

NEWSLETTER #4/2017



RESEARCH FOCUS AREA –
SPECIALISTS IN INTERNATIONAL
TRADE AND ECONOMIC
DEVELOPMENT

TRADE



Welcome from Prof Wilma Viviers, director of TRADE

Spring is a special season – not only is it a time of regrowth and renewal, but it also reminds us how resilient nature (and the world) is. The last few months have been far from easy for many countries, South Africa included. Political and [policy uncertainty](#) and economic pressures have taken a toll on business and society, and the road ahead is far from clear. But in working with many groups of people – from postgraduate students on the threshold of their research careers to policymakers grappling with complex trade issues – I am encouraged by how much enthusiasm and commitment there is to face challenges and make a difference, even in a small way.



We have had a busy six months at TRADE, with the [WTO Chairs Programme](#) continuing to be an important beacon in our [Master's and PhD programmes](#) and our [research](#) and [outreach](#) activities. Much of our work is directed at the implications of economic and trade-related decisions and developments for trade policy. A number of our recent [policy-focused workshops and projects](#) are featured in this newsletter. We have also been working with local and international partners on 'new' themes, such as services trade and the [digital economy](#), both of which have the potential to vastly improve South Africa's (and Southern Africa's) economic prospects in the years ahead.

Significant effort and contribution should never go unrecognised, and the last few months have seen a number of outstanding researchers and postgraduate students receive accolades at various [awards functions](#). A highlight was the award of [an honorary doctorate in international trade to Prof Ludo Cuyvers](#) from Belgium, for his role in introducing the [TRADE-DSM™](#) to South Africa some years ago and providing ongoing support to the project team in expanding its scope and application. The [TRADE-DSM™](#) was showcased at the recent [SETHI Explosions](#), an annual event that recognises the innovative achievements of different faculties at North-West University.

I hope you enjoy this newsletter and that it will stimulate new ideas on how, together, we can continue to build more informed and confident communities of trade policymakers and practitioners.

All the best

Wilma Viviers

Fresh insights on trade policy and economic development

A core component of TRADE's research activities and associated outreach programme is exploring the links between trade and economic development, and also contributing to various policy debates on how trade can be used as a more effective lever to bring about inclusive economic well-being.

On 28 February 2017, TRADE co-hosted – with BUSA (Business Unity South Africa), Tutwa Consulting, Agbiz (Agricultural Business Chamber of South Africa) and the JCCI (Johannesburg Chamber of Commerce and Industry) – a thought-provoking seminar in Johannesburg on '[US trade policy in the Trump era: What is in store for South Africa and the world?](#)' Chaired by [Prof Raymond Parsons](#) of the NWU School of Business and Governance and led by Prof Robert



Lawrence, a trade policy expert at Harvard University's Kennedy School in the USA, the seminar focused on President Trump's controversial views about trade and how his pledge to bring jobs back to America is likely to impact US trade relations with different countries, including South Africa.

In April, TRADE team members, [Ms Ali Parry](#), an extraordinary research scientist, and [Dr Adelia Jansen van Rensburg](#), a post-doctoral fellow, travelled to Dhaka in Bangladesh to conduct fieldwork as part of a DfID (Department for International Development)-funded project looking at the relative non-involvement of developing countries in the deliberations surrounding four plurilateral trade agreements: Trade in Services Agreement (TiSA), Government Procurement Agreement (GPA), Information Technology Agreement (ITA) and Environmental Goods Agreement (EGA). The project, which has brought together researchers from, inter alia, SAIIA (South African Institute of International Affairs), the [TRADE research entity](#) and Imani Development, has both qualitative and quantitative dimensions to it, with in-depth case studies drawn from Chile, Bangladesh, India, Malawi, Lesotho and South Africa. The research team will be formulating a suggested policy response, based on their findings, for consideration by the WTO, regional entities, individual governments and the broader development community.

South Africa's dti (Department of Trade and Industry) has commissioned TRADE to design a strategic framework and action plan for the development and promotion of South Africa's services exports. According to TRADE director, [Prof Wilma Viviers](#), services contribute about 70% to South Africa's economy, yet the country's services exports are still fairly limited. "With services playing an increasingly vital role in global value chains, the government's new policy stance on services is timeous and welcome."

Part of the services export project involves training and capacity building of selected dti staff members. On 4 and 5 May 2017 Mr Martin Cameron, managing director of [TRADE Advisory](#), led a services trade workshop, assisted by [Prof Sonja Grater](#) and [Dr Adelia Jansen van Rensburg](#). Topics included the role of services trade in global value chains

(GVCs), obstacles to success (including the prevalence of non-tariff barriers) and how the [TRADE-DSM™](#) can streamline export promotion by creating more certainty surrounding the prospects of particular goods and associated services in various markets.

