

Activities 2007



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EDITORIAL

A successful period is drawing to a close. In 2004, the State Secretariat for Economic Affairs (SECO) commissioned SIPPO with the promotion of trade to benefit developing and transition countries for a further four years. Economic growth in the target countries is intended to reduce poverty, create jobs, generate income, increase the number of small and medium-sized businesses and enhance civil society. Exports are hugely important to these countries and access to developed markets for the products they export is crucial. Last year, SIPPO once again supported the local value chain with various export promotion programmes in labour-intensive sectors, thus supporting the UN Poverty Reduction Programme, the Eight Millennium Development Goals, in collaboration with SECO and various partners.

In order to achieve the following objectives:

- Enabling export-oriented small and medium-sized businesses to access the Swiss and EU markets,
- Enabling selected small and medium-sized businesses to access West European export markets,
- Making an increasing number of importers in Switzerland aware of the market potential of the SIPPO partner countries and

- Creating sustainable commercial contacts between the SIPPO partner countries and Switzerland,

SIPPO's operations were conducted on three platforms:

- Export support for businesses in selected developing and transition countries interested in exporting, and introduction programmes with importers in Switzerland and the EU (e.g. creation of direct contacts, direct mailshots, selling/buying missions and attendance at trade fairs and business fora). The objective is that exports should enable these countries to create jobs and income, and manufacture and sell competitive products.

- Technical assistance for products suitable for the market (in terms of design, quality and standards) and for businesses there to export (e.g. with marketing plans, import regulations, legislation and certificates), enabling them to acquire customers in Switzerland and the EU.

- Promotion of imports and support for businesses located in Switzerland (information on new products, new suppliers, new procurement markets) and in the search for new products from developing and transition countries.

- 522 companies participating in the SIPPO programme
- 3,800 direct and 23,000 indirect new jobs in the partner countries
- 200 million Swiss francs of additional exports by the partner businesses
- 120 million Swiss francs of additional purchases from suppliers and subcontractors
- 85 million Swiss francs of value creation for CH/EU importers from imports from the SIPPO programmes

If the additional export turnover, the additional volume of purchases in the partner countries and the mark-up of the Swiss and EU importers are added together, a ratio of 1:47 emerges as the value added in return for the money spent. These impressive results must make SIPPO one of the best tools for economic development cooperation work in Switzerland, and probably also worldwide. The results are something to be proud of. Parliament and Swiss taxpayers should and ought to know what is being done with their money. The limited funds invested are producing an excellent, quantifiable return on investment in terms of development policy, and the state receives the taxes generated by the added value in Switzerland and the EU in the form of direct taxes and national insurance contributions.

This report summarizes the various operations in 2007. We hope that we have contributed to combating poverty in developing and transition countries, but read about it for yourself.

Yours sincerely,
Markus Stern, CEO

FSG - Social Impact Foundation: A Review of SIPPO's Value Creation

The globally acknowledged consultancy «FSG - Social Impact Advisors» (a foundation established by Professor Porter and Professor Kramer of Harvard University) was commissioned by the specialist advisory board to study the value created by SIPPO in 2006 and came to the following conclusions:





COUNTRY REVIEW

Bangladesh

A total of seven Bangladeshi businesses were supported at the CEBIT and Outsource World fairs in 2007. Furthermore, SIPPO supported the BFFEA (Bangladesh Frozen Food Exporters Association) and the EPB (Export Promotion Bureau) locally in stand construction, marketing, etc. at the European Seafood Exhibition in Brussels. 29 businesses were present in the Bangladesh national pavilion and generated business worth CHF 49 million. SIPPO has been supporting the establishment of a pilot organic shrimp farm project for the Swiss and EU market for three years.

Bolivia

In 2007, a total of 13 businesses from Bolivia were able to present their products on SIPPO exhibition stands at Interzum Cologne, CPD and Spoga. With the help of SIPPO, a national stand with 14 Bolivian businesses was able to represent the country at the Biofach organic trade fair in Nuremberg. Eight businesses from Bolivia from the timber for technical applications and organic products sectors were accepted from the ITC programme and received support during their attendance at trade fairs in Europe. In addition, two students from the Architecture, Timber and Construction Polytechnic in Biel/Bienne were seconded locally in 2006 to provide local support for business exports to Europe.

Ecuador

over the past four years SIPPO has had 59 attendees at trade fairs in Europe. The companies come from the organic produce, herbs, fruit and vegetables, fish and seafood, jewellery, textile, wood, furniture, arts and crafts and technical products sectors. Local programmes on alpacas, biodiversity, jew-

ellery and wood were promoted in dedicated workshops. A business forum for Ecuador was organized in Switzerland on two occasions in cooperation with the Embassy of Ecuador and the CORPEI Export and Investment Promotion Corporation; visitors this year numbered approximately 115, reflecting the demand for events of this type.

Egypt

A total of five businesses from the leather goods and organic product sectors attended international trade fairs in Germany and Italy. In addition to organizing purchasing trips to Egypt for the fruit and vegetable sector, SIPPO also arranged a study tour and sales trip to Europe for four Egyptian plastics manufacturers. Market and trading information was available to all interested businesses and trend forecasts were issued, primarily for the clothing, jewellery and leather goods sector. In addition, as part of a niche product promotion for «therapeutic and educational toys», a new product line in educational toys was developed in the toy sector in conjunction with an Egyptian business.

Ghana

Ghana has been part of the SIPPO programme for nine years, during which time the country has experienced strong economic development. Accordingly, SIPPO is active in many sectors there: timber, organic produce, fish, fruit, vegetables, jewellery, herbs and furniture. In recent years, three or four workshops have been held annually for the various sectors and 10-15 businesses have attended various international trade fairs every year. SIPPO has also supported the national stands successfully in the fruit and vegetable industry.

