

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Group of Experts
Second Meeting

GATT INTERNATIONAL TRADE CENTRE

Note by the Secretariat

I. INTRODUCTION

1. During its meeting on 3-5 February 1964, the Expert Group formulated recommendations for the establishment of Trade Information and Trade Promotion Advisory Services within GATT and proposals for their operation during the initial phase. These were set out in the "Report by the Expert Group on the Establishment of Trade Information and Trade Promotion Advisory Services in the GATT" (COM.III/128).
2. The recommendations and proposals of the Expert Group were endorsed by Committee III at its meeting in March (see Section A of the "Report of Committee III on its Meeting on 4 March 1964" (L/2181)), and were subsequently approved by the CONTRACTING PARTIES during their twenty-first session (see summary record of the ninth meeting SR.21/9, pages 137-141).
3. While the Centre was officially established on 1 May 1964, its permanent staff was recruited in the course of the summer and reached its present strength in the autumn. The head of the Centre took up his duties in October 1964.
4. According to the proposals formulated by Committee III (L/2181, paragraph 3), the Centre was to concentrate on the following activities in the initial phase of its existence:
 - (a) establishment of a "documents centre" - and operation of a "clearing house" for trade information;
 - (b) provision of a "Trade Intelligence Service";
 - (c) publication of a "Register of Sources of Trade Information";
 - (d) resumption of publication of the "International Trade News Bulletin", in a form designed to meet the special needs of the less-developed countries;
 - (e) preparation of a manual on efficient means for establishing and operating export promotion services;
 - (f) arranging for, and, as appropriate, provision of training facilities or courses in export promotion and export promotion techniques.

5. It had been agreed that, at its second meeting, the Expert Group should "examine, in the light of experience and further suggestions by governments, the type and direction of the services which would be most useful to exporters in less-developed countries and would make the most efficient use of resources". An important point to be taken up in this connexion was to consider how the activities of the Centre might be further extended into the field of export promotion measures.

II. OBJECTIVES

6. It will be recalled that the Expert Group emphasized that trade information and trade promotion were inseparably linked and that the services of the Centre should be orientated towards meeting the practical requirements of the less-developed countries for promoting their exports. This objective should guide the work undertaken by the Centre.

7. The trade information which the Centre supplies is directed towards helping the less-developed countries promote their exports and this will continue to be an important service which the Centre should provide; several less-developed countries have emphasized the importance they attach to the provision of continuous up-to-date information of this sort. The work being done by the Centre in this connexion and the proposals for future work are referred to later in this document.

8. However, it is considered essential that, if the Centre is to be an effective instrument of trade promotion, it must increasingly be concerned with practical action which would be of direct assistance to the developing countries in promoting their exports. In this connexion it may be borne in mind that the type and scope of the services required from the Centre are likely to vary considerably depending upon the degree of development of trade promotion services in individual countries. Some countries are in a position to undertake a reasonable amount of their own trade promotion whilst others might well benefit from action in the field of trade promotion set in train by the Centre itself.

9. Much of the work of the Centre so far has been concentrated on building up background information and data along the lines suggested by the Expert Group at its first meeting: this enables the Centre both to answer the enquiries put to it and to prepare key information to be passed on to less-developed countries. Nevertheless, certain of the Centre's activities already have a practical bearing, in particular the Market Information Service (hitherto described as the "Correspondence Answering Service"). This service is already proving its value to the countries which are using it and it may be expected that as the Centre's facilities become more widely known, requests for information are likely to increase significantly and might, furthermore, become more complex. However, increasing attention should be paid by the Centre to practical action in the field of trade promotion. Certain suggestions regarding types of action which might be taken are set out in Part IV of this document.

10. An International Centre obviously cannot possibly do all that a national trade promotion organization with overseas outposts is capable of covering in respect of one country's export interests. Hence, it is essential that the Centre should be selective in regard to the specific tasks that it undertakes. It would be difficult to lay down any preconceived criteria - future demands on the Centre's services will have to be viewed pragmatically in the light of what might serve the largest interests of the less-developed countries. Trade promotion is an extensive operation; but the work of the Centre can be kept within manageable limits if careful selectivity is exercised.

