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مركز مشاريع ودراسات القطاع العام

# ITC ACTIVITIES IN COMMODITIES

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# ITC



INTERNATIONAL TRADE CENTRE UNCTAD/GATT

# **ITC ACTIVITIES IN COMMODITIES**

**ITC**



**INTERNATIONAL TRADE CENTRE UNCTAD/GATT**  
**GENEVA**  
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## Contents

	<u>Page</u>
Abbreviations . . . . .	v
Preface . . . . .	vii
<b>I. COMMODITY SITUATION AND OUTLOOK . . . . .</b>	<b>1</b>
<b>Overview . . . . .</b>	<b>1</b>
A. Commodities and developing countries . . . . .	1
B. Factors influencing commodity trade . . . . .	3
C. Recent developments in international trade . . . . .	3
D. International producer-consumer cooperation in commodities . . . . .	4
E. Other issues . . . . .	4
<b>Outlook . . . . .</b>	<b>4</b>
<b>II. EVOLUTION OF ITC'S COMMODITY-RELATED ACTIVITIES . . . . .</b>	<b>7</b>
<b>III. RELATIONS WITH INTERNATIONAL ORGANIZATIONS AND INTERNATIONAL COMMODITY BODIES . . . . .</b>	<b>9</b>
<b>UNCTAD, GATT/WTO, UNIDO and FAO . . . . .</b>	<b>9</b>
<b>Common Fund for Commodities (CFC) . . . . .</b>	<b>10</b>
<b>International commodity bodies (ICBs) . . . . .</b>	<b>11</b>
<b>IV. CONTENT AND ORIENTATION OF ITC'S TECHNICAL COOPERATION ACTIVITIES IN COMMODITIES . . . . .</b>	<b>13</b>
<b>ITC's main areas of activity in commodities . . . . .</b>	<b>13</b>
A. Product and market development . . . . .	14
B. Export marketing and distribution systems . . . . .	14
C. Research and development . . . . .	14
D. Generic promotion . . . . .	15
E. Commodity trading . . . . .	15
F. Trade information systems . . . . .	16
G. Diversification . . . . .	16
H. Human resource development . . . . .	16
<b>Special considerations . . . . .</b>	<b>17</b>
A. Special technical cooperation activities with LDCs . . . . .	17
B. Rural development . . . . .	18
C. Trade and technical cooperation among developing countries . . . . .	18

D.	Central and Eastern Europe .....	18
E.	Implications of recent developments in international trade policy .....	18
F.	Enterprise-oriented approach .....	18
G.	Environmental aspects .....	18
H.	Participation of women in commodity-related activities .....	19
<b>V.</b>	<b>DESCRIPTION OF ITC ACTIVITIES IN COMMODITIES .....</b>	<b>21</b>
	<b>Product and market development .....</b>	<b>21</b>
A.	Food and beverages .....	21
	Cocoa and cocoa products .....	21
	Coffee and coffee products .....	21
	Tea .....	22
	Sugar .....	22
	Meat and meat products .....	22
	Spices and essential oils .....	22
	Vegetable oil seeds, fats and oils .....	23
	Fish and fishery products .....	24
	Citrus fruit, including citrus juices .....	24
	Edible nuts, including groundnuts hand-picked selected (HPS) .....	25
	Rice .....	25
B.	Agricultural raw materials .....	25
	Cotton and cotton products .....	25
	Hard fibres .....	26
	Jute and jute products .....	26
	Silk and silk products .....	27
	Coconut products (other than coconut oil) .....	27
	Natural rubber and rubber products .....	27
	Tropical timber and wood products .....	28
	Hides, skins, leather and leather products .....	29
C.	Minerals and metals .....	31
	Copper and copper products .....	31
D.	Cross-commodity activities .....	31
	<b>Training, specialized trade services and trade information .....</b>	<b>32</b>
A.	Training .....	32
B.	Specialized trade services .....	33
C.	Trade information .....	33
<b>VI.</b>	<b>CHART ON ITC'S TECHNICAL COOPERATION ACTIVITIES</b>	
	<b>IN COMMODITIES (1993-1994) .....</b>	<b>35</b>