India

During this term of SIPPO's mandate, particular emphasis was placed in India on cooperation with the International Competence Centre of Organic Agriculture (ICCOA) and Indocert, established by SECO for organic produce. Buyer missions to the organic trade fair in India were organized in 2006 and 2007, and an organic programme for prawns launched in conjunction with the government ministry responsible, running until 2008. It includes regular training, consultancy and certification of 2,000-3,000 fish farms. Four or five businesses from India exhibited on the SIPPO stand at the Biofach trade fair in Nuremberg. At the beginning of the term we also represented three businesses in the automotive components industry and another three from the metalworking industry at the corresponding trade fairs. Another three businesses also exhibited their products at the Midest fair in Paris.

Indonesia

Programmes offering attendance at trade fairs for jewellery, automotive components, plastics, toys, leather accessories, handicrafts and garden furniture were implemented for 14 businesses. SIPPO offered the participants specialist support in the form of workshops or individual advice at the national pavilions during the Inhorgenta jewellery fair and also during the European Seafood Exposition (ESE) in Brussels. Workshops prepared the businesses for attendance at the fairs in the various sectors. In addition, a special seafood training programme was provided for TTT, in collaboration with CBI and MOMAF.



COUNTRY REVIEW

Jordan and Palestine

This year, three IT businesses exhibited on the SIPPO joint stand at Cebit and one attended Biofach in Nuremberg. Ten businesses were supported on the joint Jordanian stand at Fruit Logistica in Berlin and ten from the food industry at Anuga in Cologne. Two study tours were also organized for the Jordanian Fruit and Vegetable Association and the Date Growers' Association. Two workshops in export marketing were also held in Jordan.

Following initial contact with importers made by an IMO-certified grower of Medjoul dates and an olive oil producer on the SIPPO stand at Biofach 2007, 24 tonnes of organic Medjoul dates in 125g packets have already been shipped by road to Spar Austria. Towards the end of the year, 80 tonnes of certified organic extra virgin olive oil from this year's harvest will also be delivered to Austria.

In the meantime, Canaan Fair Trade, an export organization based in Jenin, is exporting organic olive oil to a cosmetics group in the USA. The suppliers are 188 olive farms and 16 olive presses in Northern Palestine, also IMO-certified and also involved in a development project managed by SIPPO.

Paltrade organized an export marketing seminar in November 2007, which had over 30 participants from Ramallah. Over four days, three experts from SIPPO presented papers on export matters, including export marketing, import and international conditions, strategies, budgeting and intercultural behaviour in new sales markets. For the first time, eight participants from Gaza took part in the seminar by video link, because the current situation prevented them from travelling to Ramallah. On the basis of

positive feedback from the participants, Paltrade has signalled its interest to SIPPO in holding further such seminars in future.

Ten Jordanian and six Palestinian exporters in the food industry were supported by SIPPO at ANUGA 2007, when, according to initial reports by the participants, direct transactions worth EUR 2.5 million were concluded.

Macedonia

A total of three training workshops (clothing, herbs and wine) were organized in Macedonia in 2007. Training consultancy was provided at corporate level for the wine sector. A total of 42 businesses undertook trade promotion on SIPPO joint stands (furniture, technical sector, timber for technical applications, clothing, organic produce, and fruit and vegetables). Two purchasing trips were also organized for Swiss importers (clothing sector, and fruit and vegetables), and a wine producer was identified for a medium-sized Swiss importer. Monographs on mushrooms and moss were produced as commercial and market information, the market survey on fruit and vegetables and mushrooms revised, and a start was made on data acquisition for a survey of producers in the sector of timber for industrial use and furniture.

Mozambique

Mozambique joined us as a new partner this term. Following an audit, it was decided to concentrate on fish and timber products from Mozambique, where synergies with SECO projects and those of other international organizations could be exploited. Various workshops and training courses were held for the fishing industry, in conjunction with the Fisheries Ministry, and two businesses

were invited to trade fairs. Training events for the timber industry were also held in conjunction with ITC in Maputo, and as a result, two businesses could be included in the SIPPO programme following improvements in quality.



Mozambique



COUNTRY REVIEW

Peru

The SIPPO team represented 15 businesses and their products from various countries in the alpaca wool clothing sector at the CPD trade fair in Düsseldorf. Six manufacturers took part in the subsequent study tour to France. A further 12 businesses from the fields of jewellery, handicrafts, automotive components, plastics and eco-tourism attended international trade fairs in Europe. New standards have been drawn up to improve the quality of exports of fish and seafood, and the Peruvian stand was supported at a fair in Europe. SIPPO offered the businesses involved in its programme technical assistance in the form of workshops or individual advice.

Serbia

2007 saw a number of Serbian business continuing to participate in all of SIPPO's activities. A total of 32 businesses exhibited at SIPPO joint stands and trade missions in Switzerland and the EU, and a further 25 businesses were represented through the distribution of catalogues and samples by SIPPO at the information stands during the CPD and Interpart fairs. SIPPO's support at the relevant international trade fairs in Belgrade benefited 10 furniture manufacturers from the Kragujevac region and 20 home textiles producers. During the Swiss Economic Mission in Belgrade in June 2007, 22 Serbian suppliers from the metalworking sector had the chance to meet ten potential Swiss customers and discuss possible business opportunities. The SIPPO brochure «Exporting to Switzerland and the EU» was translated into Serbian for publication, in collaboration with the Serbian Chamber of Commerce. Around 80 Serbian manufacturers registered for and were

included in the online regional export directory as a result of collaboration with the Agency for Economic Development in Kragujevac. A successful workshop for export marketing was held for businesses in the technical sector, in conjunction with the Valjevo Regional Chamber of Commerce.

