1. The work programme for the Committee, as set out in its first report, includes a "study of measures which might be taken by less-developed countries with, where appropriate, technical assistance and advice from other countries and international organizations, in order to improve their own production and marketing techniques" (Part II(3) of COM. III/1, see BISD, Eighth Supplement, page 133). In its second report, the Committee invited its members to submit information and analytical comments on their experience in this and other matters referred to in Part II(3) of the programme which might assist the Committee in its further work (L/1063, see ibid, page 141). It was further agreed by the Committee that such material should be supplied to the secretariat by 15 January 1960 and that "some time should be allowed at the March 1960 meeting for a preliminary examination of the material which it is hoped will come to hand" (COM. III/17, pages 2 and 3).

2. Apart from a memorandum submitted from the United Kingdom Government describing the experiences of some of its dependent overseas territories (circulated as COM. III/21) no information or comments have been received from members of the Committee. In order to assist the Committee in starting the preliminary examination, the secretariat feels that it may be useful to note down (a) some of the problems that might be looked into, and (b) the work in this field that has been undertaken by other inter-governmental organizations.

A. Problems of marketing for less-developed countries

3. The term "marketing techniques" in its narrow sense has been used to denote the means and methods employed in introducing new products or in promoting the expansion of the sales of a product. Such "techniques" relate principally to activities of advertising, publicity and persuasive salesmanship. In its broader sense, however, they cover not only the efforts and activities in the opening up of markets but also arrangements and institutions for ensuring the flow of sales on a more or less regular basis. Thus, they include measures to ensure desirable adaptation of the nature of production, methods of distribution and commercial procedures. Discussions of marketing methods and techniques have in the past been generally related to industrial goods though they are not without importance for other goods on such matters as, for example, grading and quality control. In discussing the promotion of exports of under-developed countries, new considerations may often have to be taken into account, e.g., difficulties which arise from the lack of adequate basic credit and transport facilities and from the particular characteristics of countries in the early stages of development and with very low standards of living.
4. Problems sometimes arise from the relative inability of exporters in less-developed countries to satisfy the requirements of importing countries with regard to quality, grading or packing; the goods supplied may be quite unsuitable to the demand in importing countries as regards design and style. The disadvantages or risks of making purchases from less developed countries which are most often referred to by importers in industrial countries are that the products received may be inferior to the samples on the basis of which the transaction was concluded, that delivery schedules cannot be relied upon, that supplies are irregular and do not warrant the setting up of channels of distribution which must be based on regular supplies.

5. The Committee may wish, as specific commodities are discussed, to ask the industrialized importing countries to state what in their view constitute the main obstacles to an expansion of purchases of these commodities from less-developed countries. On the basis of such information in relation to particular products, the supplying less-developed countries may wish to explain any difficulties in making adjustments or adopting new techniques. If in relation to any specific commodity it would appear to be useful the Committee might wish to discuss what less-developed countries, either by themselves, or with outside assistance, could do in the following matters:

   (a) the preparation of Market Surveys to inform local producers and exporters of the nature and scope of the market in foreign countries, or of the type, design or style of products in demand;

   (b) advertising and publicity aimed at acquainting foreign consumers and purchasers with available goods for export; participation in trade fairs;

   (c) the establishment of trade representatives or agencies abroad which would facilitate the exchange of information and the negotiation and conclusion of transactions;

   (d) standardization and grading of products;

   (e) measures to ensure consistency of quality of goods exported so that shipments are in accordance with samples and that successive shipments are of the same quality, and that quality meets international standards and is in accordance with standard grading;

   (f) measures to ensure that exports meet the sanitary, health and similar requirements in importing countries;

   (g) general improvements in the credit, transport and commercial facilities that might facilitate the exportation of goods.

E. Activities in other Intergovernmental Organizations

6. Several of the Specialized Agencies and Regional Commissions of the United Nations have undertaken activities which relate directly or indirectly to problems of marketing of products of less-developed countries. It is understood that with some of these Agencies and Commissions, work in this field of research and trade promotion will occupy in coming years an even more important place than in the past.
7. The FAO has in the last years expanded its activities in the field of demand and supply forecasting. In the ECAFE region FAO has set up a regional marketing office which provides expert services to interested governments. In addition to the services provided by the secretariat of the FAO in Bangkok, expert advice is offered to interested governments under the Extended Programme of the UNTAA under which marketing experts are engaged from time to time to deal with specific problems.

8. As a typical example, the assistance programme established for the cottage industries in one of the provinces of India, may be noted. Under this programme an UNTAA expert was engaged for a year in the following activities: exploration of saleable available products (to discover any products actually being made in villages which may be suitable for export); to see the handicraft work of the province, to invite their suggestions for new designs, new lines and new uses and to secure orders; to assist in re-designing and re-styling products so as, inter alia, to reduce the accumulation of stylistic influences which made many of the products outmoded (late Victorian, local court styles and outdated Western fashions); to devise new uses for locally available raw materials; to promote direct channelling of products made in remote places; to develop better ways of distribution and marketing; to secure improvements in working conditions and to protect workers from unscrupulous exploitation; to discourage bad trading practices; the dissemination of samples and the establishment of a sample display centre for export buyers.

9. The Regional Commissions of the United Nations as well as the FAO have been engaged in the collection and dissemination of market information. In addition to this work carried on on a continuous basis, these agencies have prepared production and market studies for a number of commodities of key interest to the less-developed countries. For example, the secretariat of ECAFE has completed market and production studies for (a) coconut and coconut products; (b) spice and spice products; (c) leather and leather products; (d) coal and iron ore; and (e) canned and preserved fruits and foods. The ECAFE/FAO Agricultural Division has published a report on the marketing of major edible oils and oilseeds in the ECAFE region. The FAO has published a handbook on general problems in the marketing of agricultural products (FAO Marketing Guide No. 1) and a study dealing with the marketing of fruits and vegetables (FAO Marketing Guide No. 2). The FAO issues a "Bibliography of Food and Agricultural Marketing". A world-wide investigation, "Timber Trends and Prospects", was completed in 1959.

10. Production and trade in aluminium, copper, lead, zinc, manganese and sulphur is at present being studied by ECAFE and paddy and rice by the ECAFE/FAO Agricultural Division, in co-operation with national research institutes. Other commodities proposed for study by ECAFE include woollens, jute and jute products, rubber and tobacco manufactures.

11. Other studies carried out by the secretariat of ECAFE of relevance for marketing include, for example, a continuous study of (i) ocean freight rates; and (ii) inland transport facilities.

12. ECLA and FAO in 1955 published a study on "Pulp and Paper Prospects in Latin America".
13. Intra-regional trade and promotion talks and a seminar for the training of trade-promotion personnel were held in 1959 under the sponsorship of ECAFE and UNCTAD. Further intra-regional trade-promotion talks and another seminar for the training of trade-promotion personnel are scheduled for this year.

14. The ILO has recently undertaken programmes in a large number of countries aimed at developing marketing co-operatives. While the ILO's efforts are largely directed to the improvement of domestic marketing methods, the activities may have relevance also for export marketing. Other activities of the ILO which eventually may have a bearing on export marketing efforts include the assistance to handicraft and small-scale industries in less-developed countries concerning production techniques, product design, working conditions, etc.