## Abbreviations

APCC	Asian and Pacific Coconut Community
CFC	Common Fund for Commodities
EU	European Union
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
ICBs	International commodity bodies
IJO	International Jute Organization
IMF	International Monetary Fund
IPC	Integrated Programme for Commodities of UNCTAD
ITC	International Trade Centre UNCTAD/GATT
ITTO	International Tropical Timber Organization
LDCs	Least developed countries
MNS	Market News Service, ITC
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
WHO	World Health Organization
WTO	World Trade Organization

## Preface

This document describes the content and orientation of technical cooperation activities in commodities of the International Trade Centre UNCTAD/GATT (ITC). It enumerates ITC's export marketing, market development and human resource development work in relation to primary commodities and updates information provided in earlier annual versions of this Note.<sup>1/</sup>

The chart (Part VI) at the end of the document shows the number of commodity projects and the budgetary means made available to ITC in recent years.

ITC's activities in commodities were evaluated positively in 1992/1993. The financial constraints over the last few years have meant that ITC had difficulty in maintaining its technical support to developing countries in this important area. It is, however, expected that it will be possible in the coming years to take up some of the constructive recommendations on new activities made by the evaluator and strengthen some of the existing activities.

This document deals basically only with ITC's commodity-related work at interregional and regional levels, initiated in response to resolution 158(VI) of the United Nations Conference on Trade and Development (UNCTAD). In general, it does not discuss the support provided within national technical cooperation projects with developing countries, which often have significant commodity-related components.

The document also gives a brief overview of the international commodity scene, the importance of commodities to developing countries, the problems besetting these products, factors influencing supply and demand, and the main international developments affecting international trade. These form the background for ITC's technical cooperation activities in commodities. For a deeper analysis of the world commodity situation and outlook, the reader is referred to the relevant publications of such organizations as UNCTAD, Food and Agriculture Organization of the United Nations (FAO), International Monetary Fund (IMF) and World Bank.

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<sup>1/</sup> ITC/INF24 and revisions 1 to 13.

# I. Commodity situation and outlook

## Overview

In many developing countries, in particular African countries and least developed countries (LDCs), the commodity sector remains the principal source of export revenues, employment, income and savings. It is also an important field for investment and a significant contributor to the reactivation of growth and development. This vital role was recognized at the forty-ninth session in 1994 of the United Nations General Assembly. The United Nations Conference on Least Developed Countries stressed the gravity of the problems of commodity producers in LDCs. The significance of the commodity sector was also the main theme of the United Nations Secretary General's Expert Group on African Commodity Problems and the same applies to UNCTAD's Standing Committee on Commodities.

International technical cooperation activities with developing countries in their efforts to maximize the contribution of this sector to economic growth and transformation is very important. Support is needed in areas such as, processing, marketing, distribution and transportation of commodities, human resource development in these aspects and market access for diversified commodity products.

### A. Commodities and developing countries

In 1992, world exports of merchandise compared to 1991 increased from \$3.4 trillion to \$3.7 trillion, of which developing countries increased their share from \$781 billion to \$830 billion.<sup>1</sup> The volume of world trade in commodities has been growing more slowly than trade in manufactures. Moreover, over the last two decades, the price index of manufactured products has increased faster than that of commodities. Consequently, the terms of trade for commodities have continued to deteriorate and the share of commodities in the value of world trade has decreased.

The value of non-fuel primary commodities in world trade increased from about \$100 billion in the beginning of the 1970s to about \$546 billion in 1992 (the last year for which detailed statistics are available). Despite this increase, however, their share in total trade fell from about one third to less than one sixth. This resulted from the faster annual rate of growth of exports of manufactured products over the 20 year period.

In 1992, the developing countries' aggregate export earnings from all commodities (excluding fuels) stayed almost at the previous year's level of \$136 billion. The main export commodities are shown in the table on page 2.

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<sup>1</sup> UNCTAD Commodity Yearbook 1994.



