a Swiss importer placed the first major order. SIPPO is currently negotiating with a German agency that is interested in taking on several collections from programme participants.

Every year, SIPPO organises a two-day alpaca workshop for 40 students at the textile institute in Lima. After the workshop, SIPPO selects 15 students and invites them to a one-week educational

trip. The itinerary includes visits to various garment manufacturers and producers of woven products and knitwear in Arequipa and Puno. The students gain an insight into the production and processing of alpaca fibres and learn about Peruvian alpaca and Vicuna projects. They are also given the opportunity to exchange ideas with representatives of the alpaca associations. Teachers and students as well as the SIPPO project team find this educational week highly informative and interesting. We are pleased to note that several students have decided to devote their next term paper to the subject of alpaca, and have expressed an interest in working in this sector once they have graduated.

Sourcing platform as a springboard for garment manufacturers



The frequent inquiries we receive from Swiss and EU importers about new producers in Eastern Europe have prompted us to adjust our successful programme for garment manufacturers. SIPPO sees itself as an intermediary between importers and producers, and provides importers with support not only by issuing various brochures containing valuable information about the clothing industries in countries such as

Romania, Macedonia and Serbia-Montenegro, but also by referring selected SIPPO-approved companies from these countries. All the companies listed in these brochures have been visited and inspected by a SIPPO expert. The companies participating in our programme have made a commitment to comply with our defined quality standards, to make the changes necessary within the company, and to submit regular reports

on their activities. SIPPO views its role exclusively as one of an intermediary that creates contacts. In line with international trade practices and in order to enhance efficiency, both partners are responsible for further expanding business relations.

SIPPO has also published a CD containing overviews of garment manufacturers in Romania, Macedonia and Serbia-Montenegro. These overviews were published in cooperation with the textile associations and economic ministries in each country. The CDs can be purchased from SIPPO or at the SIPPO booth during the Global Fashion CPD in Dusseldorf in August 2005. This service facilitates the search for new producers and products.



Success Story

Nico Glass srl, a Romanian company, has successfully completed the SIPPO handicraft programme. It has successfully gained a foothold in the western European market thanks to modern design and high quality. Since then, sales have risen sharply and new employees have had to be hired to handle the increase in demand.

SIPPO:

Mr Gagiu, you are the managing director of glass manufacturer Nico Glass srl, the first company to have completed the three-year SIPPO handicraft programme.

Nicolae Gagiu, Nico Glass

In June 2000, I took part in a SIPPO selling mission in Zurich with several other Romanian glass manufacturers. At that time, our products did not yet have the quality standard we wanted. We had taken over the factory and were trying to build it up. The trip to Switzerland gave us lots of important information about the demand in western European markets, and your experts gave us valuable tips about quality and ways to prevent errors.

SIPPO:

We remember the conversation we had. We were really impressed by your commitment back then. You actually come from a completely different industry.

Nicolae Gagiu, Nico Glass

That's right. I originally studied medicine in Paris before returning to Romania, and somehow ended up in glass manufacturing. We are located in a region where infrastructure is poor and high unemployment is prevalent. We are trying not just to create jobs in our factory but also a good working climate. Since we started we have experienced some production bottlenecks, and people have had to work overtime. It took

some time, but now people understand that their jobs depend on exporting quality products. This is the only way to create customer loyalty and generate follow-up orders. We are making good progress, and this is largely thanks to SIPPO.

SIPPO:

How many employees do you now have in your factory?

Nicolae Gagiu, Nico Glass

In 2002, we had 23 employees. It took some time before we could really function independently at trade fairs like Ambiente and Tendance in Frankfurt, and gain the trust of the buyers. In 2002 and at the beginning of 2003, we faced economic difficulties and had to reduce our workforce to 15. After attending the Tendance trade fair at the shared SIPPO booth in August 2003, we suddenly received a lot of orders. Our revised collection was well received, and within the space of a year we had once more expanded the workforce to 24. Since Tendance 04 in August 2004, we have been overrun with orders and intend to hire more new staff.

SIPPO:

How did your participation in the SIPPO programme affect your company in economic terms?

Nicolae Gagiu, Nico Glass

Since the beginning of the SIPPO programme, we have been able to increase our sales by 300%. Over the past few years we have created a database with 120 potential customers and are now familiar with market requirements in Western Europe. Each year we bring out a new collection that has been adapted to address new trends. Our success shows that this is the right strategy. We've also realised how im-

portant it is to have a presence at major promotional platforms such as the Frankfurt Tendance, and will have our own stand at this trade fair for the first time in 2005.

SIPPO:

Mr Gagiu, thank you for talking to us. We wish you all the best in your future business endeavours.