III. PROGRESS IN 1964

11. The projects begun in 1964 were based on the proposals made by the Expert Group and have been carried out to an extent and at a pace determined by the requests for assistance made by the less-developed countries themselves.

Market Information Service

12. This has been especially true of the Market Information Service.¹ Fifteen developing countries, including some that are not members of the GATT, requested the Centre's help in surveying foreign markets and promoting their trade therein, with a total of twenty-five requests, some of which were subsequently enlarged. To give some examples: a Latin American country made a request that involved a market survey for all its present and potential export products in the whole African and Asian markets, the first stage of which took 100 man-days of research (in which the Centre was assisted by the GATT's statistical service). Another Latin American country requested information on market prospects in ten Western European countries for its fruit juices. An Asian country enquired about commercial policy measures in certain Western European countries for some 180 export items. Other enquiries covered not only information on commercial policy matters such as tariffs and import restrictions, which can be worked up largely from published sources, but also on current freight rates and wholesale prices, which have to be acquired by calls on shipping and insurance companies, correspondence with government trade authorities and private import associations, etc. Still other enquiries have concerned such subjects as export financing, insurance of exports of perishable produce, etc.

13. Most enquiries have so far emanated from government bodies that are studying potential markets for their exports of primary or semi-processed goods and manufactures. Most requests have concerned market prospects in the industrialized countries, but there were also a number of less-developed countries enquiring about markets in other less-developed countries. As the Centre's facilities have become more widely known, however, questions from private traders have begun to arrive.

¹ Formerly described as the Correspondence Answering Service.

Working relationships with governments and trade

14. Information with which to answer enquiries from less-developed countries comes from two sources, besides the GATT itself, namely governments and private trade, with whom extensive liaison arrangements have been built up. Governments of fifty-three countries, some of them not members of the GATT, have nominated liaison officials or agencies to the Centre, and eleven more have arranged other forms of continuing contact with it. Liaison arrangements have also been established with intergovernmental bodies such as the OECD, EEC, EFTA, the Latin American Free Trade Association, the Central American Common Market, the Organization of American States, and the Organization of Inter-African and Malagasy States, and with other international bodies such as the International Chamber of Commerce and the International Standards Organization. Nineteen developing nations, fifteen developed nations, and several of these international organizations have sent representatives or teams to visit the Centre.

15. In addition to arrangements with governments and intergovernmental organizations a parallel liaison network is being established with national and international private trade groups both in the industrialized and the less-developed countries - e.g. chambers of commerce, industrial associations, export councils, international banks, shipping, insurance and advertising companies and market research organizations. These private sources should fill the gaps in information which governments appear to have difficulty in providing.

Documentation unit

16. Every effort has been made to accumulate only an operative selection of material that would serve, first the immediate needs of the Market Information Service; and secondly, as a source of such information as trade lists of import associations, etc. for the Centre's publications.

17. As periodicals are the best source of up-to-date commercial information proper, they are being abstracted to this end. Furthermore, to avoid unnecessary effort and expense, material available in various libraries in Geneva (United Nations and Batelle Institute) is being card indexed. As information on commercial policy measures is already available in the secretariat the Unit is concentrating on the collection of other commercial data, e.g. markets, transport, etc.

Magazine: International Trade FORUM

18. The medium through which the Centre has so far been most widely publicized is its quarterly magazine, the International Trade FORUM, which is distributed in three separate language editions to over 10,000 governmental and private trade organizations throughout the world.

19. The object of the FORUM is to disseminate commercial information that will serve the export promotion needs of the developing countries. With this in mind, future issues of the FORUM will be directed increasingly towards the presentation of material that will be of practical value for exporters in these countries. It is intended that the FORUM should facilitate the process of creating a network of business contacts between developed and less-developed countries and between the less-developed countries themselves.