The [WTO Chairs Programme](#), now going into its fourth year, has enabled the NWU and TRADE to forge close ties with a number of WTO policymakers and technical experts, thereby enriching TRADE's research outputs and outreach activities.

From 30 May–1 June 2017, TRADE hosted a WTO workshop on '[Global Value Chains and Trade in Value Added \(TiVA\)](#)' for researchers and policymakers. Mr Christophe Degain and Dr Victor Kummritz (Senior Statistician and Research Economist respectively in the WTO's Economic Research and Statistics Division in Geneva), spoke about the limitations of traditional trade statistics and the growing interest throughout the world in the Trade in Value Added (TiVA) approach. The latter more precisely gauges the contribution of different products and services to a country's economy by reducing the risk of double or multiple counting when goods and services cross borders as they progress along the value chain. Another guest speaker at the workshop, Elizabeth van Renen (Chief Director: Trade Policy and Research at South Africa's Department of Trade and Industry (dti)), stressed the need for stronger regional economic integration in Africa, supported by the value chain model. She also said that trade policy – though very important – needs to be supplemented by committed action in the areas of industrial, infrastructural and skills development. Mr Martin Cameron from [TRADE Advisory](#) rounded off the workshop proceedings by explaining the [TRADE-DSM™](#) methodology and how it can be pivotal to cost-effective export market selection. A report back on the workshop proceedings can be found [here](#).

[Ms Carli Bezuidenhout](#) and [Prof Marianne Matthee](#) were recently greeted with the good news that their paper 'Inclusive growth and wage inequality: The case of South African manufacturing exporters' has been accepted for presentation at the [WTO Chairs Programme](#) event to be staged alongside the [WTO Public Forum](#) in Geneva in September 2017. Their paper is the product of a longstanding research partnership between the NWU and colleagues from Stellenbosch University, Neil Rankin and Tasha Naughtin, as well as South Africa's National Treasury, SARS (South African Revenue Service) and [UNU-WIDER](#). Ms Bezuidenhout and Prof Matthee will be sharing their findings on wage differentials between exporting and non-exporting firms in South Africa (an area that has attracted little formal research) and how these, together with other factors, could be a source of wage inequality – and simmering discontent in society.

[Read more](#)

[TRADE partners with the ICTSD to study the digital economy in Southern Africa](#)

Over the past few months TRADE has been working with the Geneva-based ICTSD (International Centre for Trade and Sustainable Development) on a study of the digital economy and how the fast pace of development in the digital arena is impacting trade and economic development in Southern Africa. Very little economic activity these days is possible without some form of digital element, and many people view the digital economy as being practically indistinguishable from mainstream economic

activity. Southern Africa trails behind other parts of the world in terms of digital preparedness, but the almost unprecedented 'mobile' revolution that has gripped the region in recent years is very encouraging and could signal the start of a new era in Southern Africa's development.

On 22 and 23 March 2017, four members of the TRADE research entity (in photo: [Dr Marie-Luce Kühn](#), [Prof Sonja Grater](#), [Prof Wilma Viviers](#) and [Ms Ali Parry](#)) presented papers at a conference convened by the ICTSD in Stellenbosch, Western Cape whose theme was '[Leveraging services and digital potential for inclusive economic growth](#)'. The conference attracted policymakers, sector specialists, academics and development consultants from a number of African countries and was a follow-up to an earlier [regional workshop](#) staged in Nairobi, Kenya in January 2017 at which Prof Grater had shared some of her research findings in a presentation titled '[Services, inclusiveness, SMEs and the SDGs](#)'. On 24 March 2017, the TRADE team then joined a roundtable discussion in Stellenbosch organised by the ICTSD and Tralac which solicited participants' views on how South Africa should adapt its trade policy to leverage the power of the digital economy in order to bring about a more equal and sustainable society.



Still on the digital economy theme, Prof Viviers was one of the guest speakers at a workshop organised by the ICTSD and the permanent mission of Kenya in Geneva, Switzerland on 12 July 2017. The theme of the workshop, which formed part of the broader [WTO Aid for Trade](#) conference programme, was '[Aid for digital trade: needs and responses](#)'. Commenting on the challenges facing Southern African countries in their attempts to embrace digital technologies, Prof Viviers said that it was particularly important for policy and regulatory frameworks to keep pace with technological developments and e-commerce norms in other parts of the world.

[Read more](#)

[Research findings showcased internationally](#)

The past few months have seen members of the TRADE team share their expertise and/or present their research findings at several international events, using these opportunities to network with experts in their respective fields and explore future research possibilities.

