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Seventh ECA/OAU Joint Meeting
on Trade and Development

Geneva, 21 - 29 September 1972

REPORT ON THE ACTIVITIES OF THE AFRICA TRADE CENTRE
FOR THE PERIOD 1 AUGUST 1971 - 31 JULY 1972

1. This is the third in the series of reports on the activities of the Africa Trade Centre being submitted to the ECA/OAU Joint Meeting on Trade and Development. This report covers the period 1 August 1971 - 31 July 1972.

2. The Centre has now established four distinct services which have all become operative, a Trade Promotion Advisory Service, a Training and Public Relations Service, a Trade Information and Documentation Service, and a Market Research Service.

Trade Promotion Advisory Service

3. This Service was established in June 1971. It is concerned with both foreign and domestic trade and its main objectives are to assist member governments in export development; the promotion of intra-African trade; and in restructuring the commercial sector so as to bring about a greater degree of Africanization. A list of the advisory services provided is attached as an Annex. The Centre works in close co-operation with the UNCTAD/GATT International Trade Centre with which it has undertaken several joint advisory missions.

4. Altogether 23 member countries have requested advisory missions: Burundi, Egypt, Ethiopia, Gabon, Ghana, Ivory Coast, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mauritania, Morocco, Nigeria, Rwanda, Somalia, Sierra Leone, Sudan, Swaziland, Togo, Uganda and Zambia. So far it has been possible to undertake 20 missions in the following 15 member countries -- Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Libya, Madagascar, Nigeria, Rwanda, Somalia, Sudan, Uganda and Zambia. In response to specific requests for in-depth investigations, following the initial exploratory missions, substantive missions were undertaken in Ethiopia, Lesotho, Nigeria and Somalia.

5. The mission to Ethiopia was on marketing boards, short-term measures for export development, and the establishment of an export promotion and investment centre. The Centre is co-operating with the UNCTAD/GATT International Trade Centre which is developing a comprehensive integrated four-year export development programme for Ethiopia.

6. The Lesotho mission was on trade licensing, with the objective of greater participation of nationals in domestic trade. In Nigeria the work was on a scheme of fiscal incentives and the simplification of Customs duty drawback procedures. The one to Somalia was on market research for Somali meat and fish products in Middle Eastern countries, and the establishment of an export promotion council.

7. The Advisory Service is now very well established and it is hoped that member Governments will make increasing use of it.

Training and Public Relations Service

8. This Service is designed to assist member countries in training the requisite personnel at all levels, in both the public and private sectors, to mount sustained export development efforts.

9. The two ECA courses on commercial policy and trade promotion were organized for French- and English-speaking participants in Libreville and Benghazi respectively during the later part of 1971. The courses were evaluated, and plans were made for combining the French- and English-speaking courses into one for 1972 so as to better promote intra-African trade. An intra-African trade study tour will be organized after the classroom portion of the combined course.

10. Two ECA/ITC Regional Export Promotion Course for African countries were organized in Addis Ababa and Geneva. Special attention was given in these courses to market research on products of immediate practical importance to the participating countries - the Central African Republic, Gabon, Ivory Coast and Niger; and Kenya, Malawi, Mauritius and Somalia. The courses, each of which lasts twelve weeks, excluding the supply research done in the participants' home countries, are being attended by middle-level officials of both the Public and Private sectors of the invited countries.

11. Facilities were provided at the Africa Trade Centre for in-service training of junior executives from ECA member Governments, at the Governments' expense. One trainee each from Gabon, Ghana, Liberia and the Sudan spent six-months at the Centre carrying out projects under expert supervision. Three of the trainees were provided with brief training in developed countries under the supervision of the ATC Training Officer, and all four attended international trade fairs in Africa.

12. The Africa Trade Centre local training programme has been designed and finalized. It consists of assistance to local training organizations in ECA member countries in the planning and operation of their own training courses in the field of foreign trade and export promotion. Several countries have indicated interest in this form of ATC assistance by naming their co-operating organizations and/or requesting assistance for specific local training courses.

13. The Centre organized and conducted two symposia on intra-African trade. The first was in Lusaka, Zambia, for East and Central African countries at the request of the Sixth Summit Conference of East and Central African States. The second was in co-operation with the Organization of African Unity in Nairobi, Kenya, in connection with the First All-Africa Trade Fair. Several important results emerged from this symposium, including the establishment of the Preparatory Committee of the Association of African Trade Promotion Organizations. The report of the Symposium is submitted to the Meeting. 1/

14. The Centre also participated in the organization of the ECA pavilion at the First All-Africa Trade Fair with a special section on intra-African trade.

15. Plans for other training activities, such as the intra-African marketing courses discussed in last year's report to the ECA/OAU Joint Meeting had to be temporarily abandoned because the necessary funds were not available.

16. The Centre has started the publication of a quarterly bulletin, "The Bulletin of the ECA Africa Trade Centre" designed to inform governmental and business organization in Africa of the activities of the Africa Trade Centre.

Market Research Service

17. Market research experts are provided on request to carry out or direct market research studies for individual African countries or groups of countries. In this connexion the service has begun a major project on the identification of exportable products in all developing African countries.

18. Among the projects executed during the period under review were market research for Somali meat and fish products in Middle East countries, and market opportunities for Ethiopian handicrafts.

Trade Information and Documentation Service

19. The plan of the Centre's information system has been completed and it is expected to become fully operational by the end of 1972. It will be capable of supplying trade information to ECA member countries automatically. Information will also be available on request. Desk research on export availability and export facilities in African countries is currently being undertaken and will later be followed by field research where necessary.