World exports of primary commodities, 1991-1992  
(in billions of United States dollars)

	Total	1991 of which: Developing countries a/	Share of Developing countries (%)	Total	1992 of which: Developing countries a/	Share of Developing countries (%)
All merchandise	3,424.70	781.10	23	3,662.40	830.20	23
All merchandise (excl. fuels)	3,088.51	580.77	19	3,327.41	628.80	19
Primary commodities (including fuels)	857.95	333.84	39	881.35	337.73	38
Primary commodities (excluding fuels)	521.76	133.51	26	546.36	136.33	25
Total 18 IPC commodities b/ of which:	121.29	62.93	52	120.31	61.22	51
Timber, non-coniferous	14.90	9.58	64	17.43	11.04	63
Vegetable oil seeds and oils	21.16	8.19	39	21.76	8.74	40
Copper	14.57	7.71	53	13.85	7.38	53
Sugar	10.58	6.21	59	10.60	6.04	57
Cotton and cotton yarn	13.65	6.37	47	11.94	5.50	46
Coffee	7.56	6.40	85	6.19	4.95	80
Natural rubber	3.44	3.26	95	3.64	3.49	96
Iron ore	8.55	3.88	45	7.75	3.29	42
Bananas	3.11	2.79	90	3.12	2.79	89
Cocoa beans	2.10	2.05	98	1.92	1.87	97
Tea	2.48	1.68	68	2.21	1.41	64
Bovine meat	14.03	1.23	9	15.00	1.25	8
Tin	1.17	0.90	77	1.30	0.98	75
Phosphate rock	1.29	0.84	65	1.07	0.73	68
Bauxite	0.94	0.75	80	0.80	0.63	79
Jute and jute products	0.74	0.58	78	0.73	0.58	79
Manganese ore	0.66	0.25	38	0.70	0.29	41
Hard fibres and manufactures	0.37	0.26	70	0.36	0.26	72
Other selected commodities:						
Fish and fishery products	38.53	16.12	42	39.93	16.23	41
Live animals and meat	45.59	6.08	13	49.74	6.42	13
Cereals	44.14	5.60	13	50.54	6.31	12
Natural textile fibres	14.22	4.41	31	13.02	3.69	28
Tobacco	5.74	2.95	51	5.86	2.79	48
Edible nuts, incl. groundnuts c/ hand-picked selected (HPS)	4.52	2.54	56	4.84	2.58	53
Fruit juices c/	4.65	1.94	42	5.16	2.30	45
Spices (including pepper)	1.60	1.11	69	1.61	1.13	70
Silk, raw c/	0.62	0.58	94	0.54	0.50	93
Hides and skins	5.59	0.54	10	5.41	0.42	8

Sources: UNCTAD Commodity Yearbook 1993 and 1994 (United Nations Publication, Sales Nos. E/F.93.II.D.8 and E/F.94.11.D.22);  
UNSO/ITC COMTRADE Data Base (for fruit juices, raw silk and edible nuts).

a/ Excluding major exporters of petroleum and manufactures.

b/ UNCTAD Integrated Programme for Commodities.

c/ Based on world imports by origin.

Despite the declining share of commodities in world trade as a whole, their contribution to the developing countries' export earnings, economic growth and investment potential remains as great as ever. A large number of developing countries depend heavily on commodity exports; many rely almost entirely on one or two commodities.

Most developing countries continue to export commodities in raw form. While there has been a significant shift towards exporting commodities in their processed and manufactured forms, this shift has occurred in only a few developing countries. Among the commodities increasingly entering world trade as processed goods are cotton, iron ore, phosphate and timber.

Over half of the LDCs suffered negative economic growth during the 1980s and the beginning of the 1990s. The decline in their export earnings was mainly due to a drop in prices of their principal primary commodities such as cocoa, coffee, copra, cotton and ground-nuts. During 1994 the prices of many agricultural commodities improved considerably, but from an extremely low level.

## **B. Factors influencing commodity trade**

The issue of commodities is still very important. A number of supply and demand factors influence the commodity scene. Among demand factors are effects of technological change, of substitution and use of synthetics; impact of changing consumer habits which are in part influenced by environmental issues and health considerations; continuing slow rates of economic growth in industrialized countries which are major markets for commodities; declining intensity of raw material usage by the manufacturing industry owing to technological changes; impact of debt constraints on commodity imports and exports; and the weak link between world market prices and domestic prices. On the supply side, there has been a tendency for many commodities, both tropical and temperate, towards structural over-supply due to use of high-yielding varieties, expansion of production areas, debt-servicing pressures in developing countries, and agricultural and trade policies of certain developed countries.

## **C. Recent developments in international trade**

In recent years, the pattern of commodity trade has been shifting, with developing countries becoming more significant importers of both foodstuffs and industrial raw materials. This raises the potential for expanding South-South trade in commodities. In particular, the continued strong growth in the economies of Asia and Africa's rising imports of basic foods will strengthen demand for primary commodities.

