

ECONOMIC COMMISSION FOR AFRICA
ORGANIZATION OF AFRICAN UNITY

Inaugural Meeting of the Association of African Trade Promotion Organizations
Addis Ababa, 14-18 January 1974



THE ROLE OF TRADE INFORMATION CENTRES IN THE PROMOTION OF INTRA-AFRICAN TRADE

INTRODUCTION

1. Trade information is one of the basic functions of trade promotion. It represents the first preparatory stage for a properly planned export drive, whether in the form of a national export campaign, a trade delegation, participation in an international fair, or the marketing effort of an individual firm. No action in the export field can be properly planned unless countries are in possession of the basic facts about the target market, properly classified, analysed and evaluated.

2. The function of a trade information service is an active one, which means that it has to be essentially an "intelligence focus" where information is collected, classified, stored and analysed. It also disseminates such information to institutions and exporters to assist them in planning their action in marketing and export promotion.

3. The ECA fact-finding missions, as well as meetings and seminars have revealed that the lack of trade information between African countries is a serious factor hampering the development of intra-African trade. African countries do not pay much attention to the activities of neighbouring States in the trade field. As a matter of fact, the industrial production and export potential of African countries is often better known in foreign business centres than in the region itself. At the same time, local traders tend to be more informed about trading opportunities in overseas countries than in African countries. This has been one of the main causes of the low level of intra-African trade.

Intra-African trade and development

4. Because of the need to develop intra-regional trade in order to lessen external dependency and to diversify exports, the role of trade information in Africa is even bigger than in other parts of the world. It is now generally agreed that economic development can be enhanced through intra-regional trade expansion. Institutions, both at national and regional levels, are required to carry out the important task of commercial cartography in order to know the capacity of delivery and the demand in African countries.

5. This is, in fact, the fundamental consideration which promoted the creation of the Africa Trade Centre in 1970. Since then, high priority has been given to trade documentation and information services. The Documentation Unit of ATC is developing information material stored into an active trade information service in order to provide trade promotion institutions importers and exporters in African countries with accurate information and reliable business contacts. This is a vital step in the promotion of intra-African trade.

6. In building up this regional trade information service, high priority is given to the inventory of exporters and producers in order to estimate the potential and supply of products and to facilitate business contacts with traders in and outside Africa. The information unit has also established an "importers file", which has information on importers not only in African countries but also in the Middle East and in the Mediterranean area. An important aspect of this service is the classification of importers according to their importance and reliability, that is in determining their business volume, turnover, share of the market, number of employees, etc. This analysis helps in choosing proper trade contacts. The selective approach is important because the lack of mutual confidence is one of the factors hampering development of intra-regional trade. An African businessman will surely hesitate to change a well-known extra-regional source of supply for an unknown African sources especially if there is no reasonable guarantee as to the reliability of the new business contact. In addition, information regarding markets, such as import regulations, terms of payment, customs duties, quality standards, labelling and other data of interest to the exporters are filed in the "country cards", containing references to the material stored in the Documentation Unit or in the ECA Library. On the production side a double check is ensured by the "cross cards" referring to each group of products according to the SITC classification. Special importance is given to manufactures and semi-manufactures produced in the region.

Information Services to African countries:

7. The main tasks of ATC are as follows:

- (i) to carry out an inventory of products and producers in the region;
- (ii) to deal with sources of information which may not be available to the national centres, and disseminate the market information to the national authorities and exporters through these centres, either on request or automatically;
- (iii) to establish a business contacts service on a regional or multinational basis;
- (iv) to carry out market surveys in regional or extra-regional markets for products of export interest, and assist the national centres in marketing research for their products;
- (v) to assist the national centres in their participation in trade fairs, when requested;
- (vi) to collect and publish a "Directory of African Exporters and Importers" based on information supplied by African countries;
- (vii) to assist in the organizing of national or sub-regional trade information centres.

A trade information service does not limit itself to providing basic data; it also disseminates information automatically according to its criteria and knowledge of the needs of the countries. In fact, the ATC Information Service is already meeting requests from African exporters asking for business contacts both in Africa and in the Middle East. This dissemination is carried out through the publication of "The Bulletin of the ECA Africa Trade Centre" issued quarterly. ATC is also bringing together African Chambers of Commerce through the exchange of trade information, and a "Directory of African Chambers of Commerce" is under preparation. ATC is planning to issue a bi-monthly publication, "The African Trader", from the beginning of this year, dealing with marketing problems, market information and business contacts. Another ad hoc paper "Trade Opportunities in African Countries" has been prepared and distributed to member States.

8. While ATC is building up its services to the authorities and to the exporters and importers of the region, it must be emphasized that this service would be more effective if there existed a network of national commercial information centres. The functions of these centres would be limited to the assessment of products and markets of interest to the individual countries concerned, whilst ATC would be responsible for the products of interest to intra-African trade and the market possibilities outside the region. The national centres would also provide information to ATC especially with regard to national producers, exporters and importers and changes in market conditions.

Cooperation between ATC and nation centres

9. Co-operation between ATC and national centres and between the national centres themselves needs to be organized from the very beginning in order to assure the smooth two-way flow of information. One way of ensuring this co-ordination is through regular meetings in which the executive staff of the national centres and ATC can exchange experiences and co-ordinate their activities. A regular exchange of information material, such as trade journals, general market surveys, trade directories, and statistics would be a logical aspect of this co-operation. If African importers are to "buy African" they have to be conducted to the right sources, given trustworthy information about price and quality offered, and reliable business contacts. This can be done through well established trade information services. Those countries which do not have a commercial intelligence service should give priority to the establishment of one as part of its trade promotion activities.