



United Nations Conference on Trade and Development

TRADE POINT GUIDE



<http://www.gtpnet-e.com>

**CUSTOMIZED, SECURE GATEWAY FOR SMEs
TO THE GLOBAL ELECTRONIC MARKETPLACE**

UNCTAD/SDTE/Misc.33

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PART I - THE TRADE POINT PROGRAMME

The Trade Point Programme was launched by the United Nations Conference on Trade and Development (UNCTAD) in 1992. Its main objective is to facilitate access for small and medium-sized enterprises (SMEs) to international markets, in particular using the most up-to-date technologies in electronic commerce. Through the electronically interconnected network of Trade Points in many countries of the world, SMEs can gain access to the latest information and telecommunication technologies and services, make their products known to potential customers and find business partners in other countries. These services are provided at a reasonable cost, with the overall objective of increasing the participation of SMEs - particularly those from developing countries and from countries with economies in transition - in international trade. The activities undertaken by UNCTAD in this area were subject to an in-depth review by UNCTAD's member States. This assessment resulted in a new strategy for the Trade Point Programme up to 2002, focusing on capacity building and renovation of the GTPNet.

What is a Trade Point?

- *A source of trade-related information*, which provides actual and potential traders with data about business and market opportunities, potential clients and suppliers, trade regulations and requirements;
- *A trade facilitation centre*, where participants in foreign trade transactions (e.g. customs, banks, chambers of commerce, freight forwarders, transport and insurance companies) are grouped together under a single physical roof or linked virtually to the Trade Point so as to provide all required services for trade transactions;
- *A gateway to global electronic networks*: all Trade Points are interconnected in a worldwide electronic network - the Global Trade Point Network (GTPNet) - and equipped with efficient telecommunications tools to link up with other global networks in order to increase the participation of traders, in particular SMEs, in the emerging electronic commerce economy.

Who can benefit from the Trade Point Programme?

- Governments are the prime clients of the Trade Point Programme. Wherever they exist, Trade Points are part of Governments' efforts to improve trade efficiency, and support SMEs and the use of electronic commerce technologies.
- Trade Points, which serve as a vehicle for the delivery of services to SMEs, can be considered as the most direct clients for assistance from the Trade Point Programme. Trade Points benefit directly from the services proposed by the Programme through the physical network of Trade Points in other countries of the world, participation in



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regional and worldwide Trade Point meetings, as well as deliveries of equipment and training under donor-funded projects of technical assistance. Support provided by the Trade Point Programme to Trade Points, including access to the GTPNet, is free-of-charge.

- The ultimate beneficiaries of the Trade Point Programme are the local trading communities at large, in particular SMEs from developing countries and countries with economies in transition. Through the Trade Points, they gain direct access to reliable and up-to-date trade-related information and get hands-on experience in dealing with trading partners in all parts of the world using electronic commerce technologies. In addition, the participation in the Programme enables them to identify markets for their products, find trading partners and complete transactions faster and at a lower cost than before. It also helps them to make use of new technologies and techniques in the daily course of their business, and ultimately to become more competitive.

What is the Global Trade Point Network?

The Global Trade Point Network (GTPNet) is an electronic network inter-linking the central website of the Trade Point Programme and websites of individual Trade Points. Three main services are provided centrally by the GTPNet:

- **Worldwide company database**

The GTPNet company database is a valuable source of information for those seeking business partners all over the world. This information is structured so that minimum data about each company are always available. A criteria-based search engine facilitates the identification of suitable business partners listed in the database.

- **System of business opportunities – the Electronic Trading Opportunities system**

The advanced Electronic Trading Opportunities (ETO) system is the core component of the new GTPNet. As with the records in the company database, ETOs are structured to contain minimum mandatory information about each business opportunity in order to save users time and to eliminate unsubstantiated postings. Individual business opportunities are linked to corresponding records in the GTPNet company database. The provision of additional background information about companies in the ETOs increases the value to users. The search engine available on the ETO database enables users to locate business opportunities that best correspond to their needs. The credibility of ETOs is significantly enhanced by the fact that only pre-qualified (operational) Trade Points or companies registered with them can post ETOs on the GTPNet.