Nicolae Gagiu, Nico Glass

I am really sorry that we can no longer participate in the SIPPO programme and I would like once again to extend my thanks to the State Secretariat for Economic Affairs (seco) and SIPPO for their invaluable support. Thanks to your assistance, jobs in our company are more secure than ever before and we have found the self-confidence we need to get through even difficult times.



Matchmaking

Trade fair participations

Fair	Total companies	Fair	Total companies
Ambiente	13	HIGA	10
Automechanika	18	Midest	19
Biofach	17	Orgatec	7
Cebit	14	Prowein	13
European Seafood Exposition	7	Saiedue	13
Fish International	7	Spielwarenmesse Nürnberg	12
Fruit Logistica	14	SPOGA	6
Hannover Messe	18	Swisstech	10
Health Ingredients	16	Tendence Lifestyle (Jewellery)	21
Heimtextil	15	Tendence Lifestyle (Handicrafts)	22

SIPPO participated collectively with a total of 272 companies from the following countries in 20 trade fairs: Argentina, Bolivia, Bosnia-Herzegovina, Bulgaria, Ecuador, Egypt, Estonia, Ghana, Indonesia, Latvia, Lithuania, Macedonia, Mozambique, Romania, Russia, Serbia-Montenegro, Slovakia, South Africa, Ukraine and Vietnam.





Matchmaking

113 companies participated in the various selling/buying missions.

Selling missions

Sector	Country	Month	Number of participants
Aquacultures	Peru	January	4
Leather clothing and accessoires	India	March	12
Alpaca	Bolivia	May	4
Jewellery	Bolivia	May	16
Wine	Bosnia-Herzegovina, Bulgaria, Macedonia, Romania, Serbia-Montenegro	October	20

Buying missions

Sector	Country	Month	Number of participants
Medicinal Herbs	Bosnia-Herzegovina	April	45
General	Ukraine	June	12
Wine	Macedonia	October	3
	Bulgarien	October	3
Alpaca	Peru	October	6





Training

Training Seminars & Workshops (a total of 825 participants)

Sector	Country	Month	Content	Number of participants
Alpaca	Peru	September	- Development of the 05/06 winter collection - Development of marketing strategies	16
Aquacultures	Peru	January	Knowledge transfer in the areas of - Sustainable breeding - Internationally approved organic products	80
Organic products	Jordan	October	Organic farming	30
	Palestine	October	Information about SIPPO and Organic farming	40
	Romania	October	- SIPPO Programmes - Sourcing companies ahead of BIOFACH 2005	40
	Ghana	November	Sustainable collection of wild plants	35
Ecotourism	Jordan	December	Potential in the ecotourism sector	25
Export promotion	13 partner countries	May	Instruments for marketing for exporters	28
Export marketing and administration	The Baltic countries	April	Instruments for marketing for exporters	100
	Serbia-Montenegro	June	Instruments for marketing for exporters	58
Fish and seafood	Bulgaria	October	Traceability within the Fish Industry	25
	Indonesia	November	Traceability within the Fish Industry and food standards (BRC/IFS)	84
Fruits and vegetables	Jordan	May	- Overview of the Swiss market - Information about new standards	6
Medicinal Herbs	Serbia-Montenegro	June	Information about - Markets - Sustainable collection of wild plants - Trade fair participation	20
	Romania	June	Information about - Markets - Sustainable collection of wild plants - Trade fair participation	35
	Bosnia-Herzegovina	April	Train-the-Trainer for wild collection	20
	Macedonia	May	Information about - Markets - Sustainable collection of wild plants - Trade fair participation	35
Toys	Indonesia	May	- European design - EU norms and safety regulations - Products development	100
Textiles	Macedonia	May	Preparation for CPD contact platform	48



Organic certifications

Products	Country	Month	Number of participants
Shrimp	Vietnam	January - December	1022
Medicinal herbs	Bosnia-Herzegovina	August	3
Organic products	Jordan / Macedonia	October / November	2