Institutional changes in international trade and modifications in commercial policy measures (such as increased market access) will have important implications for commodities. Special reference is made to the result of the conclusion of the GATT Uruguay Round of Multilateral Trade Negotiations, the integration in 1993 of the internal markets of the European Union (EU), and the free trade agreement between Canada, Mexico and the United States of America. In addition, the economic changes taking place in Central and Eastern European countries and in the independent States of the former Soviet Union have had important implications on the international trade in commodities. In these countries, per capita consumption of the major commodities is likely to rise with economic growth. This may

bring about expanded demand for selected major commodities. However, the economic problems have so far meant a significant drop in imports and consumption of commodities.

#### **D. International producer-consumer cooperation in commodities**

The Common Fund for Commodities (CFC) entered into force in 1989 and was designed to deal with the problems of developing countries and in particular the LDCs. The project financing expanded during 1994 and CFC is expected to become an important factor in the development of the commodity sector in these countries.

International commodity agreements and arrangements still have a role to play in solving commodity problems, although price stabilization measures in the context of commodity agreements did not seem to alleviate depressed commodity prices.

#### **E. Other issues**

Diversification, processing, marketing and distribution of commodities, as well as compensatory financing of shortfalls in export earnings from commodities, remain major issues on the international agenda.

Practical measures are required to diversify commodity exports, specially in highly commodity-dependent and low-income developing countries (LDCs in particular). Compensatory export financing is the subject of special consideration by the international community. Some measures already in operation are IMF's Compensatory and Contingency Financial Facility and EU's STABEX System. African commodity-exporting developing countries and certain commodity-dependent LDCs in other regions are particularly in need of support in this regard to compensate for instability of their commodity export earnings and price levels.

### **Outlook**

The commodity composition of demand and supply will shift in this decade owing to:

- Effects of technological changes on production and processing of commodities.
- Changes in industrial efficiency, and product and process innovations.
- Environmental concerns leading to emphasis on use of cleaner and natural materials, and substitution by environment friendly products for those that are ecologically harmful. To take advantage of this trend, the positive environmental aspects of commodities should be promoted.
- Technological advances which make possible replacement of several industrial commodities by synthetics and new materials, placing downward pressures on demand for these commodities.
- Likely stagnating growth in demand from industrialized countries for primary commodities. This will be due to these countries' slackening population expansion

and aging population profiles, reducing demand for food, feedstuffs, fuels and other commodities. However, the anticipated economic growth rates could have a positive effect on demand.

- Continuing industrialization of low- and middle-income developing countries, creating additional demand for industrial raw materials and consumer staples.
- Acceleration of growth in demand in developing countries owing partly to expanding populations and accompanying increased requirements for food and feedstuffs. The strong economic growth in many Asian countries will result in increased trade with that region.
- As mentioned earlier, creation of the single EU market, concluded negotiations under the Uruguay Round of GATT and the subsequent establishment of the World Trade Organization (WTO), and developments in Central and Eastern Europe will have important effects on the commodity exports of developing countries.

The international community is increasingly aware of the magnitude and crucial importance of the commodity problem. It is particularly aware of the seriousness of this problem in the highly commodity dependent LDCs, specially those in Africa. ITC has an important role to play in supporting the implementation of UNCTAD's Integrated Programme for Commodities (IPC) in areas of market research, development and promotion, including diversification.

## II. Evolution of ITC's commodity-related activities

ITC has been involved, since its inception, in technical cooperation activities related to commodities in the main areas of its mandate, namely trade information, export marketing, market development, promotion, specialized trade services and training. Its broad objective is to enlarge - and increase the efficiency of - the developing countries' participation in the international trade in commodities.

Prior to UNCTAD VI (1983), these activities and services tended to be of an *ad hoc* nature, depending on requests for technical cooperation activities from developing countries and the level and nature of resources made available to ITC by the United Nations Development Programme (UNDP) and trust-fund donors. Furthermore, they generally concerned specific commodities at particular levels of processing rather than the full range of semi-processed or processed products with export potential derivable from a basic commodity.

