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ECONOMIC COMMISSION FOR AFRICA

First session of the Conference of
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Ministerial Meeting

Addis Ababa, Ethiopia
14-16 February 1996

**PROGRESS REPORT ON THE ESTABLISHMENT OF DATA BANK
FOR DISSEMINATION OF TRADE INFORMATION**

I. INTRODUCTION

1. The African Ministers of Trade have persistently urged for effective systems to collect and disseminate trade information within the region for greater promotion of intra-African trade. To this end during their Twelfth Session in Tunis, Tunisia, October 1993, they passed a Resolution which *inter alia* requested the United Nations Economic Commission for Africa (UNECA) Secretariat in collaboration with the Secretariats of Organization of African Unity (OAU) and African Development Bank (ADB) to study the prospects of setting up a data bank for dissemination of information for promoting intra-African trade expansion.

2. This Resolution follows some earlier ones by the same organ. For instance, a similar request was made in Resolution 2(Viii) in 1985 which culminated in a feasibility study and an Ad Hoc Expert Group Meeting on African Trade Information Network. So far the type of a Regional trade information system envisaged by the trade Ministers and Experts has not yet materialized. However, a number of subregional economic cooperation groupings operate their own trade information networks. Efforts should therefore be devoted towards strengthening those while at the same time look for ways of establishing a regional trade information coordinating centre.

3. This report is in direct response to the Ministers' concerns and tries to up-date them on the developments towards the establishment of a Regional Trade Information Network.

II. MAJOR INITIATIVES IN THE DEVELOPMENT OF A REGIONAL TRADE INFORMATION NETWORK

4. In reporting the major developments so far towards the establishment of a regional trade information network, two basic considerations come to mind. Considerations have to be taken from the point of view of what UNECA has accomplished towards the goal on one hand and on the other what other institutions have achieved to complement ECA's efforts.

5. The major point of reference to the initiatives taken so far in as far as ECA is concerned, is the Ad Hoc Expert Meeting earlier mentioned which was convened in December 1991. The experts made several recommendations regarding the operation, the definition and the funding mechanisms of the proposed network. At the time of convening this meeting OAU in conjunction with International Trade Centre (ITC) and the United Nations Development Programme (UNDP) had a pipeline project on Pan Africa Trade Information System (PANAFTIS) which has since been concluded, but whose results have not yet been put into operation.

6. Meanwhile the main objective of launching a regional trade information network has remained that of being able to coordinate trade information activities in the region. This has ultimately raised a number of logistic problems which up to now has placed a stumbling bloc to the realisation of the goal. One of these is the question of long term and sustainable funding of the System which dominated the debate during the Experts Group Meeting. UNECA has nevertheless, made fresh attempts to seek for funding of a project proposal¹ by some bilateral donors. The project aims at developing a framework of regional trade information networks. This would facilitate exchange and dissemination of trade and business information between national systems with a view to eventually harmonizing trade data collection and processing methods and procedures by trade information agents in the region. The project is envisaged in two phases. The first phase would consist of assessment or evaluation of national data processing capabilities followed by designing and developing a coordinating node at UNECA in the second phase.

7. In anticipation of the funding problems, the expert meeting placed great emphasis on supporting the existing trade information systems while seeking for some lasting solutions.

¹ See Project proposal attached to this report.

A. **The Role of Existing Trade Information Systems**

8. Trade information collection and dissemination in Africa is done by various bodies and institutions. At the national level these include chambers of Commerce and Industry, Trade promotion bodies, business associations and various government Ministries and parastatals. At the subregional level secretariats of economic cooperation groupings such as the Economic Community of West African States (ECOWAS), the Economic Community of Central African States (ECCAS) and the Common Market for Eastern and Southern Africa (COMESA) have set up trade information systems and networks with the assistance of the International Trade Centre. These have made some contribution towards building subregional trade information infrastructures using modern technologies. This is true for instance for COMESA PTA/TINET and Centre Regional d'information et de documentation commerciaux (CRIC) of the Union Economique et monétaire d'Ouest afrique (UEMOA). Such networks are linked up to national focal points, providing such valuable information as trade opportunities, trade contacts(company profiles), market information (data on market characteristics, distribution channels) trade statistics(import/export data) etc. Their impact is still low as they face various teething problems not least of them the difficulties in regularly up-dating their databases and reaching a wider business community.

9. At the regional and international levels, there are a number of international organizations supplying trade information including, inter-alia, the United Nations Conference on Trade and Development (UNCTAD), and the International Trade Center (ITC).