South Africa

A total of five businesses from the most southern country in Africa participating in the SIPPO programme attended fairs, including IMM, Vitafoods, Tendence Lifestyle and MIPEL, the leather accessories fair. In addition, 11 businesses from South Africa were on the SIPPO stand at TTW in Montreux to publicize South Africa's sustainable tourism potential. The SIPPO Leather Fashion Forecast containing the latest trends and colours for accessories has been distributed to small and medium-sized businesses in the leather goods sector since 2005. In recent years, various workshops held in South Africa have been attended by an average of 10 businesses, covering e.g. fair trade and improving the quality of service in the tourism sector, and a summary of the European market and marketing strategies for the leather accessories sector.

Ukraine

As a country participating in sector-specific programmes, Ukraine is involved in various SIPPO programmes. Ukrainian businesses have had success on SIPPO joint stands in the fields of metalworking, mechanical engineering, handicrafts and toys. The handicrafts trend forecast has also been distributed in the country.

Vietnam

A project to promote biodiversity products (BTFF) featuring workshops, consultations and trade fair attendance was launched in Vietnam in 2005 in cooperation with UNCTAD and Vietnamese counterparts. In the fish and seafood sector, a pilot project for farming organic shrimp was launched with retailers, and organic shrimp have now been sold in Switzerland since 2004. The premium price which producers in Vietnam receive for the shrimp is enough for them to finance the annual inspections and certification. The pilot project is thus operating on a sustainable footing and is being supported by VASEP and CASEP in Vietnam. Thanks to support from the SDC, SIPPO was also able to implement a project for farming brood shrimp in cooperation with the Ministry of Fisheries and the Research Centre for Aquaculture (RIA2). A number of different workshops, training sessions, consultations and sourcing missions were conducted in the following sectors: clothing, leather, wood, furniture, arts and crafts, software, technical products, eco-tourism, fruit and vegetables, fish and seafood, herbs and food. 21 companies attended trade fairs in Europe and 122 participated in training events. A national stand was set up at the ESE fish trade fair together with VASEP. Three study trips with 55 participants and a business forum were conducted.



HIGHLIGHTS

SIPPO has successfully established itself as a platform for making contacts in the fashion industry

Since realigning its fashion programme, the SIPPO expert project team has been offering interested importers in Western Europe the opportunity to make direct contact with clothing manufacturers in emerging countries and learn about new production sites.

SIPPO presented samples and collections from 45 selected clothing manufacturers from Argentina, Serbia, Macedonia, Peru and Bolivia at the two CPD fashion fairs in Düsseldorf. Five stylish denim collections by Serbian clothing manufacturers attracted purchasers' attention. The marked increase in enquiries by well-known EU importers for Macedonian producers in the (subcontracted) CMT (cut, make and trim) sector

took the SIPPO team by surprise, as most of the demand in the previous year had been for in-house business. Retailers and designers in particular were interested in the special quality products such as Pima cotton and alpaca mixtures from Peru and Bolivia. A small children's collection made from Pima cotton by a Peruvian manufacturer was highly successful, with initial orders being placed at the trade fair.

The SIPPO team held 48 contact and advisory meetings at the fashion fairs and also handled another 80 telephone and written enquiries about contacts. More than 300 items of information about the fashion industry in developing countries and documentation on individual com-

panies and their products were handed out to trade visitors to the fairs. Experience has shown that the majority of this passing trade will try to arrange a personal contact meeting at the next fair or will contact the manufacturers directly.

Leather belts from Egypt popular with Swiss importers

Stones Co. For leather production makes belts of a particular thickness in its workshop in the district of Old Cairo. Thanks to SIPPO, the business was introduced to two Swiss import businesses called BestBelt and Beluno AG. The contacts were made at the SIPPO joint stand at the I.L.M. Summer Styles International Leather Goods Fair in Offenbach, Germany, in 2006 and were strengthened this year at the MIPEL International Leather Goods Market in Milan. In 2007, Stones has supplied the two Swiss importers with 5000 belts, which are very fashionable with jeans. The order value of CHF 35,000 represents an increase in exports of over 20% over the short period.

The Egyptian business Kanz Leather Products also made a successful entry

into the EU market, making a total of seven new contacts from Germany, Belgium, Romania and Poland on the SIPPO joint stand at the I.L.M. and MIPEL. Its special «hand-pressed» handbags and purses were so popular that the business has hired 40 new staff in six months and increased its export volume by over 50%, or CHF 160,000. SIPPO prepared the two Egyptian businesses for attendance at the fairs and provided them with the twice-yearly SIPPO Leather Fashion Forecast.

From the coming year, SIPPO will motivate the Egyptian businesses to attend fairs independently, either jointly on a Egyptian leather goods stand or individually with their own stand.





HIGHLIGHTS

A profitable year for the SIPPO «Toys» project

SIPPO can look back on an extremely successful year for its toy project. Attendance at the Nuremberg Toy Fair - for the sixth time - brought in orders worth a respectable CHF 1.7 million for businesses supported by SIPPO. Once again, this represents a year-on-year increase of about 12% and is a clear indication that the joint SIPPO stand has become a permanent feature of the Toy Fair, visited regularly by purchasers.

Significant progress has also been made in design. A Vietnamese firm has optimized the design and quality of its soft toys. The transfer of technology, e.g. in the field of filling systems, led to completely new products. In Egypt, a young toy designer is currently helping the re-

gion's only major toy manufacturer to develop modern items which will cause a stir at the 2008 Nuremberg Toy Fair.

However, the real success story belongs to a manufacturer from Serbia. When the business showed interest in the SIPPO project three years ago, it was a small, extremely innovative ideas factory for wooden toys, hidden away in a tiny back yard in Belgrade. Profits accruing gradually from orders obtained from the joint SIPPO stands were invested in a new factory hall and new machinery. This year, the business made a breakthrough at the Toy Fair, when it was able to persuade a German firm to invest the capital needed to allow the Serbian manufacturer to develop its products



further and expand, thus creating new jobs in a financially weak region.

