

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## REVIEW OF 1968 ACTIVITIES OF THE INTERNATIONAL TRADE CENTRE UNCTAD/GATT

The rôle of the International Trade Centre is to assist the developing countries in their export trade by providing them with information on export markets and marketing; and helping them both to develop their export promotion services and to train the personnel required for these services. The Centre's assistance is at present channelled through four main services - Market Information Service; Publications Programme; Trade Promotion Advisory Service; and Training Programmes. These services are freely available to all developing countries.

The operational activities of these services in 1968 encompassed the following:

### I. Market Information Service

This service provides trade information and marketing counsel in response to enquiries from developing countries on products and markets, in both developed and developing areas. The reports are of three main types: major market surveys on products of export interest to many developing countries, which are published; specific studies of market potential undertaken primarily for the benefit of one particular country at its request; and ad hoc information on particular aspects of markets and marketing. In response to the recommendations of the Joint Advisory Group at its meeting May 1968, the market studies made in response to country requests will also be made available to other interested countries; and will be made known through announcements in the Centre's journal FORUM. The market research done by the Centre provides exporters in developing countries with trade data and information on marketing and promotion that is of immediate commercial use to them in the selling of their products.

A. Major market surveys

1. Financed from Centre budgetary resources

Surveys published so far in 1968:

- Major Markets in Western Europe for Fresh Fruits and Vegetables - 20 items
- Marketing of Cashew Nuts
- The Market for Manioc as a Raw Material for Compound Animal Feeding Stuff, in the Federal Republic of Germany, the Netherlands and Belgium

In preparation:

- Leather, Hides and Skins in Western European Markets (for publication autumn 1968)
- Tobacco - Unmanufactured and Manufactured (for publication autumn 1968)
- Processed Food
- Frozen Food
- Markets for Wine in Western Europe
- Industrialized Coffee - Markets and Marketing

2. "Contract studies" financed wholly or in part from non-budgetary resources

These studies are normally directed to the requirements of individual developing countries, though in some cases the Centre simultaneously carries out a wider sectoral study that would be useful for other developing countries. Special financial arrangements are made since the budgetary resources of the Centre are insufficient to meet individual country requests for extensive market surveys whose utility will be limited to the requesting country.

Major contract studies presently being carried out by the Centre comprise:

- Study of hand-made carpets

Two major studies being undertaken concurrently under contract arrangements with the Swedish International Development Authority (SIDA) and the Government of Afghanistan. They cover markets in Western Europe, North America and Australasia.

- Study of Market Potential for Brazilian Manufactures in developing Asian and African Countries - financing partially covered by the Brazilian Government.
- Surveys of various Engineering Products for India - contract study of European and East African markets financed by SIDA.

Work will be started in the final months of 1968 on other major studies both "contract" and non-contract on: e.g. leather manufactures and fresh and preserved tropical fruits and vegetables.

B. Specific studies

1. Studies on the following products in respect of selected target markets have so far been completed in 1968 for various developing countries: banana products; batteries; camel hair; canned fruits; dextran; ginger; graphite; iron castings; gum arabic; meat extracts; mica and mica products; piassava; pleasure boats; slaughter cattle and beef; wood products.
2. Special studies in preparation for completion by end 1968 include: calcined kyanite; canned and dehydrated vegetables; fibre-glass products; frozen rabbit meat and rabbit fur; reptile skin; rubber-based products; wires and cables; gunny sacks; papain; ipeca.

C. Ad hoc information

Such enquiries cover a variety of products ranging from primary commodities to manufactured goods and the information requested varies considerably from commercial policy measures and other government requirements to practical marketing data. Approximately eighty such enquiries have been dealt with in the first ten months of 1968.

A noteworthy feature of the market research carried out in 1968 is that, while earlier studies dealt with Western European markets, the coverage has now been extended to include other promising markets in North America, Eastern Europe, Australasia and in developing regions.

Documentation Unit

The Documentation Unit was set up to provide the Centre's researchers and editors with information on relevant aspects of marketing and trade. A large part of its work thus consists in the selection and research of material for the use of the Centre's market and marketing analysts. But it also provides, to an increasing extent, background economic and trade data to the other three services of the Centre.