10. UNECA/PADIS has in the meantime continued to spearhead capacity building in modern information technology on the continent. Through its latest project, Capacity Building for Electronic Communication in Africa (CABECA), it is developing a supportive infrastructure

necessary for sustainable computer based networking in africa. Through this project data exchange in Africa will be established using efficient and reliable electronic network in contact with other local, regional and international institutions.

B. Problems and Prospects

11. Notwithstanding the seemingly wide array of information providers, the majority of Africa's small and medium sized companies remain starved of relevant information. The major problem remain that of accessibility to this information due to inadequate telecommunication infrastructures and EDI facilities, the high access costs e.g purchase of PCs, inadequate technical skill in electronic information sources. These problems are prevalent in all subregionally sponsored trade information Networks like PTANET. This has lessened their impact. Such problems are compounded by inadequate facilities at national levels to regularly up-date databases at subregion.

12. All these problems point to the relevancy of an effective regional trade information system which can rationalise the existing information facilities and provide technical assistance in setting up efficient mechanism.

III. CONCLUSIONS

13. Information technology world wide is rapidly changing and becoming more globalized so that African countries must develop their capability to tap the vasty of valuable business information to become competitive. There is no short cut to overcoming the serious gaps in trade information availability in the region for trade operators other than applying concerted effort from all concerned parties at the national and international levels. National data processing institutions or individuals have to strengthen and modernize their traditional information collection and dissemination structures if they are to fully participate in the international

information evolution. The government have furthermore to simplify regulatory framework to facilitate information transmission. It is only when national structures are effective that a regional information system could function smoothly. The immediate priority in this domain is to strengthen subregional trade information systems to enable them provide meaningful backing to national efforts in this area. ECA/TDFD could in cooperation with PADIS play a regional coordinating role through its networking programme and the implementation of the project in the annex.

E/ECA/TRADE/95/22
Annex

ANNEX

**PROPOSAL FOR THE DESIGN, DEVELOPMENT AND IMPLEMENTATION OF
TRADE INFORMATION SYSTEMS**

UNITED NATIONS TRUST FUND FOR AFRICAN DEVELOPMENT(UNTFAD)

Project title: ESTABLISHMENT AND DEVELOPMENT OF TRADE INFORMATION SYSTEMS.

Project Number: ATF/95

Account Number:

Duration:

Starting Date:

Primary Function: Direct support

Sector: Trade

Total cost: US\$

Sources Funding: UNTFAD

Executing Agency: ECA/TDFD

Submitted by:Date.....

Officer-In-Charge, TDFD

Approved by:Date.....

On behalf of UNTFAD

I. BACKGROUND AND JUSTIFICATION

Within the context of economic recovery strategies, African governments need to develop trade relations among themselves to activate their trade sector. Many a time, commercial activities are best underscored when products, producers, and consumers are made to meet at a point. Such a meeting point could be realized when parties involved are aware of each other's possession. Hence, a mechanism for the promotion and opening up of trade opportunities for those involved in trade domestically and internationally is important. In effect, the need for the exchange of trade information was repeatedly raised at high level conferences dating as far back as the first conference of representatives of Chambers of Commerce and Industry of the Group of 77 (CCI'S/G.77) held in *RIO DE JANEIRO (BRAZIL)* in December 1987. It was pointed out that inadequate exchange of trade information among developing countries, specifically among the African countries, remains the main reason for the low level of commercial exchange which inhibits their respective economic growth. Following this, on 22nd February 1989, the Director and Secretary Generals of Chambers of Commerce and delegates from other related sectors met in Yaounde, Cameroon, to discuss possibilities for establishing a trade information network within the framework of the Group of 77 member countries. To this end, a pilot project for the establishment of African Regional Center for Business Information and Documentation of Chambers of Commerce and Industry was recommended. Accordingly, a project proposal was made by drawing up a master plan for a trade information network within the G-77 countries. Basically, the scope for the aforementioned project was broader extending to G-77 which included almost all the South-South countries, and as such the participating units and target beneficiaries were not limited to the African region.

The status of the African trade statistics which is the main supporting tool for policy formulation and analysis is far less than satisfactory. Timely trade data are reported regularly to COMTRADE database located at the United Nations statistical division by 15 African countries only. The remaining 37 countries have neither produced any data or if produced, not at the detailed commodity level. As a result, planning and trade promotion between countries is hampered.

As efforts towards self reliance are being exerted so as to reduce dependency on food and material importation from the outside world, building close trade linkages among the African countries and entities should also come as greater point of concern to governments, policy makers and strategists in the region. Resource sharing in trade activities that foster a better performance of the means of production and other economic agents of the African public and private sector must be activated by a systematic mechanism. One of the most effective mechanisms is the systematic and effective exchange of trade information and development of a framework capable of collecting and processing trade data into a form that best promotes the trade activities of African trade infrastructure and Business community.

