

APEC

Human Resources Development Working Group

Business Management Network

Network for Economic Development Management



**Trade and Investment Insurance
Training Program**

**TIITP '97
Compendium of
Training Materials**



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Introduction to Compendium of Consolidated Training Materials

The APEC Trade & Investment Insurance Training Program (TIITP)

The objective of the APEC Trade & Investment Insurance Training Program (TIITP) is to provide training to those who are working or will work with institutions that provide trade and investment insurance so as to develop human resources for the promotion of trade and investment in the Asia and Pacific region.

This program is a highly innovative and pioneering venture which had not been attempted previously in APEC. It achieved cross-regional participation (utilising the great diversity in APEC), and participation included both senior executives and upwardly mobile management working in a challenging, significant, and rapidly growing field of the trade and insurance sectors.

The TIITP was supported by an allocation of US\$ 500,000 from the TILP Fund for the 1997 program (which was repeated for 1998). Individual economies covered additional internal costs and many concerned with the operation of the overall program or specific offerings, both individuals and relevant institutions, provided considerable additional resources.

The specific purpose of TIITP '97 was to train more than one hundred current (and future) managers working with the institutions that provide trade and investment insurance for the APEC member economies. There were 5 programs in 1997 and further offerings were conducted on a wider but tightly focussed needs basis in 1998. A further program will be proposed in 2000.

Cooperative multilateral project Across the APEC Human Resources Development and Trade Promotion Working Groups.

TIITP has been implemented by the APEC Business Management Network (BMN) and the Network for Economic Development Management Network (NEDM) and since 1997 has become a co-operative project with the APEC Working Group on Trade Promotion. The project was proposed by the Ministry of Personnel of the People's Republic of China initially at the 14th APEC-Human Resources Development Working Group (hereafter APEC HRD-WG) Meeting. Mr. Norihiko Maeda of Japan provided significant inspiration and perspiration in the intellectual and practical conception of this project.

The project, led by China, was co-sponsored by Japan, Australia, Brunei, Canada, Indonesia, Philippines, Thailand and the USA. Significantly it was the first multilateral cooperative project specifically aimed at liberalising trade and investment undertaken by the APEC HRD-WG and the first project of that Group under the Trade and Investment Liberalisation and Facilitation (hereafter TILF) special fund to be approved by the APEC Ministerial Meeting.

An Important APEC Deliverable.

The establishment and successful implementation of TIITP is an important deliverable in APEC's economic and technological cooperation, as well as a significant contribution to APEC's human resources development. It has immense current significance to the promotion of economic and trade development in the Asia and Pacific region. By facilitating the effective use of capital, advancing inter-regional co-operation in human resources development, and especially by improving the professional ability and management skills of those currently, or those in the future, working in international trade, it is a major catalyst to the achievement of the Bogor objectives.

For the promotion for trade and investment liberalisation and facilitation to yield its full potential in terms of delivering economic growth and prosperity with employment generation, insurance issues need to be addressed. If this is not done businesses will be prevented from achieving their potential engagement within the region (and elsewhere) due to risk factors.

TIITP by addressing this need through programs that raise competency levels across the region, and publicising the need for insurance provision, has provided an extremely valuable deliverable from APEC HRD. The 1997 TIITP has been, in very many ways, a regionally significant learning experience with productive outcomes in the form of identifiable APEC deliverables directly contributing to the TILF Agenda. It is well placed via its continuation in 1998 (and beyond) to ensure that the reduction of trade and investment barriers is not frustrated by international risk factors.

The trainees gave a positive appraisal of the 1997 TIITP in regard to organisation, service, and effectiveness of the training programs. The participating 9 member economies benefited from the increase in needed insurance skills and competencies in this crucial area for the facilitation of trade and investment flows within the Asia-Pacific and globally.

BACKGROUND

With its continuous structural changes, rapid economic development, and enormous development potentialities, the Asia and Pacific Region became one of the most prosperous regions in the world. This can be attributed to the regions' development potential, and the benefits of international trade and investment as resources were better utilised and outward looking policies were embraced including increased deepening of market oriented economic reforms. The experience of participation in a globalised environment has brought with it both challenges and opportunities. The impact of the Asian Financial Crisis required many regional economies to accept a higher level of internal structural adjustment than previously envisaged.

APEC endeavours to meet these needs for the economic development of the Asia - Pacific region, by liberalising and facilitating trade and investment in the region while continuing to strengthen cooperation, in economy and technology.