In addition, the Unit itself compiles bibliographies in response to requests from developing countries and from other international organizations. These are in some cases developed into Centre technical handbooks.

II. Publications Programme

A. International Trade FORUM

The Centre's Publications Programme includes the separate English, French and Spanish editions of its quarterly trade promotion journal, the International Trade FORUM and its intermediate quarterly Supplement, which have a world-wide

distribution, currently covering some 27,500 public and private organizations and individuals involved in international trade. In the first nine months of 1968 two issues of the FORUM and three issues of the Supplement appeared.

In these issues five Centre market surveys were summarized - on clothing, canned meat, tropical sawnwood, a major Western European food market for the developing countries, and manioc as a raw material for compound fertilizer. Two studies were specially done for the FORUM: on the market for clothing in the OECD countries and on food distribution and consumption trends in the United Kingdom. Also in the marketing sector, FORUM has published so far in 1968 articles on the export promotion organizations and services of the Republic of Korea and of Western Samoa, France and the United Kingdom; on export financing, including designing an export credit guarantee programme, and warehouse receipt financing; an account of how FAO helps promote exports of developing countries; articles on United States overseas exhibitions; on Hungary's new tariff system; and on management's approach to design for export. Additionally each FORUM and Supplement contain reviews of books of interest to developing country export promotion and trade personnel, and a Commercial Policy Chronicle, which lists changes in countries' commercial policies as reflected in tariff and other measures affecting trade.

One Supplement was devoted to a guide to marine insurance for developing countries. In the last quarter of 1968 one FORUM will be a special issue on advertising for developing countries.

#### B. Trade promotion handbooks

The Centre's Publications Programme also produces a series of handbooks on trade promotion techniques and sources of trade information. The handbooks are basic to the Centre's objectives of assistance to the developing countries. They also provide essential working tools for the Trade Promotion Advisory Service; and the basis of course material for the Training Programme. They help the developing countries themselves to undertake their own marketing research, marketing and promotional activities, and thus obviate the necessity for the Centre to shoulder an impossibly large burden of direct promotional work.

The following handbooks have so far been published by the Centre in 1968:

- Compilation of Basic Information on Export Markets - a Guide for Developing Countries
- Foreign Trade Enterprises in Yugoslavia
- Foreign Trade Enterprises in Eastern Europe
- Lectures in Export Promotion

Work is proceeding on the writing of the following thirteen handbooks, of which it is estimated three to four will be completed in 1968, and the balance in 1969. Six directories and bibliographies are also in preparation, for publication in 1969.

(i) Methodological handbooks

- Organization and Management of Joint Export Marketing - Guidelines for Developing Countries
- Governmental Export Publicity - Guidelines for Developing Countries
- The Rôle of the Freight Forwarders in Developing Countries
- The Organization of Trade Missions by Developing Countries
- Multinational Action for Product Promotion
- Trade Fairs and Exhibitions - a Guide for Developing Countries
- Official Commercial Representation abroad - a Manual for Developing Countries
- Private Sector Export Promotion
- Export Promotion Systems - a Functional Analysis
- A Guide to Marketing in Countries with Centrally-Planned Economies
- Export Promotion Training Manual
- Product Design and Packaging for Export
- Standardization, Grading and Quality Control for Export

(ii) Directories and bibliographies

- A Bibliography of International Marketing
- Trade and Industrial Journals and Magazines
- Trade, Industry and Promotion Associations
- A Bibliography of Published Market Surveys (updating of Centre 1967 publication)
- A Directory of Training Facilities in Export Promotion and Marketing
- A Guide to Sources of Information on Trade Regulations

Of the above programme, seven methodological handbooks are being financed by SIDA as part of its joint operations with the Centre, as are three of the directories and bibliographies.

III. Trade Promotion Advisory Service

The Trade Promotion Advisory Service provides technical assistance and on-the-spot counselling on the establishment or improvement of export promotion programmes and services in response to requests from developing countries. It includes counsel in dealing with the problems of export marketing of specific products, as well as with specialized problems in such fields as packaging and quality standards. Experts in other fields such as training in export promotion are also provided through this service.

