

The National Board of Trade's work to overcome trade barriers

– the crucial importance of data collection

Summary and recommendations

Since 2008, three of the trade policy goals decided by the Riksdag are as much free trade as possible, an efficient internal market in the EU and increased trade between Sweden and the rest of the world. Sweden's exports are important, but global trade has been weaker since the financial crisis. Growing protectionism is one reason for this.

According to its instructions, the National Board of Trade must assist the Government with expert support, and contribute to increased knowledge regarding foreign trade, the EU's internal market and EU trade policy. The agency must promote free trade and free movement in the EU's internal market. The National Board of Trade's starting point must be the general economic interest of Sweden against the background of the overall goal for growth and employment. Among factors the agency must take into account are the interests of the business community.

In its audit, the Swedish NAO applies the following key conditions for fulfilling the above parts of the agency's instructions:

- data collection that provides representative information regarding the parts of the business community that are conducting or considering conducting foreign trade
- that there is awareness of the National Board of Trade in the business community
- the agency's management is responsible to the Government for its operations and must ensure that they are run efficiently, that the agency manages central government funds prudently and that the operations are reported reliably and fairly.

In the light of the above trade policy goals, the purpose of the audit is therefore to examine whether the National Board of Trade's work is based on the overall Swedish economic interest. The audit focuses on the following questions:

1. Does the National Board of Trade collect data about companies' experience of trade barriers efficiently and practising good economy?
2. Does the National Board of Trade use data on companies' experience of trade barriers to support companies efficiently and practising good economy?
3. Does the Government and the National Board of Trade's reporting on the agency's activities in the above respects provide the information requested by the Riksdag?

Audit findings

The Swedish NAO finds that this audit has generated findings in similar areas as those noted by the Agency for Public Management in its 2013 agency analysis of the National Board of Trade. The Swedish NAO also finds that, in the audit, we have received opinions from parties outside the National Board of Trade, which in many respects are the same as the opinions reported by the Agency for Public Management in its agency analysis. The Swedish NAO's overall conclusion is that, given the importance of the National Board of Trade's activities, there is an urgent need for continued development that the Government and the agency need to address.

The National Board of Trade does not focus its data collection regarding companies' experiences on representative information and the overall Swedish economic interest

According to the Swedish NAO, the following is a basic requirement if the National Board of Trade's data collection is to be effective in accordance with the agency's instructions and the Government Agencies Ordinance that the agency must manage the agency's funds prudently. The National Board of Trade's data collection needs to ensure that there is representative information which includes the overall perspective of the business community.

Relative to the corporate population and the fact that the National Board of Trade's task is to base its work on the overall Swedish financial interest, the audit shows the following. The National Board of Trade collects data from a small number of companies relative to the total corporate population, with no assessment of its representativeness. In the opinion of the Swedish NAO, in practice, neither the Government nor the National Board of Trade seem to strive for greater efficiency in data collection in terms of the overall Swedish interest. The Swedish NAO bases this conclusion on findings of how the Government's governance and the National Board of Trade's activities address the question of representativeness. In the opinion of the Swedish NAO, the data collection risks being incomplete or misleading.

In the opinion of the Swedish NAO, this means that the resources currently allocated to data collection regarding companies' experiences could provide greater

benefit. Management of central government resources could be improved by means of well-considered, strategic measures.

The National Board of Trade does not systematically monitor data collection and support for companies in order to develop its operations

Given the National Board of Trade's remit and the challenges that exist in getting companies to share their experiences, the following is a deficiency in the opinion of the Swedish NAO. The National Board of Trade does not systematically follow up, develop or test methods for data collection and support for companies.

The resources currently allocated to data collection regarding companies' experiences and support to companies could provide greater benefit. In the opinion of the Swedish NAO, this means that management of central government resources could be improved through well-considered, strategic measures.

The National Board of Trade's analysis and support are unknown, but appreciated by those who are aware of them

According to the Swedish NAO, a fundamental condition for the agency's analyses and support to be effective is that companies are aware of the National Board of Trade's support and grants. The audit shows that awareness of the National Board of Trade is very low among small and medium-sized enterprises, and low among other companies.

The appreciation that the National Board of Trade receives from companies and others in its environment that have had contact with the agency indicates what is lost when so few companies are aware of the agency. Since it is possible to reach more companies through, for example, digital channels, the effect of the resources invested in analysis and support could be greater. When these possibilities are not fully tested, in the opinion of the Swedish NAO, the resources currently allocated to analysis and support to companies could provide greater benefit. In this area too, management of central government resources could be improved by means of well-considered, strategic measures.

The Government and the National Board of Trade's reports do not provide a picture of the productivity, efficiency and quality of the operations.

Overall, the Government's performance reporting regarding the National Board of Trade's operations is very general. It does not state specific information that is available, for example regarding the Swedish SOLVIT centre's performance or development needs regarding countries and regions that are particularly problematic for Swedish businesses. SOLVIT is an EU-wide function. Each country that participates in the internal market has a national SOLVIT centre that receives reports about trade problems and attempts to solve them. The Government's performance reporting does not contain specific information about the data collection regarding companies' experiences.

Development work regarding the National Board of Trade's reporting has started at the agency in light of the Government's clarification of the governance of agencies' reporting. However, the Swedish NAO's assessment is that during the audited period, the Government, in particular with regard to SOLVIT, has not set reporting requirements for the National Board of Trade that take into account that the performance reporting must present a picture of productivity, efficiency and quality. This also applies to questions about measurement over time using measurable metrics or indicators.

The Government and the National Board of Trade can learn from the EU Commission's reporting to the European Parliament regarding trade matters

In the assessment of the Swedish NAO, the European Commission's reporting to the European Parliament on trade barriers and the European Commission's report on the SOLVIT function contain interesting attempts at impact analysis, reporting of key figures and comparisons. This reporting provides a concrete picture of the current state of the work relative to previous conditions and the challenges that remain or have arisen. In the assessment of the Swedish NAO, the reporting of the EU Commission is therefore better developed and more relevant than the Government's and the National Board of Trade's overall reporting in this area.

Recommendations

The Swedish NAO recommends that the Government:

- Ensures that the National Board of Trade works to obtain representative data on companies' experiences based on the overall Swedish financial interest and works to increase companies' awareness of the agency.
- Provides clear reporting requirements to the National Board of Trade regarding SOLVIT so that the key figures and comparisons used by the European Commission are evident and used in the assessment of the Swedish SOLVIT centre's activities.
- Supplements the performance reporting to the Riksdag with information that is available and in this regard takes inspiration from the European Commission's reporting to the European Parliament.

The Swedish NAO recommends that the National Board of Trade:

- As far as possible, ensures that data collected on companies' experiences is representative so that the overall Swedish interest is taken into account.
- Develops data collection regarding company experiences by testing and following up different methods in dialogue with companies and the business community
- Assesses companies' awareness of the agency, and tests and evaluates efforts to increase awareness of and companies' use of the agency's products and services.

- To a greater extent and more clearly includes follow-up and evaluation of data collection, use of data and support in the agency's operational planning.