SIPPO's joint stand at Fruit Logistica 2007

As part of the programme to promote fruit and vegetable producers from developing and transition countries, SIPPO organized a joint stand at the Fruit Logistica 2007 trade fair in Berlin, for the seventh time. Businesses from the following countries were represented: Ecuador, Ghana, Macedonia, Palestine, Serbia and Vietnam. Local workshops (in Macedonia) provided the businesses supported by SIPPO with a detailed briefing about attending the trade fair. These workshops were held and co-financed by SIPPO Macedonia and GTZ (German Agency for Technical Cooperation) Macedonia.

The businesses were given specialist support at the trade fair by a SIPPO expert, who arranged meetings for the businesses at the fair with importers

from the EU, advised the businesses during the fair and put them in touch with importers who were exhibiting there. From an economic point of view, SIPPO's involvement proved a success. A total of 25 contracts were concluded by the 12 participating businesses, creating a sales volume of around € million. Tenders worth € .3 million were submitted. A total of 411 contacts were made. Jordanian fruit and vegetable exporters benefited from SIPPO's expanded cooperation. A separate, matching national stand was booked for Jordan next to the SIPPO stand. The participants attended the SIPPO seminar on offer and were able to benefit from the services provided by the SIPPO stand. They also received specialist support from the SIPPO representative from Jordan and the SIPPO legal adviser. One of the achieve

ments was that the Jordan Date Growers' Association was able to sell its entire years crop.



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.

Promoting self-sufficiency

Between 2000 and 2006, 141 companies from Bulgaria, Estonia, Lithuania, Latvia, Romania, Russia, Ivory Coast, Ghana, Morocco, Mozambique, Ecuador, Peru, Bangladesh, Indonesia and Vietnam participated at trade fairs together with SIPPO in the fish and seafood sector. The companies that took part generated sales of around USD 22 million through the fairs, which represents an average of USD 156,000 per company. With SIPPO spending an average of USD 8,000 on each firm, this results in a «return on investment» of approximately 1:20. Many of the participants in the SIPPO programme were attending a trade fair for the first time. They received support in gearing their trade-fair presence to the market and information on sector-specific market trends. SIPPO enables companies to at-

tend the trade fair up to three times in order to present their products. This strategy has proved successful. The participating companies were not only able to significantly improve their trade-fair presence but – after completing the SIPPO programme – often attended shows independently. Moreover, many promoting countries organized their own country pavilions at the trade fair after having recognized the importance of a trade-fair presence for their country's economy and image.

For instance, Indonesia also recognized the importance of the international exhibition and this year hosted its own national pavilion for the second time – with help from SIPPO. In the last four years, SIPPO has also assisted Bangladesh in creating a modern, attractive



pavilion sporting the national colours. SIPPO has thus helped five countries to establish their own valuable trade-fair presence in this sector.



HIGHLIGHTS

Biofach - A trade fair which no country should miss!

Biofach is one of the fairs which SIPPO has attended from the outset. As early as 1998, the management of SIPPO was convinced that organic products represented a growing niche market. Organic production is particularly attractive for businesses in developing countries because the situation dictates that farmers produce organically, as they do not have the money for chemical fertilizers and pesticides. SIPPO has therefore had a bigger and bigger joint stand for the last 10 years at Biofach and many business now attend in their own right every year. They include Columbian sugar and banana vendors, the Bolivian quinoa syndicates, Ghanaian papaya producers and many others.

SIPPO has made itself surplus to requirements

As word got around the SIPPO countries about successful sales at the fair, more and more business wanted to join the SIPPO project. Unfortunately, it was not possible for us to accommodate more than five businesses from the same country on our stand, so over the years we have advised the export promotion organizations of these countries to book national pavilions. We have now progressed to a point at which most Latin American and Balkan countries are now managing their own national stands successfully. This means that SIPPO's sole responsibility to many businesses is to advise them on their national stands and produce an occasional contact for them. In 2008, SIPPO is not planning to have its own stand at Biofach, but to



share the Africa stand. It hopes that its new role will support emerging states in Africa until they can attend Biofach on their own stand.



A new standard has been developed by SIPPO, Forum Essenzia and IMO in order to give justice to the increasing social and ecological demand in wild collection: Wild collected plants play a major role in the sectors of food, personal health care and medical herbs. Therefore it is crucial to create socially and ecologically maintainable conditions for collectors in developing countries and countries in transition. The new FairWild standard combines the principles of FairTrade (FLO), international labour standards (ILO) and sustainability (ISSC-MAP, Biotrade Initiative).

Further information at www.fairwild.org





SUCCESS STORY

Coloured jute belt and coir rope from Bangladesh

Thanks to flexible production and faultless customer service, a small business from Bangladesh became a supplier of Landi Schweiz.

Acting on a request from Landi Schweiz AG, SIPPO contacted a small Bangladeshi business supplying various jute and coir products. Its proprietor used a visit to Landi Schweiz in Dotzingen to present not only a wide range of product samples, but also to negotiate a trial specimen delivery to Landi, amounting to a 20 tonne container.

Problems with the first delivery

However, the recipient was dissatisfied with the first delivery, made at the end of 2006. Part of the consignment was damp and so did not meet the quality requirements. The Bangladeshi business reacted promptly and replaced the faulty goods in the shortest possible time, at no extra cost to Landi. The Christmas trade was saved. The coloured jute belt, used for packaging gifts and creative craft work, was on the shelves in good time. Coir rope is widely used by gardeners and in agriculture.

Flexible production

The Bangladeshi business is a small firm with 55 employees which sub-contracts larger orders to other microbusinesses, as is typical for Bangladesh. In this way it can increase its production capacity quickly to meet demand. It employs mainly women, who represent over 80% of the workforce. The proprietor and his wife operate a training workshop, where the staff learn the ropes. This is also intended to ensure high-quality production in the long term, in order to meet European quality demands.