Missions undertaken in response to requests made direct to the Centre are carried out by the Centre's own staff; experts seconded by the Centre's National Liaison Agencies in developed countries at their own expense; or by specialists recruited by the Centre and paid from Centre funds. In all cases, the Centre is responsible for the preparatory work prior to the despatch of the experts, for their briefing, both orally and in writing, and for the provision of support during their assignment, as well as for follow-up action, e.g. further advisers, research and training for developing country officials, as the necessity is revealed by the initial missions.

As from 1 January 1968 the Centre assumed responsibility for eighteen trade promotion advisory missions financed from United Nations Technical Co-operation Programmes. Including the Centre missions already accomplished or under way, the Centre has, therefore, in the ten months of 1968 to November some twenty-nine active operational missions to programme and supervise.

New missions have been requested in the past two months by ten countries and one United Nations regional organization. With the exception of one, they are still in the stage of planning and negotiations are under way to secure the necessary financing, since in these cases UNDP financing cannot be obtained for 1968-69 implementation.

#### A. Completed missions

Up to November 1968 ten missions had been completed in the year: to Chad, Colombia, Honduras, India, Laos, Malta, Paraguay, Uruguay; and preliminary fact-finding missions had been carried out in Jamaica and Malaysia.

In Chad the mission was conducted as a joint FAO/Centre operation with three experts, two of whom were provided by FAO and one by the Centre. The mission advised on the export marketing of Chad cotton and on the improvement of cotton production and ginning for export.

In Colombia a Centre-recruited expert financed by OAS provided counsel on export packaging for a period of two months.

In Honduras an expert advised the Government on the formulation of measures to promote the export of new products. This mission may be prolonged since the Government has submitted a request to UNDP to this end.

In India an expert in textile marketing provided by the Centre assisted in carrying out a market survey on textiles and made-up garments.

In September the Director of the Centre carried out a fact-finding mission in Jamaica in connexion with a request for export promotion assistance.

In Laos an expert has advised the Government on export possibilities for existing or potential primary products, and the conditions under which exports could best be made.

The preliminary fact-finding mission in Malaysia was carried out at Centre request by the Deputy Director-General of the Belgian Office of Foreign Trade.

In Malta an adviser on market research with particular emphasis on exports, completed an eighteen-month assignment.

In Paraguay a Trade Promotion Adviser to the Ministry of Commerce and Industry has completed a three-year assignment.

In Uruguay an expert has just completed a twelve-month assignment to advise and co-operate with the Board for the Co-ordinated Promotion of Non-Traditional Exports (Ministry of Finance) in formulating a programme for the Board's activities, and to instruct the Board's national staff in export promotion and assist in establishing the Board as a National Centre for Export Promotion.

B. Missions under way

A joint UNIDO/ECAFE/International Trade Centre - UNCTAD/GATT Advisory Mission (October to December 1968) has been despatched to six Asian countries (Indonesia, Malaysia, Pakistan, Philippines, Singapore and Thailand) to identify the type of assistance they need most urgently for expanding exports of non-traditional products.

In Colombia another expert has been appointed for general trade promotion functions for twelve months from August 1968.

An expert has been provided to India to advise for six months on the development of case studies on foreign trade.

In Indonesia an expert is assisting the Ministry of Trade in the formulation of measures to promote exports of selected products.

In Iran an expert is assisting the Government in the preparation of the Second Asian Trade Fair.

In Mauritania an expert is advising the Government on foreign trade questions on a two-year assignment.

In Mexico a Trade Promotion Adviser has been assigned to assist the National Centre for Information on Foreign Trade in all aspects of trade promotion until the end of 1970.

In the Philippines an adviser on domestic and foreign trade has been assigned to assist the Department of Commerce and Industry for twelve months in market research, a survey of domestic trade, study of the marketing system for products with export potential, and to conduct seminars for officials of the Department concerned with trade and marketing. This project is a continuation of an earlier advisory mission.

In Tanzania a broad scale, follow-up of the Centre/SIDA fact-finding mission in 1967 is under way. A Trade Promotion Adviser and a Marketing Specialist have been recruited, and have started their one-year assignments in August and September respectively. A Marketing Professor to hold a three-months' training course is also to be recruited. The project also comprises conduct of market surveys by the Centre, as well as a gift of a library of export marketing and trade promotion literature. This project is totally SIDA-financed.

