The DEPUTY DIRECTOR-GENERAL of the GATT Secretariat asked for nominations for the chairmanship of the Advisory Group Meeting.

The representative of the UNITED STATES proposed Mr. BIRTLES, Director of the Export Services Branch of the United Kingdom Board of Trade. The representative of TANZANIA seconded the proposal, and the representative of INDIA supported it. There being no other proposals, Mr. BIRTLES was unanimously elected CHAIRMAN.

The CHAIRMAN paid a tribute to the work of the past Chairman, Mr. HANS MOTT. He congratulated the GATT Secretariat and the Trade Centre on the work carried out, and the impact already made. He felt sure it would be even greater in future. He called upon the DEPUTY DIRECTOR-GENERAL to make the opening statement.

The DEPUTY DIRECTOR-GENERAL said that the papers put before the representatives provided full descriptions of the Trade Centre's past work and proposed future activities. The latter would build on previous work in accordance with past recommendations of the CONTRACTING PARTIES. The programme was not based on academic considerations but was born out of practical cooperation between developing and developed countries in trade promotion work. The increase in resources requested was to enable the Centre to cope with practical tasks requested by developing countries. A modest
budgetary increase of $140,000 was proposed to cover particularly further trade promotion advisory missions abroad, and for reproducing further market and other studies; but this involved no substantive change in the Centre's programme. The proposed increases took account of the recommendations made by the Trade and Development Committee at Punta del Este.

In a world where trade barriers were slowly being lowered, it was absolutely necessary to give technical assistance to developing countries in export marketing and promotion, so that they could take advantage of the trade opportunities being opened up.

With respect to coordination between the GATT and other international organisations concerned with export promotion, the needs of developing countries were so vast that there was no chance of too much work being done. On the contrary the resources of all agencies for work in this field were far too small. However, the efforts of all agencies would be more efficient if closely coordinated, and it was the GATT Secretariat's intention to seek such coordination with these agencies, and particularly with UNCTAD.

The GATT Secretariat had its own part to play in the overall export promotion effort, indeed it would not be living up to the legal obligations of the CONTRACTING PARTIES if it did not. In addition it had built up a large network of contacts in the trading field which should be utilised.

He pointed out that it was not for the Advisory Group to take decisions on budgetary matters, but to recommend lines of action for the Trade Centre. These recommendations would be considered by other organs of the GATT, including the Budget Committee.

The CHAIRMAN thanked the DEPUTY DIRECTOR-GENERAL for his thoughtful remarks, which would provide guidance for their deliberations. He proposed a change in the agenda so that the Market Information Service and Publications Programme would be discussed before the Trade Promotion Advisory Service and Training. This suggestion was not opposed. He then asked representatives for general statements.
The representative of the UNITED ARAB REPUBLIC said that export growth was a decisive factor in economic development. Tariff preferences had to be accompanied by efficient promotion methods, and in certain cases by the establishment of new export industries. For these reasons his country had from the beginning realised the significance of the Trade Centre's work. They recognized the importance of the trade promotion advisory service, since trade information would have only a limited effect without it. They were glad of the considerable marketing research carried out, and particularly the attention given to distribution channels. But the most important field of activity was training. Those trained would man the export promotion services of the developing countries, would train others, and would be qualified to liaise with the Trade Centre. Therefore they welcomed the new course offered by the Hammarskjöld Foundation. The course programme should be practically oriented and should take into account the different aspects of export promotion. This training will lead to the creation of trade promotion services in developing countries that will be in a position to cooperate with the Centre and with other developing countries. All training efforts should be intensified, and consideration should be given to ways in which UNDP could assist the Centre in this task, particularly since the Centre served all developing countries, whether or not GATT members.

The Centre should assist developing countries to get consumer acceptance of their products in developed countries; and also to overcome marketing difficulties of an institutional nature e.g. well-established distribution channels that do not facilitate penetration by a newcomer.

The representative of the UNITED ARAB REPUBLIC concluded by warmly congratulating the Centre on the production of its monograph: Export Marketing Research for Developing Countries.

The representative of INDIA recalled the first Expert Group meeting which considered the ambitious programme put forward by the Brazilian representative. Because of the lack of enthusiasm of some of the experts the step-by-step
approach was adopted. His delegation was now heartened to see how the Centre had been strengthened by its own hardwork and by contributions by many organisations and governments of developed countries. He wondered whether any progress had been made towards making the Centre self-financing. The Indian delegation at Punta del Este had expressed the desirability of minimising the foreign exchange contribution of developing countries to the Centre, and they were still interested in such a formula being found.

He said that trade promotion was the central preoccupation of a recent meeting of the UNCTAD Commission for Commodities. It was agreed there the combined work of all agencies active in the field of trade promotion was insufficient to meet the developing countries' needs. His delegation supported the proposal that agencies working in the export promotion field should coordinate their activities. To achieve such coordination the developing countries had suggested the convening of an Expert Group before the second UNCTAD, due to meet in New Delhi on 1 February 1968. It was the wish of developing countries who are both Contracting Parties to the GATT and members of UNCTAD that the Trade Centre should send a representative to this Expert Group meeting, and they hoped that UNCTAD would issue an invitation to GATT to participate.

