HIMETRA, BRAZIL

Himetra is a small enterprise created in 1991 that operates in the oil and industrial markets supplying pieces and maintenance engineering services on hydraulic and pneumatic equipments.

Since 2007 the company has been participating in Projeto Vinculos Pernambuco through which it has improved its managerial skills and met international standards.

Through this business linkage project, Himetra was able to exchange experiences with many other SMEs and TNCs that participated in Projeto Vinculos and create new opportunities for business. Today Himetra, located in Recife (Pernambuco), supplies many big companies such as Gerdau, Petrobras and Alcoa.

CREATIVE SERVICES, UGANDA

Mr. Mulamata attended the Empretec Entrepreneurship Development Workshop in December 2006. The workshop was tailored to the business linkage programme running in Uganda. The company is the supplier of doors and windows to National Housing, a large national company in the house-building business.

As supplier of doors and windows to National Housing, I had to comply with established quality standards. I saw results already before finishing the workshop. I reorganized my office and recruited more staff. I started a radio programme and I set a budget for advertising. Beforehand, I used to put ads in the newspapers only. We were receiving 8 to 10 calls a day when the programme started.

CHARLES MULAMATA, CREATIVE SERVICE UGANDA, AN SME BENEFITING FROM BL PROGRAMME IN UGANDA

"The partnership established between Projeto Vinculos and Wofran bore great fruits for the company, as it motivated significant changes in terms of entrepreneurial spirit and company structure."

FRANCISCO DA ROCHA HOSANAH, MANAGING DIRECTOR OF WOFRAN, AN SME IN BRAZIL WHO PARTICIPATED IN THE BL PROGRAMME

"When the course finished I changed a lot of things. As supplier of doors and windows to National Housing, I had to comply with established quality standards. I saw results already before finishing the workshop. I reorganized my office and recruited more staff. I started a radio programme and I set a budget for advertising. Beforehand, I used to put ads in the newspapers only. We were receiving 8 to 10 calls a day when the programme started!"

EXAUDI KIWALI, VODACOM, BL PROGRAMME IN TANZANIA

"Business linkages are based on commercial rationale, they enable a win-win situation for all stakeholders in the programme."

UNCTAD's Business Linkages Programme is aimed at facilitating the creation of new linkages, and deepening existing relationships between foreign companies' affiliates and domestic small and medium-sized enterprises in developing countries, thereby making them more sustainable.

UNCTAD's Business Linkages Programme is built on the mutual self-interests of all actors. On the one hand, business linkages are potentially one of the fastest and most effective ways of upgrading domestic enterprises, enhancing their competitiveness and allowing them to access international markets, finance, technology, management skills and specialized knowledge.

On the other, by entering into partnerships with local firms, transnational corporations (TNC) may reduce transaction and factor costs, increase their flexibility, and adapt technologies and products better and faster to local conditions.

Thus TNCs and domestic firms, as well as the economy in which they are forged, can directly benefit from the programme.

SPEAK OUT

STAKEHOLDERS

"For me the interaction at the Empretec Training was something I will live to appreciate forever. It is true that a journey of a thousand miles starts with one step. I believe we have taken that step and that we shall not be complacent but strive to reach our destination. Let’s make a difference by identifying opportunities where others see adversity. I believe with the new Empretec eyes I have acquired I will do exploits."

NELLY HIRENDA, AN SME BENEFITING FROM UNCTAD'S ENTREPRENEURSHIP TRAINING IN ZAMBIA

"The BL Programme in Argentina aims to strengthen the automotive sector and improve the relationship between domestic SMEs and large corporations (TNCs). It is a great step to foster the development of local suppliers. As this is a complex sector and a global industry, it is important to transform local SMEs into competitive global players."

RUBEN ASCUA, PRESIDENT OF EMPRETEC ARGENTINA

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"Through the Business Linkage Barley Project developed in Mozambique the rural population in the Manica province got the opportunity to access a new source of income generation. Now hundreds of Mozambican small producers have the chance to improve their quality of life and get out of the condition of absolute poverty."