In June 2017, [Prof Anmar Pretorius](#) and [Prof Derick Blaauw](#) travelled to Poland to deliver a joint paper on 'The impact of trade on stock market integration of emerging markets' at the International Trade and Finance Association's 27th International Conference at the Poznan University of Economics and Business. Still on the emerging market theme, Dr Pretorius delivered a second paper on 'Exports and exchange rate risk: Analysing emerging market sectoral exports', which was the culmination of a research study that she had led, assisted by one of TRADE's Master's students, Heinrich Nel.



The prevalence and damaging effects of gender inequality in business and trade were under the spotlight at two international events in June 2017. [Prof Sonja Grater](#) was invited to Divonne-les-Bains in France by the ICTSD (International Centre for Trade and Sustainable Development) to participate in a [workshop](#) on 13 June 2017 to establish (through the formation of a [Gender Advisory Group](#)) the parameters for assessing the work the ICTSD is doing in the gender sphere and expanding the scope of its gender-related research programme. [Dr Carike Claassen](#) presented a paper on '[Occupational segregation in post-apartheid South Africa](#)' at the International Association for Feminist Economics' 26th annual conference held from 29 June-1 July 2017 at Sungshin University in Seoul, Korea. In her paper, Dr Claassen revealed how gender segregation in South Africa's labour market differs significantly among different racial groups.

The future of agriculture is of critical importance in the world today, with sustainable agricultural production having major implications for food security, employment and economic growth. From 18-21 June 2017, Dr Andries Radley, a PhD student in TRADE, presented a paper (based on his thesis) on '[Strategies implemented by South African agribusinesses to optimise profitability and growth](#)' at the International Food and Agribusiness Management Association (IFAMA) Conference in Miami, Florida, USA. His co-presenters were TRADE team member, [Prof Ewert Kleynhans](#), and Dr Flippie Cloete, formerly of TRADE and now at the University of the Free State. Then, from 2-7 July 2017, [Dr David Spies](#), [Dr Ernst Idsardi](#) and [Dr Johnny van der Merwe](#), all agricultural specialists, attended the 21st Conference of the International Farm Management Association (IFMA) in Edinburgh, Scotland. They delivered a joint paper on '[Performance and marketing options for informal cattle producers in the Eastern Cape Province of South Africa](#)' which looked critically at the commercial opportunities as well as challenges facing this marginalised economic sector.

[Read more](#)

[Staff and postgraduate students learn from the experts](#)

In recent months TRADE has welcomed several guest speakers and training practitioners who have generously shared their insights and practical experiences on a range of topics with researchers and/or postgraduate students.



With all eyes on the shift in trade policy under the Trump Administration, Mr Edward Winant, Trade and Investment Officer at the US Embassy in Pretoria, gave a most informative guest lecture to staff and students in March on [the future of SA-US trade and investment relations](#), with specific reference to AGOA (African Growth and Opportunity Act) which is due to expire in 2025. Mr Winant also speculated about SA-US relations post-AGO and what the US is likely to expect from a future trade pact.

In April, [Prof Henri Bezuidenhout](#) broke new ground by running a [workshop on cultural intelligence \(CQ\)](#) for members of the TRADE team. Prof Bezuidenhout, the only person in South Africa to have been CQ certified at an advanced level, addressed the issue of how cultural aspects influence all stages of the trade cycle and can make or break trade deals. Cultural intelligence, i.e. the ability to seamlessly adapt to different cultural contexts, is regarded in many quarters as the key factor contributing to global business success.

Also in April, Dr Richard Cookson, an international legal and business specialist at Cape International, gave a guest lecture to the third year International Trade students on [geographic economic windows](#), providing examples of what makes a country an economic window (e.g. Hong Kong) and what goes into retaining such status. This was followed by another guest lecture from Dr Cookson, this time to the Honours students, on [export competencies](#). Emphasising the complexities of exporting, Dr Cookson explained that international marketing strategies need to flow from an understanding of the cultural orientations and value systems entrenched in identified target markets.

Another successful (two-part) academic writing skills development course for new Master's and PhD students in TRADE took place in February and April this year. Conducted by the [NWU Centre for Academic and Professional Language Practice \(CAPLP\)](#), the writing course has come to be recognised as an excellent foundation for postgraduate students embarking on their new research journeys.