Regular deliveries

Landi Schweiz supplies over 350 domestic outlets. The range consists of about 9,000 items, mainly agricultural. The Bangladeshi products are also listed in the catalogue and have now become an established part of the Landi range.

New purchasing markets

SIPPO is available to Swiss and EU trade as an agent for new purchasing markets in various sectors. Producers supported by SIPPO undertake to observe the UN Global Compact. We are expressly dedicated to observing a series of basic standards in human rights, health and safety at work, protecting the environment and combating corruption, to create a climate of trust between producers and purchasers.





SUCCESS STORY

Certified organic Ghanaian shea butter

An innovative Ghanaian business is supplying shea butter to the food and cosmetics industries, thereby also securing an income for the socially disadvantaged.

The habitat of the shea tree (*Vitellaria paradoxa* or *Butyrospermum parkii*) lies on the southern Sudanese savannah and between Senegal and Uganda. Shea butter is obtained from its seeds, the shea nut. This involves grinding or pressing the seeds and then refining the crude oil. In traditional production methods, the oil is separated by crushing the nuts (seeds), boiling them in water and skimming off the fat floating on the surface. In the producing countries, Shea butter is used as cooking fat. Exports are predominantly used to make soap and candles. The cosmetic industry uses shea butter to lubricate creams and lotions.

Women's groups: a recipe for success

At the organic workshop which we organized in Ghana in 2002, we encountered a business which has these nuts collected by groups of women and made into butter in the villages. This work secures an urgently-needed additional income for the women, most of whose husbands have left for the larger towns and who would otherwise struggle to find work in the villages. Right from the start, the

business has demonstrated not only great innovation and commitment, but also creativity. Thanks to support from SIPPO, it received the first-ever organic certificate for shea butter. The business, Ideal Providence Farms, soon found an agent to sell its products in Europe and America, thanks to the creation of direct contacts and attendance at trade fairs.

Investment in training

The business has invested heavily in training the women's groups. Regular workshops are held on collection, production and hygiene requirements. The documentation required for organic certification represented a great challenge for the women, the majority of whom are illiterate, as they were not used to keeping written records. A further difficulty was that the local people did not trust towns and exporters, following repeated disappointments. Payment had to be made in advance for the products, which represented a big risk and a considerable investment for the proprietor of Ideal Providence Farms, who was just 30. The relief was thus palpable when the first 20 tonnes of shea butter reached Europe in perfect condition and the purchasers did not find fault with it.

A vision for the future

However, the young entrepreneur did not rest on her laurels. Following visits to several international trade fairs and conferences and careful market studies, she decided to diversify. Ideal Providence Farms now offers different fats and oils from local biodiversity products, most of which are collected in the wild. The production of essential oils is planned for the future.





MATCHMAKING

Trade fair participations

Trade fair	Sector	Total companies	Trade fair	Sector	Total companies
Ambiente	Handicrafts	6	Mipel	Leather accessories	13
Anuga	Food	16	Outsource World	Software	8
Autopromotec	car vendor parts	11	Pro Sweet	Sweets	4
Biofach	Bio products	13	Spielwarenmesse	Toys	7
CeBit	Software	13	Spoga	Garden furniture	8
Fruit Logistica	Fruits and vegetables	13	Tendence Lifestyle	Jewellery	12
Hannover Messe	Cast and wrought iron parts	11	Tendence Lifestyle	Handicrafts	8
Heimtextil	Home textiles	6	TTW	Tourism	12
imm	Furniture	8	Vitafoods	Medicinal and aromatic plants	9
Inhorgenta	Jewellery	19	WTN	Tourism	3
Interzum	Furniture production, wood	17			

In all there were 21 joint presences involving a total of 217 companies, as well as 128 individual stands at five further trade fairs. In addition, 96 companies were represented on the CPD contact platform.

Overall, 441 companies from SIPPO partner countries benefited from the SIPPO trade fair programme.



MATCHMAKING

Selling missions

Sector	Country	No. of participants
Fruits and vegetables	Jordan	9
Plastics	Germany, Switzerland	13
Tourism	South Africa	12
Leather accessories	Argentina	2

Buying missions

Sector	Country	No. of participants
Fruits and vegetables	Egypt, Macedonia	3
Metalworking and machine components	Serbia	45
Wine	Georgia	2
Fashion	Macedonia	4

Business forum, round tables and fact-finding missions

Sector	Country	No. of participants
Different sectors	Ecuador	115
Different sectors	Vietnam	25
Plastics	Germany	13



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 2007/2008	Colours, shapes, materials	SIPPO consultant
Leather Forecast Summer 2008 and Winter 2008/2009	Colours, trends, materials	SIPPO consultant
Interior and Bed Linen Trend Forecast 2008/2009	Colours, trends, materials	SIPPO consultant
Guide to Hygiene in the Fish Industry	New also in Spanish: Information on Hygiene	PROMPEX/PromPeru
Guide to Traceability in the Fish Industry	New also in Spanish: Information on Traceability	PROMPEX/PromPeru
Leather goods	Swiss/EU market Overview CH/EU	CBI Centre for the promotion of imports from developing countries
Handicrafts Trend Forecast 2008	Colours, trends, design	SIPPO consultant
Timber and Timber products	Swiss/EU market overview	CBI Centre for the promotion of imports from developing countries

