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Table of Contents

Foreword	1
Chapter 1: Highlights of the year	2
Chapter 2: Progress in the implementation of the new strategy	4
2.1 World Trade Point Federation.....	4
Establishing the World Trade Point Federation	4
Enhancing the self-management capacity within the Federation.....	6
Building the financial sustainability of the Federation	7
2.2 Externalization of the ETO system	9
2.3 Capacity-building	11
Chapter 3: Development of the Trade Point Programme in regions	13
3.1 General overview	13
3.2 Survey of operational Trade Points	15
3.3 Africa.....	20
3.4 The Americas	23
3.5 Arab countries	25
3.6 Asia and the Pacific.....	26
3.7 Europe	30
Chapter 4: Cooperation among Trade Points	35
4.1 Trade Point forums in the Americas	35
4.2 African Trade Point Initiative	37
4.3 Towards a Trade Point forum in Asia and the Pacific	38
4.4 Cooperation outside formal structures	39
Chapter 5: Ways forward	43

Abbreviations

ATPI	African Trade Point Initiative
BOAD	West African Development Bank
CA	Certification Authority
CIS	Commonwealth of Independent States
CPLP	Community of Portuguese-speaking Countries (Comunidade dos Países de Língua Portuguesa)
EATB	Euro-Asia Trade Bridge
ETN	Eurasian Trade Network
ETO	Electronic Trading Opportunity
EU	European Union
GTPNet	Global Trade Point Network
IATPF	Inter-American Trade Point Forum
ISO	International Organization for Standardization
IT	information technologies
ITC	International Trade Centre UNCTAD/WTO
LDCs	least developed countries
JITAP	Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries
METCO	Malta External Trade Corporation
NAFTA	North American Free Trade Area
OAU	Organization of African Unity
PKI	Public Key Infrastructure
RMIT	Royal Melbourne Institute of Technology
SAARC	South Asian Association for Regional Cooperation
SMEs	small and medium-sized enterprises
SMMEs	small, medium-sized and micro-enterprises
TACIS	Technical Assistance to the CIS Countries
TRAINS	TRade Analysis and INformation System
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
UNTPDC	United Nations Trade Point Development Centre
WTO	World Trade Organization

Foreword

The Trade Point Programme was launched by UNCTAD in 1992 with the aim of opening international markets to new participants, particularly small and medium-sized enterprises (SMEs), and making them more competitive by giving them access to the most advanced information and telecommunication technologies and networks. Trade Points, acting as points of entry for SMEs to international trade and electronic commerce, have since been set up in 83 countries around the world. They have provided invaluable assistance to those who might otherwise have been left behind the new technological trends, especially the SMEs in the developing and least developed countries.

The speed of technological developments and the competitive nature of the e-commerce market present both a formidable challenge and an opportunity for the Programme. Cooperation with external partners, including the private sector, would be productive in this regard. However, such cooperation cannot achieve its fullest potential within the United Nations framework because of the nature of the organization. The Trade Points worldwide therefore decided to create the World Trade Point Federation, a non-profit international organization that is meant gradually to take over the Programme from UNCTAD and manage it on behalf of its members – Trade Points. The first steps have already been taken, with the transfer of the Programme's trade leads service, the Electronic Trading Opportunity (ETO) system, to the Federation.

In accordance with its statutes, the Federation is committed to continuing the Programme's developmental goals and its assistance to weaker players, and intends to cooperate with the United Nations. The linkage with the developmental work of the United Nations will be ensured through UNCTAD's advisory seat on the Federation's Steering Committee.

The **Trade Point Review 2000-2001** assesses past progress and future challenges in the implementation of the Programme's strategy, which was adopted by UNCTAD member States in October 1999 with a view to transferring the Programme from UNCTAD. The World Trade Point Federation was formally established in November 2000; its Steering Committee is now working with UNCTAD to make it fully operational and able to take over the Programme in October 2002, when implementation of the strategy should be completed. Much work remains to be done and a number of obstacles have to be surmounted. The Federation is now preparing for negotiations with strategic partners on transaction support services for Trade Points and their clients, which should enhance their income-generating ability and strengthen the network as a whole. During this crucial transitional period UNCTAD has been working closely with the Federation, whose enthusiasm and commitment augur well for the future.

Vlasta Macku
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UNCTAD

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President
World Trade Point Federation

Chapter 1: Highlights of the year

The period starting in October 2000 was the second year of implementation of the three-year Trade Point Programme strategy adopted in 1999. Consequently, the activities conducted during this period were geared towards progress in this regard. The main focus of the concerted efforts over the last year was on the preparations for the transfer of the Programme to the World Trade Point Federation, which is planned to take place on the completion of the strategy in October 2002.

The milestones in the Programme during 2000-2001 are set out below.

- *UNCTAD member States' review of the implementation of the Trade Point Programme strategy (Geneva, September 2000)*

UNCTAD member States meet yearly to review issues related to UNCTAD's technical cooperation activities and to decide on the action that should be taken during the coming year as a matter of priority. The meeting of UNCTAD's Working Party on the Medium-term Plan and the Programme Budget that was held in September 2000 invited the secretariat to proceed with the implementation of the Trade Point Programme strategy¹ within the agreed time-frame. UNCTAD member States felt that particular efforts should be made to transfer the ETO system to a suitable non-profit entity outside UNCTAD and to set up an international Trade Point federation. They invited donor countries to make available extrabudgetary resources for capacity-building projects envisaged in the strategy.²

- *Sixth World Trade Point Meeting (Geneva, 6-10 November 2000)*

This meeting brought together 160 participants from 66 countries, including managers from 58 Trade Points. Its agenda was largely shaped around the main tasks outlined in the Programme's strategy. Since the first task related to technical development, two sessions of the meeting were dedicated to the presentation of the renovated GTPNet, discussion of services and tools that could further enrich it, and debates on the ETO system. The second major issue was the strengthening of Trade Points, both individually and collectively. Time was therefore allocated to presentations of replicable web-based Trade Point services that could attract clients and generate income, and discussion of capacity building and of assistance that the Trade Points could obtain from international organizations. At the collective level, participants discussed cooperation among Trade Points, and took a historic decision to create the World Trade Point Federation, which should gradually take over the Programme from UNCTAD. The newly created Federation expressed its preparedness to take over the ETO system.³

¹ "Follow-up to the evaluation of the Trade Point Programme: Trade Point Programme strategy", TD/B/WP/120, 9 August 1999.

² For a full account of the Working Party decisions see the UNCTAD report "Evaluation of technical cooperation programmes", TD/B/47/L.4, 19 September 2000.

³ The report of the Sixth World Trade Point Meeting, presentations and decisions made at the meeting, can be found at www.gtpnet-e.com.

- *Externalization of the ETO system (May 2001)*

UNCTAD explored the two possible arrangements for the future of the ETO system, namely identification of a suitable non-profit entity that would operate the system under a contract with UNCTAD, and transfer of the ownership and management of the system to the World Trade Point Federation. It was finally decided to transfer the system to the Federation since this better corresponded to the member States' wish to release the United Nations from any liability with regard to the system. The Federation currently operates the system on a temporary basis in Trade Points Madrid and Castilla La Mancha in Spain. In the longer term, it is expected that a strategic partner will be identified for the operation and further development of the system.

Chapter 2: Progress in the implementation of the new strategy

Last year there has been further progress in the implementation of the new Trade Point Programme strategy. The main objective was to advance the externalization of the Programme, in particular its transfer to the World Trade Point Federation.

To be successful, this endeavour requires a number of actions, including the following:

- The formal establishment of the World Trade Point Federation;
- The building of capacity in the Federation to gradually take over UNCTAD's current support functions and to perform additional tasks that are vital for the future of the Programme and that cannot be fulfilled by a United Nations agency;
- The putting in place of a model that will allow the Federation to be financially sustainable;
(The progress achieved in these tasks is described in chapter 2.1.)
- The consolidation of the membership of the Trade Point Programme before it is transferred to the Federation (for details see chapters 2.3 and 3);
- The strengthening of cooperation among Trade Points and their capacity to act as a network globally, regionally and nationally (for details see chapter 4).

In the two-year transition period, it was decided to start with the externalization of technical components of the Programme. In line with the decision taken by UNCTAD member States, the ETO system was externalized first. In accordance with the strategy, the remaining web-based services of the Programme, in particular the Global Trade Point Network website and its Trade Point client database, will follow shortly. Chapter 2.2 deals with the transfer of the ETO system and its current status.

2.1 World Trade Point Federation

The Trade Points worldwide realized that the Programme only had a future under the new strategy if they worked together and made efforts to take it over from UNCTAD. Consequently, the creation of the Federation was scheduled as one of the two crucial items for decision-making on the agenda of the Sixth World Trade Point Meeting, held in Geneva from 6 to 10 November 2000.

Establishing the World Trade Point Federation

Following extensive discussions, the representatives of the 58 Trade Points present at the meeting decided to establish the World Trade Point Federation as an international non-governmental organization under Swiss law. In accordance with the principles of the Trade Point Programme, the Federation was created as a non-profit association, its foremost objective being to foster greater participation in international trade by small and medium-sized enterprises, in particular in the least developed countries (LDCs) and

other countries less advanced in the area of trade efficiency, and to reduce transaction costs in international trade.

To enable all Trade Points, including those from countries that were not in a position to attend the meeting, to express their opinion, they were all invited to vote on the creation of the Federation. By 1 December 2000, the majority of Trade Points had voted in favour of its creation and no objections had been received. Consequently, according to Swiss law, the Federation was considered as having been legally set up on that date. It was decided to register it with the Register of Commerce in Geneva. This process was completed in May 2001.

According to the Trade Point Programme strategy, the Federation should ultimately take over the management of the Programme from UNCTAD. For this reason, special attention was paid to ensuring the full representativity of the Federation and the maintenance of the Trade Point Programme’s basic principles. It was therefore agreed, in that connection, to insert three specific provisions in the statutes of the Federation. First, all Trade Points, irrespective of their stage of development, automatically become members of the Federation. Second, representatives of all Trade Points can, at this stage, be elected to the Federation’s Steering Committee. Third, UNCTAD will sit on the Steering Committee in an advisory capacity, with the right of veto if the Programme’s basic principles (developmental orientation, non-profit nature) come under threat.

Members of the Steering Committee and the Technical Committee work for the Federation free of charge. If travelling, they have to cover their travel and accommodation costs.

The meeting elected a 14-member Steering Committee, including its five-member bureau. A Technical Committee to give advice to the Federation on technical issues was also set up.

With regard to the decision-making process, each region has a minimum number of seats on the Steering Committee, independently of the number of Trade Points established or being established in the region. Each region also has one representative on the bureau of the Steering Committee so that all regions are equally represented.

Members of the Steering Committee	
Bureau	Other members
President – Bruno Masier, Argentina Vice-President – Habibou Sy, Senegal Treasurer – Philippe Doubre, Switzerland Technical Director – Mostafa Said Ahmed, Egypt Marketing Director – Shyam Agrawal, India	Ibrahim Foudah, Saudi Arabia José Hermida, Spain Paul Hofmann, United States of America Jong Woong Lee, Republic of Korea Michel Patteet, Belgium Viorela Popescu, Romania Rogerio Santana dos Santos, Brazil Gerardo Tajonar, Mexico Chris Tsimba, Zimbabwe

Technical Committee

Members of the Technical Committee have been appointed by Trade Points in Bulgaria, China, Costa Rica, Côte d'Ivoire, Egypt, India, Italy, Jamaica, Jordan, Lebanon, Malta, Mexico, Senegal, Turkey, the United Republic of Tanzania and Venezuela.

The formal establishment of the Federation is an important step forward in the externalization of the Programme. However, it is clear that in order to be able to take over the Programme, the Federation has to fully develop its capacity to manage the Programme on its own, and to achieve financial self-sustainability.

Enhancing the self-management capacity within the Federation

The Steering Committee of the Federation demonstrated a high degree of commitment to the attainment of those objectives. Despite the financial implications (members have to cover their travel and accommodation costs since membership of the Steering Committee is honorary), many members gathered in Geneva for two meetings, held on 22 and 23 February and from 3 to 5 September 2001. All other discussions took place via e-mail.

To be able to operate effectively, the Federation had to define mechanisms for its functioning and for the interaction among its various bodies. At the same time, since the transfer of management of the Programme was to be gradual, a division of roles and a modus vivendi for the Federation and UNCTAD needed to be defined. These issues were on the agenda of the Steering Committee's meeting in February 2001.

Web discussion forums and listservers

Members of the Steering Committee and the Technical Committee can communicate via the Steering Committee discussion forum and the Technical Committee discussion forum created by UNCTAD on the GTPNet. In addition, Trade Point Ankara, Turkey, offered to host a list-server for the Technical Committee. Another list-server was set up by UNCTAD for the Steering Committee.