Further guest lectures in May, June and July focused on topics as wide-ranging as qualitative research methods, regional economic integration and dispute settlement in international trade. In May, Dr Gustav Brink from XA Consultants spoke to students of the International Trade Theory and Policy course about [trade remedies in international trade and the dispute settlement process of the WTO](#). In June, Prof Brigitte Smit, a research professor in the Department of Educational Leadership and Management at UNISA (University of South Africa), presented a course for staff and students on [qualitative research methodology](#) and the convenience of the [ATLAS.ti 8 software program](#) in planning and executing various research tasks. In July, Prof Sid Suntrayuth from the National Institute of Development Administration (NIDA) in Bangkok, Thailand visited the NWU and shared his insights on regional integration in Asia in his guest lecture on 'Thailand and the ASEAN Economic Community (AEC): Future opportunities and challenges'.

[Read more](#)

[TRADE-DSM™ going places](#)

The TRADE-DSM™ was recently showcased at the North-West University's SETHI (Science, Engineering, Technology and Health Innovations) exhibition in Potchefstroom. Staged this year from 21-24 August 2017, [SETHI Explosions](#) is one of the most prestigious events in the NWU's calendar, giving faculties the opportunity of displaying the results of their innovative research



and development work (and resulting commercial opportunities and projects) to industry and other stakeholders. It was the first time that the TRADE-DSM™ was selected for the SETHI exhibition, underscoring its growing reputation as a technologically sound and practical methodology that streamlines the process of identifying and prioritising high-potential export opportunities. The application of the TRADE-DSM™ not only makes for more cost-effective market (and associated product) selection; it also contributes to national industrial and trade policies, as well as various sector [strategies](#).

Two members of the TRADE-DSM™ team, Mr Martin Cameron and Mr Francois Fouche of the NWU spin-out company, TRADE Advisory, have been working with several institutions

in recent months on projects involving the application of the TRADE-DSM™ as well as running international trade and economic analysis workshops.

Workshop participants have included South Africa's Department of Trade and Industry (dti), Trade and Investment KwaZulu-Natal (TIKZN), the North West Provincial Government Department of Economy and Enterprise Development, Tshwane Economic Development Agency (TEDA), Limpopo Department of Economic Development, Environment and Tourism (LEDET) and Wesgro, as well as (at a regional level) the Southern African Customs Union (SACU) Secretariat in Namibia and the Botswana Investment and Trade Centre. On the project front, TRADE Advisory has constructed an enhanced TRADE-DSM™ for Rwanda to assist the government of that country in strengthening its industrial and trade policies – a project that was commissioned by the International Growth Centre (IGC) at the London School of Economics. The TRADE Advisory team has also recently completed a private sector study aimed at assisting a South African medical device and equipment supplier to develop an Africa export strategy.

[Read more](#)

[TRADE staff and students honoured](#)

The last few months have seen a number of researchers from TRADE recognised for their contribution to the research profession.

[Prof Ludo Cuyvers](#), an acclaimed international trade economist, was awarded an [honorary doctorate in international trade](#) from the North-West University on 26 May 2017 in recognition of his outstanding contribution to the university's research activities over the years. Prof Cuyvers' association with the NWU began nearly 20 years ago when he embarked, together with TRADE



director Prof Wilma Viviers, on a project to adapt an export market selection tool that he had pioneered, the Decision Support Model (DSM), for use in South Africa. Now branded as the [TRADE-DSM™](#), this tool is able to pinpoint high-potential export opportunities from large volumes of country and product data, using a sophisticated information-filtering system. To cater for changing needs in the market, the TRADE-DSM™ is continuously refined and Prof Cuyvers remains very involved in this process. He has also acted as a mentor and sounding board to several TRADE staff members in their research projects, which is a manifestation of his natural affinity towards people and his love of teaching.

On 31 March 2017, at an awards ceremony held at the University of Johannesburg (UJ), [Prof Anmar Pretorius](#) received the prize for the best PhD thesis in UJ's Department of Economics and Econometrics, titled '[An empirical analysis of South Africa's financial market integration with the world](#)'.

On 1 June 2017, at the [TRADE-WTO awards function](#), Mr Mario Bondesio received the award for the best Master's degree dissertation in International Trade in 2016, titled 'Determining the market accessibility of South African exports'. [Prof Marianne Matthee](#), Ms Tasha Naughtin (of Stellenbosch University), Mr Thomas Farole (of the World Bank) and

Prof Neil Rankin (of Stellenbosch University) received the award for the best research paper on a WTO-related topic, titled '[South African exporters and the global crisis: intensive margin shock, extensive margin hangover](#)'. Ms Leoné du Toit received the award for the most promising Honours student in International Trade in 2017 on the strengths of her excellent academic results in the first semester. Finally, [Dr Johnny van der Merwe](#), Dr Flippie Cloete (of the University of the Free State) and Dr Marinka van der Hoeven received the award for the best article in the TRADE research entity in 2016, titled '[Promoting food security through indigenous and traditional food crops](#)'.