The extended requirements for such a framework are driven by the following factors:

- The need to introduce a system that could effectively pillar the capabilities for making trade information readily available,
- Producers, Consumers, and the Suppliers of products at different Geo-Political locations and economic structures need an awareness of each other's position of demand and their capabilities of responding to those demands,
- Lack of awareness of the product markets and sources by those engaged in exchange of goods and services impedes the efficacy of regional and international trade development among countries in the region.
- The structure of Africa's external trade indexes indicate that there is a great potential for Intra-African trade as part of development of economic cooperation within the continent. One of the major means of reinforcing the intra-African Trade is to equip the trading communities with efficient system that provides them with accurate and relevant information and exchange mechanism. The lack of such mechanism had affected the quality of statistical data obtained to such an extent that intra-African trade statistical data are currently based on estimates such that, it is neither possible to monitor the trade activities at the commodity nor SITC level. In order to adequately monitor and evaluate the development of regional cooperation and integration, trade statistics are required at the commodity level.
- The implementation of the Abuja treaty on the formation of the African Economic Community, calls for development and management of trade information systems to respond to the information requirements in policy formulation and planning the processes of integrating the various economic activities.
- One of the effects of the Uruguay-Round is the loss of traditional markets and preferential trades which affects African countries more than any other regions. Initiatives to help African countries in reinforcing the lost markets is the major task awaiting those concerned. Developing and implementing trade information systems whereby African countries can be able to exchange information to strengthen their intra-trade and improve the quality of products and services rendered to the world market. This has reference to the unanimous position taken by the Conference of African Ministers of Trade, in December, 1990, within the framework of strategies aimed at promoting intra- African Trade.
- Most importantly, the Tokyo International Conference on African development (TICAD), *Towards the 21th Century*" held on 5-6 October 1993, came out with

a Declaration on African Development which reiterated the importance of facilitating global market access for African products and to assist in upgrading the diversification of African exports.

The development and establishment of Trade Information Systems at the national, sub-regional, regional level is integral part of the fulfilments of the above justifications. As such, at its full operational capacity, the system is envisaged to render its services and usefulness not only to Intra-African trade promotion but benefit the rest of the world with the Africa trade potentialities.

II. DEVELOPMENT OBJECTIVES:

The prime objective of the project is to develop most effective and efficient trade information systems serving both the national, sub-regional and regional trade information processing capacities. Included with this objective is the introduction of effective trade data collection, processing and exchange methods that could foster trade information dissemination services to support better policy formulation, activating the trade activities among African countries.

III. IMMEDIATE OBJECTIVES:

The immediate objective of the project is to analyze and develop appropriate trade information system that can pillar intra-African trade activities and advancement. The national centers as the important data sources to regional and sub-regional information requirements will always remain critical to the efficiency of the system, and as such without the development of these centers to operational efficiency, an effective promotion of trade among interested partners will hardly be realized. This project will first look into the grass root levels (the National Centers) and study the capabilities, requirements and status of trade information flow. In this connection, the overall status and capacities of the national trade information processing centers of selected pilot countries will be assessed. Included in this practice, the capacities of the national Chambers of commerce and the Ministries of Trade and Industry as well as Customs administration will be the target institutions to be primarily assessed. Thereafter, development of the actual system will proceed based on the requirement analysis.

IV OUTPUTS.

4.1 An integrated trade information system capable of collecting, processing and producing comprehensive trade information on:

- Products and Services offered for export;
- products potentially offered for export;

- production, export, import, data on quantity, stock, prices, standard;
 - addresses of relevant suppliers of the products manufactured nationally;
 - producers, manufacturers and markets;
 - trade policies and regulations, such as customs, tariffs and foreign exchange controls;
 - investment policies and incentives;
 - list of trade service giving institutions such as Banks, Insurance companies, packing/forwarding, and other related services.
- 4.2 A framework of regional trade information network that facilitates exchange and dissemination of trade and business information between the national sub-regional and regional systems;
- 4.3 a comprehensive, versatile and highly flexible query facility that will compile and present the required information in the desired format for the user of the system;
- 4.4 easy, effective and efficient method of data and information exchange between participating countries,
- 4.5 contact and hot line services for traders and business partners in geographically dispersed locations;
- 4.6 publication of African Trade profile for consumption by non-direct users of the system, such as non-participating African countries and those outside Africa who may have no access electronically.