The mission requested by Tunisia is being undertaken in November by an expert of the French Centre National du Commerce extérieur, which is financing the adviser, while the Centre meets his travel and maintenance costs.

C. Missions in preparation

Seven other missions are in preparation for which UNDP financing had already been obtained prior to the transfer of UNCTAD's export promotion responsibilities to the Centre. These missions cover countries in all three developing continents and will deal with institutional aspects of export promotion as well as with more specific technical matters.

IV. Training Programme

Training of nationals of developing countries in trade promotion is a basic element in the development of successful export promotion programmes inasmuch as only the availability of qualified personnel can enable these countries to undertake the formulation and implementation of national programmes. In accordance with the recommendations of the Centre's Advisory Group of Government Trade Promotion Experts and the demands of the developing countries themselves, the Centre has steadily expanded its programme of export promotion training. In 1968 it has thus developed a schedule that provides export promotion training opportunities in a wide variety of courses, seminars, individual fellowship grants, and trade study tours, to about 350 developing country trade officials and private sector export executives.

In the first ten months of 1968 close to 200 trade officials and private sector export executives from 60 developing countries were given the opportunity of training in Centre-based and Centre co-operative programmes.

Completed training programmes up to October 1968

- (1) Two-months' Centre/OAS Trade Study Tour for Latin American trade officials, programmed by Centre through Norway, Sweden, the Netherlands and Italy, with a final orientation session at the Centre (OAS-financed intercontinental travel).
- (2) Two-week Centre programme on export promotion for participants in the first half of 1968 GATT Commercial Policy Course.
- (3) Centre-based and conducted three-week basic commercial counselling course for Europe-based Trade Commissioners and trade representatives of developing country governments and marketing organizations stationed in Europe.
- (4) Co-operative three-months' programme with the ILO International Centre for Advanced Vocational and Technical Training, Turin, on the management of export marketing; combined with a Centre-organized and conducted three-week field study programme including keyed group research projects in several European countries; students inter-regionally selected.



- (5) Centre/ILO International Centre three-months' programme for Brazilian officials and private sector export executives in export promotion and marketing. This programme also included a three-week Centre-organized and conducted field study programme and group research in five European countries (UNDP-Brazil financed).
- (6) Three-months' United Kingdom Board of Trade course, for which Centre recruited the non-Commonwealth participants.
- (7) Five-week top level seminar provided by the Japanese Government with certain less-developed government Export Directors recruited through the Centre.
- (8) The 1967/68 seven-months' export banking programme offered through the Centre to Latin American nominees, comprising formal banking and international trade instruction, as well as in-service periods with major merchant banks and exporting houses in Italy, by the Italian Institute for Industrial Reconstruction (IRI) terminated in May. A new class of Centre-recruited trainees began the 1968/69 programme in October.
- (9) The 1968 Centre/Dag Hammarskjöld Foundation three-months' course for English-speaking African nationals was held from 29 July-18 October, first at the St. Gall Graduate School of Economics and Business Administration. Following six weeks' formal instruction at St. Gall, participants spent three weeks in Geneva on Centre-guided project work and syndicate studies for export problems of relevance to their countries; thereafter followed a period of in-service training with Swiss exporting companies. This course was organized by the Centre with funds allocated by the Swedish Foundation for the second year in succession and is under the joint patronage of the Executive Secretary of the United Nations Regional Commission for Africa.
- (10) The United Kingdom Board of Trade autumn course of three months, on the same lines as the spring course, runs in London from September through December, with non-Commonwealth placements by Centre.

Three separate courses were held in October

- (11) A seminar on export marketing in collaboration with the Deutsche Stiftung für Entwicklungsländer for Europe-based trade attachés of developing countries.
- (12) A joint Centre/UNIDO seminar for high-level trade officials, on Development of Industrial Exports, in Zagreb.
- (13) New Zealand Government programme of five weeks for Centre-recruited trade officials of the Colombo Plan countries, mainly in-service training in agricultural produce marketing boards.