To restore and maintain continuous economic development throughout the Asia and Pacific region will take time and requires that greater attention be given to the implications of integration into the global market economy. Crucial to the overall restoration of economic growth and continuing development with regional prosperity are the benefits of trade and investment. The imperative to liberalize and facilitate trade and investment in the region, strengthening economic cooperation and technology transfer, has become a critical task for the APEC economies.

In the process of liberalizing trade and investment in the Asian and Pacific region, there are some challenges which are worth our heeding:

- ❖ Differences in the level and stage of economic development across the APEC member economies have caused a wide variation in abilities and capacity to liberalise trade and investment, thus variances exist.
- ❖ The region has a serious shortage of senior managers with skills in trade and investment insurance within the Asia and Pacific region. Thus there is an urgent need to develop the competencies of senior managers in order to promote the trade and investment liberalisation in the Asia Pacific region.

For these reasons, the APEC Business Management Network and the Network for Economic Development Management Network undertook the Trade and Investment Insurance Training Program (TIITP) project and had sought the collaboration of the APEC Working Group on Trade Promotion.

IMPLEMENTATION OF 1997 PROGRAMS

As determined by the approved project design and the decisions taken at the APEC TIITP Kick-off Meeting held from 22-23 March, 1997 in Beijing, there were five training programs under 1997 TIITP project:

- ⌘ Program I - Beijing, People's Republic of China;
- ⌘ Program II - Manila, the Philippines;
- ⌘ Program III - (initially planned for Shanghai) Xiamen, PRChina;
- ⌘ Program IV - Jakarta, Indonesia;
- ⌘ Program V - Bangkok, Thailand.

The TIITP 1997 program achieved broad-based participation by the APEC economies both as instructors and as trainees.

- Twenty-eight specialist lecturers from eight economies including Australia, Singapore, Japan, the U.S.A, Canada, Korea, Malaysia, Hong Kong and the prestigious Berne Union were involved in the trainings.
- One hundred and twenty four (124) trainees registered in the thirty (30) courses offered.
- Eighty (80) of the participants were supported under APEC funding,

- Forty four (44) additional trainees were recruited on a self-funding basis.
- One hundred and twenty (120) of the one total of hundred and twenty-four (124) participants received completion certificates at the end of their program. (Four of the trainees were unable to complete the course due to illness and/or other commitments). The trainees came from the following 9 economies Australia, Hong Kong, Indonesia, Malaysia, People's Republic of China, Philippines, Singapore, South Korea, and Thailand.

THE TRAINING MATERIALS IN THIS COMPENDIUM

This Compendium is not a collection of all the presentation materials used in TIITP '97 but a comprehensive selection of edited materials and notes in which repetition and overlap has been eliminated. It does not purport to be a textbook for Trade and Investment Insurance training though it does provide an invaluable set of highly relevant teaching materials for this purpose. No attempt has been made to replicate the verbal presentations of the expert specialist practitioner presenters, but where supporting materials were used such as overhead transparencies or PowerPoint presentations these have been reproduced as notes in text format.

Moreover, the compilers/editors of this Compendium specifically wish to advise readers:

- a. The majority of the topics covered over the TIITP set of five programs were the subject of several presentations. This inevitably resulted in the emergence of some repetition and overlap when the consolidation of the lecture content and training materials was undertaken. An effort has been made to edit out as much of this as possible without detracting from the value of the contributions of the individual lecturers.
- b. Attention is drawn to the fact that the five programs were held between June and December 1997. Clearly some time has elapsed before this compendium of materials was completed. Therefore, while some of the specific information, particularly data, may no longer fully reflect the current position and practices, it is considered that the main substance of the material presented remains valid at this time.
- c. Consequently, individual lecturers may find that not all of their presentations and associated materials appear in the form in which it was presented. For this reason presenters names and institutions have not been attached to specific items but are listed in a separate file (TIITP '97 List of Presenters & Trainees.doc).

The following table details the composition of the five programs.

