The following paper on production and marketing techniques as a means of assisting the less-developed countries to expand their export earnings has been submitted by the Government of Sweden in response to the invitation contained in GATT/AIR/338.

Swedish Traders' organizations have been asked to express to the Swedish authorities their views on the marketing of products of less-developed countries and on difficulties of a commercial nature that may be experienced in selling those products on the Swedish market.

A summary of views presented is given in an Annex to this document.

It seems to follow from these observations that Committee III might in the first instance usefully consider ways and means for rendering assistance to less-developed countries in the following fields:

- Preparation and launching of export promotion programmes;
- market investigations;
- adaptation of the products of the less-developed countries to the requirements of the markets of industrialized countries;
- sales technique;
- establishment of export organizations.

These programmes could in certain cases be carried out with the help of commercial assistance given by GATT or by international agencies specialized in technical assistance. On the whole it seems desirable that in the future more emphasis is put by these agencies on commercial assistance. Results could also be achieved through the establishment of closer contacts between exporters and importers of the products in question.
ANNEX

The Marketing in Sweden of Export Products of
Less-Developed Countries

Summary of views expressed by Swedish Traders' organizations on various factors influencing the possibilities of carrying on import business with less-developed countries.

1. Adaptation of products

One factor of uncertainty which often makes the importer hesitant is the fact that norms of quality and international standard specifications generally accepted in industrialized countries are not always applied. In other cases accepted norms may be utilized which do not, however, suit the Swedish market, e.g. the width of textile fabrics. Often this also applies to design, pattern, colouring, set-up and packaging. Probably this lack of adaptation is largely due to technical difficulties of altering goods, packaging etc. An adaptation is, however, essential.

In order to remedy this situation, exporters in the less-developed countries should as far as possible make more frequent visits to their potential customers and personally study on the market the design of products, forms of packaging, methods of presenting goods to the public etc. On the whole it is essential that close contact is established between the exporters in the less-developed countries and the importers in the industrialized countries. One could assume that importers would take a positive attitude towards co-operation in these matters provided producers in the less-developed countries on their part are prepared to the best of their ability to take the necessary steps to adapt their production, thereby furthering the establishment of regular business connections between the two countries.

2. Deliveries

In view of the, as a rule, long distances involved, a Swedish importer must normally expect long delivery dates when buying from less-developed countries. Unforeseen delays in delivery may put the importer in difficult situations and force him to cover his requirements by purchasing in neighbouring countries. Hereby he might be disinclined to continue importing from more distant countries. For the purposes of establishing a regular market it is important that exporters maintain a steady supply of goods of a uniform quality.

3. Complaints and claims

A lack of knowledge of commercial conditions in distant countries often gives rise to disputes between buyers and sellers. It is of great importance that the right to make claims is acknowledged and that disputes can be settled in a satisfactory way. An arbitration procedure in accordance with international practice would tend to improve prospects for business between distant countries.
4. Confidence in exporters and goods

One essential factor which very largely affects the possibilities of less-developed countries to export their goods to Sweden is the degree of confidence felt towards their exporters and their products. In so far as trade proceeds along traditional lines through earlier established business channels, the question of confidence does not constitute any problem. Frequently, however, a Swedish importer who wishes to establish direct contact with a less-developed country will have to initiate a business connexion with a firm about whose financial position he knows nothing or concerning which he has obtained at the most a certain amount of general information. For a Swedish importer, therefore, it is often more advantageous to confine his purchase to other better known suppliers or else to import goods from less-developed countries via a third country, a procedure which is also followed on a not inconsiderable scale.

Various possibilities are conceivable for increasing confidence in exporters and goods of the less-developed countries. Responsible private export organizations controlling their members and carefully scrutinizing firms asking for membership may contribute to create confidence. Moreover, there should be reliable bodies capable of accepting responsibility for the objective inspection of consignments of goods intended for export. Official authorization of exporters can also be useful. Export organizations should be able to furnish reliable information on member firms to foreign importers. This information could be supplemented with banker's status reports. In addition the mere fact that a firm has acquired membership of an export organization should afford some guarantee of the firm's all-round responsibility.

5. General viewpoints

Active sales promotion and marketing must be carried out by exporters of less-developed countries. In these activities they need assistance both from their own authorities and from official bodies, organizations and private enterprises in the industrialized countries. The export-promoting measures of their own authorities will have to comprise the dissemination of information about the country's export goods and the collection of facts about the selling markets. They should also comprise official participation in trade fairs and exhibitions abroad and should aim at facilitating the participation of export firms in such arrangements. Trade and businessmen's delegations should be sent out and similar delegations from other countries invited to pay visits.

Furthermore, market investigations should be carried out either by the export firms themselves or by special market survey enterprises. In this field the less-developed countries ought to be able to benefit from the experiences gained by different industrialized countries in connexion with their efforts to increase the volume of their export sales.
The exporter in a less-developed country may count upon commercial assistance from buyers and import organizations in the industrialized countries. Such assistance may be rendered in various ways, which have been partly touched upon in the foregoing. Besides advice in regard to the adaptation of products, sales technique etc., exporters in less-developed countries should be able to obtain information about import conditions, suitable contacts, shipping services and a number of other issues of a practical commercial nature. Furthermore, he can obtain assistance in disseminating information about his goods and the export possibilities, as well as getting advice, if he so wishes, regarding participation in fairs and exhibitions.

It would appear that the technical assistance which the less-developed countries receive from the industrialized countries could to a greater extent than at present cover the commercial field. In many cases, for instance, the less-developed countries are unable by their own efforts or even by individual assistance given by the importers in the industrialized countries to master the many problems bound up with initiating or developing a line of export goods. It seems obvious, therefore, that many of these countries must be given an opportunity of acquiring expertise on the selling of their goods if they are to be able successfully to compete on the markets of industrialized countries in the selling of merchandise other than raw materials and agricultural products.