[Read more](#)

[Recent outputs from TRADE](#)

TRADE is continuously extending the scope of its research activities and outputs, as evidenced in its growing collection of accredited articles, conference papers, project reports, policy briefs and media releases.

A full list of outputs can be found [here](#), while some of the most recent titles appear below.



Articles:

[Breaking the 'big data' barrier when selecting agricultural export markets: an innovative approach](#) by Mr Martin Cameron, Prof Wilma Viviers and Mr Ezra Steenkamp

[The contribution of public capital stock and economic growth - a KwaZulu-Natal case study](#) by Dr Clive Coetzee and Prof Ewert Kleynhans

[Identifying Thailand's high-potential export opportunities in ASEAN+3 countries](#) by Prof Ludo Cuyvers, Prof Ermie Steenkamp, Prof Wilma Viviers, Prof Riaan Rossouw and Mr Martin Cameron

[The impact of basic and social infrastructure investment on South African economic growth and development](#) by Mr Henk Gnade, Prof Derick Blaauw and Dr Talita Greyling

[A simulation approach for reconciling customs and trade risk associated with cross-border freight movements](#) by Prof Alwyn Hoffman, Prof Sonja Grater, Ms Anita Schaap, Ms Juanita Maree and Mr Ernest Bhero

[The socioeconomic incorporation of migrant and native-born day labourers in Tshwane, South Africa](#) by Prof Nik Theodore, Prof Derick Blaauw, Prof Anmar Pretorius and Prof Catherina Schenck

Conference papers:

[E-commerce and digital economy: Challenges and needs in Southern Africa](#) by Prof Wilma Viviers, Dr Marie-Luce Kühn and Ms Ali Parry (Aid for Digital Trade: Needs and Responses, Geneva, Switzerland)

[The need for coordinated renewable energy, trade and industrial policy – avoiding unintended socio-economic consequences](#) by Mr Martin Cameron, Dr Lolette Kritzinger-Van Niekerk and Prof Wilma Viviers (Trade & Industrial Policy Strategies (TIPS) 2017 Annual Forum, Pretoria, South Africa)

Policy briefs:

[SA-US trade relations - from chicken wars to Trump and beyond](#)

[Export controls and competitiveness in African mining and minerals processing industries](#)

[Policy uncertainty index \(PUI\) 2Q2017](#)

Media releases:

[Seeing the value in Global and Regional Value Chains: Lessons for Africa](#)

[North-West University awards honorary doctorate to world renowned economist Prof Ludo Cuyvers](#)

[Leveraging the power of the digital economy to fast-track development in southern Africa](#)

[US trade policy in the Trump era: What's in store for South Africa and the world?](#)

[Realising the potential of services SMEs in developing economies](#)

Videos:

[AGOA and the future of SA-US trade and investment relations](#)

[NWU awards honorary doctorate to Prof Ludo Cuyvers](#)

[Introducing the TRADE-DSM™](#)

[Read more](#)

[Upcoming events](#)

TRADE colloquium

Date: 14 September 2017

Details: The TRADE colloquium is an opportunity for Master's and PhD students to present their research proposals and draft articles, and obtain feedback

Enquiries: trade@nwu.ac.za



Guest lecture by Dr Montie Mlachila

Date: 18 September 2017

Details: The International Monetary Fund's (IMF) senior representative to South Africa, Dr Montie Mlachila, will be visiting the North-West University to give a guest lecture on the role of the IMF and growth accelerations and decelerations in SSA economies.

Enquiries: trade@nwu.ac.za

Academic article writing workshop

Date: 20 – 21 September 2017

Details: A workshop designed to help TRADE staff write high-impact academic articles for esteemed journals

Enquiries: trade@nwu.ac.za

WTO Public Forum 2017

Date: 26 - 28 September 2017

Details: Prof Wilma Viviers, Prof Marianne Matthee, Prof Sonja Grater and Ms Carli Bezuidenhout will be attending and presenting papers at the 2017 WTO Public Forum in Geneva.

Enquiries: trade@nwu.ac.za

2018 Master's programme application deadline

Date: 31 October 2017

Details: The closing date for 2018 MCom and MSc applications.

Enquiries: <http://commerce.nwu.ac.za/trade/programmes-on-offer/mcom>

2018 PhD programme application deadline

Date: 31 January 2018

Details: The closing date for 2018 PhD applications

Enquiries: <http://commerce.nwu.ac.za/trade/programmes-on-offer/phd>

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