20. An annotated Table of Contents of the next issue of the FORUM is attached. With this issue will begin Trade Opportunity Notes containing offers from less-developed countries. If, as is expected, the number of these offers increases sufficiently, it may be desirable to issue them separately as roneoed supplements, at, say, monthly intervals.

Other publications

21. The Expert Group also proposed that the Centre should produce two further publications; a manual on export promotion services and a register of trade information sources.

(a) Manual on export promotion services

22. This manual has been urgently requested by two governments and others have indicated that it would be valuable to them. It might be desirable, therefore, to give some priority to its completion. The manual has been conceived as a means of assisting the less-developed countries to organize their own trade promotion services.

(b) Register of sources of trade information

23. The compilation of a register of sources has proved to be an enormous task, which could not be completed in 1965. The purpose of the register is to provide less-developed countries with the means of obtaining direct access to published material and to organizations from which they could obtain trade information and trade contacts. The original plan was that the register should cover some 100 countries, some forty major products of special export interest to less-developed countries, and some ten logistical services connected with trade, such as shipping. In the light of the experience gained in the compilation of this material it is suggested that, where appropriate, pamphlets on subjects of immediate utility should be extracted from the basic work. Indeed, it might prove to be desirable for all the material prepared to be issued only in the form of individual pamphlets.

24. The first pamphlet, to be distributed in spring 1965, will be a list of approximately 1,500 trade associations in eighteen developed countries that are major markets for products from less-developed countries. This pamphlet has been requested already by several of these countries.

¹The pamphlet in provisional form will be distributed to the Group for information.

Training courses

25. Considerable interest has been shown by many less-developed countries in the training courses in export promotion recommended by the Expert Group. Enquiries have come both from countries whose trade promotion services are in their initial stages and from those countries where such services are more advanced. The Centre has so far concentrated its efforts on securing vacancies for candidates from less-developed countries in national courses: at the moment in France, Ireland, Italy, the Netherlands, the United Kingdom and the United States. Discussions are currently under way with other countries. The Centre itself will this year participate in each of the two GATT in-service training courses with a two-week seminar on trade promotion; this will, incidentally, provide a testing ground for a possible Centre course in 1966.

IV. FUTURE WORK PROGRAMME

A. Continuation of current work

(a) Liaison arrangements

26. The question of the degree to which government liaison agencies are equipped and willing to furnish information on their markets swiftly has to be faced realistically. One of the most urgent tasks from the point of view of the Centre's objectives in the field of trade promotion is to extend and strengthen liaison arrangements, including such arrangements in the private sector, e.g. market associations and export councils. A considerable effort will have to be put into this task during 1965. Furthermore, the Centre needs to be better known in the less-developed countries that need its assistance most. Many of these countries do not have missions in Geneva, although some of them have missions elsewhere in Europe. The Centre should strengthen its working relationships with these countries. In some cases this might involve on the spot surveys and assistance in setting up export promotion services.

(b) Basic documentation and publications

27. It will be evident from the account given above of the activities of the Centre in 1964 that all the work being undertaken in connexion with equipping the Centre with the tools necessary for it to perform its tasks will carry over into 1965. Many of these tasks involve considerable research, tabulation and analysis, and cannot be completed, therefore, in the immediate future; some of them by their very nature have to be continued over the years, e.g. commercial information has to be kept up-to-date if it is to be useful. Within this category fall the collection of information and data by the Centre, the Register of Sources of Information, the Manual on Export Promotion Services and the International Trade FORUM.

(c) Market Information Service

28. This Service will continue to provide information as requested by public and private enquirers on all aspects of trade and markets for the products of less-developed countries. Replies are at present supplied on the basis of documentation in the secretariat and correspondence through the Centre's governmental and private liaison network. It may be necessary to supplement these sources through field surveys at times. In view of its practical benefits and applicability, it is not unreasonable to anticipate that this aspect of the Centre's activities will show a considerable increase over the years.

(d) Training in export promotion

29. With regard to training courses, the administrative arrangements with governments who have already made offers, and the procedures for the selection and placement of candidates are being formalized so that full advantage can be taken in 1965 of the co-operation offered by governments. The desirability and feasibility of a course run by the Centre itself in 1966 might be considered.