The Federation also began to construct its own identity and to gradually become more involved in the management of the Programme. Communications introducing the Federation have been sent by the President to UNCTAD member countries, and a regular exchange of information has started between the Federation and Trade Points. To increase its visibility, the Federation decided to set up its own website www.wtpfed.org. A temporary version, developed by Trade Point Monterrey, Mexico, is already operational, hosted by Trade Points Madrid and Castilla La Mancha in Spain. However, in order to enhance its appearance and content, the Federation set up a special task force, drawing largely on the expertise present in the Technical Committee. In addition, assistance was kindly offered by the International Trade Centre UNCTAD/WTO (ITC), which will provide consultants to work on this assignment.

The website of the Federation should become the portal for access to all the services provided now and in the future by the Federation to Trade Points, their clients and the business community as a whole.

Concomitantly with the launching of the new website, the previous UNTPDC website operated by the Royal Melbourne Institute of Technology (RMIT) - in Melbourne, Australia, was closed on 30 April 2001. Also, UNCTAD requested all the institutions hosting UNTPDC mirror sites to close them immediately. As a result, the Federation's website should become the only gateway to the ETO system and the Global Trade Point Network.

The President of the Federation has been seconded by his Trade Point to Geneva for the crucial period of construction of the Federation and has been working with the UNCTAD secretariat. Through his presence, as well as regular and frequent consultations between UNCTAD and the members of the Steering Committee, the Federation started participating in the management of the Programme. Members of the Steering Committee are informed, through weekly briefings by the President, about all the most recent developments in the Programme. In addition, they are consulted on specific management issues whenever the need arises. This experience will certainly facilitate the transfer of the Programme at a later stage. Pending the setting up of its own secretariat, UNCTAD has been assisting the Federation and its President in administrative tasks. This has been a determining factor in achieving progress in the attainment of the Federation's objectives.

The Steering Committee has been organizing its work around four areas: strategic issues, finance, technical issues and marketing issues. Teams consisting of members of the Steering Committee have been set up for each of these themes. The technical team has been heavily involved in the transfer of the ETO system, and development of a back-up system and model of work with the operator of the ETO service. The marketing team contributed to the launch of a promotional campaign concerning the Federation and the ETO system.

Building the financial sustainability of the Federation

The Federation will be faced with the challenge to effectively manage and further develop the Programme in a very competitive environment and without the resources currently allocated for support by UNCTAD. Therefore, it will need to find ways to offer additional value-added services to Trade Points and their clients, and to generate the necessary funding to sustain the Federation after UNCTAD's withdrawal from the Programme. This challenge can be met only through cooperation with external partners, and the Federation will have to identify such strategic partners, particularly with regard to the technical component of the Programme.

Benefits of becoming a partner of the Federation

- Using an already available global network of Trade Points;
- Gaining direct access to reliable local counterparts knowledgeable about local environments and cultures;
- Increasing the market share for the partner's products and services;
- Entering new markets;
- Attracting existing Trade Point customers, as well as additional clients in their countries;
- Benefiting from good contacts of Trade Points with their Governments;
- Being associated with a United Nations-initiated and development-oriented network.

In order to prepare a sound basis for negotiations, the Federation needs to set clear directions for future development of the Programme, as well as a viable negotiating strategy. To facilitate this task, the Sixth World Trade Point Meeting requested assistance from UNCTAD in mobilizing funding for the preparation of a strategic business development plan for the Federation. Thanks to the generous support of the Governments of France and Belgium, the required financial resources were made available, and following a call for tenders organized by the United Nations procurement office in Geneva, the consultancy firm Arthur Andersen was contracted to carry out the assignment.

Strategic business development plan for the Federation

The objective of the plan is to:

- Define the services that should be offered through cooperation with partners;
- Propose business models by means of which income could be generated for both the strategic partners and the Federation to cover their costs and operating expenses;
- Identify several partners who would be in a position to offer these services using an open technical architecture;
- Prepare the necessary standardized documents to be used by the Federation in negotiating with potential partners.

The work on the strategic plan is being conducted in close cooperation between the consultancy firm, UNCTAD and the ultimate beneficiaries, the Federation and the Trade Points. The Steering Committee is regularly briefed and involved in validation of intermediate findings. In addition, a meeting of the Steering Committee was convened for 3-5 September 2001 to allow interaction between the consultants and the Federation.

Vision of the Federation

To be a global business facilitator for SMEs.

Mission of the Federation

To become a global trade facilitator and trade information provider for SMEs, particularly those located in developing countries and least developed countries, through its human network with local know-how and its global e-business marketplace.

The plan was finalized in October 2001 and will be submitted to the coming General Assembly meeting of the Federation in November 2001. Subject to its endorsement by Trade Points, the Federation could start strategic negotiations later in autumn 2001 or early 2002.

2.2 Externalization of the ETO system

The ETO system is a trade leads service allowing businesses worldwide to post and receive business opportunities (demands and offers of goods, services and investment) daily using the facility operated by the Federation on the Internet.

The process of transfer of the Trade Point Programme from UNCTAD to the Federation started with the externalization of its main service, the ETO system.

At the Sixth World Trade Point Meeting in November 2000, the Federation expressed its willingness and commitment to take over the ownership of the ETO system. In order to prepare a viable practical proposal for the future of the ETO system under the Federation, the Steering Committee meeting in February 2001 concentrated almost entirely on the modalities of such an

undertaking. While the Federation was ready to assume the legal responsibility for the ETO system, it needed to identify a suitable non-profit partner that would operate the ETO system on its behalf, since it does not have a permanent technical structure.

Criteria for the selection of the operator of the ETO system

- Non-profit status;
- Technical expertise and experience in operating a similar service;
- Free-of-charge operation of the basic service, with the possibility of charging for newly developed value-added services approved by the Federation;
- Initial contract with a limited duration;
- No liability for the United Nations.

In search of a partner for the management of the ETO system

- Publication of a call for proposals for the transfer of the ETO system to a suitable non-profit entity outside UNCTAD on the GTPNet;
- Publication of a notice in *United Nations Development Business*, the UN periodical with information about consulting, contracting and export opportunities emanating from the United Nations system, the World Bank and regional development banks;
- Direct contacts with several specific entities meeting the basic criteria for the ETO operator.

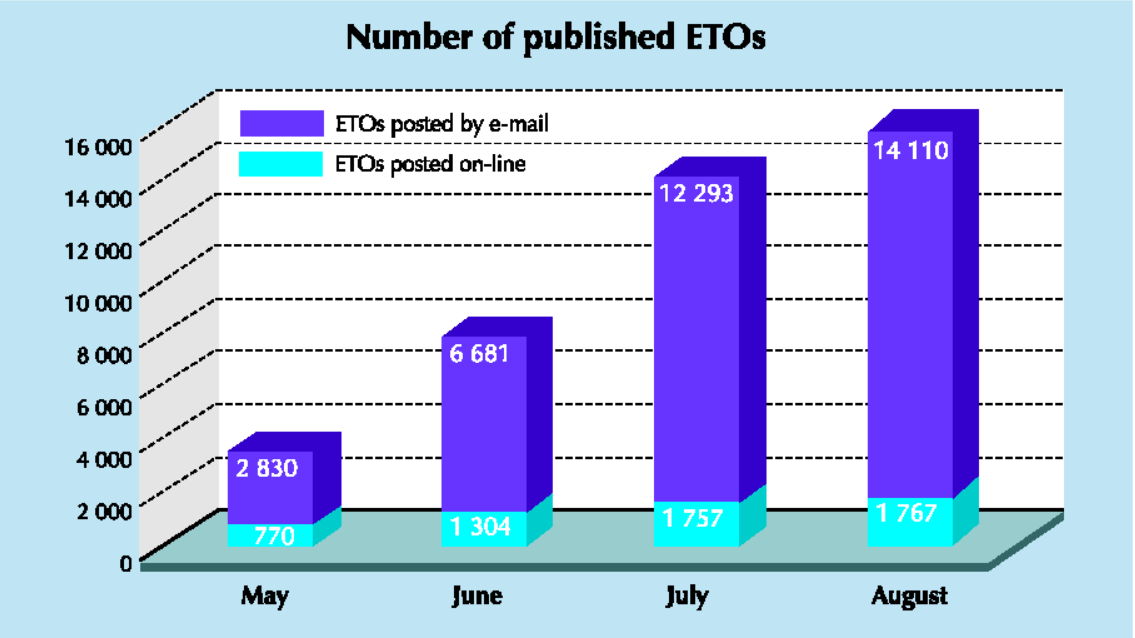
The UNCTAD secretariat assisted in this search and its efforts resulted in some initial expressions of interest. All the potential partners, as well as the Trade Point community, were then provided with full information regarding the assignment and the conditions attached to it. The preference was for a strategic partner that would be in a position to take over the existing ETO system and at the same time launch a higher-quality service with enhanced functionalities. If it were not immediately possible to identify such partner, a temporary solution was to host the existing ETO system for several months in a volunteering Trade Point before a more permanent strategic partner was identified.

Access to the ETO system
 Access to the ETO system remains free of charge and open to all.

The Federation has become the legal owner of the ETO system after the signing of a contract of transfer with UNCTAD. After all the bids received had been reviewed, it was decided to take up the only offer meeting the criteria,

namely the offer for temporary hosting of the current ETO system that had been submitted jointly by Trade Points Madrid and Castilla La Mancha in Spain. The ETO system was subsequently transferred to the two Trade Points in Spain in the course of May 2001 and is currently accessible through the website of the Federation at http://www.wtpfed.org/eto_s.html. The operator runs it free of charge for the users and the Federation, with the possibility of recovering the costs through publicity in the ETOs. The Federation will be looking for a longer-term strategic partner for the launching of an enhanced ETO system. This will be related to the overall negotiation process based on the recommendations of the strategic business development plan.

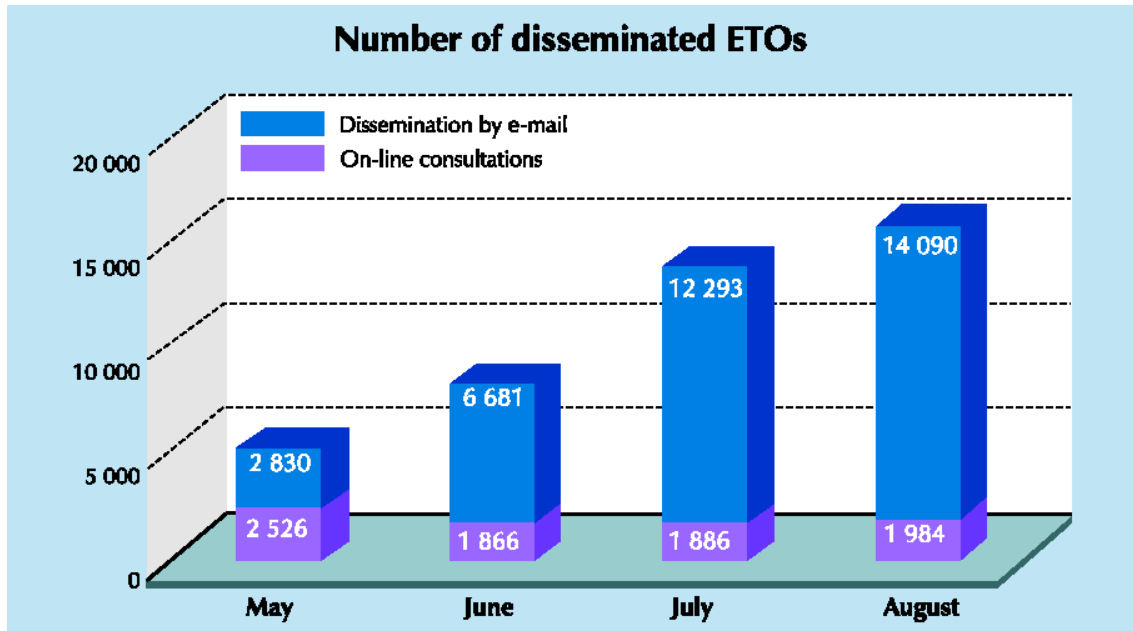
After the transfer of the ETO system, the Federation, in cooperation with UNCTAD, launched a promotional campaign targeted at both the existing and potential users. The web development task force of the Federation also registered the site with the main search engines, which makes it more visible in relation to users. This yielded positive results and the number of ETOs posted to the system has increased more than fourfold during the three months of operation, rising from about 3,600 in May 2001 when the system was started to nearly 16,000 in August. The pre-transfer number of ETOs was reached the last week of June. Most ETOs (nearly 90 per cent in August 2001) are posted by e-mail and this proportion has been on the rise as a result of a growing number of regular users of the service. Offers traditionally exceed demands, the latter accounting for 15-20 per cent of the total number of ETOs posted.



Source: operator of the ETO service.