V. ACTIVITIES

In order to accomplish the above objectives and ensure that the goals set forth are achieved, the project:

- 5.1. As part of the evaluation/study practice will assess and evaluate the capabilities of the national centers that are actively involved in trade data processing and identify the requirements for producing relevant information for trading communities;
- 5.2 study and identify trade data sources and trade information consumers.
- 5.3. develop Computerized Trade Information System, one to suffice the ECA's trade information requirements as a substantive divisional solution and the other to be packaged and furnish same to the national trade data processing centers so that

each participating national trade information system will be able to collect and process its national trade information that will ultimately be supplied or accessed by:

- (a) Government agencies engaged in national planning, policy formulation and trade promotions;
 - (b) the business community for their national and international market information requirements;
 - (c) external trade partners who may wish to do business with a given country, company, or interested groups;
 - (d) regional and sub-regional peer systems;
- 5.4. harmonize trade data collection and processing methods and procedures common to all trade information processing agents in the region.
- 5.5. implement the developed Computerized information Systems in the countries so that the trade information processing entities could, in the future, be interlinked through network facilities and services.

The overall project activities listed in the above are broad and require substantial amount of resources both in terms of financial and equipment. As such, items 5.1. through 5.3 will be carried out as phase- 1 elaborated as follows:-

5.1 PHASE I -

5.1.1 EVALUATION/ STUDY

- Make technically sound evaluation of the current capacity of the Chambers of Commerce, Ministries of Trade and Customs authorities in selected pilot countries in the collection, processing and dissemination of trade information and further to;
- Field missions will be undertaken to selected countries to assess the capabilities of the national centers and exchange views with national and intergovernmental agencies such as PTA/COMESA, CRAC on trade information exchange problems and prospects;
- consultative mission to ITC, UNCTAD, and WTO;

- After assessments are completed, a status report that could indicate the strengths and shortcomings of the trade information processing in the countries and institutions will be developed;
- Identify the requirements of the envisaged system;
- Develop conceptual framework of the System and define the operational structures, functions, and responsibilities.

5.1.2 DESIGN AND DEVELOPMENT

- Define data structures, inputs, processes, and related requirements.
- Design and develop an integrated trade information systems supported by various trade database tables;
- Test the developed system with live data at selected sites;
- Train users and participating entities on utilization and management of the system;
- Prepare user manuals and system documentation,
- Connect the trade system to other operational systems such as the PTA-COMESA/TINET, ECOWAS and UMMA for possible information exchange;

VI. MANAGEMENT, REPORTING, MONITORING & EVALUATION.

The Trade and Development Finance Division of the Economic Commission for Africa (ECA/TDFD) will be in charge for the study, design, development and implementation of the trade information system in cooperation with statistics division.

6.1 Management of the system development process:

- ECA/TDFD will assume responsibility for the overall supervision of the execution of the project as well as the disbursement of the funds for the purpose of undertaking the project tasks.
- The project activities will be undertaken by a fulltime fixed term Trade Information Systems Development Officer;

- University degrees in computer science or computer information systems and business administration;
 - experience in systems analysis, design, and development;
 - application development in Front-end Application development tools such Visual Basic, PowerBuilder, Visual C++, and a client server architecture;
 - experience in analysis of the development of sectoral information systems framework;
 - demonstrated ability in analyzing reports, good report writing and communication skills.
- (b) Considering the system's features, the immediate as well as the future requirements for its linkage with national, sub-regional and international systems, it is important to acquire powerful computer preferably a server and a workstations. Accordingly, the following computers will be required for the system:

One-database server, Intel Pentium 100-133MHz, or P6; 16-32 MB RAM; 2GB HD, with accessories;

Two-Intel Pentium 90-100MHz, 16MB RAM, 720MB HD with accessories;

7.2 ECA Inputs:

A trade statistician or trade economist for a duration of 2-3 months will be required to be involved in the evaluation and study activities along with the systems development officer. In this regard, the available ECA resources in statistics and trade divisions can be drawn as resource persons or focal officers to be involved in the aforementioned phase.

7.3. THE BUDGET.

The budget showing the contribution of the donor is attached.

DESCRIPTION	Man Month	Yearly Costs	TOTAL COSTS IN US\$
10.00 PROJECT PERSONNEL 11.00 Trade Information system development officer;	18mm	96,000	154,000
15.00 TRAVEL (Missions) Travel and DSA for Project personnel and Resource persons.)		15,000	15,000
40.00 EQUIPMENT 42.00 non-expendable equipment (Computers)		18,496	18,496
TOTAL ACTUAL COSTS		129,496	187,496
54.00 Project support		16,834	24,374
GRAND TOTAL		146,330	211,870