	Program I	Program II	Program III	Program IV	Program V
Time	June 3-13,1997	Sept. 1-12,1997	Oct. 21-30, 1997	Nov 3-13, 1997	Dec. 11-19,1997
	11 days	12 days	10 days	11 days	9 days
Venue	Central Garden Hotel, Beijing China	Hotel Sofitel Grand Boulevard Manila, Philippines	International Airport Hotel Xiamen, China	Parkroyal Hotel Jakarta, Indonesia	Swissotel Bangkok, Thailand
Subject	Professional funda-mentals on trade and investment insurance	Trade and investment insurance systems in APEC member economies	Trade and export credit insurance	Export credit and investment insurance	Provision & quality management of trade and investment insurance
Trainees	Junior and middle level managers from policy bank insurance company.	Middle and senior level managers from export credit organizations	Middle and senior level managers from policy bank insurance company	Middle and senior level managers from export credit insurance Co. Ltd and others	Middle and senior level managers from policy bank insurance co
Purpose	To master basic knowledge & skills of trade and investment insurance	To understand the trade and investment insurance & operation systems in APEC member economies	To avoid investment risks and standardize the operation of export credit insurance	To enhance the understanding and knowledge on short term export credit insurance activities	To master the know-ledge & techniques on the marketing, underwriting & risk management of trade and investment insurance
Project Overseer	The Ministry of Personnel of the People's Republic of China	National Industrial Manpower Training Council of the Department of Trade and Industry	The Ministry of Personnel of the People's Republic of China	The Ministry of Finance of the Republic of Indonesia	Office of the National Economic and Social Development Board
Organiser	Export-Import Bank of China	Philippine Export and Foreign Loan Guarantee Corp	People's Insurance (Property) Co, China	PT. Asuransi Ekspor, Indonesia	Export-Import Bank of Thailand
Number of Courses	Nine	Five	Nine	Eight	Seven
Lecturers	Eight lecturers from 6 economies	Five lecturers from 3 economies	Eight lecturers from 6 economies	Eleven lecturers, Eight from overseas economies and three from domestic institutes	Seven lectures from 4 economies and Berne Union
Trainee Composition	38 trainees from four economies 20 regular trainees 18 additional trainees	20 trainees from four economies	46 trainees from four economies 20 regular trainees 26 additional trainees	23 trainees from Indonesia	20 trainees from nine economies
Trainees awarded Certificates	34	20	46	23	20

Detail of Program Implementation

I. Organizational Model

The organizational model applied in the 1997 was Overall Responsibility by the Project Overseer, a Co-ordination Committee comprising Sponsors and Program Organisers, and a Consultative Experts Group. Each specific Course Overseer (normally the APEC lead institution in the relevant economy) took responsibility for planning, including the recommendation and selection of lecturers, design of programs, recruitment of trainees, as well as co-ordinating and supervising the implementation of the programs by their selected Program Organiser. Program organisers implemented the programs and were responsible for providing supplemental funding and inviting specialist consultants to assist in preparing the curriculum and as presenters. Experience in the implementation and operation of the 1997 programs indicates that this model worked well.

Clearly a key element was in identifying appropriate organisers who would lead the implementation of the programs, find the appropriate consultants, disseminate outcomes and ensure that each program achieved its objectives. The organisers as well as providing supplementary funding, extended the programs' outreach by recruiting additional self funded trainees. Of the one hundred and twenty (120) who received completion certificates, forty-four (44) or thirty-seven (37) per cent were additional self-funded registrants (ie. who were not covered by the APEC TILF special account project funding allocated to this project.)

The Project Overseer was Mde. Wen Haiying, Deputy Director-General of the Ministry of Personnel, Beijing, Peoples' Republic of China, represented by Dr. Wu Wenwu. (Mr. Wang Xiaochu, Deputy Director-General of the Ministry of Personnel, Beijing, Peoples' Republic of China, and Lead Shepherd of the APEC HRD-WG, is now the Project Overseer.)

The membership of the Co-ordination Committee and the Experts Group, plus a listing of the Program Overseers follows. A listing of Specialist Presenters and the Trainees, is in a separate file (TIITP '97 List of Presenters & Trainees.doc).

Co-ordination Committee

Wen Haiying - PR China - Project Overseer (now Wang Xiaochu)
Wu Wenwu - PR China – (representing Project Overseer)
Norihiko Maeda - Japan (Chair in Beijing)
Richard Braddock – Australia (Chair in Guilin)
Narong Nitayaphorn - Thailand
Charles Barrett - Canada
Norma Roque – Philippines

All sponsors representatives and Program Organisers were invited to join the Co-ordination Committee, but membership was voluntary. The APEC Secretariat and a representative of the Working Group on Trade Promotion participate in most meetings.