There has been an identical growth trend with regard to the two main ways by which the ETOs are disseminated. The first of them is on-line consultation of ETO archives, and the second is dissemination of ETOs to subscribers by e-mail. During the period under review, the number of disseminated ETOs increased about threefold, with ETOs

sent by e-mail directly to subscribers experiencing a more rapid growth. The number of on-line consultations has even been nominally slightly diminishing and consequently, in August 2001, they only accounted for 12 per cent of the disseminated ETOs. As in the case of posted ETOs, this development is due to the increase in the number of regular users of the service.



Source: operator of the ETO service.

2.3 Capacity-building

The establishment of Trade Points in interested countries can be significantly accelerated through training. For this reason, capacity-building was accorded a prominent place in the Trade Point Programme strategy. Since UNCTAD's own resources are limited, the actual development of training courses and their delivery were by definition dependent on the availability of funding from donors.

However, as in the first year of implementation of the strategy, the progress in this area was constrained by the fact that extrabudgetary resources to support capacity-building activities for Trade Points were not made available. For this reason, neither the previously submitted projects nor the new project entitled "Strengthening national capacities to support SMEs in international trade and electronic commerce: Training of Trade Points", focusing on assistance to Africa, particularly the least developed countries in the region, could be implemented. However, a project document on "Narrowing the digital divide for SMEs in international trade and electronic commerce: Strengthening Trade Points in Asia/Pacific" is currently in the final stage of its approval by the United Nations Development Programme (UNDP), the United Nations Office for Project Services (UNOPS) and the Government of Japan.

Capacity-building activities were therefore conducted only on a limited scale, with reliance on the existing UNCTAD resources and the traditionally constructive support from the International Trade Centre UNCTAD/WTO.

In addition to numerous presentations with a capacity-building component in international meetings and conferences, the following regular training sessions were organized specifically or mostly for Trade Points:

- Eight training sessions for all the Trade Point representatives attending the Sixth World Trade Point Meeting. The sessions were dedicated to training on the use of the customized GTPNet local kit developed by UNCTAD for local management of information in Trade Points and its replication on the central website. CD-ROMs with this software were subsequently distributed to all Trade Points that had submitted their client database for uploading on the GTPNet;
- One training session for 12 Trade Point representatives from Asia and the Pacific on UNCTAD's TRade Analysis and INformation System (TRAINS), conducted during the Sixth World Trade Point Meeting;
- Two trade information seminars organized by ITC in Geneva in October and November 2000, most of whose participants were from Trade Points;
- Two trade information seminars organized by ITC, in cooperation with a local counterpart and UNCTAD, the first in New Delhi, India (23-26 April 2001), for the South Asian Association for Regional Cooperation (SAARC) countries, and the second in St. Petersburg, Russian Federation (5-9 June 2001), for the CIS countries. Trade Points at various stages of development, as well as other trade support institutions from countries without Trade Points, attended the two seminars.

In addition, the Trade Points benefited from personalized assistance from UNCTAD's regional Trade Point coordinators, as well as advice on legal issues. This has considerably facilitated the setting up of Trade Points and the process of reaching the operational stage, in particular in more advanced developing countries where provision of in-depth training was less important.

UNCTAD also continued to provide technical assistance to Trade Points within the existing donor-funded projects. Resources available for this purpose have, however, been diminishing. The beneficiaries of national technical assistance projects included Trade Points in Bulgaria, Hungary, Mozambique and Romania. Trade Point Budapest, Hungary, established partly through a donor-funded project, became operational in May 2001. Two experts from Trade Point Mozambique were able to participate in an ITC training course on trade information thanks to the funding provided by a national project relating to their country. The amount made available for the Trade Point Programme in multi-country projects (Italian-funded Mediterranean 2000 and multi-donor Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP) was extremely limited and did not permit significant contributions to the development of Trade Points concerned. However, 14 Trade Point directors (from Benin, Burkina Faso, Côte d'Ivoire, Ghana, Egypt, Eritrea, Ethiopia, Kenya, Lebanon, Morocco, the Palestinian Territory, Tunisia, Uganda and the United Republic of Tanzania) were able to travel to Geneva to benefit from training courses on the GTPNet local kit, as well as to learn from the experience of, and from discussions with, other Trade Points during the Sixth World Trade Point Meeting.

Chapter 3: Development of the Trade Point Programme in regions

3.1 General overview

In order to be a credible partner for the outside world and capable of effective action, the Federation needs to have a solid membership base behind it. In that connection, and in order to respond to a provision for such action in the new Trade Point Programme strategy, UNCTAD made particular efforts to consolidate the Programme's membership over the last year.

This undertaking had three objectives. The first was to assist as many Trade Points as possible in achieving the operational status, which would mean that they would meet all the formal requirements and offer the minimum set of services required of Trade Points. As a result, the Federation would have a body of, to the extent possible, standardized and homogeneous members on which it could rely. The second objective was to ascertain the interest of Trade Points under development in remaining with the Programme and to secure their commitment to reaching operational status within mutually agreed deadlines. The third objective was to make it possible for those Trade Points that are not in a position to make their Trade Point operational in the short to medium term to have their membership suspended while retaining the possibility to resuming membership if the conditions for the establishment of Trade Points in their countries improve. The reasons for Trade Points to opt for suspension of their membership would generally be either the lack of funding (with regard to developing countries or countries in transition) or perceived lack of competitive services provided by the Programme to its members (developed countries, some more advanced developing countries or countries in transition).

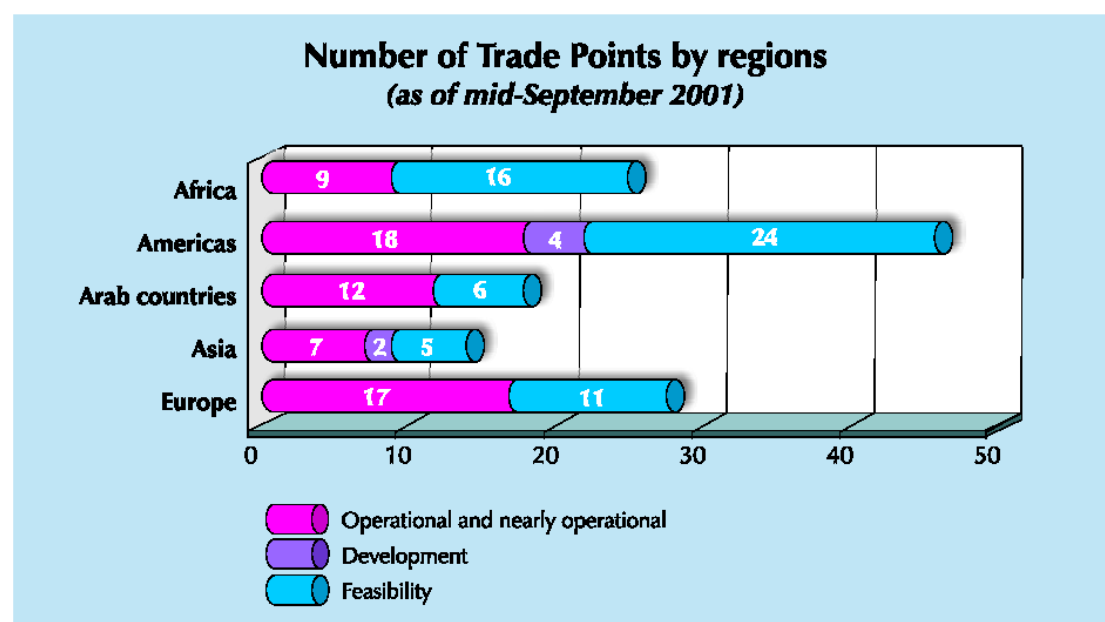
The current figures for Trade Points provide a realistic picture of the status of the Programme. As of 15 September 2001, there were 131 Trade Points in 83 countries worldwide. Sixty-three of them had achieved operational status or were very close,⁴ whilst 68 were still in the process of development (6 in the development stage and 62 in the feasibility stage). In addition, 87 potential partners from 65 countries recommended by their respective Governments are still registered with UNCTAD in the government request category and might wish to take up the issue of establishment of a Trade Point in the future.

Stages of development of a Trade Point	
<p>The development of Trade Points can be classified into three stages:</p> <ul style="list-style-type: none"> ▸ Feasibility stage (partner in the country assessed as suitable for the setting up of a Trade Point; partner has signed up to terms and conditions that apply to the assistance provided to Trade Points by UNCTAD); ▸ Development stage (Trade Point has adopted a legal framework for its activities and prepared a business plan); ▸ Operational stage (Trade Point has complied with all formal requirements, submitted the database of its clients and is providing minimum Trade Point services). 	<p>Potential Trade Points that have applied for participation in the Programme and were supported by their Governments but have not yet made further progress are in the government request category. As such, they are not yet considered to be Trade Points and therefore do not appear on the Trade Point map.</p>

⁴ Trade Points identified as nearly operational have one last mandatory requirement out of five to fulfil in order to become fully operational.

The number of operational Trade Points has slightly increased from 58 last year to the current 63. The Trade Points that are now listed as operational meet the relevant criteria and are truly committed to their participation in the Programme. The number of Trade Points in the process of development (in the feasibility and development stages) decreased from 95 (77 in the feasibility stage and 18 in the development stage) last year to 68 (62 in the feasibility stage and 6 in the development stage) as of 15 September 2001. This was due to the upgrading of some Trade Points to operational status and the decision of others to suspend their membership of the Programme. Although some Trade Points are no longer members, UNCTAD continues to receive requests for the establishment of new Trade Points, both from developed countries, and from developing countries and economies in transition. Several such requests were registered between October 2000 and September 2001.

With regard to geographical distribution, the Americas have maintained their leading position with 46 Trade Points (18 operational or close to reaching that stage, 4 in the development stage and 24 in the feasibility stage), followed by Europe with 28 Trade Points (17 operational or nearly operational and 11 in the feasibility stage). Sub-Saharan Africa had 25 Trade Points (9 operational or nearly operational and 16 in the feasibility stage), while there were 18 Trade Points in the Arab countries (12 operational or nearly operational, 10 of which in Egypt, and 6 in the feasibility stage) and 14 in the Asia-Pacific region (7 operational, 2 in the development stage and 5 in the feasibility stage).



3.2 Survey of operational Trade Points

The first survey to gather and analyse information about the status of operational Trade Points was conducted in 1996. Some findings of this survey were published in the *Trade Point Review 1997*.⁵ In order to update this information and evaluate progress since 1996, the UNCTAD secretariat carried out another survey. This survey

⁵ UNCTAD/SDTE/Misc.1, United Nations, Geneva, October 1997, chapter 3.5.

was based on an analysis of annual reports that are submitted by operational Trade Points as a condition for maintaining their operational status. In the framework of the survey, 53 annual reports covering activities of Trade Points in the year 2000 were analysed.⁶ Some of the results of the survey describing the Trade Points' current state and development over the years, whenever a comparison was possible with the previous survey, are summarized below. In order to make its conclusions statistically meaningful, only issues where the response rate exceeded 70 per cent are reported.

Information gathered by the survey

- Organizational form of Trade Points;
- Services offered by Trade Points, including websites;
- Trade Point clients;
- Financial aspects of Trade Point operations.

• *Organizational form of Trade Points*

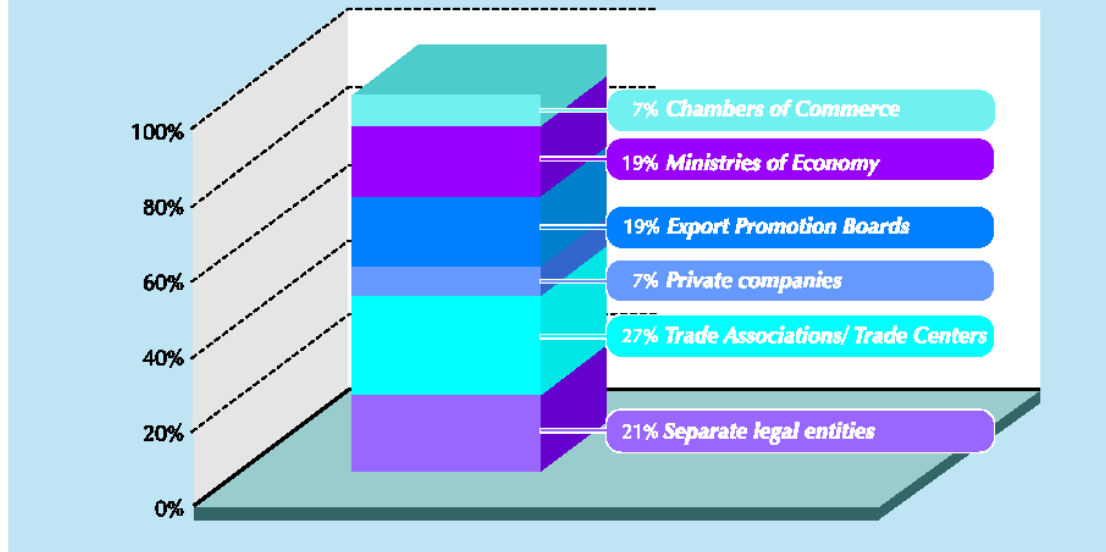
Sixty per cent of the Trade Points surveyed are currently public entities, which is three times more than in 1996, when the figure was 20 per cent. At the same time, the percentage of private and mixed entities involved in the Programme has considerably decreased since 1997 (from 60 to 38 per cent and from 20 to 12 per cent, respectively). This may be due to the fact that the Trade Point concept, which is aimed at promoting participation by SMEs in international trade, may have proved to be less lucrative than originally expected by private sector entities. Since some of them may not have been able to sustain the Trade Point operations financially, they decided to withdraw from the Programme. This issue could have been further exacerbated by the fact that Trade Points originally had to be established as separate legal entities, which made it difficult to cross-subsidize their activities using other sources of revenue.