During an initial period of a few days, only Trade Points and their registered clients can access newly-posted ETOs (so-called “hot” ETOs). In addition to accessing and searching ETOs online, they can benefit from a GTPNet service which automatically



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forwards to them by e-mail all ETOs that correspond to the criteria they themselves have specified in the form of a user profile. This value-added service, which saves time and costs, may act as an incentive for companies to become Trade Point clients.

After an initial period of a few days, so as to reach as wide a trading community as possible, ETOs (“cold” ETOs) become universally accessible and interested users can search for them on the ETO database online.

- **Real-time discussion forums**

Real-time discussion forums have been made available to the Trade Point community. The objective is to give Trade Points a tool to discuss mutual cooperation at a regional and global level.

The GTPNet has recently undergone a substantial renovation in order to keep pace with the most recent market and technological trends, in particular the demand for: quality and reliability of information; integrity and confidentiality of information; and user-friendly access to information. The approach chosen for the new GTPNet is based on a decentralized structure and active involvement of Trade Points. The structure of information available on the central site of the new GTPNet is shown on the next page.

- **Quality and reliability** of information on the GTPNet are substantially enhanced by giving Trade Points direct responsibility for the information they post on the network. Since UNCTAD assigns to Trade Points (and potentially also their registered members), personalized confidential passwords for access to the GTPNet, anonymous postings of ETOs are not possible. In addition, passwords are valid for a limited time and may not necessarily be extended. Trade Points also have to verify information about their member companies before uploading these records onto the GTPNet company database or authorizing member companies to post their ETOs directly on the network.
- **Integrity and confidentiality** of information on the GTPNet is secured by granting differentiated password-protected access only to the parts of the central site that contain information directly pertaining to the holder of a particular access right. Consequently, each Trade Point can only update information about itself, its country and member companies.
- **User-friendly** access to information is assured by organizing data in a way that enables users to locate the “right” information easily, using customized search engines. Information can be posted only if it uses all the mandatory fields so that it is structured in a standardized way, common for all entries. Also, the use of international standards for designating goods or other elements of information (such as country codes) makes it easier for users to quickly locate the required information.
- **Decentralization** of the management of the GTPNet will allow all the participating partners (UNCTAD, Trade Points, Trade Point member companies) to exercise



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control over “their” part of the website through password-protected access with differentiated rights to change/post information. Tools will be made available to Trade Points that will allow them to manage locally their user base, including the passwords system for companies. Trade Points may decide to further decentralize the management of information to the level of their member companies to which they can assign passwords authorizing them to post ETOs directly on the network. Decentralized management of information and its automatic updating on the central site create a synergic effect combining the strengths of a local presence with the advantages of a central repository of standardized information.

Why should a company use the GTPNet?