Product and industry overviews

Publication	Content	Cooperation partner
«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
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 FTTSA	FTTSA 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	Bolivien, Peru	<ul style="list-style-type: none"> – Market information, export strategy – Preparing for trade fairs, sales pitches – Production process, quality standards 	19
	Peru	<ul style="list-style-type: none"> – Vertical alpaca wool integration, trends and design – Styling and cut, collection management – Brand development, brand implementation 	23
Aquaculture	Bangladesh	<ul style="list-style-type: none"> – Workshops on the production of shrimps with organic certification – Capacity building of the local partner (NGO Shushilan) and CBO's (community-based organizations) 	320
	India	<ul style="list-style-type: none"> – Workshops on the production of shrimps with organic certification with all stakeholders – Capacity building of the local partner MPEDA 	420
	Vietnam	<ul style="list-style-type: none"> – Training under the shrimp hatchery improvement project, advice regarding breeding females – Training in the medicinal uses of natural products 	10
	Peru	<ul style="list-style-type: none"> – Three workshops presenting biological standards for the production of scallops. This standard gives Peru the opportunity to be one of the first countries to obtain certification 	75
Clothing in general	Macedonia	<ul style="list-style-type: none"> – Export strategy, export processing – Quality control, patterns – Trends and design, collection management 	19
Organic products	Peru	<ul style="list-style-type: none"> – EU Standards and directives – Practical implementation 	40
Fish and seafood	Bangladesh	<ul style="list-style-type: none"> – «Today's packaging in the fish industry» – Business consulting 	90
	Ghana	<ul style="list-style-type: none"> – Market and trade information specifically regarding sustainable products – Information seminar on SIPPO and attending and preparing for trade fairs – Presentation of sustainable production standards 	60
	Indonesia	<ul style="list-style-type: none"> – Information workshops on EU trade requirements, market structures, preparing for trade fairs – Informing the partner MOMAF (capacity building) about its services to the industry (Cooperative project with CBI, several missions each with workshops and meetings) 	40
Fruit and vegetables	Jordan	<ul style="list-style-type: none"> – Export marketing, Eurep-Gap – Food safety / quality management – Structure of EU target markets, trade fair marketing / export marketing, target market requirements 	38
	Vietnam	<ul style="list-style-type: none"> – Export marketing, grading / production processes – Food safety / quality management 	160
Handicrafts	Belgium - IFAT (Int. Fair Trade Association)	<ul style="list-style-type: none"> – Preparing to attend a trade fair, budget – Resources, logistics 	35



TRAINING

Sector	Country	Content	No. of participants
Timber for industrial use	Bosnien, Herzegowina Serbia, Ghana	– Market overview CH/EU – Export marketing, Zertification systems	40
Plastics	Egypt	– Swiss plastic market – New technology for plastics processing – Standards – Trade fair marketing	25
	Switzerland	– Swiss and EU market – Injection moulding and extrusion methods – Trade fair marketing	13
Food specialities	Georgia	– Export marketing – Target market structures – Target market requirements (Nestlé) – Price structures and demand for varieties	25
	Indonesia	– Market Overview, trends – Quality system – How to be successful	55
Herbs and essential oils	Egypt, Ghana	– EU requirements – Quality improvements, new directives	43
	Bosnia and Herzegovina, Vietnam	– FairWild Standard, Possibility of certification – Conditions	32
	Vietnam	– Biodiversity criteria – Ensuring the sustainability of game products	70
Furniture	Ghana	– Practical workshop – New furniture design – Adapting furniture design to the European market – FSC certification	47
	Serbia	– The furniture market in Europe, market trends – Latest furniture trends from the Milan Furniture Fair – Opportunities and niche products	21
Tourism	South Africa	– Quality improvements and services – Implementation of good practice in tourism	15
	Peru	– Implementation «Good Practices» for tourism	50
Schmuck	Ghana	– Collection development, collection management – Trends and design, colour theory – Export marketing	20
	Ecuador, Ghana, Indonesia, Peru	– Preparation for trade fairs – Sales pitches, display concepts – Production process, quality standards	30
Technical sector	Serbia	– Swiss and EU market – Standards – Trade fair marketing – Export marketing	25
All sectors	Bolivia, Palestine	– Export marketing	220



RESULTS

Sector	Bid volume (in CHF)	Contracts (in CHF)
Agricultural products (incl. fish and seafood)	39 770 000	34 300 000
Furniture, homewares, wood	19 543 000	8 065 100
Clothing, fashion	2 100 000	3 830 000
Leather	500 000	200 000
Jewellery, handicrafts, toys	2 980 000	4 966 930
Technical products, electronics	10 600 000	2 200 000
Software	1 000 000	200 000
Ecotourism	555 000	0
Total	77 048 000	53 762 030

Successful arts and crafts

Companies from Ecuador, Indonesia, Ukraine and South Africa successfully presented their new collections at the joint SIPPO stand at this year's Ambiente in Frankfurt, one of the biggest consumer-goods trade fairs worldwide. The effort that went into improving design and quality produced the desired results. Visitors placed orders amounting to around CHF 1.1 million for the promoting companies this means an average increase of 25% in exports over the previous year. The new orders will also create lots of new jobs. For instance, the Ukrainian glass manufacturer now has full order books for this and next year and is planning on expanding its production facility.

SIPPO booth at Spoga garden furniture fair

SIPPO has attended the Spoga garden furniture fair in Cologne, the most important in the world, for the fourth time. Visitor numbers to the joint SIPPO stand have increased continuously every year,

reaching almost 100 daily this year. The year-on-year volume of direct orders at the fair doubled, reaching nearly CHF 2 million. The businesses being promoted reported an additional order volume of CHF 3 million. Our garden furniture manufacturers expect up to 50 orders to be signed in the next few months.

Active marketing measures at the Hanover Fair

SIPPO has again actively made use of the business meeting organization service at the Global Business Forum at this year's Hanover Fair. Businesses interested in international collaboration may be contacted by registered exhibitors and visitors to the Hanover Fair. A few very interesting contacts were made this year. A total of over 480 contact meetings took place at the SIPPO stand, resulting in 192 potential orders with a volume of €4.6 million. Three businesses concluded preliminary contracts and sales contracts worth a total of 1 million at the fair.