In order to make the Trade Point concept more flexible with regard to legal requirements, while maintaining the quality and range of the services provided to clients, the rules regarding the legal framework for Trade Points were amended in 1998. Consequently, Trade Points can not only be set up as separate legal entities, but also be integrated into the operations of an existing (hosting) institution. Such institutions already have infrastructure and some services in place and are often well known among the business community. This makes the establishment of new Trade Points easier than if a completely new entity without a previous record were to be set up. The survey shows that the majority of Trade Points (79 per cent) operate within an existing entity. Such an entity can be a trade association/centre (27 per cent of operational Trade Points), export promotion organization or government ministry (19 per cent each), Chamber of Commerce or a private company⁷ (7 per cent each). Only a small part (21 per cent) of Trade Points are independent legal entities.

⁶ Only reports available before the end of August 2001 were analyzed. The discrepancy between the number of operational Trade Points, as reflected in other parts of this document, and the number of reports analysed stems from the fact that a number of Trade Points became operational only in 2000 or 2001, and it was therefore not mandatory for them to submit an annual report about their activities in 2000.

⁷ It should be noted that in this case the Trade Point operates as a non-profit service of the private company.

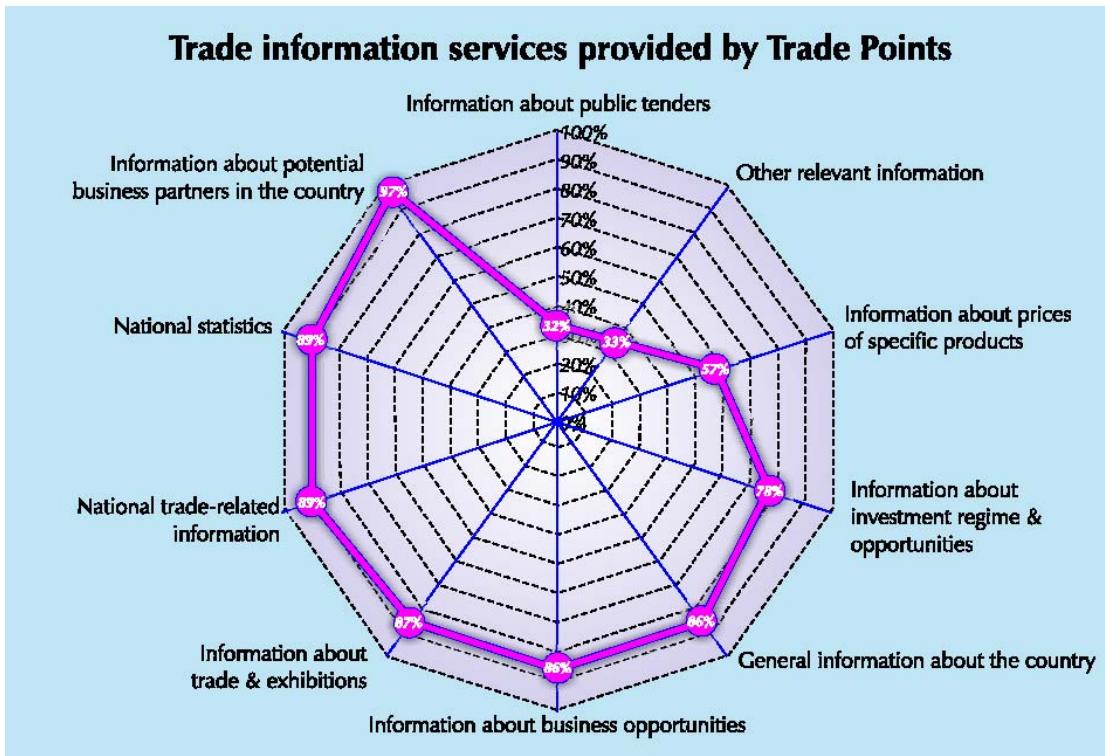
Organizational form of Trade Points



- *Types of services offered*

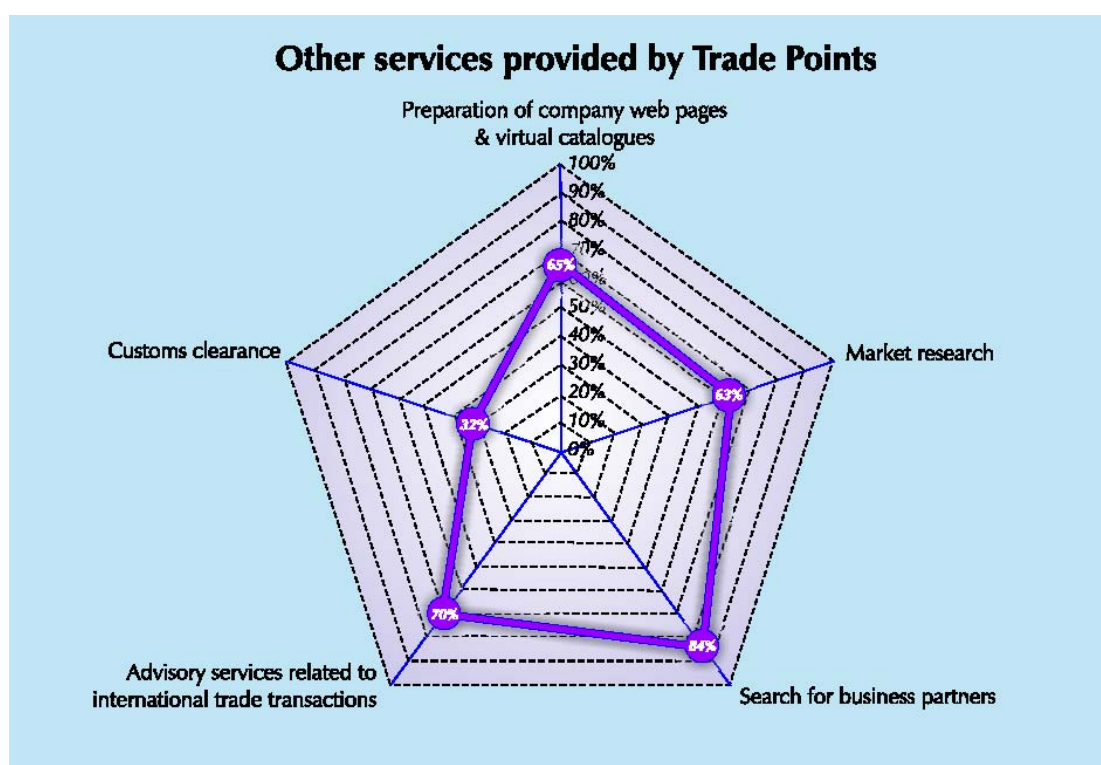
The survey shows that most Trade Points offer the three key information services, namely country information (including trade-related legislation and statistics), information about potential business partners and information relating to business opportunities. The service that ranks the highest is information about business partners, which is offered by 97 per cent of operational Trade Points. At the lower end is information about public tenders and prices of specific products.

Trade information services provided by Trade Points



In addition to trade information, Trade Points have developed a number of value-added services that help the client in concluding and successfully completing an international trade transaction. Most of them provide personalized support in the search for a business partner (the leading service in this group, available in 84 per cent of Trade Points) and advisory advice on different aspects of trade transactions. Other services include market research and, given the technology focus of Trade Points, preparation of company web pages and virtual catalogues for the promotion of local companies on the Internet. About one third of Trade Points are involved in customs clearance.

In line with technological developments and the traditional focus of the Trade Point Programme on the use of advanced information and communication technologies, most Trade Points have set up websites as one of the channels for the provision of their services. Of the 53 Trade Points surveyed, 75 per cent have websites and another 15 per cent are in the process of constructing them.



- **Trade Point clients**

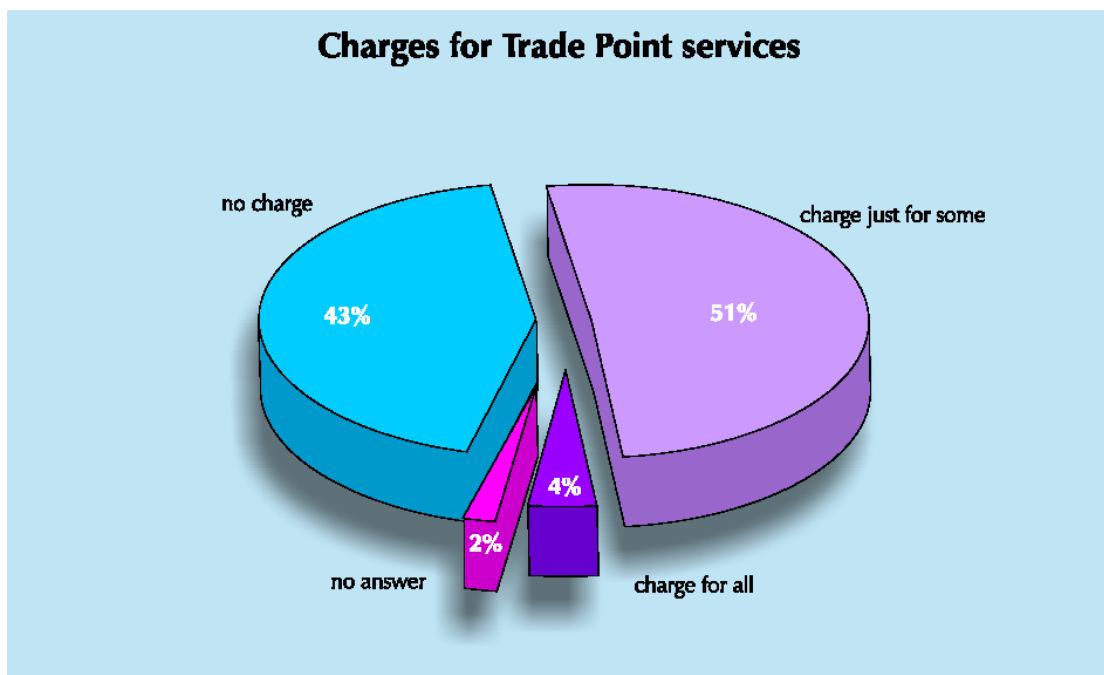
As in 1999, when the first survey was conducted, and in line with the objectives of the Programme, the clients of Trade Points are predominantly SMEs (with between 10 and 500 employees) and micro enterprises (1-10 employees), each accounting for 44 per cent of the Trade Point clientele. The share of large enterprises (more than 500 employees) is 12 per cent. A Trade Point assists on average 854⁸ clients per year, including 475 subscribers who benefit from a package of Trade Point services on payment of a subscription/membership fee.

⁸ The highest and the lowest values were disregarded when performing the calculation.

- *Financial aspects of Trade Point operations*

Trade Points are set up and operated as non-profit entities. This means that they cannot distribute any surplus income that may be generated among their owners. Instead, they have to reinvest it in further development of Trade Point services. Their non-profit nature does not preclude them from charging for their services if this is not in contradiction with their legal status (some government-hosted Trade Points may not be authorized to receive payments for their services) or the policy of the hosting institution. Even government-sponsored Trade Points, like trade promotion organizations, tend to be under pressure locally to recover at least a part of costs by charging fees for their services.

In point of fact, 55 per cent of operational Trade Points charge for some or all of their services as compared with 43 per cent that provide services to clients free of charge. The Trade Points that charge thus recover on average 20 per cent of their operating costs. Even if we bear in mind that Trade Points also provide services in addition to trade information, this figure compares well with a finding by an ITC study that “even in highly advanced trade information services in developed countries, the income generated rarely exceeds 20 per cent of total costs”.⁹ Eleven per cent of Trade Points that charge for their services report having reached the break-even point in 2000, a figure roughly comparable to the figure of 16 per cent given in the course of the previous survey in 1997. The average annual turnover of the same group of Trade Points was reported to be US\$ 42,945.



⁹ Butterly T. and Jocteur-Monrozier B. “Approaches to charging for trade information services”, ITC/DPMD/98/300, ITC, Geneva, November 1998, p. 3.