Others attending, expressing support at Co-ordination Committee Meetings, or providing advice to the Committee included:

Nampung Wongsmith - Thailand
Janin Erih, Brunei Darussalam
Tony Reynolds, Hong Kong, China
Cheol Ho Shin, Korea
Low Hock Meng, Singapore
Isak Shamsudin, Lead Shepherd, WGTP (Malaysia)
Jane Tambanillo, Philippines
Liang Zhidong, PR China,
Li Jianzhi, PR China
David McLean, Co-ordinator BMN (USA)
Yutaka Miyake – Japan
Osamu Morimoto –Japan
Brigida Alcanices – Philippines
Jose Ignacio Vicente – Philippines
Michael Andrews - Canada

Experts Group

Charles Barrett – Canada (Convenor)
Richard Braddock - Australia
K.K. Cheng – Hong Kong, China
Etsu Inaba - Japan
Liang Zhidong - PR China
Derek Hill - Australia

Program Organisers

- I. The Export-Import Bank of China
- II. Philippine Export and foreign Loan Guarantee Corporation
- III. PICC Property, People's Republic of China
- IV. PT. Asuransi Ekspor, Indonesia
- V. Export-Import Bank of Thailand

Program Overseers

- I. Ministry of Personnel of the People's Republic of China
- II. National Industrial Manpower Training Council of the Department of Trade and Industry
- III. Ministry of Personnel of the People's Republic of China
- IV. National Industrial Manpower Training Council of the Department of Trade and Industry
- V. Office of the National Economic and Social Development Board

II . Comparison of curriculums

Program I	Program II	Program III	Program IV	Program V
1. Commercial Foundation	1. Orientation and Fundamental Courses on ECI	1. Principle & Practice of Short Term Export Credit Insurance	1. Export Credit Insurance- Global View and in Indonesia	1. Opportunities and Risks in International Trade
2. Short-term Export Credit Insurance	2. trade and investment Insurance Systems of the US	2. Short term Insurance Claims and Recoveries	2. Fundamental of Export Credit Insurance -basic theory and practice	2. Trade Insurance Marketing
3. Short-term Export Credit Insurance Claims	3. trade and investment Insurance Systems of Australia and HongKong	3. Internal Credit Insurance	3. Short Term Export Credit Insurance Framework	3. Trade Insurance Underwriting
4. Medium and Long-term Export Credit Funding	4. trade and investment Insurance System of Canada	4. Medium and Long-term Credit Insurance	4. Buyer Risk Management on Short Term Export Credit Insurance	4. Risk Management
5. Medium and Long-term Export Credit Insurance	5. trade and investment Insurance System of Japan	5. Evaluation of Country Risk	5. Country Risk Management on Short Term Export Credit Insurance	5. Reinsurance and Quality Management
6. Country Risk Management		6. Special Trade Insurance	6. Claim and Recovery Management on Short Term Export Credit Insurance	6. Mechanism of EID/MITI Overseas Investment Insurance Policy
7. Overseas Investment Insurance		7. Project Underwriting	7. Medium and Long Term Insurance and Investment Insurance	7. Trade and Investment Insurance: International Perspective
8. Special Trade Insurance		8. Financial Management	8. Overseas Investment Insurance	
9. Management of Export Credit Insurance		9. Reinsurance		

The programs were designed for, and met, the specific identified needs of the participating APEC member economies. The individual programs were well structured in terms of their content. The curriculum for each program was clearly designed to meet identified needs and in consequence some of the content necessarily was repeated in other programs though each had its unique characteristics.

III . Method of Instruction

Instruction was conducted through classroom lectures, case studies, discussion group, question and answer sessions and field studies. Discussions and case studies were utilised by most lecturers across the programs, and the participants were divided into syndicate groups for case studies, tasks and discussion. Following the group discussion a presenter, elected by the group, would make a presentation to all the participants. Lecturers would make comments and summarise the session(s). Active discussions were found to help broaden the participants' thinking, and promote active communication between lecturers and trainees, enhancing greater comprehension of the subject and improving the participants' learning and understanding. With ten days of lectures, two days for field studies was considered to provide an appropriate balance via a practical field study. The field studies gave trainees an opportunity to both observe practice and to themselves consider the application in specific instances of the knowledge and techniques conveyed in the classroom. Lecturers accompanied trainees and offered guidance when needed plus a subsequent analysis and group discussion. The field studies were a valuable adjunct to traditional classroom lectures promoting vigorous participation and communication among trainees and lecturers.

IV. Special Arrangements

Each program held an opening ceremony with over 100 participants and trainees (Program 1 150 persons, Program 11 100, Program 111 100, Program V 170). Leaders from the Lead Institution, government departments, commercial banks, exporters, academic institutes, and media attended the opening ceremony, which was followed by several symposiums. With government departments and media involved in the programs, the program generated high profile exposure for this significant APEC deliverable.

A comprehensive evaluation was undertaken in each training program. The program reports indicate that the evaluation survey was conducted mainly through questionnaires though written co-ordinator responses and verbal feedback were also obtained. These were detailed in the Summary Report and have been analysed in other components of the Wrap-up Reports. Comments and Observations to the undersigned:

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