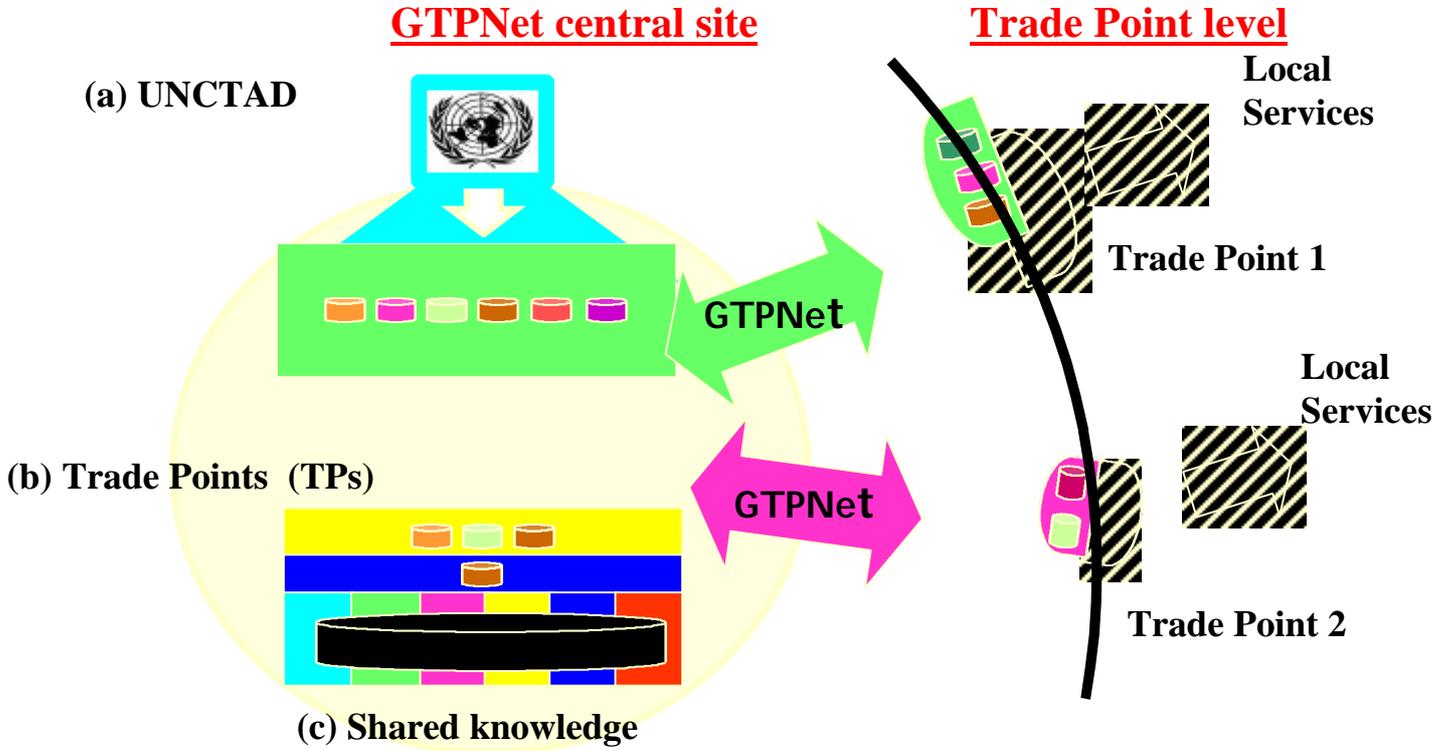
The Global Trade Point Network (GTPNet) provides a secure and user-friendly environment for online access to reliable and comprehensive trade-related information. It has been specifically conceived to meet the needs of small- and medium-sized enterprises. The information posted on the GTPNet is available free of charge.

The GTPNet is intended to make it easier for companies to conduct business. It enables them to research trade information in every corner of the globe and helps them to locate potential business partners around the world. The GTPNet also provides the information needed for analysing the business climate and requirements in markets worldwide, and a tool to exchange ideas and to gain access to technical expertise. The GTPNet means opportunity.



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GTPNet Infobase



- (a) UNCTAD**
- List of Trade Points (Information sheets)
 - Relevant guidelines and documents
 - Trade Point model statutes
 - Standard templates for TP homepages and other TP databases
 - Trade facilitation information
 - Relevant international codes

- (b) Specific TP information**
- Services provided by the Trade Point
 - Trade Point contact addresses
 - Country information (e.g. general, the economy)
 - National trade regulations information
 - Information about providers of trade-related services
 - Tools and systems developed by the Trade Point

- (c) Shared knowledge**
- ETOs
 - Company databases
 - Discussion forums
 - Multi-criteria search engines
 - Feedback, Help



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PART II - HOW TO SET UP A TRADE POINT

Prepare your project in the best and safest conditions

PRECONDITIONS: Four essential questions to consider before you decide to set up a Trade Point

GETTING STARTED: Five requirements to implement a Trade Point project

THE ROLE OF UNCTAD: Four areas where UNCTAD can help you



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PRECONDITIONS

Four essential questions to consider before deciding to set up a Trade Point

Before you decide to set up a Trade Point, it will be useful to check whether the preconditions for establishing a successful Trade Point are met. Preconditions exist at four different levels:

1. The institutional level

The entity (a hosting institution or an entrusted physical person) creating the Trade Point has to be recommended to UNCTAD by the Government. For a second and subsequent Trade Points in a country, this recommendation can be given by the local authorities provided that the central Government has agreed to such an arrangement.

This entity should have a proven record in providing a number of Trade Point services and should identify a source of start-up funding for the establishment of the Trade Point. It will be requested to sign Part I of the “Terms and conditions applicable to technical assistance provided to Trade Points” (UNCTAD/SDTE/Misc.28) after which it will be entitled to start creating the Trade Point. These Terms and conditions concern the relationship between UNCTAD and the Trade Point and are available upon request.

2. The market demand level

A preliminary analysis of effective market demand for Trade Point services is highly recommended, in particular when a second and subsequent Trade Points are to be created in the same town or region. It is important to define how the creation of your Trade Point will make a difference compared with what already exists in terms of trade promotion institutions in your region or country.