3.3 Africa¹⁰

The past year has shown a revival of interest in Trade Points in sub-Saharan Africa. Although no funding was available for establishing new Trade Points, the existing Trade Points made considerable efforts to bring themselves up to date with the new strategy of the Programme. This revitalization is due to the determination of the Trade Points in Africa to be active members of the newly established World Trade Point Federation.

As of 15 September 2001, there were 25 Trade Points at various stages of development in 23 sub-Saharan African countries, 9 of which were operational or nearly operational (Burkina Faso, Côte d'Ivoire, Ethiopia, Mauritius, Senegal, South Africa–Pretoria, Uganda, Zambia and Zimbabwe) and 16 in the feasibility stage (Angola, Benin, Cape Verde, Eritrea, Gabon, Gambia, Ghana, Guinea-Bissau, Kenya, Mali, Mozambique, Sao Tome and Principe, South Africa – 2 Trade Points, Sudan and the United Republic of Tanzania). Compared with the situation a year ago (2 operational Trade Points), there has been a considerable increase in the number of Trade Points at the operational level.

Additionally, UNCTAD has registered 10 requests from sub-Saharan African Governments for the establishment of Trade Points, including 6 from the least developed countries.

The strengthening of the existing Trade Points in sub-Saharan Africa and the establishment of the African Trade Point Initiative (for details see chapter 4.2) might encourage donors to support the Trade Point activities in the region.

Efforts to that end have already been discussed with the Executive Secretary of the Community of Portuguese-speaking Countries (Comunidade dos Países de Língua Portuguesa (CPLP)), who stressed the importance of UNCTAD's technical assistance for the CPLP member States and in particular for the LDCs (Angola, Cape Verde, Guinea-Bissau, Mozambique and Sao Tome and Principe) as well as for East Timor, which will join the organization soon. The CPLP and UNCTAD agreed to make joint efforts to identify potential funding institutions. The CPLP would invest in making the missions of its member States aware of the need for diplomatic support.

Preliminary discussions were also conducted with the United Nations Economic Commission for Africa. The interim coordinating committee of the African Trade Point Initiative will further identify areas of cooperation that could benefit the Trade Points in Africa. In addition, discussions are under way with regard to funding that could be made available by the technical cooperation project MED2000, funded by the Government of Italy.

The Trade Points in Africa have developed a range of trade information services for their clients, mostly SMEs and micro enterprises. With regard to trade information services, the majority of Trade Points provide general information on the country, statistics, trade-related regulations, investment, public tenders, prices of products,

¹⁰ For the purpose of this document, the region includes countries in sub-Saharan Africa. Arab countries of North Africa are reported on in chapter 3.5, "Arab countries".

fairs and exhibitions, potential business partners and business opportunities. In addition, they offer assistance in the preparation of websites and virtual catalogues, market research, help with the search for business partners, advisory services related to international trade transactions, business support services, organization of trade seminars and special events, and training for customers.

Some examples of trade information services provided by Trade Points in sub-Saharan Africa are given below:

Market studies and trade guides in South Africa and the United Republic of Tanzania

- Trade Point Pretoria, South Africa, offers a variety of pre-packaged reports for a nominal fee. Among them are country and product profiles, as well as the ITC publications *Trade Secrets*, *Secrets of Electronic Commerce* and *Exporter Guide*.
- Trade Point Dar-es-Salaam, United Republic of Tanzania, disseminates the Market News Service weekly bulletins received from the ITC to the business community in the United Republic of Tanzania through newspapers and news bulletins, and on an over-the-counter basis for walk-in users. The reports relate to fresh fruits and vegetables (Europe and Middle East markets), fresh cut flowers, spices and rice.

CD-ROM with business opportunities in Zambia

Full information for foreign business partners is contained on the CD-ROM published by Trade Point Lusaka, Zambia. It provides users with:

- Complete information on the country;
- Profiles and classified lists of trade and investment opportunities from Zambian companies;
- Information regarding trade and transport regulations, trade fairs, useful addresses in Zambia, etc.

Trade information newsletter for SMEs in Ethiopia

Trade Point Addis Ababa, Ethiopia, publishes a bi-weekly newsletter focusing on trade opportunities, exhibitions, joint venture arrangements, etc. It is distributed to over 300 SMEs that are actively involved in exporting and importing.

The Trade Points in sub-Saharan Africa have also been helping their clients, particularly SMEs, to familiarize themselves with the new communications technologies and their use for business purposes. This endeavour can be illustrated by the two services described below.

Business and Internet support services in the United Republic of Tanzania, Ethiopia and Mauritius

- Trade Point Dar-es-Salaam, United Republic of Tanzania, has a **Business Services Bureau** with an Internet café that offers trade information and secretarial services to the business community. These services come within the Trade Point's commercialization programme, which is designed to generate income for effective support of the Trade Point's core functions.
- Trade Point Addis Ababa, Ethiopia, provides the services of an **Internet café**, together with assistance in using the Internet. This service aims to accommodate the burgeoning SME community in the country, which does not have access to computers or the Internet.
- Trade Point Mauritius is running a **Trade Information Centre** to provide its customers (local business community, government officials, public organizations, investors, researchers and students, freight forwarders and SMEs) with free access to the database of the Trade Point, advice on trade, tariff and non-tariff measures (including data from, for instance, the TRAINS CD-ROM), national and international trade statistics and the texts of multilateral and bilateral trade agreements.

Home page development in The United Republic of Tanzania

A strategic partnership has been created by Trade Point Dar-es-Salaam with Internet Africa Ltd. to offer a variety of services for home page development. The services include developing and hosting home pages for companies, maintaining links from them to the Trade Point database, and advertising for companies on the Trade Point website.

An interesting transactional service called ORBUS has been developed by Trade Point Senegal. The Trade Point has also partnered with the West African Development Bank (BOAD) to study the feasibility of introducing the technological concepts developed in Senegal, in particular in the area of trade facilitation, on a larger scale in the region.

Online customs clearance in Senegal

At present, customs clearance in Senegal takes three weeks. In order to help traders, particularly by SMEs, to reduce costs and the time spent on export and import formalities, Trade Point Senegal has developed an electronic customs clearance system called ORBUS 2000. By linking all the parties involved, the system offers the possibility of clearing the goods electronically using the ORBUS network. In practice this means that the client will be able to fill in forms available on the website and attach the accompanying documents. Trade Point Senegal will then pass on the information to the relevant departments electronically. Using this system, the enterprise should be able to get its goods in or out the country in a few hours. ORBUS 2000 was developed in collaboration with the State departments that deal with import-export procedures, governmental control agencies, banks, Customs and some private partners. The system will become operational once the national legislation has been amended to the effect that it accepts customs clearance by electronic means. It is expected that a new General Code of Customs will be adopted in autumn 2001, which will enable a testing period to be started for the system.

3.4 The Americas

Although the development of Trade Points in other regions made good progress during 2000-2001, the Americas retained their leading position with 46 Trade Points in 18 countries of the region. This position was confirmed *inter alia* by the attribution of the presidency of the World Trade Point Federation to this region for the first three years. As of 15 September 2001, the total number of operational and nearly operational Trade Points stood at 18 (4 in Argentina, 1 in Bolivia, 3 in Brazil, 1 each in Costa Rica, the Dominican Republic and Jamaica, 3 in Mexico, 1 in the Netherlands Antilles, 2 in the United States and 1 in Venezuela), while 4 Trade Points remained in the development stage (in Argentina, Canada, Uruguay and Venezuela) and another 24 in the feasibility stage (3 in Argentina, 1 in Bolivia, 7 in Brazil, 1 each in Canada and Chile, 2 in Colombia, 1 each in Cuba, El Salvador, Guatemala and Trinidad and Tobago, 2 in the United States, 1 in Uruguay and 2 in Venezuela). Moreover, interest in the Programme continued to grow, 5 new government requests having been received during the period under review for the establishment of Trade Points in Bolivia (Santa Cruz), Chile (Santiago), Panama (Panama City), Uruguay (Rivera) and the United States (Chicago). UNCTAD currently has 25 government requests from the region for the establishment of Trade Points. Additional candidates for Trade Points from other countries, such as Barbados, Canada and the United States, also approached UNCTAD with a request for more detailed information during the period under review.

The Trade Points in the region generally offer trade information services, such as information on their country, national statistics, national trade-related regulations, investment regimes, prices of specific products, trade fairs and exhibitions, potential business partners, trade and investment opportunities, and public tenders. In addition, some of them have developed value-added services to support companies with regard to market research or advice on various aspects of international trade transactions.

Particular emphasis is placed on assistance in matchmaking, carried out through trade seminars and special events where entrepreneurs can establish personal contacts.

A number of Trade Points also actively use the ETO system. For instance, the Trade Point Santo Domingo, Dominican Republic, transmitted more than 3,000 ETOs to local companies during the first two months of 2001. Enterprises from the industrial sector were among the main beneficiaries of the service, followed by those in agriculture and food processing, and textiles. This service appeared to be a useful tool for local companies to find international market opportunities.

Other examples of trade information services provided by Trade Points in the Americas are given below.

Country portal in Argentina
(www.tpmnet.com)

In Argentina, Trade Points have decided to present a coherent image and a single point of access to the Trade Points and information about the country. In this context, Trade Point Mendoza developed a web portal interlinking all Trade Points in Argentina into one strategic business and trade information instrument - TPMNet - which provides business and commercial information in Spanish. This portal serves the Trade Points of Buenos Aires, Santa Fe, Salta, Alto Valle and Mendoza. Since its inception the TPMNet has shown impressive growth in terms of its registered users, whose number has increased from the original 15 to more than 700. The portal has proved to be a very successful and useful integration tool for the Trade Points in Argentina.

National vertical ETO system in Jamaica

Trade Point Jamaica has been running a pilot version of a national ETO system called e-basket that links local farmers to hotels in Jamaica. The service helps match the supply and demand for locally produced agribusiness products that are required by the tourism industry. It provides a low-cost means for small and micro enterprises to develop their products within the national market prior to moving into the international arena, and for the hotels to have access to competitive national supply. Further enhancement of the service could include supplementary facilities for messaging and posting of ETOs, as well as functionalities for capturing information about the success rate of the ETOs circulated. The service has already attracted new clients to the Trade Point, but more marketing will be needed to extend it to regions with more limited access to the Internet.

Some Trade Points in the region have also embarked on electronic commerce. An interesting service in this field has been developed by Trade Point Jamaica.

On-line sales of music in Jamaica
(www.jamaicatradepoint.com)

The music industry in Jamaica, associated with reggae, employs approximately 15,000 persons and generates a daily number of records per capita higher than in any other country. In order to capitalize on this potential, Trade Point Jamaica has launched its “Sounds of Jamaica”, an e-market providing access to information about the local music industry and artists, together with samples of their recordings, and allowing recordings to be downloaded against payment. The advantages for clients of buying downloadable music are relatively instant delivery, convenience for purchasers, lower distribution costs (reduction of intermediaries), absence of customs duties and the consequently lower price of the recording. The benefits for the local industry include the possibility of penetrating previously inaccessible markets, the creation of demand for the services of local IT professionals, and equal opportunities for major artists and those less well known.

3.5 Arab countries ¹¹

As of 15 September 2001, there were 18 Trade Points in the region, 12 of which were operational or nearly operational (10 in Egypt and 1 in Tunisia, plus 1 in the Palestinian Territory) and 6 in the feasibility stage (in Algeria, Jordan, Lebanon, Mauritania, Morocco and Saudi Arabia). In addition, three requests to set up Trade Points in other countries of the region have been received by UNCTAD. Owing to lack of funding, no new Trade Points were established in the region during the period under review.

The process of establishing Trade Point Palestine-Ramallah started through a UNDP-funded project, for which follow-up funding was later made available by the Government of Italy under the MED2000 project. Consultancy missions to Ramallah have been prevented by unrest in the area, but it is hoped that they can be carried out by the end of the year. The consultant will be expected to assess and update the existing business plan of the Trade Point, taking into consideration possible new services. Also, he will prioritize the elements of the business plan according to cost, revenue-generating and impact criteria, and identify a clear and well-sequenced action plan for implementation over the next business cycle (e.g. 2001 and 2002).

Within the framework of cooperation with ITC, a capacity-building event will be organized for the Arab countries. Trade Points from the countries of the Common Market for Eastern and Southern Africa (COMESA) will be invited to attend a trade information workshop, to be held in Cairo, Egypt, from 5 to 9 November 2001.

¹¹ For the purpose of the present review, Trade Point activities in Algeria, Djibouti, Egypt, Jordan, Lebanon, Mauritania, Morocco, Oman, the Palestinian Territory, Saudi Arabia, Tunisia and the United Arab Emirates are covered under this heading.

Workshop on trade information and e-commerce for Arab and COMESA countries

Organized jointly by the Ministry of Trade/International Trade Point Egypt, and the International Trade Centre UNCTAD/WTO, with the support of UNCTAD.