B. Possible extensions of the Centre's work

30. With regard to new activities to be undertaken by the Centre within its competence and foreseeable future resources, the following suggestions made by various less-developed countries (inside Committee III and elsewhere) are listed for the information of the Expert Group:

- (i) Selective publication of existing market research reports on products of interest to less-developed countries.
- (ii) Investigation of the utility of joint promotional efforts by countries producing the same commodities.
- (iii) Advice on what trade fairs might be most useful to less-developed countries.
- (iv) Study of long-term trade trends for exports of special interest to less-developed countries.
- (v) More frequent publication of the Centre's magazine and, especially more frequent distribution of information on trade opportunities.
- (vi) The provision of more information from liaison agencies in developed countries about import opportunities in their home markets.
- (vii) Greater availability of the Market Information Service to individual private traders.
- (viii) On-the-spot investigation of markets by Centre representatives.
- (ix) More fellowships in export promotion, some of them by and in developing countries.

31. The Centre itself had already been thinking along the lines of some of the suggestions of the less-developed countries and certain of these are, in fact, referred to in the programme of work outlined above. Comments on a few of the other suggestions follow hereunder.

Promotional activities

32. The Centre might explore the possibilities of active trade promotional measures to be operated jointly by countries that have similar interests. It could select three or four products that would be of substantial export interest to a large number of less-developed countries and make preliminary studies of the market potential of these commodities in the industrialized countries. These studies would indicate where there appear to be possibilities of developing existing or new markets. The Centre could then communicate this information to all the countries who have an export interest in a particular product, and suggest to them that they should come together to consider the feasibility of individual or joint action in promoting the export of the product concerned. Full account would be taken of the work being done in other international organizations.

33. In due time, this work could be taken a step further. The closer knowledge of markets acquired through these co-operative efforts might further encourage the processing of primary products in the exporting countries and the establishment of manufacturing industries that would be capable of benefiting from market opportunities abroad.

Co-operative market research

34. There might be instances where the exporting countries individually or jointly would need more authoritative and detailed information on markets than the Centre would be able to furnish from its own limited resources. Such studies might be financed for this purpose from technical assistance funds, or possibly with funds that private foundations might make available. The Centre, for its part, could assist developing countries interested in this type of co-operative market research by furnishing them with project reports giving the outlines of proposed surveys, in order that the countries concerned may be able to make formal requests for funds.

Participation in trade fairs

35. It is recognized that participation in internationally reputed trade fairs and exhibitions is an important instrument of trade promotion. The proposition should be approached with some circumspection, however. Fairs are an extremely expensive form of trade promotion, so much so that in recent years individual manufacturers are tending to avoid participation in the major general fairs. Instead there is a tendency towards participation by countries themselves who put up national stands at considerable expense, partly for reasons of prestige. If the developed countries are prepared to consider assistance to the less-developed countries in this field, it would appear that such assistance would be of value to the less-developed countries only if it covers both stand space and cost of construction of the stand and the display features.

Marketing techniques etc.

36. The Centre should equip itself so as to be able to provide advice on such matters as quality control, standardization, packaging design, export campaigns involving advertising media and public relations techniques etc. Such advice, as well as being available on individual request, might also usefully be disseminated through the Centre's magazine or in pamphlet form.

Polish Imports from the Developing Countries

Tadeusz WITT
Director, Polish Chamber
of Foreign Trade

Turkish Organizations and Activities in the
Export Sector

Nida TÜRKMEN
President of the
Department of Foreign
Trade, Ministry of
Commerce, and Secretary
General of the Export
Promotion Research
Centre, Ankara

Import Possibilities for Rice in Austria

Carl WESSELY
Head of the Department
of Commercial Policy and
Foreign Trade, Austrian
Federal Economic Chamber

TRADE LOG

Commercial Policy Chronicle

Trade Opportunity Notes

Central African Republic, Cyprus, Greece,
Iran, Israel, Kenya, Nigeria, Pakistan,
Turkey, United Arab Republic

A Bibliography on Britain