3. The human resources level

The director of the Trade Point should have practical experience in the conduct of international trade transactions, a good knowledge of information and telecommunications technologies, experience in team leading, an entrepreneurial spirit and a good working knowledge of English.

Experts in international trade transactions and procedures (including trade finance, insurance, customs and transport), trade information, trade facilitation, new telecommunications and information technologies, and possibly also electronic commerce, should be available either in the institution hosting the Trade Point or through Trade Point partners.

4. The telecommunications level

The entity creating the Trade Point is expected to have full Internet access and experience in the use of new telecommunications services.



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GETTING STARTED

Five requirements for implementing a Trade Point project

An overview of steps to be taken to implement a Trade Point project is contained in the “Work plan for the establishment and operation of a Trade Point” which can be obtained from UNCTAD. The text below provides additional background information that will facilitate the establishment of your Trade Point.

1. Application

To begin the process of assisting in the setting up of a Trade Point, UNCTAD needs an official request from the Government. The letter should include the following:

- A request for the setting up of a Trade Point in your country
- The name of the entity that the Government recommends to take the lead in the creation of the Trade Point, as well as contact details of a person/coordinator who will be responsible for the project and for liaising with UNCTAD;
 - The statement that the Government accepts the “Terms and conditions applicable to the technical assistance provided by UNCTAD to Trade Points” and that the Trade Point will be set up in accordance with these Terms and conditions; and
 - A request that UNCTAD provide the relevant information and documentation, as well as technical assistance for the establishment of the Trade Point, as appropriate and within existing resources.

The letter should be addressed to:

Mr. Rubens Ricupero
Secretary-General
UNCTAD
Palais des Nations
CH - 1211 Geneva 10
Switzerland
Fax: (4122) 907 00 50

Upon receipt of this letter, UNCTAD will send a detailed information package and provide personalized support from the UNCTAD Trade Point coordinator responsible for your region.



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2. Legal framework for the Trade Point

From the legal point of view, the Trade Point can be established either as an independent legal entity, preferably in the form of an association, or operate within a hosting institution. It should always be set up in accordance with national laws and regulations.

The legal document establishing the Trade Point (statutes) should state that the Trade Point is a non-profit entity. This means that it should aim to cover its costs, but that if profits are generated, they should be reinvested in further development of the Trade Point (in the form of, for example, development of new services, purchase of equipment, hiring of qualified staff).

The objectives of the Trade Point Programme, namely, to foster greater participation in international trade, in particular of small- and medium-sized enterprises, and to reduce transaction costs in international trade, should also be clearly reflected in the legal document.

3. Technical requirements for setting up a Trade Point

Technical specifications for a Trade Point have two parts: "minimum requirements" and "additional recommendations". The minimum specifications describe a level below which a Trade Point may be technologically unable to perform its functions, while additional recommendations are optional for Trade Points that have a bigger volume of operations or can afford a more advanced technology.

A. Minimum requirements¹

(a) *Equipment*

- 3 computers (PC with Intel Celeron 500 MHz, 64 MB memory, 6 GB hard disk, CD drive, 15" colour monitor, or equivalent)
- 1 laser printer
- local area network (10 MB Ethernet or equivalent)
- 1 fax machine
- UPS for all equipment if electricity supply is unreliable

(b) *Software and services*

- 56 kbps Internet connection (if by telephone, on a separate line)
- Internet browser (Microsoft Internet Explorer v.4, Netscape Navigator v.4, or equivalent)
- E-mail
- 1 Lotus Notes workstation R.5.03
- office software

¹ The indications below are given for reference purposes and Trade Points are free to choose other brands with equivalent performance.



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These are the specifications as of September 2000 and UNCTAD will review them periodically to take account of progress in technology. They also need to be fine-tuned according to local needs and the technology platforms chosen by the specific Trade Point. Internet connection is indispensable for active participation in the GTPNet, and Lotus Notes client software is an optimal solution for the update of the local GTPNet databases (such as the database of registered companies) and their replication to the central GTPNet site.