Objectives:

- To extend knowledge of relevant trade information sources, inside and outside regional markets;
- To create awareness about new technologies for information collection and dissemination, as well as for trade promotion and e-commerce;
- To form a network for the exchange of information among the attending countries, with possible participation in the Global Trade Point Network.

Target audience:

Trade information managers from Trade Points:

- Arab countries: Algeria, Djibouti, Egypt, Jordan, Lebanon, Morocco, Saudi Arabia, Sudan and Tunisia, plus the Palestinian Territory;
- Eastern/Southern African countries: Eritrea, Ethiopia, Kenya, Mauritius, Mozambique, South Africa, Uganda, United Republic of Tanzania, Zambia, Zimbabwe.

The Trade points in the Arab countries have developed a wide range of trade support services, as illustrated in the boxes below.

“Made in Saudi Arabia” Export Fair

The main activity of Trade Point Riyadh, Saudi Arabia, is the promotion of Saudi products on international markets. In this context, the Trade Point organizes a “Made in Saudi Arabia” export fair for Saudi exporters who would like to increase their exposure in the international markets.

Economic analyses and market studies in Egypt

www.tpegypt.gov.eg

The Egyptian International Trade Point in Cairo issues a quarterly report analysing the most recent economic developments in the country with regard to major macro economic indicators, international trade (export, imports, balance of trade), and the balance of payments. It also prepares studies on different commodities and markets of interest to Egyptian companies.

3.6 Asia and the Pacific

As of 15 September 2001, there were 14 Trade Points in 13 countries of the region. Seven Trade Points were fully operational (one in Australia, two in China, one in India, one in the Islamic Republic of Iran, one in the Republic of Korea and one in

Thailand), two were in the development stage (Mongolia and the Philippines) and five in the feasibility stage (Fiji, Indonesia, Japan, the Republic of Korea and Nepal). In addition, UNCTAD had received official requests for the establishment of Trade Points in 14 other countries.

Despite the lack of donor funding to support Trade Points in the region, significant progress has been made through joint efforts and cooperation between individual Trade Points and UNCTAD. Trade Point Chiangmai (Thailand), Trade Point New Delhi (India), Trade Point Teheran (Islamic Republic of Iran) and Trade Point Seoul (Republic of Korea) are the ones that have developed a wide range of services and achieved the operational status during the period under review. This process was made easier and faster since these Trade Points were able to obtain the necessary funding in their countries to come to Geneva and benefit from personalized consultations and advice from UNCTAD during the Sixth World Trade Point Meeting.

Trade Point Cebu (the Philippines) and Trade Point Ulaanbaatar (Mongolia) are currently at the highest level of the development stage and are expected to become operational soon. Although UNCTAD provides regular consultations at distance, this cannot make up for the need for personal contact and advice. The lack of extra-budgetary funding in many cases, including the Trade Points in the Philippines and Mongolia, has prevented UNCTAD from providing the necessary capacity-building to advance Trade Points in Asia and the Pacific beyond the government request, feasibility or development stage to fully operational status.

Nepal joined the Programme in early 2001. A Trade Point in Kathmandu will be established in cooperation with the Government using funding available through a UNDP-sponsored project.

To facilitate the development of Trade Points in the region and foster their progress towards the fully operational stage, UNCTAD has prepared a project proposal with a focus on capacity-building entitled “Narrowing the digital divide for SMEs in international trade and electronic commerce: Strengthening Trade Points in Asia/Pacific”. The funding for the project is close to being approved by the United Nations Development Programme (UNDP), the United Nations Office for Project Services (UNOPS) and the Government of Japan. Additional capacity-building project proposals have been forwarded to the Office of UNCTAD’s LDC Coordinator, with the aim of assisting in the establishment of Trade Points in LDCs in the region, such as Bangladesh, Cambodia, Myanmar, Maldives and Nepal. The availability of initial core funding is one of the most important elements for the successful development of Trade Points, particularly those in the LDCs.

The LDCs in the region continue to show considerable interest in the Trade Points, as evidenced for example by the discussions held during a high-level Cambodian delegation’s visit to UNCTAD in February 2001. UNCTAD also received expressions of interests from other LDCs in the region with regard to the establishment of a Trade Point. This interest was expressed by private sector organizations from Bangladesh and Bhutan on the occasion of the Workshop on Trade Information and Electronic Commerce, held in New Delhi from 23 to 26 April 2001. This workshop was organized by the International Trade Centre UNCTAD/WTO and the National Centre

for Trade Information of India, in cooperation with UNCTAD, and attended by participants from the South Asian Association for Regional Cooperation (SAARC) countries.

As no donor funds were made available for capacity-building for Trade Points in the region during the reporting period, UNCTAD was not in a position to conduct substantive capacity-building/training sessions. Consequently, the only training provided either used UNCTAD internal resources or was made possible by joining workshops organized by other international organizations and targeting similar audiences. These included:

- A half-day in-house capacity-building session on the use of the UNCTAD TRAINS CD-ROM offered to the participants in the Sixth World Trade Point Meeting. The TRAINS CD-ROM is a PC-based information system containing information from the UNCTAD database on trade control measures which was combined in an integrated manner with other relevant trade information components. Eleven self-financing participants from six Trade Points and one observer from Nepal attended this session. Other Trade Points in the Asia-Pacific region were not able to benefit from this opportunity as no funds were available for travel to Geneva.
- The Workshop on Trade Information and Electronic Commerce, mentioned above. This provided training for information management officers from different institutions from the SAARC region, including Trade Point New Delhi (India) and its clients, as well as prospective Trade Points in the region from four LDCs (Bangladesh, Bhutan, Maldives and Nepal).

A similar capacity-building event is planned for China in April 2002. Discussions are under way between ITC, UNCTAD and Trade Point Shanghai about the organization of a trade information workshop for Trade Points from the Asia-Pacific region. An awareness-raising seminar for local exporters would take place in conjunction with the workshop. Trade Point Shanghai has already expressed its interest in hosting the workshop and the seminar.

Examples of services provided by Trade Points in the region are given below.

Information for traders and investors in the Islamic Republic of Iran
(www.irtp.com)

Trade Point Teheran, Islamic Republic of Iran, provides trade information services through the website of the Iran Trade Point Network. This portal contains information for traders and investors on how to do business in the Islamic Republic of Iran, the country's laws and regulations, trade statistics, local trade companies, electronic product catalogues, business opportunities and the latest economic related news, as well as other trade-related data, statistics and information. Visitors are also able to obtain regularly updated news on, for example, trade fairs, and to benefit from useful links for the sites of the Islamic Republic of Iran, government statistics, research and other trade-related institutions.

Trade information in Thailand
(www.tradepointthailand.com)

Through its attractive website, Trade Point Chiangmai, Thailand, offers visitors domestic and international trade-related information, ranging from domestic regulations, statistics, customs and banking information to a database on market access and trade barriers. The Trade Point also has its local version of the ETO service (called Trade Board), a trade directory and information on a variety of local products, including a virtual catalogue with photographs, detailed contact information and reply functions.

CD-ROMs with trade directories and business opportunities in India
(www.ncti-india.com)

During the year 2000, Trade Point New Delhi produced two CD-ROMs which were very well received by trade and industry in India and neighbouring countries.

- **Overseas Importers CD-ROM**
The CD-ROM presents a database of 38,000 overseas importers from over 110 countries covering over 180 products. In addition, it contains a Directory of Trade Promotion Organizations, a Directory of Importers Associations, information about Indian missions abroad, and a list of the Harmonized System codes. The CD-ROM has multiple-search options by HS code, product and country. It is very user-friendly, and has a print option.
- **Global Trade Opportunities CD-ROM**
This is an authentic database of over 70,000 trade leads relating to export, import and joint venture opportunities from all over the world with complete contact details (56,000 records, include e-mail addresses). The CD-ROM has a multiple-search options by categories such as exports, imports, joint ventures, products, country and HS code. It is available in two versions: version 1 - search options with a view-only facility; and version 2 - search options with view, print and mail-merging facilities.

Websites to support international trade and investment in China

As an active member of the Shanghai Information Highway Project launched by the municipality of Shanghai, Trade Point Shanghai has set up a number of websites that provide support to Chinese companies in their export and investment efforts:

- Shanghai Export Net (www.eastsupplier.com). Currently features company catalogues listing 283 companies and 4,087 products. Its powerful search engine will allow users to search by commodity name or by the product's Harmonized System code;
- Foreign Exchange Management Net (www.waiguan.tpscha.gov.cn). Was developed jointly by Trade Point Shanghai and the State Administration Foreign Exchange Control Shanghai Office and provides information about foreign exchange regulations;
- Trade Promotion Net (www.lbn.trade.sh.cn). Result of a collaboration between the Shanghai Foreign Economy and Trade Committee and Trade Point Shanghai; contains trade promotion information such as information about fairs and exhibition and various notifications from the Committee;
- Shanghai Investment Net (www.investment.gov.cn). Hosted by the Shanghai Foreign Investment Committee, with Trade Point Shanghai providing technical support; includes information for potential investors about laws and regulations, business opportunities, and statistics on foreign direct investment. Investors can search Shanghai project tenders and get in touch with the parties concerned in order to obtain more detailed information.
- World Trade Information Net (www.trade.sh.cn). Offers information on international trade regulations and statistics for Chinese companies.

3.7 Europe¹²

As of 15 September 2001, 28 Trade Points operated or were being established in 21 countries of the region. Seventeen Trade Points were fully operational or close to this stage (two in Belgium, one each in Greece, Israel, Italy, Malta, Poland and Romania, two in the Russian Federation, one each in Slovakia and Slovenia, three in Spain, and one each one in Switzerland and Turkey) and 11 were in the feasibility stage (in Azerbaijan, Belarus, Bulgaria, Finland, France, Hungary, Italy, Republic of Moldova, Russian Federation, Spain and Yugoslavia). In addition, government requests for the establishment of 35 Trade Points in 20 European countries are registered in UNCTAD.

Last year saw the withdrawal of some older Trade Points, particularly those located in developed countries and the most advanced of the countries in transition. This was due both to fierce competition in some markets which the current services offered by the Trade Point Programme might not have been perceived as capable of withstanding, and to the lack of funding for the full development of Trade Point services in some transition economies. However, the Trade Point Programme continued to fare very well in developed countries of Europe such as Belgium, Israel,

¹² For the purpose of this document, Israel is included in the European region.

Italy (where a new Trade Point was established), Spain and Turkey, and recently also Greece which joined the Programme with particular interest. New applications were submitted or are being considered, particularly from countries in the Balkans and the countries of the Commonwealth of Independent States (CIS). Several Trade Points in more advanced transition economies (such as Poland and Slovakia) reached or were very close to reaching the operational stage during the year under review. As shown by these examples, there is clearly potential even in European countries for benefiting from Trade Point activities, which may increase further if new value-added services are made available to Trade Points by the Federation.

In 2000-2001, UNCTAD continued to implement three technical cooperation projects to assist Trade Points in Central and Eastern Europe. The UNDP funded a Trade Point project in Hungary, which contributed to the development of trade information services in Trade Point Budapest and to the implementation of its marketing plan. The Trade Point now offers a wide range of services relating to trade information, trade facilitation, trade promotion and other support activities. Its website provides rapid connections to several hundred Hungarian public and private organizations, institutes and enterprises. Two other projects - funded by the Government of Switzerland - were carried out in Romania and Bulgaria. The former has already resulted in the establishment of an operational Trade Point, while the latter should attain this objective by May 2002.

Thanks to cooperation with ITC, a training workshop on trade information was held for the CIS countries in St. Petersburg, Russian Federation, from 5 to 9 June 2001. It focused on building the capacity of business information services in the participating countries and on support to the development of regional networks for exchanging information and know-how within the region. The workshop was hosted by the St. Petersburg Foundation for SME Development, with UNCTAD as co-organizer. Eleven participants from seven CIS countries attended the workshop, including six representatives of Trade Points. The workshop was held back to back with a meeting of Russian SME development agencies supported by an EU/TACIS project. A joint session aimed at exchanging experience and exploring potential for cooperation was organized for about 30 interested participants. The meetings provided advice to the Trade Points represented and generated additional interest among participants to join the Trade Point Programme.

Trade Points in Europe are often hosted by trade support institutions (such as national Trade Promotion Organizations, Chambers of Commerce, industry associations and World Trade Centers), which provide strong backing and a stable environment for the development of a Trade Point. Trade Points can also benefit from institutional support by the hosting organization, as well as synergies with its other services. Several Trade Points have been set up by private sector companies as non-profit extensions of their activities.

Given the competitive nature of the markets in which they operate, Trade Points in Europe have often had to go beyond the provision of standard Trade Point services. All the operational Trade Points and the majority of those being developed have either created their own websites or use space in the sites of their hosting institutions to disseminate information and sometimes also to deliver other services. In many instances, the differing needs of local and foreign clients have led to the development

of two distinct versions of the website which vary not only in terms of language (the local language for clients inside the country, and one or several international languages, always including English, for foreign clients) but also in terms of information content, which is tailored to meet the expectations of the client. Consequently, services provided by Trade Points are targeted at a precise clientele in the country or abroad.