New publications

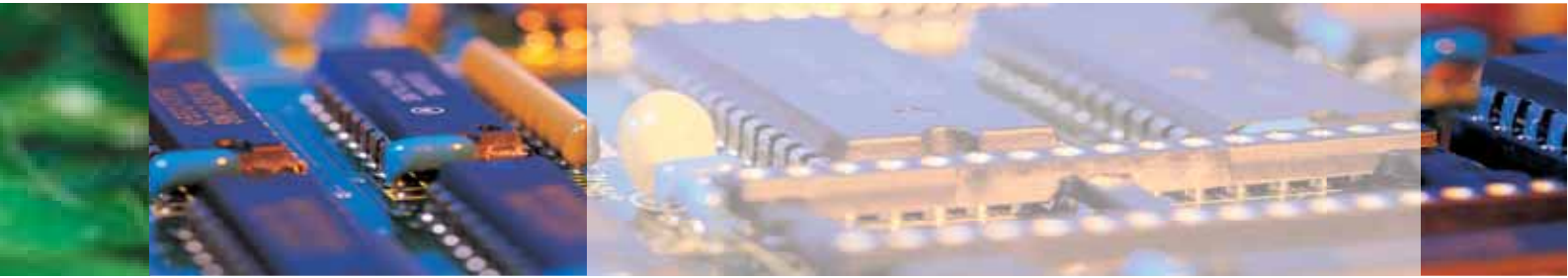
Trade and market information

Publication *	Content	Cooperation partners
Fashion Forecast Summer 05 & Winter 05/06	Colours, fabrics, cuts, materials	
Jewellery Forecast 04/05	Colours, fabrics, cuts, materials	
Hometextiles Forecast 05/06	Colours, froms, materials	
A Guide to Traceability within the Fish Industry	This book reviews the theory, practical methods and equipment necessary to implement traceability, using case studies from the fish industry	Eurofish, Humber Institute Food and Fisheries
Medicinal and aromatic plants	Manual & monographs for collectors according to the principles of organic promotion	GTZ
Your Image Builder	A Guide for: - Developing your corporate identity - Supply chain management	CBI
Guidance manual for organic collection of wild plants	Manual for preparation for certification of organic wild collection	IMO
The Organic market in Switzerland and the European Union	Overview and market access information for producers and international trading companies	FIBL

* These publications and divers updates you find at www.sippo.ch

Product and industry overviews

Publication	Products	Content	Country	Cooperation partners
Export Directory	Herbs, oils, fresh fruits and vegetables, mushrooms, processed fruits and vegetables	Market overview, companies, products	Macedonia	Ministry of Economy
Brochure	Garments and textiles	Market overview, companies, products, services	Serbia-Montenegro	BMZ, GTZ, Chamber of Commerce and Industry
	Medical and aromatic plants, herbal teas, mushrooms	Market overview, companies, products	Bosnia-Herzegovina	SIPPO Fachexperten
SIPPO webbased Exporters' Directory	All products	Companies, products	Emerging markets and markets in transition	



Results

2004 activities	Bid volume (in CHF)	Deals closed (in CHF)
Agricultural products, fish and seafood	50.4 million	9.36 million
Furniture / Home	6.12 million	7.2 million
Clothing / Fashion	2.16 million	1.08 million
Jewellery / Handicrafts	549 000	919 530
Technical products / Electronics	96.3 million	31.5 million
Software	3.6 million	2.34 million
Total	159.13 million	52.4 million

Enquiries from exporters about contacts to importers

In 2004, the Exporters' Directory received 3,935 enquiries from 142 countries, of which 3,299 originated from emerging markets and markets in transition, and 636 from 36 industrialised countries. The SIPPO Exporters' Directory only contains companies that have filled out our company profile.

Results achieved through SIPPO activities, several examples

30 traineeships secured

The African Art Factory is a consortium of 12 start-up companies in South African townships. Orders totalling more than CHF 180,000 were placed with the company following its participation for the first time at the Tendence Lifestyle trade fair in Frankfurt in 2004, with SIPPO support. This helps the AAF to secure 71 jobs and 30 traineeships as well as to create new ones, offering many single mothers and young people new employment opportunities.

Higher price for organically farmed shrimp

A price higher than for conventional shrimp was negotiated with importers for organically farmed shrimp from Vietnam. Part of the price difference will be used to finance the annual inspections conducted by certification agencies. The larger portion, however, will flow into the pockets of farmers, distributors and exporters as a reward

for organic farming that respects the natural living conditions and habitat of shrimp. Thanks to this organic certification, the additional income earned by Vietnamese producers since the beginning of the project through to the end of 2004 was more than USD 450,000.

First sector association in Bosnia

Thanks to the efforts of a SIPPO expert, the first sector association to which all three ethnic groups belong has been set up in this country. According to the GTZ (German Organization for Technical Cooperation), around 100,000 people make their living from this initiative for the collection of wild herbs.

Good results for IT companies after participating 3 times in the SIPPO programme

MusalaSoft, a company based in Bulgaria, successfully generated orders from Swiss and EU companies, more than doubled its staff and opened 2

new branch offices in the US and Germany.

Dohatec, a company based in Bangladesh, has increased its workforce and established a successful long-term partnership with Swiss company Lavadoo Technologies SA in Geneva.

Alpaca – Gold of the Andes

With support from SIPPO a sales agent for alpaca knitware could be found in France. Due to this new business relationship 500 women in Peru have got an employment.