B. Additional technical recommendations

(a) *Equipment*

- higher performance computers (17" monitors, 128 MB memory, etc),
- 1 server computer
- 100 MB network
- 1 photocopy machine

(b) *Software and services*

- broadband Internet connection
- Internet site
- Lotus Domino Designer R.5.03
- Lotus Domino Server R.5.03

Trade Points are required to have their own Internet site. More active participation in the GTPNet would include creating additional databases (with Domino Designer) and replicating and distributing locally the information from the GTPNet (with Domino Server, up to the complete functionality of the GTPNet).

4. Trade Point services

As indicated earlier, the set of services that the Trade Point will provide should be defined on the basis of a market analysis conducted at an early stage of the development of the Trade Point and should be designed so as to meet customers' needs. Minimum services are required from operational Trade Points. At the same time, Trade Points are free to add optional services from a non-exhaustive list presented below.



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A. Minimum services

(a) *Trade information services*

- **Provision of a minimum set of information about the country/Trade Point** through the Trade Point website and gradually also the central GTPNet web site. Trade Points receive a template from UNCTAD for a standardized presentation of their country information on the central GTPNet website.

The minimum set of information contains:

- information about the Trade Point (services provided, contact details)
- information about the country/region where the Trade Point operates
 - (i) General information – geography, history, politics, international relations and population;
 - (ii) Economy – Gross domestic product, structure of the economy, economic policy and statistical data about the country's performance;
 - (iii) External sector – trade, foreign direct investment and exchange rate; and
 - (iv) Legislation relating to trade, investment and international payments.
- **Provision of information about local companies.** The database of local companies should be sent to UNCTAD which will upload it on the central GTPNet website.
- **Trade matching/ETO services.** You are expected to design a system of collection of business opportunities (ETOs) from local companies in your country, as well as a system of dissemination of ETOs received from the GTPNet to local enterprises (e.g. by e-mail, fax or newspapers.) before your Trade point is certified as operational, and to start actively using the system immediately afterwards.

(b) *Trade facilitation services*

- **Advice/consulting on all aspects of international trade transactions**
- **Provision of information about providers of trade-related services** in the country and the range of services they offer to clients. This information should be displayed on the Trade Point/GTPNet website.

B. Optional services

According to local conditions, Trade Points can develop additional services for addressing the needs of their customers. Some of these services are listed below:



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- Market research services
- Trade transaction services (customs clearance, issuance of trade certificates, banking and insurance services, transport and shipping)
- Telecommunication services (e-mail, Internet access)
- Production and hosting of web pages
- Translation services
- Preparation of business letters and contracts
- Organization of business meetings and trips
- Organization of trade seminars and special events
- Consultancy/advice on electronic commerce issues
- Provision of electronic commerce services
- Training courses for customers
- Provision of facilities and equipment

5. **Business plan**

The objective while drafting the business plan is to design the services which the Trade Point intends to provide to clients, based on a thorough evaluation of the market. The development of these services should be planned for the medium term and the necessary financial means to reach the objectives clearly defined.

A. **Full business plan**

A full business plan including all the components below will be required from Trade Points set up as independent legal entities. A more detailed model of a Trade Point business plan can be obtained from UNCTAD. It is recommended that your business plan be structured as follows:

- (a) Short background information on the Trade Point Programme
- (b) Evaluation of the local market with respect to the services to be offered by the new Trade Point, including current local market demand and supply (competitors), local infrastructure and likely developments over the next two/three years.
- (c) Description of the resources available for the Trade Point:
 - Human resources (name, function, qualifications, contact details)
 - Premises
 - Information and telecommunications infrastructure
- (d) A complete list of products/services which will be offered by the Trade Point
- (e) A financial plan for the first two/three years, including:
 - Estimated costs (fixed, variable), revenues and a cash flow summary. The



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estimate should take into consideration a potential increase in the number of ad hoc customers and subscribers, as well as the expected development of Trade Point services over the two/three-year time period.

- Pricing of products/services to be offered
- Initial capital requirements and the sources of the initial capital

(f) A well-defined marketing plan (including objectives, activities and expected outputs)

B. Simplified business plan

A simplified version of a business plan will be required in the case of a Trade Point that is set up within an existing institution or a Trade Point whose activity is fully subsidized by the Government. You will be requested to evaluate the situation in the market, design services to be offered by the Trade Point and describe how these services will be provided in the framework of the hosting institution, including a marketing strategy.