Provision of high-quality trade information services is standard in most cases. In this respect, Trade Points often offer a wide range of information that is unavailable from other sources, in particular with regard to international trade legislation in their countries. A large number of them help their clients to acquire visibility on the Internet by putting together comprehensive company databases or virtual catalogues for their members. Some examples of trade information services provided by European Trade Points are given below.

Information for traders and investors in Romania
(tpb.traderom.ro/En)

The website of Trade Point Bucharest, Romania, provides an exhaustive overview of information about the country's economy and legal system ranging from a description of the main sectors of the economy and their current situation and medium-term outlook (national medium-term strategy for the Romanian economy), and details of international agreements concluded by Romania, to import, export and investment-related regulations. Visitors can also download a Business Guide and an Investment Guide and access more detailed information on the topic of their interest through links to websites of Trade Point partners. There is presently no other database of commercial regulations with information of the same quality in Romania.

Virtual exhibitions in Romania
(tpb.traderom.ro/En)

An extensive virtual exhibition of Romanian products on the website of the Trade Point, accessible through the section on business opportunities, represents a first step towards electronic commerce. Three sectors are covered so far, namely handicrafts, glass products and building materials. The exhibition has generated considerable additional demand from professional associations and federations, for example the car manufacturers' association.

Business opportunities online in Italy
(www.tradepoint.it/asp/tradepoint-it.asp)

Trade Point Lecco, Italy, has developed a comprehensive trade leads service that provides users with one point of entry to a wide range of business opportunities from different sources. The opportunities featured relate to the sale and purchase of goods, joint ventures, tenders and procurement, technology, innovations and patents, special projects, and used machines.

Market conditions in many countries in the region make it both possible (in terms of the infrastructure and equipment of companies with computers) and necessary (in view of customers' demands and the offer by competitors) to go beyond trade information services. In this connection, a number of Trade Points have made efforts to develop services to support their customers in electronic commerce. Examples of such services are given below.

Free e-mail for SMEs in Malta
(mail.tradepointmalta.net)

A first step towards effective participation in electronic commerce for SMEs may be the use of simple electronic tools such as electronic mail. Trade Point Malta has been providing this service free of charge to its member companies since January 2001. The e-mail address of each company is automatically linked to its entry on the website of the Trade Point hosting institution - the Malta External Trade Corporation (METCO) - to the Made in Malta directory and to the METCO CD-ROM. This increases the company's chances of receiving inquiries from potential overseas business partners. To date, 45 companies have decided to subscribe to this service.

Electronic commerce portal in Slovakia
(netcom.amostrade.com/cgi-bin/ncommerce3/CategoryDisplay?cgrfnbr=35703&cgmenbr=30879&lang=ENus&menbr=30879)

The hosting institution of Trade Point Slovakia, GTSystems, has developed a comprehensive e-commerce portal (AMOS) that provides its member companies with a full range of e-commerce services at a favourable price. The services include: (a) global web promotion of products and services through intelligent business catalogues; (b) active web marketing to identify new customers; (c) trade information services required for the transaction; and (d) full support to business-to-business (B2B) and business-to-consumer (B2C) transactions. The services are available through the website or by means of wap technology, and some of them also off-line in the Trade Point. B2B features include intelligent catalogues that allow customers not only to access information about the product and its supplier but also to configure it to meet their specific needs. There is also a possibility for client companies to have their information systems linked to the website and to manage their trade transactions and stocks in an automated manner. The E-commerce portal is available in four languages and contains catalogues with more than 100,000 products from over 600 Slovak companies. It is possible to make payments on-line.

Vertical e-marketplace service in Bulgaria
(www.bia-bg.com/tp/mp1.htm)

Trade Point Sofia, Bulgaria, plays the role of an intermediary between the Bulgarian SMEs and the global vertical e-marketplaces that provide business-to-business electronic commerce services in selected sectors of activity. The service covers marketplaces specialized in the metal industry, chemicals, the food industry, and the forestry and furniture industries. The client can submit his query to the single point of collection of information in the Trade Point via a request/offer form and then benefit from the following services: (a) participation in the forward and reverse auctions or price negotiations in the selected marketplace; (b) periodical (usually weekly) summaries of opportunities concerning products of interest available in the relevant marketplaces; (c) answers to the posted requests/offers in a format aligned with the UN and ISO standards (ISO 6422); and (d) information about current exchange and market prices of selected products. The service also assists in meeting financial conditions related to participation in the marketplaces. Since April 2001, when it was launched, it has attracted 20 permanent customers from the four sectors covered and generated two important contracts.

Certification authority for digital signatures in Slovenia
(ca.tradepoint.si)

In order to support Slovenian companies in secure trading on the Internet by providing them with the possibility of conducting secure and legally valid electronic commerce, Trade Point Slovenia set up a certification authority (CA) for authentication of digital signatures. The service started in 1999 with a limited number of pilot companies. Later the CA became part of the EuroPKI infrastructure. It has so far issued more than 1,000 certificates and built a solid place in the market. Users range from large companies to freelancers. There is a considerable interest in the service, particularly in the private sector. Larger companies know that certified electronic transactions with buyers and suppliers on the one hand and with financial institutions on the other improve their competitiveness in the market. The benefit for small companies is also obvious in the form of faster adaptation to new opportunities. The demand for CA services is expected to expand rapidly in the near future. For this reason the Trade Point intends to add new services to the current digital certificates for identification, such as mandate certificate, time stamping and standardization of exchange formats. This is in line with the mission statement of the Trade Point – “Fostering the digital economy in Slovenia”.

Chapter 4: Cooperation among Trade Points

The main strength of the Trade Point Programme is its global network - the fact that Trade Points act as a community and can rely on cooperation and support from other members. This includes the sharing of experience accumulated in more advanced Trade Points with newcomers, and making joint efforts to implement projects of mutual interest.

In some cases, Trade Points felt that setting up a formal structure as a framework for cooperation would help attain common objectives. For this reason, they established associations of Trade Points generally called forums. To date, such forums bringing together Trade Points at the country level operate in Argentina, the Russian Federation and Spain. A regional Trade Point forum has been working since 1996 in the Americas. Progress in the same direction has been achieved with regard to Trade Point forums in Africa and Asia. To be successful, these structures need most of all a clearly defined set of activities that are of interest to all or most of their members, and a commitment by members to work together on a voluntary basis towards the implementation of common objectives.

At the same time, cooperation among Trade Points takes place on a less formal basis when the Trade Points identify projects corresponding to the areas of activity and priorities that they each set for themselves. Such cooperation predominates so far in Europe, but is also widely used in other regions such as the Americas.

4.1 Trade Point forums in the Americas

Cooperation among Trade Points in the Americas can rely on a formal non-profit association that the Trade Points decided to set up in 1996 - the Inter-American Trade Point Forum (IATPF). This regional forum is so far the only fully operational one in the Trade Point Programme.

The 2001 meeting of the Forum, the eighth in a row, took place from 21 to 24 May in Los Angeles and was hosted by the local Trade Point. Eighteen Trade Points from North and South America gathered to discuss mutual cooperation. There was active participation and interaction among Trade Points that had been participating in the Programme for several years, and newcomers. Among the latter were all the Trade Points that have applied for membership of the Programme in the course of this year. The interaction appeared most fruitful in terms of generating new ideas, enthusiasm and participants' commitment to the development of the Programme in the region.

The meeting adopted an extensive plan of action, assigning responsibilities and setting deadlines for different actions. The objective is to reinvigorate the Trade Point network in the Americas. The main issues reflected in the plan of action concern the reactivation of dormant Trade Points, Trade Points' commitment to achieving and maintaining operational status, and promotion of the Programme so as to bring new Trade Points into being. Also, it was agreed to intensify the contacts between the IATPF and the regional banks so that they are better informed about the activities and progress of the Trade Points locally, nationally and regionally.

Plan of action of the IATPF

The objective is to create a working network before 2002 through: (a) strengthened cooperation among Trade Points; and (b) promotion of exchange of useful trade information for the benefit of companies and economies in the region. At the end of the implementation period of the plan of action the following results should be achieved: (a) as many active Trade Points as possible all over the Americas; (b) close cooperation and networking among Trade Points in place; and (c) a solid collective image/acceptance of the Trade Point network in the region.

The participants in the meeting felt in particular the need for a solid collective image of the Trade Point community in the Americas. To meet this need, they decided to create, within the framework of the Federation's website, a web portal for the Americas that could later be used as a basis for the development of other regional portals. The portal will be targeted at Trade Point members and SMEs in the region and will help them to communicate effectively and generate business. A team of volunteers headed by Trade Point Monterrey, Mexico, was set up to pursue work on this assignment. They will be assisted by a consultant made available thanks to the support of the ITC.

The IATPF also discussed its interrelationship with the newly created World Trade Point Federation and put forward suggestions with regard to the future directions of its work. These suggestions related to enhancement of the services provided through the GTPNet and to partnerships that would allow the Federation to access trade-related information and databases. It was stressed that the GTPNet services and products should be presented in as many languages as possible so that the Federation's website could reach a wider clientele and generate more business and revenues for the Federation, the Trade Points and their member companies. These suggestions were intended as a contribution by the region to the preparation of the strategic business development plan for the Federation.

The plan of action will be revised at the regional session of the General Assembly of the World Trade Point Federation, to be held in Geneva from 19 to 23 November 2001. The next meeting of the IATPF is scheduled for June 2002 and will be hosted by Trade Point Buenos Aires, Argentina.

Another formal structure created by Trade Points in the Americas, this time on a subregional basis, is the NAFTA Forum of Trade Points from Canada, Mexico and the United States. As the entire Trade Point Programme is undergoing major changes, the members of the NAFTA network decided to postpone their annual meeting to a later date when the new business plan of the Federation will be finalized and when it will be possible to discuss its regional implications and a related action plan for the NAFTA Trade Points. This meeting will be hosted by Trade Point Chihuahua, Mexico.

The national Trade Point forum in Argentina met in the city of Vicente Lopez, Buenos Aires, on 23 October 2000, with the participation of Trade Points Alto Valle, Mendoza, Cordoba, Salta and Buenos Aires. The meeting agreed on common positions for the Sixth World Trade Point Meeting, to be presented by the Secretary

General of the national forum. This demonstrates a strong sense of collaboration and coordination among the members of the forum.

4.2 African Trade Point Initiative

A meeting of 16 African Trade Point directors was held in Pretoria, South Africa, from 13 to 16 August 2001, sponsored by the Trade Point National Steering Committee of South Africa in association with the EU-funded Trade and Investment Development Programme and the Ntsika Enterprise Promotion Agency. Several UNCTAD technical cooperation programmes, such as JITAP, MED2000 and LDC programmes, also contributed through provision of travel funds for the participation of Trade Point directors.

The aim was to establish a regional Trade Point forum, to promote trade between African countries and to discuss strategic partnerships. The meeting outlined key issues for establishing alliances to access new market opportunities for SMEs. The launching of the first Trade Point in South Africa, Trade Point Pretoria, was held in parallel.

Agenda of the meeting

- Addresses by Ms. Lindiwe Hendricks, Deputy Minister of the Department of Trade and Industry; officials from the European Union, UNCTAD, ITC, United Nations Economic Commission for Africa, Department of Industry and Technology of the Government of Western Australia, and several government official from South Africa;
- Overview of the Trade Point Programme at the global, regional, national and local levels;
- Panel discussion with international and local experts on strategic alliances in international trade;
- Overview of relevant South African SMME support organizations which link to the Trade Point Programme;
- Workshop on identifying international market opportunities;
- Panel discussions on market opportunities in tourism, crafts, international procurement and the environment.

On the last day of the meeting, a closed session was held for the registered Trade Points. This session established the African Trade Point Initiative – a forum of African Trade Points - and voted on its interim coordinating committee (Trade Point Ethiopia, Trade Point Pretoria and Trade Point Zimbabwe). It was decided

The New Africa Initiative*

A pledge by African leaders, based on a common vision and a firm and shared conviction that they have a pressing duty to eradicate poverty and to place their countries, both individually and collectively, on a path of sustainable growth and development, and at the same time to participate actively in the world economy. The Programme is anchored on the determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a globalizing world.

* approved at the OAU summit on 11 July 2001

that this forum would not identify itself in linguistic or regional terms, but would instead be open to all African Trade Points that agreed with its objectives. Accordingly, the group decided to call itself the African Trade Point Initiative (referring to the New Africa Initiative).

Objectives of the African Trade Point Initiative
<ul style="list-style-type: none"> • To advocate intra-African trade development; • To coordinate efforts to hold regional market sector events relating to tourism, crafts, international procurement, biodiversity businesses, women entrepreneurs, etc.; • To assist in coordinating bilateral trade missions amongst Trade Points; • To negotiate on behalf of the Trade Points with private sector partners to sponsor regional events; • To coordinate with international agencies for linkages in international trade development; • To facilitate the sharing of trade opportunities in Africa; • To coordinate regional capacity-building workshops.