20. A monthly newsletter "The African Trader" aimed at promoting intra-African trade, has been planned and will go into publication as soon as funds are available. It will contain mostly trade news, trade opportunities and articles on foreign trade and export marketing.

Association of African Trade Promotion Organizations

21. Resolution 222 (x) of the First ECA Conference of Ministers held at Tunis in February 1971 requested the Africa Trade Centre to assist African countries in establishing an association of trade promotion organizations. The resolution was consequent to a similar recommendation made by the Fifth ECA/OAU Joint Meeting on Trade and Development held in August 1970. The Centre prepared a background paper giving the guidelines for the establishment of the Association (E/CN.14/WP.1/39; OAU/TRAD/38) for consideration by the Sixth ECA/OAU Joint Meeting on Trade and Development held from 12 - 20 August 1971. The Joint Meeting confirmed the necessity of establishing the Association "with a view to promoting the exchange of ideas on and experience in African trade and trade promotion and assisting African governments in the formulation of trade policies conducive to trade expansion and increased intra-African trade".

22. The establishment of the Association was a major item on the agenda for the symposium on Intra-African Trade held at Nairobi from 28 February - 3 March 1972 in connection with the First All-Africa Trade Fair. The Symposium discussed document (E/CN.14/WP.1/39) in great detail and decided to support the formation of the Association. It established a Preparatory Committee consisting of two members from each sub-region (Kenya, Mali, Morocco, Nigeria, Sudan, Chad, Zaire and Zambia). The Preparatory Committee was given the general responsibility of setting-up the proposed Association which is to become operative during 1973.

23. The Committee held a preliminary meeting on 4 March 1972 at Nairobi followed by a full-scale meeting at Addis Ababa from 5 - 7 July 1972. It succeeded in drawing up a draft Articles of Association/Constitution for the proposed Association and a report including an "Action Programme" for setting-up the Association. The report (E/CN.14/WP.1/50) and the Draft Constitution (Annex II) are being submitted to the Seventh ECA/OAU Joint Meeting on Trade and Development, the OAU Council of Ministers and the ECA Conference of Ministers.

Staffing

24. The Centre now has a sound nucleus of qualified staff. A permanent Chief of the Centre has taken up his post. The Centre has two regional advisers provided under the United Nations Regional Regular Programme of Technical Assistance. The Governments of Finland, the Netherlands and Belgium each financed a senior trade promotion expert during the period under review and the Government of the United States was responsible for the Centre's training officer. It is hoped that Norway will be able to revive the assistance under which it provided the Centre with a senior trade promotion expert. Although the experts and regional advisers are provided on an annual basis, it is hoped that continuity will be maintained for some time. For the work of planning and programming to be effective, account will need to be taken by the donors of the need for staff to be provided on a firm three-year basis.

25. The need for additional resources for the Centre has been stressed by the Secretary-General, in his report on United Nations export promotion efforts (E 4940 of 23 February 1971). He listed inter-alia the following as basic pre-requisites for future successful operations :

- (a) A regional advisory service to maintain constant contact with member countries and continuously follow-up the implementation of projects in individual countries;
- (b) Financial resources on a firm three-year basis so that work can progress according to schedule.

The need for additional resources has also been emphasized by the Trade and Development Board in its resolution 59 (IX), by the First Conference of Ministers of ECA held in February 1971 in its resolution 222 (X), by the African Ministerial Preparatory to UNCTAD III held in October 1971 in its Action Programme and by the ECOSOC in resolution 1620 (LI).

26. Accordingly, a project submission has been made to the UNDP for two additional regional advisers. Strong support from African Governments is required for this project if it is to be realized.

27. It seems feasible even at this stage for some African Governments to provide technical assistance to the Centre by making experts available in certain fields of export promotion on short-term assignments, or by providing funds from which consultants may be recruited for short periods. For example, some African countries have accumulated valuable experience in the operation of marketing boards, the handling of trade complaints and trade information and the organization of trade fairs. Such countries can share their experience with other African countries by giving assistance to the local training programme and the advisory service of the Centre through the provision and financing of short-term experts. The possibility of providing technical assistance to the Centre by those African countries that are in a position to do so deserves serious consideration.

Annex: Functions of the ECA Africa Trade Centre's

Trade Promotion Advisory Service

- (a) To advise on measures necessary to create a good export climate;
- (b) To assist in the formulation of commercial policies conducive to export development;
- (c) To work out the administrative procedures and implementation measures to accompany policy and directives;
- (d) To assist in founding and/or operating an export promotion institution;
- (e) To advise on infrastructure facilities and supporting services that have to be built to support an export development programme;
- (f) To identify barriers and obstacles to export development and recommend measures for removing them;
- (g) To advise on incentives that should be adopted to help promote exports;
- (h) To advise on simplifying export documentation procedures;
- (i) To assist in restructuring the foreign trade sector so as to bring about a greater degree of Africanization;
- (j) To carry out export potential study of existing enterprises;
- (k) To provide management consultancy services;
- (l) To carry out market research principally in African countries, for selected product of interest to the Government or enterprises;
- (m) To advise on trade fair participation and other forms of overseas trade promotion;
- (n) To advise on Trade Licensing;
- (o) To advise on means of encouraging nationals of the country to play larger role in trade and investment;
- (p) To advise on means of attracting foreign investors;
- (q) To advise on measures to take advantage of the Generalized System of Preferences;
- (r) To assist in establishing trade information and documentation centres;
- (s) To help establish training programmes and to carry out training in commercial policy and all aspects of trade promotion;
- (t) To advise on the negotiations of Bilateral Payments Arrangements and the organizational measures and institutional arrangements for implementing them.