An important part of ITC's work concerned stimulation of demand for commodities, mostly through generic promotion in specific market segments. This work aimed at improving the competitive position of, and the market prospects for, certain commodities. Such market and product promotion work was carried out in cooperation with the respective commodity organizations for cocoa, coffee, cotton, ground-nuts, hard fibres, pepper, tea, tropical timber, etc. Since 1980 considerable work has been carried out on jute and jute products in association with jute-producing and -importing countries and, since its establishment, with the International Jute Organization (IJO).

Following UNCTAD VI, the type and nature of ITC's commodity-related activities have changed. UNCTAD resolution 158(VI), "Strengthening of the International Trade Centre UNCTAD/GATT, particularly in relation to commodities", called on ITC to support implementation of UNCTAD's Integrated Programme for Commodities (IPC), to cooperate with other competent agencies, and to enlarge its programme of technical cooperation with developing countries (particularly the least developed among them) in market research, development and promotion in commodities. The resolution also called on the international community to increase its voluntary contributions to ITC with a view to strengthening the latter's commodity-related activities in accordance with its mandate.

In response to this resolution, ITC has systematically examined, for individual commodities as well as the processed and semi-processed products obtainable from them, technical cooperation needs falling within its mandate. Furthermore, it has engaged in a fund-raising campaign with trust-fund donor countries to enable it to identify these needs, to develop project proposals, and to implement technical cooperation projects.

As a result, a number of donor countries have regularly made financial contributions to ITC's commodity-related work. The financed projects over the years are listed in chapter VI "Chart on ITC's technical cooperation activities in commodities".

UNCTAD VII (1987) gave another impetus to the development of ITC's work in commodities. In paragraph 85 of the conference's Final Act, UNCTAD agreed that "full support should be given to the International Trade Centre UNCTAD/GATT in the areas of market research, market development and promotion including training in the commodities field".

In its work, ITC has concentrated on IPC commodities and products on which it has accumulated knowledge and experience. Among the IPC commodities currently being dealt with are: cocoa and cocoa products; coffee and coffee products; cotton yarn and grey cloth; coir, sisal; jute and jute products; meat and meat products; natural rubber products; tea; tropical timber and timber products; and vegetable oils, in particular derivatives of oil palm and coconut. In addition, projects on further processed coconut products, fish and fishery products, pepper, pepper products and other spices, on hides and skins, and on silk and silk products are being implemented. To varying degrees, these products are facing problems similar to those of the IPC commodities.

A more recent development in ITC's work in commodities is its involvement with the work of the International Commodity Bodies (ICBs) designated by the Common Fund for Commodities. This relationship is further described in the following section.

### III. Relations with international organizations and international commodity bodies

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#### UNCTAD, GATT/WTO, UNIDO and FAO

ITC participates in UNCTAD's Standing Committee on Commodities. ITC closely cooperates with the UNCTAD Secretariat and regular consultations are held at the policy-making and operational levels. Where appropriate, activities include joint development and implementation of technical cooperation projects.

Consultations were held with GATT on the consequences of the Uruguay Round of Multilateral Trade Negotiations, particularly in so far as these concerned commodities. Close cooperation has continued with the new World Trade Organization (WTO).

ITC exchanges with FAO publications, research studies and mission reports on marketing techniques, market opportunities, quality maintenance, product development, packaging, transportation, etc. Through a network of formal and informal contacts, knowledge and information are shared and, when opportune, FAO and ITC work together on the design and implementation of projects. ITC's collaboration with FAO in 1994 focused on supporting the latter's Intergovernmental Groups, designated as ICBs by CFC, in developing project proposals for submission to the Fund. The proposals covered product development and generic promotion of tea, jute and sisal products, coir and coir products. Furthermore, exchange of information and other forms of collaboration took place on fresh and processed fruits and vegetables, including fruit juices; floricultural products; spices; fish and fishery products; medicinal plants; rice; coffee; cocoa; jute and jute products; silk; tropical timber, including rubberwood; rubber products; and hides and skins.

ITC maintained contacts with UNIDO during project/programme formulation and implementation, especially in product and market development for leather, tropical wood products and silk.

Over recent years, ITC has closely followed the work of the **International Consultative Group on Food Irradiation (ICGFI)**, which includes FAO, WHO and the International Atomic Energy Agency (IAEA). ITC's primary aim has been to support developing countries in their efforts to upgrade the quality of export food products primarily by appropriate post-harvest handling and storage. The development has now reached the point where ICGFI has approached and requested ITC to be involved in a well defined project on promotion of export of several types of irradiated food products from developing countries. Current discussions concern an interregional project for promotion of irradiated pepper.