His delegation wanted to have it on record that the market surveys, the FORUM and other publications coming out of the Trade Centre were of such high quality, and written in such simple language, that they were easy for those from developing countries to understand.

The CHAIRMAN was sure that other representatives would agree as to the high quality of the Centre's work, and that the Secretariat would take account of the recommendations made by the representative of INDIA.

The representative of the INTERNATIONAL CHAMBER OF COMMERCE shared the view of the DEPUTY DIRECTOR-GENERAL that assistance to developing countries must include export promotion. The ICC's Commission on Distribution, and particularly its Marketing Committee, will continue to support the Centre's work in marketing research, marketing training and the provision of experts. It was enlisting the support of its National Committees for all these aspects of the Centre's work.
The representative of the UNITED KINGDOM emphasised that an evaluation of the Centre's success could not be made solely from a review of market research undertaken, publications issued, training vacancies procured or trade promotion advisory missions organised. The Centre was also a stimulator and coordinator of activities by other bodies.

It pricked the conscience and by its presence constantly reminded the developed countries of the needs of developing countries. It was perhaps not generally realised the extent to which the Centre had persuaded some developed countries to place facilities at its disposal. In the United Kingdom, for example, the cooperation by the official liaison agency extended to arranging interviews for Centre marketing analysts with busy business executives who were not always willing initially to spare the time. These people had to be educated patiently concerning the Centre's mission. It had to be explained why the Board of Trade, which was at the Centre of the United Kingdom's export promotion effort, was assisting potential competitors. Hours of painstaking work was being spent by them in this way, not only in the field of market research, but also with respect to training and securing material for Trade Centre publications.

He was sure that what was true of the United Kingdom was also true of other countries. This was an international cooperative effort. They should therefore review the Centre's activities against the background both of its own work, and the stimulus it had provided to governments of developed countries to provide additional facilities.

The representative of SWEDEN affirmed the appreciation of his delegation at the appointment of an eminent expert on trade promotion as Chairman of the Advisory Group Meeting. He said that the Trade Centre was still of modest size and resources. He understood that the coming year would be one of consolidation and that no new activities were proposed. Nevertheless, in order to use the existing organization more efficiently, a fairly substantial increase in the budget had been considered necessary.
In general terms his delegation was prepared to go along with the suggestions of the Secretariat. But their decisions should be based upon the needs of the developing countries, and they would listen carefully to the views and suggestions of the latter during the discussion.

He wanted to stress the importance of coordination between international organisations in the field of trade promotion. He was gratified at the willingness of the GATT to coordinate the activities of the Trade Centre with the export promotion programmes of the UN agencies; but it was a matter of concern that the Centre could not expect financial support from UN technical assistance funds. He said it was up to the member governments of the UN and the GATT to consider how to straighten out this situation so that the Trade Centre could participate in UNDP programmes.

He expressed the satisfaction of his delegation concerning the concrete and practical manner in which the Centre was doing its work.

The representative of ISRAEL was happy to observe the development of the Centre since the last Advisory Group Meeting, and gratified at the shift in emphasis towards training and the trade promotion advisory service. The latter were the most important activities of the Centre.

Regarding the budgetary implications of their recommendations, it would assist them to get a better picture of what could or could not be done with limited resources if they could know the total resources available, together with those being contributed unilaterally, as well as the additional resources being requested. This would enable them to judge what activities should have preference.

The representative of TURKEY said that one of the biggest problems faced by developing countries was to produce a large quantity of low-priced, high quality products, and export them to foreign markets. This required exporters acquainted with the conditions, tendencies, habits, tastes and buying power of these markets, and the possibilities of competing with similar goods of other
countries. But few exporters in developing countries have this knowledge, nor do they have the benefit of expert guidance in these matters. The Trade Centre is rendering an invaluable service to developing countries: its export promotion efforts, training schemes, information services, and publications such as the FORUM, pamphlets and monographs, are of great value and immensely helpful. They approve the services the Centre is rendering and intends to render, together with their financial implications. He thanked the Centre for the understanding shown for their specific request for a market study on fresh fruits and vegetables, of considerable importance to Turkey.

The representative of SWITZERLAND congratulated the Trade Centre on its activities and voiced general agreement with the objectives and goals of the Centre. Switzerland has a permanent representative in the Centre - Professor Masnata, former Director of the Swiss Trade Promotion Bureau in Lausanne. He affirmed the interest of the Swiss in helping the developing countries and referred to a recently prepared study on Switzerland as a market for a number of products from developing countries, copies of which were available at the meeting.

The representative of BELGIUM said he was delighted with the results achieved by the Trade Centre. He supported the Israeli proposition to have a more precise assessment of Centre's resources. He suggested that priorities should be decided and submitted to the budgetary committee, and that a further meeting of the Advisory Group be held after the Budget Committee meeting, to make more precise recommendations.