Technical procurement mission to Serbia

The procurement mission to Serbia organized by SIPPO within the scope of the «Swiss Economic Mission to Serbia» (in conjunction with SECO and SOFI) resulted in 45 individual B2B meetings in Belgrade, reconfirming the importance of this method to the development of new markets and direct business contacts. The ten Swiss companies then made a site visit to a total of 12 Serbian companies and discussed possible methods of collaboration with the responsible managers. A few specific options for the supply of individual details or outsourcing emerged.



RESULTS

The Fairtrade logo is also increasingly an option for the tourism sector

SIPPO is delighted that the Fairtrade logo is also proving increasingly popular in the tourism sector. The initiative was launched in South Africa and is now also beginning to spread in countries like Mozambique and Jordan. The FTSA logo (www.fairtradetourism.org) has been included in more Swiss tour operators' catalogues this year and the three big tour operators are actively promoting FTSA products in their catalogues and with flyers provided by SIPPO. SIPPO will also be supporting FTSA businesses this year with a stand at TTW Montreux.

FairWild – Sustainability for mankind and nature

The FairWild Standard, launched in 2006 in collaboration with Forum Essenzia and the IMO, has been developed further in 2007 and all the necessary documents have been compiled for certification. The standard may be used for all products collected in the wild for food, cosmetics and the pharmaceutical industry. The shortage of resources and collectors has been particularly evident this year, so more businesses have been attracted to the standard than could have been anticipated at the beginning of the year. We expect at least seven projects to be inspected and certified by the end of 2007, some of which have been financed and launched by businesses from Europe and some by businesses from SIPPO countries.

Demand for African jewellery is constantly on the increase

Fashionable glass bead jewellery from Ghana with the African touch, which has long been adding a particular flair to the international fashion scene, was on offer again from two manufacturers at this year's Tendence Lifestyle trade

fair in Frankfurt. The two collections were distinguished by great creativity in combinations of glass beads, textiles and brass, and a fashionable mix of colours. 35 trade visitors had the products shown to them in detail and 20 importers from their ranks placed direct orders. Retail sales went so well that some repeat orders have already been placed for Christmas trade and new customers have made contact with the businesses.

Encouraging results for exhibitors at the 48th Belgrade Fashion Fair

Attendance by 20 Serbian clothing manufacturers at the 48th Belgrade International Fashion Fair exceeded all expectations. SIPPO arranged the joint stand for the second time, in conjunction with the regional clothing federation in Novi Pazar, with the intention of facilitating access to the new EU Member States by Serbian manufacturers. 200 contacts were made, resulting in 104 new business relationships with an export volume of CHF 2 million.

Attendance at the MIPEL fashion fair in Milan for the first time.

SIPPO organized a joint stand at the prestigious MIPEL high-fashion leather goods fair in Milan for the first time, with 13 selected leather producers from partner countries. In order to meet the high quality demands of the customers, most of whom had come from within Italy, the leather producers made intensive preparations in advance and left nothing to chance. Initial orders placed during the fair in September, worth nearly CHF 200,000, indicate that it was successful. The purchasers, who were mainly from southern countries, were particularly impressed by the Argentine and Indonesian exhibitors on the SIPPO stand, with their exclusive fish, python and ostrich skin products.

Wine from Georgia

SIPPO was asked by the Ministry of Agriculture of Georgia and the Swiss Embassy in Tbilisi to set up a joint programme to promote Georgia. This consists of the three pillars of the SIPPO programme: 1. promotion of exports from Georgia / promotion of imports to Switzerland and the EU, 2. training and 3. making initial contacts. The trade promotion programme for the benefit of Georgia is co-financed locally by the Swiss Cooperation Office for the Southern Caucasus, the Ministry of Agriculture of Georgia and the participating businesses, with the Ministry of Agriculture assuming 50% of the project costs. From 2007 to 2010, Georgian wine cellars will receive support for marketing, wine appreciation and oenology, and for their entry into the Swiss and EU markets.

Interzum timber fair a resounding success

A record total of 17 participants on the SIPPO joint stand presented a broad range of timber components at the Interzum Fair in Cologne in May this year. Not only products such as parquet flooring, and door and window sections, but also garden furniture and timber laminate were exhibited. Six months on, the balance sheet is impressive. Orders worth CHF 5.6 million have already been completed, 82 new jobs have been created in the businesses and 36 new customers have been found. The SIPPO participating businesses have increased their exports by an average of 20%. We are delighted at this success!



Indonesia



NEWS

PCC ADEX – Peru

As part of a trade promotion programme launched by SECO and with the support of SIPPO and ADEX, the private-sector export promotion organization in Peru, the Peruvian businesses participating in the programme far exceeded the goal of 60 export orders worth a total of CHF 4 million within 18 months. The businesses generated over 240 export orders worth more than CHF 20 million.

Swiss Invest Forum

SOFI, the Swiss Organisation for Facilitating Investments, organized an investment forum for countries in Africa, the Middle East and Central Asia. Several SIPPO partner businesses and partner countries were able to make good initial contacts with interested investors at the SIPPO stand.

Import promotion programme extended; SIPPO integrated into Osec
Parliament has extended the programme to promote imports from developing and transition countries by a further four years. Following a decision by Parliament, SIPPO will be integrated into Osec on 1 January 2008. In future, the import promotion programme will be implemented by Osec Business Network Switzerland on the basis of a service contract, as part of economic development collaboration.

Start-up of export management training in Vietnam

Federal Councillor Doris Leuthard gave the opening speech at an information seminar for future export management training, inspiring the 300 participants. Following several SIPPO export marketing seminars in Hanoi, Hue, Dalat and Ho Chi Minh City, the training unique to Switzerland for export clerks and export managers by the SFIB / EIAB (School for International Business /

European Institute for Foreign Trade Relations) will now also be provided in Vietnam.