In November the Centre is running

- (14) A two-week seminar for Trade Commissioners and trade representatives of developing countries stationed in Europe, on commodity trading on European markets.
- (15) The Centre is providing a two-week programme on export promotion and marketing to the participants in the GATT Commercial Policy Course.
- (16) In December there will be a Centre/Danish Technical Assistance Board seminar for Scandinavia-based trade representatives, on specific aspects of trade promotion, such as export marketing, trade publicity and trade contact work.
- (17) Fellowships offered through the Centre to individual developing country nominees have been allocated this year only by Finland; other countries that have offered fellowships not yet utilized are Belgium, Denmark, Ireland, the Netherlands and Norway.

For 1969, administrative and programming preparations have been started to implement training programmes requested by the developing countries despite the inability of the UNDP so far to provide financing resources. The Centre has successfully obtained pledges of unilateral contributions which, along with courses financed by developed countries will enable it to implement a programme expected to provide a total of some 500 training opportunities, long and short, in 1969. Negotiations are being conducted, and/or plans made for four courses to be held under the joint aegis of the Centre and the Regional Economic Commissions in the regions in the latter half of 1969; and for one sub-regional course for the Central American Common Market.

V. General

1. The Centre's National Liaison Agencies

An important organizational aspect of the development of the Centre has been the building up of working relationships with official National Liaison Agencies in both developed and developing countries. This collaboration has been of assistance to all the Centre's services - notably to the Market Information Service, where the National Liaison Agencies have actively helped to collect and diffuse trade information for the benefit of developing countries. Through its official National Liaison Agencies the Centre has also been able to establish fruitful contact with other national bodies active in the field of trade in both public and private sectors (e.g. government and semi-government bodies, chambers of commerce, trade associations, etc.).

2. Unilateral contributions

Additionally, the good offices of the National Liaison Agencies in many developed countries have secured for the Centre unilateral contributions that have considerably strengthened its ability to serve the developing countries.

These contributions have taken the form of financial grants; secondment of professional staff to the Centre and of Trade Promotion Advisers for missions to developing countries; provision of lecturers for the Training Programme; and production of special handbooks on export markets and marketing. In three Western European countries, the offices of the Centre's National Liaison Agencies service the Centre's work projects for developing countries on a full-time basis. (See Annex.)

### 3. Evaluation

In response to a recommendation of the first Joint UNCTAD/GATT Advisory Group meeting in May 1968, the Centre has embarked on an evaluation of its activities and the assistance it has rendered to the developing countries. A report summarizing the results of this evaluation will be submitted to the next meeting of the Joint Advisory Group which is scheduled for March 1969.

### 4. Resources of the Centre in 1968

When it was decided to establish the joint UNCTAD/GATT Trade Centre, it was agreed between UNCTAD and GATT that the Centre's services in 1968 would be based on the programme of work recommended by the Advisory Group which met in June 1967 (L/2807). The Trade Centre has, in 1968, continued to respond to requests from developing countries for assistance in the field of export promotion within the framework of the recommendations made by the Advisory Group and in accordance with the priorities laid down by the Group. The Centre has, however, also undertaken a number of export promotion projects in collaboration with other organizations, such as UNIDO and FAO, in pursuance of arrangements for co-ordination of activities in the field of export promotion envisaged under the United Nations Export Promotion Programme.

The resources available to the Centre in 1968 were as follows:

#### Budgetary resources

- |   |                  |           |
|---|------------------|-----------|
| 1. From GATT budget (including supporting services estimated at \$146,800)  | \$818,400        |           |
| 2. From UNCTAD budget (including supporting services estimated at \$80,000) | <u>\$170,000</u> | \$988,400 |

<u>Unilateral contributions</u>		\$988,400
3.	Trust funds already established and to be established in 1968:	
	- SIDA (for joint operational projects in all four services of the Centre)	approx. \$505,000 <sup>1</sup>
	- Dag Hammarskjöld Foundation (for three-month training course)	\$ <u>61,580</u> \$566,580
4.	Prepaid seconded personnel to the Centre and experts for missions to developing countries (by Austria, Belgium, Brazil, Denmark, France, Ireland, Israel, Norway, Spain, Switzerland, United States)	approx.      \$106,000
5.	Contract projects, self-consuming and non-recurring	\$ <u>44,500</u>
		<u>\$1,705,480</u>