The representative of UNCTAD expressed the gratitude of the Secretary General of UNCTAD and of the UN in general for the kind invitation to attend the Advisory Group Meeting. The promotion of exports from developing countries was one of the major problems discussed at the first UNCTAD Conference. With little prospect of a rise in financial aid (because of budgetary and balance
of payments difficulties in donor countries) and the growing burden of
debt repayment, it was only natural that UNCTAD should turn to trade as
one of the ways to solve the problems of developing countries.

Both UNCTAD and FAO were stressing the need to try and further exports
of tropical products in developed country markets, as there were still a
number of unexplored, untapped markets in Europe.

In the field of manufactures over the last few years the UN has seen the
success of a number of efforts made on the institutional level which had
usefully supplemented the efforts of GATT. There was a need for a wide survey
of the problems of exports and the problems of production and the need to
adjust to the increasingly sophisticated standards of the developed countries.

Therefore, at the UN much attention was given to the pooling of the
various efforts and the resources available for trade promotion. In the field
of technical assistance there was a regular call for UN services and some
20 experts were now working in developing countries advising on export markets
and on how to set up trade institutions.

Regional Commissions of the UN were also paying close attention to problems
of trade and commerce: trade committees had been set up. Reference was made to
ECAFE work on trade promotion among members; the Far Eastern Trade Fair was
organised with the technical assistance of UN.

At a meeting held in New York in January attended by Executive-Secretaries
of the Regional Commission the Under Secretary of Economic Affairs of the United
Nations, the Executive Secretary of UNIDO, the Secretary General of UNCTAD, the
problem of export promotion had been widely discussed and agreement reached on
the need for action and a UN programme for export promotion for developing
countries which would pool all the various efforts in this field. This
programme was open to any organisation even those like GATT not directly
connected with the UN. A meeting was to be held in July in Geneva to decide
what the other institutions like GATT could bring to this common effort.
He agreed with the statement of the DEPUTY DIRECTOR-GENERAL that export promotion was so central to the problems of developing countries that it should be developed by all possible means, nationally and internationally. He said the UN has now become aware of the problem and believes that all institutions should pool their efforts in this field to achieve increasingly useful results.

The representative of the ORGANIZATION OF AMERICAN STATES paid a warm tribute to the work of GATT and said the key activity of the Centre's work was its training programme. In the Punta del Este Conference of the Presidents of the members state of OAS (the USA and the Latin American countries), much importance was given to the problem of export promotion and a decision was taken to create an Inter American International Trade Centre.

This new trade organisation was not created with the intention of competing with any other organisation but represented the wish of Latin American countries to reaffirm their national identity. They intended to cooperate with other bodies. The GATT Trade Centre had accomplished many things which were admirable and they wished to support it in all its efforts in this field. The idea was not for competition but for collaboration to benefit the whole world.

The representative of CANADA expressed support and appreciation for the Centre's work. His country wanted to see coordination in the trade field and therefore welcomed the statement of the DEPUTY DIRECTOR-GENERAL that efforts would be made to coordinate work in the field of trade promotion. His country would approve a reasonable increase in the Centre's resources in order that it might realise its objectives.

The representative of GHANA voiced general satisfaction with the statement of the DEPUTY DIRECTOR-GENERAL. He expressed some anxieties about the budgetary implications of the programme. He considered it a little unfortunate that the Group discussions were confined merely to a critical examination of the Trade Centre Programme. Last year, because the Centre's programme had been commented on by the Advisory Group before the budgetary implications were integrated with
the overall budget of GATT there were difficulties in adopting the report of the Budget and Administrative Committee. He suggested that it might be useful if, in future, the Centre's programme could be submitted to the Budget Committee in the first instance prior to the Advisory Group Meeting.

With respect to the documents on the Centre's activities prepared by the Secretariat, there was no factual information on the usefulness of the Centre to the developing countries. Broad items had been mentioned but the missing element was the appraisal of how far the activities of the Centre had succeeded in expanding the trade of developing countries; this was the type of information needed.

He was not certain that the Trade Centre's resources were best spent in answering requests from individual countries. He thought the Centre should launch into regional export promotion programmes. He welcomed the Trade Centre's training effort in view of the fact that training was the corner stone of every export promotion programme. The people who went through these courses appreciated them but there was a big difference in the advanced techniques studied and the actual situation in developing countries. The Centre should therefore pay attention to the specific training needs of developing countries.

The Trade Centre should extend its activities to cover Commodity Councils, such as the Coffee Promotion Council. These Councils could benefit from the advice of the Trade Centre. The problem faced by developing countries was not merely to find markets but to overcome production rigidities. Therefore the Centre should undertake more action on problems of particular industries and commodities in developing countries. As an example he cited the timber industry in Ghana, where there was need to popularise new species of timber, to control domestic production and improve transport facilities. The Centre should provide advisory teams to examine production requirements in developing countries.
The representative of TANZANIA affirmed that the Trade Centre would have
the full support of Tanzania. He supported the statements made by other
representatives, pointing out how useful the Centre was to developing countries.
He said that the unanimity of the developed countries in their appreciation of
the Centre and its services was particularly gratifying, since the success of
the Centre depended primarily on the attitude of the developed countries. They
had the experience, the experts and the finances necessary to make the venture
a success.