Deployment of civilian service personnel

Nowadays development assistance can also be undertaken in place of military service. SIPPO sent two civilian service personnel to Bolivia for six and nine months respectively, who demonstrated on the job to SIPPO partner businesses how to produce business and export marketing plans.

Professionalization of SIPPO staff and project management

All SIPPO staff received a 3-day in-house training course in product management, in order to be able to provide the partner businesses in SIPPO programmes with even better marketing support. In addition, ibo rolled out a software programme to facilitate comprehensive management of the programmes and projects. The International Project Management Association and the Association for Certification in Project Management VZPM have now certified seven employees, four project assistants at level D, two project managers at level B and the managing director at level A. The purpose is to ensure correct and proper project implementation in accordance with international standards.

Participation in World Bank invitations to tender and other development assistance projects

For the first time, SIPPO has submitted tenders for two World Bank development projects. In parallel, interesting projects within the scope of development collaboration with institutions and foundations have been submitted, in order to expand SIPPO's operations with third-party financing.

Export Management Week in Santa Cruz, Bolivia

An export management week took place in Santa Cruz, Bolivia, in collaboration with SECO, ITC and CADEX, the local chamber of commerce. The six-day training event for over 200 participants concentrated on export marketing, import regulations on European sales markets, packaging and logistics. Participants came from all over Bolivia and were able to exchange valuable experiences and tips with each other.

OECD workshop in Paris, EMC / FAO symposium in Rome

Agriculture is still the most important sector for the population in most developing and transition countries. Expansion and consolidation of the value chain in this sector and, above all, new market potential are creating jobs and income. SIPPO was able to contribute its projects and experience to the OECD workshop in Paris and the EMC / FAO symposium in Rome. The organic aquaculture projects attracted the greatest interest. Farmed fish and seafood have enormous potential for many developing and transition countries.

Organic shrimps from India soon

After Vietnam and Bangladesh, the organic shrimp programme has now also been launched in India. Around 5,000 fish farms in three regions have been converted to organic production. The collaboration between SIPPO and MPEDA (Indian government department) is laid down in a memorandum of understanding. SIPPO and Swiss experts are training MPEDA staff, who then train the fish farmers. The IN-DOCERT organization, which was established by SECO in India, conducts organic inspections.



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

Egypt, Indonesia, Peru

Sectors

Alpaca products
Clothing
Home textiles
Jewellery



Jitka Doytchinov

Coordinator

Jordan

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
Timber for industrial use



Boyko Doytchinov

Coordinator

Russia, Serbia,
Montenegro, Ukraine

Sectors

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



Thomas Sporrer

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Fish and seafood
Bio Aquaculture



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Bosnia and Herzegowina,
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Sectors

Fruits and vegetables
Food specialities
Wine



SIPPO TEAM

Our project assistants



Julia Baumgartner



Mario Braescu



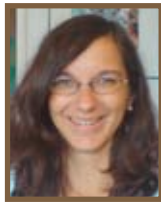
Myrijam Fuchs



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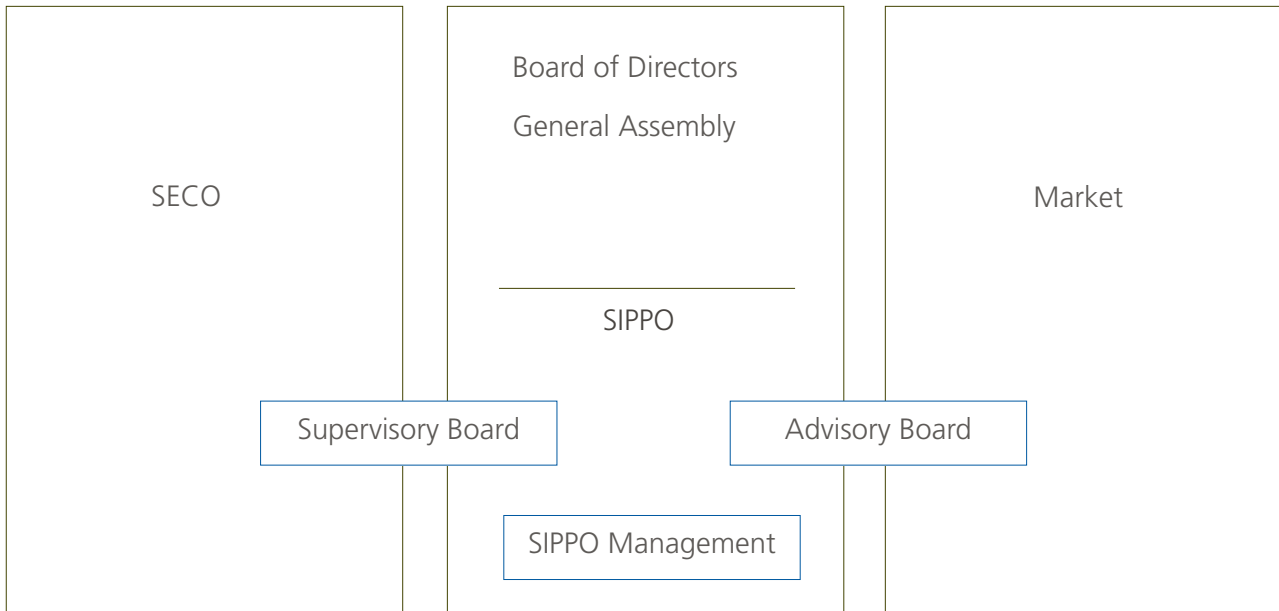
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CORPORATE GOVERNANCE



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 Schrader,
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Markus Stern
CEO

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Mix

Produktgruppe aus vorbildlicher Waldwirtschaft und anderen kontrollierten Herkünften
Groupe de produits provenant de forêts bien gérées et d'autres sources contrôlées
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State Secretariat for Economic Affairs, Bern

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