The goal of the African Trade Point Initiative will be to contribute to the development of Trade Points in the region. It will assist in increasing the trade information flow and the exchange of business contacts, constituting a channel of communication among Trade Points and helping them share their experiences. Also, it will promote coordination among the African Trade Points and foster increasing participation in intra-African trade, and in defining appropriate strategies, work plans and incentives for mutual cooperation.

It is expected that the African Trade Point Initiative will provide a dynamic mechanism for dialogue and exchange of experience among its users, and contribute to the construction of the World Trade Point Federation.

4.3 Towards a Trade Point forum in Asia and the Pacific

The first attempts to set up a formal framework for cooperation among Trade Points in Asia and the Pacific date back to 1998, when Trade Point representatives from the region met in Bangkok in conjunction with an ITC-organized trade information course. Although the statutes of a regional Trade Point forum and activities that could be undertaken were discussed, the forum did not really get off the ground, despite discussion of the same issue at a regional session of the Fifth World Trade Point Meeting later the same year, and a second meeting of Trade Point directors from the Asia-Pacific region during the Regional Round Table on Electronic Commerce and Development for Asian and Pacific Countries held in Sri Lanka in 1999. This was basically due to a lack of start-up funding, which would have made it possible to establish the forum and to launch the planned activities.

Efforts to meet on a formal basis received a new impetus at the Trade Point meeting for the Asia-Pacific region held during the Sixth World Trade Point Meeting in Geneva in November 2000. Trade Point directors from China (Shanghai), India (New Delhi), the Islamic Republic of Iran (Teheran), the Republic of Korea (Seoul and

KOTRA), and Thailand (Chiangmai), and an observer from Nepal, discussed the current state of Trade Points in their respective countries and in particular ways of enhancing regional cooperation and preparing for the official creation of the Asia-Pacific Trade Point Forum (APTPF).

4.4 Cooperation outside formal structures

As mentioned before, the Trade Points recognized on numerous occasions the usefulness of cooperation on specific projects because they perceived them as benefiting all the parties concerned. Examples of such cooperation in terms of jointly developed services are given below. Since the future of the worldwide Trade Point community largely depends on productive interaction amongst its members, this type of simple but direct and personalized collaboration can effectively contribute to this aim.

- ***Match-making service in Belgium***

After surveying the needs of its member companies, the Federal Trade Point Brussels, Belgium, decided to put in place a comprehensive package of assistance that would help them identify partners and conclude business deals. This service was to be implemented in cooperation with other Trade Points, provided that there was mutual commercial interest in developing trade between the two participating countries.

The matchmaking service package consists of two stages. The first one is the “virtual” stage, during which companies from Belgium and the country of the cooperating Trade Point are invited to publish their business proposals targeted at the partner’s country on a joint web page (more information is available at www.obcebdbh.be/tradepoint, in the section entitled “Bilateral cooperation”) that was set up for this purpose. The second stage is the “physical” one, which comes several months later when a trade mission from Belgium is organized for the interested companies to visit their previously identified potential partners and follow up on the discussions held on the basis of the initial publication of proposals on the website. Companies that did not participate in the first phase can also take part in the mission.

The first collaborative effort of this type was undertaken in June 2000 in cooperation with Trade Point Budapest, on the occasion of a high-level economic mission from Belgium to Hungary. It worked so well that Trade Point Budapest currently envisages implementing a similar project together with Trade Point Slovenia. After Hungary, other countries followed during the same year. For the purpose of a matchmaking initiative with Argentina and Uruguay, a trilateral site was put in place by the parties concerned (Argentine Trade Point Forum, Trade Point Montevideo and Trade Point Brussels) in order to advertise business proposals from the participating countries’ SMEs.

In 2001, the Federal Trade Point Brussels launched a similar matchmaking project in cooperation with the Russian National Trade Point in Moscow. A common web page was prepared containing both Belgian and Russian business proposals, mainly from SMEs interested in trade with the other country, accessible through both www.obcebdbh.be/tradepoint and www.inves.ru. Clustered around 24 sectors, approximately 120 Belgian companies introduced proposals for this joint initiative;

the Russian part of the web page had 11 different sectors and a chapter containing numerous investment projects. The Trade Point in Moscow invested time and energy in opening up new business opportunities for local companies by creating an English version of its website for this occasion.

The publication of proposals was followed by a high-level Belgian trade mission to Moscow and St. Petersburg (17-21 June 2001), with the participation of more than 60 Belgian companies. During the mission, the initiative was presented at a business meeting with the theme “Belgium – Russia: A business partnership for the present and the future” chaired by His Royal Highness Prince Philippe of Belgium and attended by more than 250 businesspeople. A Russian trade mission to Belgium is envisaged for October 2001.

The matchmaking service is targeted at SMEs for which it represents a unique opportunity and a first step towards new markets that they would otherwise not have been able to reach. A survey conducted by the Trade Point in Brussels of clients who had benefited from the service revealed a clear satisfaction with this new formula. Many companies asked for the service to be extended to other markets via the Trade Point network, especially Eastern Europe, Africa and the Middle East.

- ***Euro-Asia Trade Bridge (www.tradepoint.fi)***

Local knowledge and personalized support are priceless for trade among partners from countries with a different language and business culture. Taking advantage of their membership of the same programme, Trade Point Finland and Trade Point Beijing, China, decided to jointly develop a service that will assist companies wishing to conduct business with partners from the other country. The Euro-Asia Trade Bridge (EATB) combines the traditional way of doing business with Internet on-line marketing.

In addition to the supportive and cooperative relationship with various governmental bodies in both China and Europe, the two Trade Points have developed numerous other contacts with partners such as Chambers of Commerce, banks, customs offices, forwarding companies, manufacturers, distributors, business law offices, marketing institutes and travel agents. Their expertise in various fields, combined with that of the two Trade Points, makes it possible to tailor EATB services to clients' needs. The services offered can therefore range from identification and validation of potential partners in terms of their data and credibility, market research for the sector or product of interest to the client, public relations and establishment of contacts, to promotional support for clients.

The EATB has been operating since 1997 and in addition to Finnish customers, it has attracted more than 200 users from all over China. Of these, 30 companies use the web hosting facility in Trade Point Finland. In 1999, the EATB was listed among the top 100 B2B websites in China in a contest organized by the China Internet Management Center.

- *Eurasian Trade Network for CIS countries*

One of the results of the trade information seminar organized by ITC, UNCTAD and the St. Petersburg Foundation for SME Development in June 2001 (see chapter 3.7) was the expression of a commitment by its participants to pursue cooperation on a more systematic basis. In this context, they agreed to develop, with support from ITC and UNCTAD, a network for mutual cooperation, tentatively called the Eurasian Trade Network (ETN). A number of activities for further implementation have been agreed upon where cooperation clearly adds value to the final product or service. Trade Points constitute a significant part of the membership of the future ETN. During the first year, the network activities will be coordinated by a representative of the organization that hosted the workshop in St. Petersburg. The possibility of developing a discussion forum on the Internet and organizing a follow-up meeting in 2002, most likely in Uzbekistan, will be considered if resources are available.

Activities proposed for the Eurasian Trade Network

Mandatory activities (all participants expected to undertake them)

- Systematic exchange of information on relevant Internet sources of information in his/her country; updating of the ITC's current web index of Internet sources (www.intracen.org);
- Participation in the ETO system of the World Trade Point Federation.

Optional activities (each participant to select at least two of them)

- Preparation of a joint series of publications - "Keys to CIS markets" - explaining how to obtain relevant information about these markets. Each organization, after completing its own publication, will have the right to distribute the whole series within its country at a reasonable price;
- Testing and using the upgraded version of COMREG software developed by ITC for the management of company databases and their uploading onto the Internet;
- Participation in the "PROMOTE IT" initiative (www.tradepromotion.org) launched by ITC to promote the exports of information technology services;
- Participation in the Trade Point Programme if not yet a member.

- *Regional business events in Latin America*

Trade Points in Latin America traditionally cooperate in organizing trade promotion events, which are attended by a number of Trade Points in the region. This is a tangible contribution to the facilitation of business links among small and medium-sized companies and to promotion of intraregional trade.

Trade Point San José, Costa Rica, hosted by the Camara de Representantes de Casas Extranjeras, Distribuidoras e Importadoras de Costa Rica (CRECEX), held its VIIth Business Round on 5 and 6 September 2001, with the participation of 150 enterprises from all over the Americas (Argentina, Canada, Colombia, Mexico, El Salvador, Guatemala, Puerto Rico and Venezuela), as well Europe (Austria, Italy, the Netherlands and Spain). Trade Points from Mexico City and Chihuahua, Mexico,

came with a delegation of 40 SMEs from their country, and Trade Point Cali, Colombia, attended for a second consecutive year with a delegation of 15 companies. In the course of the event, about 6,000 meetings took place among the participants. The Trade Point programme and the GTPNet were promoted at the government and private sector levels.

Trade Point Maracaibo, Venezuela, promoted, together with the central Government, BANCOEX, the Venezuelan Export Association (AVEX), Consecomercio, the Ministry of Foreign Affairs and other bodies, the Fourth Andean Forum, held in Maracaibo from 21 to 24 May 2001. Trade Point Maracaibo was appointed to provide promotional, logistical and technical support to the Forum. Other two Trade Points from Venezuela (Guayana and El Vigia) were also associated with the event. The Forum brought together 1,600 entrepreneurs from Bolivia, Colombia, Ecuador, Peru and Venezuela. More than 5,000 business meetings took place among the businessmen from the five participating countries.

Trade Point Maracaibo also organized the first export seminar from 13 to 15 September 2001 with the aim of promoting commercial relations between Venezuela and the Caribbean. Trade Point Curaçao, its hosting institution - the Chamber of Commerce of Curaçao - and the Government of the Netherlands were among those participating in the event. The Venezuelan State of Zulia attended with a delegation of 32 members. Discussions related to potential business deals in textiles, stainless steel products, handicrafts and food products.

The organization of these events was facilitated by the signing of cooperation agreements between Trade Point Maracaibo and BANCOEX, as well as of a letter of intent with the Netherlands diplomatic mission in Venezuela.

Chapter 5: Ways forward

UNCTAD and the World Trade Point Federation have one year to complete the transfer of the Programme. The success of this endeavour depends on the capacity of the Federation to replace UNCTAD in its current functions and to develop them further. Such functions do not include only technical tasks on which the Federation has so far been concentrating, such as the operation of the ETO system and development of new value-added services facilitating trade transactions for Trade Points and their clients. It will also be indispensable that the Federation be in a position to define policies and provide advice and capacity-building activities for the existing and new Trade Points. This is a real challenge, given the complexity of the task, particularly in relation to the need for the Federation to set up a professional structure that would replace the UNCTAD secretariat. A number of conditions have to be met to attain this final goal:

- Development of a solid strategic plan that is directed towards both ambitious and realistic objectives, and presents a viable negotiations strategy for the Federation to establish partnerships with competent private sector entities;
- Endorsement of this plan by Trade Points during the Seventh World Trade Point Meeting/Second General Assembly of the Federation, to be held in Geneva from 19 to 21 November 2001. This will give the Steering Committee enough weight and representativeness in subsequent negotiations with potential strategic partners;
- A successful outcome to negotiations with strategic partners in terms of mutually beneficial agreements aimed at provision of value-added services to Trade Points and their clients. This would strengthen the position and image of the Federation in relation to its members - the Trade Points - and motivate them to participate more actively in the Programme;
- Successful implementation of the negotiated services by the Federation and the Trade Points. It is crucial that this be accompanied by generation of income that will help Trade Points become more financially self-sustainable and make it possible to sustain the Federation and its future activities once UNCTAD is no longer involved in the Programme;
- Expansion of the Federation's membership. In the medium term, in order to enhance the global character of the Programme, the Federation will also need to expand to countries that are so far uninvolved and to attract additional trustworthy members, in particular from developed countries and more advanced developing countries which represent major markets for companies from developing and least developed countries. This task should be facilitated by the availability of new high-value-added services offered by the Federation and its partners to the members of the Federation.

The elected officials of the Federation cannot achieve all these ambitious objectives on their own. In any event, the Trade Points and their client SMEs are the ultimate beneficiaries of all the services that the Federation will attempt to develop in

cooperation with strategic partners. For this reason, it is crucial that the Trade Points support the Federation and take an active part in the development of the Programme.

A network such as the Trade Points can grow stronger only if all its members are committed. In order to construct a true network with global coverage, it is necessary to implement the principle of solidarity and provision of mutual assistance by stronger and more advanced Trade Points to those that are in the process of developing their services. Such an approach will reinforce the cohesion within the network, make it possible to take full advantage of its potential in terms of opening up new business opportunities for SMEs and, ultimately, benefit all the members of the network.