The following MOU's (Memoranda of Understanding) were signed 2004

- between SIPPO and
- Viceministerio de Turismo, Bolivia
- ICT Council (Software Association of Serbia), Serbia
- BFFEA (Bangladesh Frozen Food Exporters Association), Bangladesh



Internal News

Improving efficiency and effectiveness by introducing the BSC Balanced Scorecard

To achieve the goals set out in the seco mandate as efficiently and effectively as possible, we introduced the Balanced Score Card system last year: what can I achieve, what do I want to achieve? How do I achieve it? To assess whether goals have been reached, objectives that can be operationalised are represented as figures. A distinction is made here between quantifiable figures and qualitative, comparative figures. The following were taken into account:

■ Business aspects:

These translate strategic goals into financial figures and Key Performance Indicators (KPI) such as export deals generated per Swiss franc spent per sector, per project and per instrument.

■ Customer-oriented aspects: These describe the perspective of our programme participants/partner companies and counterparts as well as buyers and importers in terms of, for example, satisfaction, loyalty to the programme and new customer contacts.

■ Process-oriented aspects: These characterise the implementation of our programme and projects, operational performance, our activities, and the internal and external communications, for example project setup time, processing time, response time, success rate, portion subject to improvements/lessons learned.

■ Employee-oriented aspects: These describe the capabilities and potential of the employees in terms, for example, of satisfaction, productivity, motivation, qualifications, as well as ongoing training to enhance professionalism.

The Balanced Scorecard was used to evaluate the relevance of SIPPO programmes and projects at all four levels. Because each of the four aspects was assigned the same weighting, adjustments and improvements could be made efficiently and effectively to the programme and project implementation, and goals could be formulated more precisely.

The Balanced Scorecard will help us in future to structure our programmes and projects more effectively, more efficiently and in a more results-driven manner.

Further training in project management for SIPPO employees

The success of a project cannot be left to chance. It must be implemented as professionally as possible. All of those involved in the project as well as outsiders must be able to understand the language of the project. For this reason, all SIPPO employees have embarked on a fundamental and comprehensive training programme in project management and monitoring. The course lasts a total of 18 days and is conducted in blocks of 2-3 days. The aim of the course is to ensure cohesive, comprehensive project management and monitoring so that we can achieve the highest possible goals with the limited resources available, in the interests of our partner countries/exporters and importers. The project management course will be concluded in the spring of 2005 with a final exam and a certificate.





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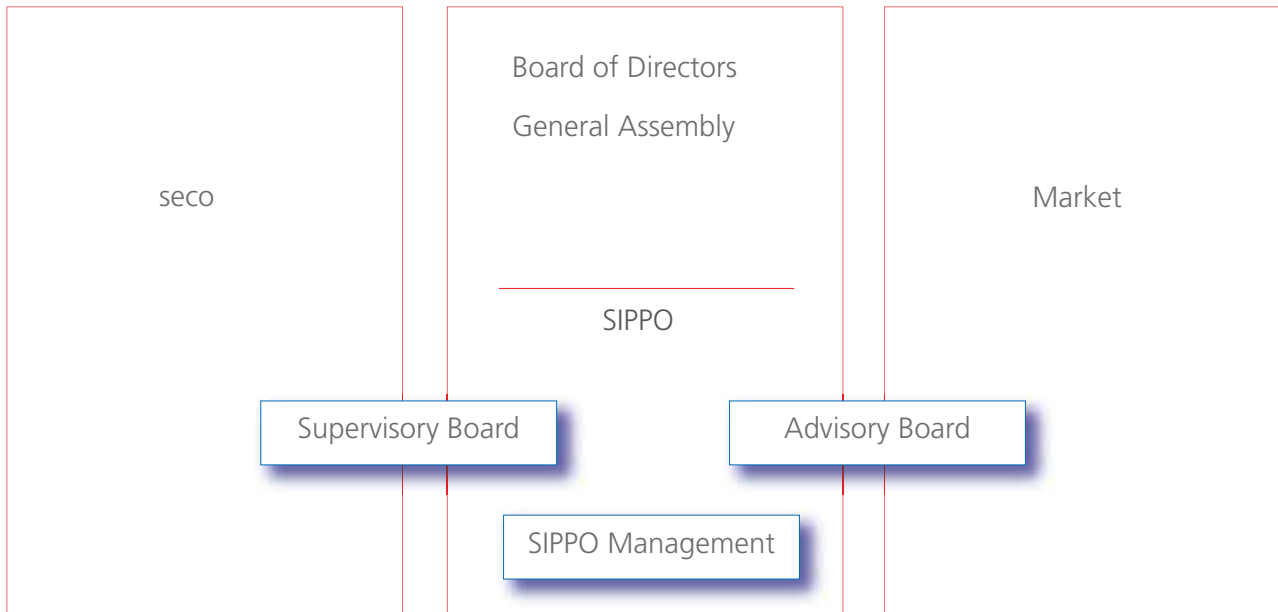
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Corporate Governance



Supervisory Board



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Advisory Board



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Masthead

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