6. Conditions for a Trade Point to be recognized by UNCTAD as operational

You will be certified by UNCTAD as an operational Trade Point once you fulfil the following conditions:

- You have signed Part I (Formation of the Trade Point) and Part II (Operation of the Trade Point) of the “Terms and conditions applicable to technical assistance provided by
- UNCTAD has endorsed the legal document (statutes) establishing your Trade Point ;
- UNCTAD has approved the business plan of your Trade Point;
- You have developed a minimum set of Trade Point services.
- You have addressed a letter to UNCTAD requesting full participation in the GTPNet.

At that point, UNCTAD will give you:

- A certificate of an operational Trade Point
- A set of tools, including a personalized password, that will allow you to fully participate in the Global Trade Point Network. You will be able to access restricted parts of the GTPNet central website, post ETOs and update Trade Point information on the GTPNet.



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UNCTAD'S ROLE

Four areas of assistance to respond to your needs

At the inception of the Programme in 1992, UNCTAD was designated by its member States to help set up and consolidate Trade Points all over the world. In October 1999 member States endorsed a new strategy which gives two major orientations to UNCTAD's activities with regard to the Trade Point Programme: (i) enhancement of the range and quality of services provided by the GTPNet; and (ii) strengthening of Trade Points with a view to improving their self-sustainability and reducing their dependence on UNCTAD resources. In this context, UNCTAD assumes the following responsibilities:

1. Certification and promotion of Trade Points

UNCTAD defines the criteria which have to be met for an entity to be recognized as a Trade Point. All applications for the establishment of Trade Points are channelled through and processed by UNCTAD. UNCTAD thus guarantees that all Trade Points respect the main objectives of the Programme and work in conformity with its basic operating principles.

Once these criteria have been met, UNCTAD certifies that the Trade Point has complied with the worldwide standard requirements for operational Trade Points and issues a certificate confirming the attainment of operational status. This status is reviewed by UNCTAD every year in order to ensure that the level and quality of Trade Point services are maintained.

UNCTAD is the key promoter of the Trade Point concept worldwide. Promotion is carried out through liaison with UNCTAD member States and public and private sector entities, through preparation and dissemination of promotional material (brochures, videos, annual reports, newsletters, background documents), undertaking missions, participation in international conferences, and presentations of the Trade Point Programme and the GTPNet.

Until an international Trade Point federation or a similar entity is created, UNCTAD also has the important role of substituting for a global institutional framework for the Trade Points. This involves, in particular, representation of Trade Points in respect of public and private sector entities, ensuring the implementation of the operating rules and cooperation in the GTPNet, and organization and conduct of world Trade Point meetings.



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2. Technical assistance to Trade Points

UNCTAD provides, on request from Governments, technical assistance to new and established Trade Points in the following areas:

- Assistance related to the establishment and operation of Trade Points: UNCTAD staff undertake preparatory missions to interested countries whenever feasible. The aim of the missions is to present the project in the country, to evaluate the institution proposed by the Government for hosting the Trade Point and to prepare a tailor-made work plan for the establishment of the Trade Point with the institution selected. UNCTAD also supports the creation of regional Trade Point forums.
- UNCTAD staff responsible for coordinating the implementation of the Programme in individual countries respond to requests concerning technical, organizational, legal or marketing matters arising during the process of setting up the Trade Point, and assist in the follow-up to a previously agreed work plan.

3. Fundraising

In cooperation with individual Trade Points, and in coordination with their Governments, UNCTAD provides assistance in designing projects for the establishment of Trade Points, and in approaching donors with a view to obtaining financial resources for the Trade Point. When funding for a Trade Point is committed by a donor, UNCTAD often plays the role of the executing agency for the project, that is, it ensures the implementation and management of the project.

4. Training

UNCTAD's Trade Point Programme is implemented in close cooperation with other United Nations agencies, such as the International Trade Centre (ITC) and the United Nations Economic Commission for Europe (UN/ECE). Within this framework, UNCTAD provides the Trade Points with access to the expertise, services and products offered by these and other international organizations working in areas related to Trade Point activities. In particular, UNCTAD works closely with the ITC, which offers courses and seminars in the area of trade information. Trade Points wishing to participate in ITC courses or to organize an ITC seminar for their clients can contact UNCTAD for further information. UNCTAD can help new Trade Points, or those being set up, to arrange training visits to more advanced Trade Points which have been in operation for several years in order to get useful advice from them and learn from their experiences. It can also help identify Trade Point staff who could provide training to other Trade Points.