Discussion

Unquestionably, trade facilitation is being transformed by a progressive shift of functionalities into e-business platforms. This is observed in most TPO's where customer relationship management (CRM) functionalities have been, or are being, implemented. However, TPO's have tapped only a limited amount of the full potential for integration of upstream GTD functions with those of the downstream GTM functions— despite some very ambitious and well-thought out projects such as the "Vitamin Plan" launched by Chinese Taipei. The current state of affairs therefore is one where most TPO's are generally under-leveraging the potential of e platforms rather than using these platforms in an integrated fashion to deliver such capabilities as virtual trade shows, online catalogues, e contracts or direct links to e marketplaces. Further integration of the functions along the GTD/GTM spectrum, combined with continued investment in data mining and integration of CRM functions, appears to offer the promise of further product, service, and trade process innovation. In particular, wrapping GTD services around transactional services (ETF, GTM) could be a major catalyst for the development of trust among unrelated parties thereby delivering a significant trade enabler (due to reduced perceptions of risk), and additionally serve as a constructive force in linking, or creating operational overlaps between, trade development services and non traditional functions such as e customs/compliance and e logistics services.

A role for public policy

There appear to be two principle reasons for the limited extent of integration seen to date. First, there is the problem of achieving sufficient scale to make the platform sustainable/profitable, especially given the high attrition rate of participants (reflecting the natural mortality rate of businesses, mergers and acquisitions, and strategic withdrawal from markets). Second, there are various externalities inherent in such networks; accordingly, since the sponsor or organizer of the network is unlikely to cap-