EMILIEN JOSÉ MAMANCOLOU, BL PROGRAMME COORDINATOR IN MOZAMBIQUE

"This programme has tremendously enhanced the productive capacity, efficiency, competitiveness and sustainability of these (participating) businesses."

MAGGIE KISOZI, DIRECTOR, UGANDA INVESTMENT AUTHORITY ON BUSINESS LINKAGES

"Business linkages are based on commercial rationale, they enable a win-win situation for all stakeholders in the programme."

UNCTAD, DEEPENING DEVELOPMENT THROUGH BUSINESS LINKAGES, 2006

"Business linkages are based on commercial rationale, they enable a win-win situation for all stakeholders in the programme."
UNCUTD assists host countries that make a request for the development of national programmes for TNC-SME linkages. To achieve this, UNCTAD works with local development agencies and business service providers, foreign affiliates of TNCs, partner ministries and other stakeholders. To date, eight countries are being implemented in Argentina, Brazil, Dominican Republic, Mozambique, Peru, Tanzania, Uganda and Zambia. Furthermore, EMPRETEC centres that run UNCTAD’s entrepreneurship development programme, started in 1990 and operating in 32 countries, are now increasingly incorporating business linkages in their services portfolio.

It’s normal practice for the business linkages team to work closely with the purchasing companies, in conjunction with private sector organizations (trade associations, industry federations, etc.). Only those companies that meet the requirements or demonstrate a willingness to develop are selected to participate in the linkage programme. A careful selection of potential suppliers is essential to gaining the confidence and participation of the large purchasing companies.

Benefits: Increasing Productivity

Economic Development
- Development of a dynamic, competitive & sustainable industry
- Increased exports, tax revenue and employment
- Improved operations & products standards
- Increased industrial transfer of skills & technology

Transnational Corporations
- Reliable supply structure
- Cost reduction
- Flexibility & speed
- Productivity gains from specialization & outsourcing
- Better use of own resources (capital, human) for core activities & processes
- Increased competitiveness

Small & Medium-Sized Enterprises
- Increased sales and/or exports
- Expansion of client base
- Access to information, technology & management processes
- Access to UNCTAD coaching & technical advice
- Improved competitiveness, product standards & managerial skills

Increased Productivity, Improved Operations, Increased Exports, Tax Revenue

Development of a dynamic, competitive & sustainable industry

Increased industrial transfer of skills & technology

Improved operations & products standards

Flexibility & speed

Productivity gains from specialization & outsourcing

Better use of own resources (capital, human) for core activities & processes

Increased competitiveness

TARGETED SECTORS: Metal industry, naval and offshore industry, power industry and construction among others

ENLISTED COMPANIES: 6 TNCs (Philips, General Electric, Abroad \( Cia \) and Companhia de Abastecimento) and 50 SMEs in the State of Espirito Santo.

IMPACT: A 100% increase was recorded among the participating SMEs in strategic areas identified by the purchasing TNCs, such as quality management and corporate social responsibility. SMEs more than doubled their sales and increased employment by 5% in nine months. In addition to strengthening the relationship with enlisted TNCs, some suppliers started supplying to other large TNCs and also initiated business among each other.

ARGENTINA
PARTNERS: UNCTAD, CAIG (Corporación Argentina de Investigación y Desarrollo), NAICM (National Institute for Scientific and Industrial Research), ENACOM, SEBRAE, the National Development Bank of Argentina (Banco de la Nación) and the Empreté Foundation.

TARGETED SECTORS: Automotive and dairy sector.

ENLISTED COMPANIES: TNCs which have expressed interest in a business-linkages programme include Renault, Volkswagen, General Motors, Peugeot-Citroen SA, Fiat-IVECO.

IMPACT: In order for SMEs to have access to international production networks, the Programme focuses on enabling them to obtain financial access, upgrade their technology, improve their production and management procedures. Great potential impact is identified in the automotive sector for example, where over 400 car-part producers exist in Argentina, 90% of which are SMEs.