It has been agreed that the UNCTAD/GATT Trade Centre will be responsible for providing substantive support for export promotion projects financed by United Nations technical assistance funds. In 1968, the Centre will be providing substantive support for eighteen country technical assistance projects financed by the UNDP. The Centre does not, however, receive any funds for the provision of these services. Furthermore, it will not be possible for the Centre to undertake any new export promotion projects for which the resources will be provided by the UNDP in 1968, since the United Nations Technical Co-operation Programmes for 1968 and 1969 were finalized prior to the establishment of the joint Centre and there seems little possibility of effecting changes in these programmes. It will be recalled that the Advisory Group in 1967 recommended a shift in the emphasis of the Centre's work programme from the provision of information to trade promotion advisory services and training. In the circumstances, the increasing work load under these two sections of the Centre's work programme resulting from this shift in emphasis has been met largely through increased recourse to unilateral contributions and assistance and, on a temporary basis, through internal adjustments in the deployment of Centre staff attached to other services.

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<sup>1</sup>Funds made available in 1968 for utilization until projects are completed.

There has also been a very substantial increase in the demands made on the Market Information Service since the establishment of the joint Centre. Since the demands have exceeded the budgetary resources of this Service in 1968, the Centre has made use of various sources of financial arrangements for market studies. While the budgetary resources are being used for studies on products that are of wide interest to many developing countries, some market surveys designed for the special needs of individual countries are being financed either through voluntary contributions from developed countries or under special financial arrangements made with the requesting country. Voluntary contributions and special financing arrangements have thus become an important element in the resources of the Centre in 1968 and may tend to become even more important in 1969.

ANNEX

Unilateral Contributions

Unilateral, national contributions constitute a large and essential part of the Centre's total resources in men and money.

A. To Centre

The secondment of pre-paid professional staff for work with the Centre, usually for a year, in 1968 from Austria, Belgium, Brazil, Denmark, France, Ireland, Israel, Norway, Sweden (2)<sup>1</sup>, Spain, Switzerland and the United States.

Trade Promotion Advisers

The secondment of Trade Promotion Advisers for overseas missions in 1968 by Belgium and France, including payment by their Governments of their salaries; and maintenance and/or transport.

Training

The entire financing of a three-month Centre-based training course by the Swedish Dag Hammarskjöld Foundation (DHF); of a Trade Commissioner Seminar in Geneva by the Swedish International Development Authority.

The loan by Canada and Australia of their Trade Commissioners as lecturers in the Centre's house course for Trade Commissioners, March 1968 and other programmes, and the financing by SIDA of two Canadian course leaders.

B. Extra Centre

Full-time liaison offices

In the Netherlands and the United Kingdom, the offices of the Centre's National Liaison Agencies service the Centre's work projects for developing countries on a full-time basis; while in France and the Federal Republic of Germany the equivalent of a full man year is also provided.

Training and publications

The provision of training courses and/or in-service training in their territory, varying from one to twelve months, by France, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Sweden and the United Kingdom; the offer of special individual training fellowships by Belgium, Denmark, Finland, Ireland, the Netherlands and Norway.

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<sup>1</sup>Included in table, page 12 under item 3 (SIDA).

The provision of finance and organization for Export Promotion Seminars in collaboration with the Centre by Denmark, Federal Republic of Germany and Sweden.

The reception of a Group Trade Study Tour, including payment of internal travel and maintenance by Italy, the Netherlands, Norway and Sweden, with inter-continental inter-country travel and maintenance paid by the Organization of American States.

The preparation and distribution of important trade promotion publications at the request of the Centre by Canada, Sweden (DHF) and Switzerland.

C. Swedish International Development Authority

In expansion of their 1967/68 support, at the May 1968 Joint Advisory Group Meeting Sweden announced a budget of approximately \$500,000, for fiscal 1968/69 for joint operational activities with the Centre. The Centre activities financed by SIDA include projects in all four services of the Centre.

D. An "Import Opportunity Office for Developing Countries" has been established in the Chamber of Commerce of the Socialist Republic of Romania.