## **Common Fund for Commodities (CFC)**

ITC maintains close contacts with officials of CFC in order to define the modalities for cooperation between the two organizations in the preparation or assessment, implementation, monitoring and evaluation of technical cooperation projects to be financed by CFC.

So far 24 international commodity organizations have been designated by CFC as international commodity bodies (ICBs).<sup>2/</sup> Among these bodies are ten FAO intergovernmental groups, the UNCTAD Committee on Tungsten, International Cocoa Organization, International Coffee Organization, International Cotton Advisory Group, International Jute Organization, International Lead and Zinc Study Group, International Olive Oil Council, International Natural Rubber Organization, International Rubber Study Group, International Sugar Organization, International Tropical Timber Organization, International Wheat Council, International Copper Study Group and International Nickel Study Group.

In 1994, ITC continued to work with potential and actual ICBs in the formulation of projects and programmes on developmental measures for selected commodities for submission to CFC for financing. As a result, a large number of project profiles and proposals are available for submission to CFC and/or for the consideration of donor countries. One project on product and market development of rubberized coir products and geotextiles with ITC as the executing agency was approved in 1993. The same was the case for the project proposal prepared by ITC on generic promotion of cocoa in Japan. In this project ITC participated in 1994 in the implementation under a subcontract from the Chocolate and Cocoa Association of Japan. Two other project documents on "Generic promotion of sisal harvest twine in the United States" and "Promotion of jute products in Europe" have been submitted for financing. A project proposal has also on request been submitted directly to CFC on "Training of commodity exporters from LDCs in export marketing and export rations, including the use of relevant market instruments". During the first phase of the project, training is envisaged for coffee and cocoa exporters from LDCs.

In view of the fact that some international organizations administering international agreements on commodities and other relevant bodies lack the infrastructure for developing, appraising, implementing, monitoring and evaluating technical cooperation projects, ITC has put its expertise in trade promotion at the disposal of ICBs and the CFC when called upon to do so.

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<sup>2/</sup> By January 1994, the products covered by these bodies were: bananas, citrus fruit, cocoa, coffee, cotton, fish and fishery products, hard fibres, hides and skins, jute, lead and zinc, meat, natural rubber, olive oil, rice, sugar, tea, tropical timber, tungsten, vegetable oil seeds, oils and fats, wheat, grains, copper and nickel.



## **International commodity bodies (ICBs)**

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In identifying and formulating its commodity-related projects and programmes, ITC consulted and/or closely cooperated with international organizations<sup>3/</sup> administering international agreements on selected commodities. In addition, ITC consulted with other international organizations, such as the African Groundnut Council, African Oil Palm Development Association, African Timber Organization, Asian and Pacific Coconut Community, Association of Natural Rubber Producing Countries, Cocoa Producers' Alliance, Inter African Coffee Organization, Organisation africaine et malgache du café, International Cotton Advisory Committee, International Institute for Cotton, International Pepper Community, International Silk Association, International Spice Group, and the Latin American and Caribbean Sugar-Exporting Countries.

These contacts were complemented by participation in the work of FAO's Intergovernmental Groups on Hard Fibres (including the subgroup of sisal-producing countries); on Oilseeds, Oils and Fats; on Tea (and in the Group of Experts on Tea); on Hides and Skins; on Rice; on Jute; on Citrus Fruit; and on Fish and Fishery Products. Until this date, ITC, in collaboration with expert groups created for the formulation of project proposals for submission to the CFC, has participated in the preparation of proposals for cocoa, tea, vegetable oils and oil seeds (in particular coconut, ground-nut and palm oil), rice, sisal, jute, fish and fishery products.

This approach is resulting in the continued elaboration, within ITC's mandate, of a programme of action for specific commodities and of project proposals for technical cooperation. These are based on identified needs and take into consideration work already carried out by, as well as services available from, other bodies.

ITC's cooperation with international commodity bodies (ICBs) is expected to intensify as ITC continues to identify and prepare programmes and projects on development measures for selected commodities for submission by the sponsoring ICB to the CFC.

