



**linking
economies**



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Commodity information at the click of a mouse

In Sao Tome and Principe, cocoa is the mainstay of the economy. It accounts for a staggering 93% of total exports, and the population depends largely on cocoa bean farming for a living. Sao Tome and Principe is not an exception. Out of 141 developing countries, 95 are more than 50% dependent on commodity exports – and in sub-Saharan Africa as a whole, the figure is 80%.

This dependence makes most countries particularly vulnerable to commodity market fluctuations. Yet few have access to verified and real-time information on primary sector market values and export opportunities.

Paradoxically, commodity trade requires a great deal of specific data – particularly on quality and price variations. To complicate matters, growing use of the Internet has resulted in such an abundance of unreliable news and data on commodity markets that it is time-consuming and costly to identify what is relevant and accurate. While multinational firms have no problems identifying the information they need, small farmers and producers do.

But basic data are not the only thing that is important. Commodity producers and farmers want friendly operational systems to increase their efficiency, expand their markets and improve their negotiating power. Likewise, policy makers and commodity traders need analytical tools to keep pace with rapidly changing market structures so they can adjust their policies and increase their competitiveness.

Since its creation in 1964, UNCTAD has dealt with commodity issues, and it has long been regarded as a leader in the field. To respond to the need for transparent and exhaustive information on primary goods, it has developed a number of products that give producers an edge in the commodity sector and help governments formulate appropriate policies.

UNCTAD

Issues in Brief are circulated periodically by UNCTAD and cover topical issues pertinent to UNCTAD's work programme

UNCTAD's programme on commodity information

Developing countries' urgent need for reliable, timely information on commodities was recognized at UNCTAD's tenth ministerial conference in 2000. Since then, UNCTAD has launched a broad technical assistance programme encompassing commodity information, market transparency and knowledge management. The programme is based on the following four modules:

INFOCOMM – increasing commodity market transparency

The INFOCOMM electronic portal provides up-to-date information in three languages – English, French and Spanish – on factors influencing commodity markets. It is organized under 10 headings ranging from product characteristics and crop value to export markets and prices. It includes links to major product organizations, international research groups and universities.

The portal is a genuine knowledge management tool. Data are presented in a user-friendly way to help governments and local producers and traders analyse trends and market opportunities. It is currently being used by 12 to 15 million people worldwide, 60% of them in developing countries.

INFOCOMM is also used to disseminate specific information. For instance, when the United Nations General Assembly declared 2004 the International Year of Rice, INFOCOMM issued a monthly report in French, English and Spanish on the world rice market. Similar arrangements have been made for other commodities, such as bananas, citrus fruits and cotton.

INFOSHARE – information-sharing database

INFOSHARE is a flexible database system for gathering and sharing information on commodity prices (including farm prices and export and import values). It can also include data on intermediate costs such as transportation and storage as well as information on national quality standards. The person posting the information can decide whether it should be restricted to certain people or made available to all.

A pilot version of INFOSHARE was launched in 2005 and is being tested in Cameroon. If successful, it will be replicated in other countries.

In 2005, INFOSHARE was chosen by the United Nations as one of the "10 stories the world should hear more about".

WORLD COMMODITY SURVEY – demystifying commodities

The World Commodity Survey is a joint publication by UNCTAD and Cyclope, a French research group. It gives unique, practical information on markets, structures and trends for more than 80 commodities. A fourth issue, *World Commodity Survey 2005–2006*, is under preparation. Besides annual commodity market reviews, this issue will include studies on current topics such as recent trade disputes involving commodities, the expanding GMO markets, the re-emerging bio-fuels industry and the growing role of hedge funds on the commodities market.

Innovative e-products – greater market intelligence and understanding

UNCTAD is preparing a series of new products that will offer in-depth knowledge and analysis on specific commodity sectors. The first tool, to be ready in 2006, is an interactive CD-ROM, *The Cocoa Economy in Key Producing Countries*. It analyses cocoa marketing chains and the situation of producing countries. It also includes modules on potential niche markets, factors influencing production and fair trade markets, as well as a glossary and a series of videos.