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<sup>3/</sup> These were the International Cocoa Organization, International Coffee Organization, International Jute Organization, International Natural Rubber Organization, International Sugar Organization and International Tropical Timber Organization.

## **IV. Content and orientation of ITC's technical cooperation activities in commodities**

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The content and orientation of ITC's technical cooperation activities in trade promotion are reflected in its reports to the annual meetings of its Joint Advisory Group. However, as ITC is continuously implementing or planning a considerable number of commodity-specific activities, it is felt that there is a need for a more detailed description of the content and orientation of these activities within the context of ITC's overall objectives, programme of work and priorities.

The overall objective of ITC's work in commodities is to support the performance of developing countries to diversify, process, market and distribute their commodity products. This work is carried out in close cooperation with FAO, GATT/WTO, UNCTAD, UNIDO and other bodies such as the earlier-mentioned commodity organizations.

In particular, ITC aims at improving the product and market development performance of developing country exporters and at strengthening their competitive position. Towards this end, its commodity programmes combine several or all of the following elements: identification of export openings; formulation of strategies for market entry; generic promotional campaigns; supply and demand linkages; adaptation or development of new export products; provision of trade information services; provision of specialized trade services on export packaging, export finance, trade fairs and commercial publicity, export quality control, legal aspects of foreign trade, and human resource development.

### **ITC's main areas of activity in commodities**

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In light of UNCTAD resolutions 124(V) and 158(VI), and relevant conclusion of the Final Act of UNCTAD VII, the content and orientation of ITC's activities in commodities can be broadly defined in terms of the following main areas:

- Product and market development;
- Export marketing and distribution systems;
- Research and development;
- Generic promotion;
- Commodity trading;
- Trade information systems;

- Diversification; and
- Human resource development.

The salient features of ITC's commodity-specific work in these areas are discussed below.

## **A. Product and market development**

- Study of supply and market conditions for a range of commodities (unprocessed and processed) to identify areas with potential for effective technical cooperation. This would include an assessment of the potential for product upgrading in terms of quality and other aspects, and the potential for processing and export development.
- As regards product development, examination of the options available to identify those that are likely to develop into viable business ventures. Description of technical aspects and ascertaining the economic feasibility of proposed projects.
- Provision of advice on the adaptation of products to the requirements of target markets. Support in export marketing activities, including the organization of test marketing, market prospects and sales missions for new, adapted or developed products.

## **B. Export marketing and distribution systems**

- Study of the national marketing and distribution systems for selected commodities at national level.
- Assessment for selected commodities of the extent to which these national systems participate in product distribution. Provision of technical advice and training in order to improve the organization, management, and financial operations of these systems.
- Support in the implementation of the recommendations resulting from the above technical cooperation activities.
- Comparative studies of countries that have succeeded as exporters of the commodities concerned. Making recommendations on infrastructures and services in the light of these studies.

## **C. Research and development**

- Identification of the research and development needs of commodity research and development institutions with regard to trade promotion. Of special concern are the following areas: quality enhancement; improvement of processing methods; development of new end-uses for commodities and their by-products; in relation to these end-uses, assessment of the market potential of the commodities and by-

products concerned, their competitiveness and their advantages or disadvantages vis-à-vis substitutes.

- Technical cooperation in order to meet the above needs. This includes advice on strengthening the ancillary services of the above institutions, such as collection and dissemination of research findings and market information; trade publicity; and implementation of promotional programmes.
- Study of the changing consumption patterns for selected processed commodities (e.g., beverages), analysing main features and tendencies of these patterns.
- Assessment of the impact of new technologies (or technological changes) on trade pattern of certain unprocessed and processed commodities.

#### **D. Generic promotion**

- Formulation, planning and implementation of generic promotion programmes and strategies for selected commodities (e.g. jute, sisal, cocoa and tea). The objectives are strengthening the market for these commodities; improving the competitiveness of natural products vis-à-vis synthetics and substitutes; taking advantage of any improvement of access to export markets; and export development for products resulting from diversification programmes. These generic promotion programmes are based on an in-depth assessment of market potential and the utilization of the tools and techniques available for demand stimulation. Advertising, public relations, preparation of information material and their inclusion in trade magazines, participation in trade fairs, displays, use of audio-visual material, and other publicity techniques generally form part of this promotion strategy.
- Advice to the International Commodity Organizations in the establishment of appropriate promotion units by, for example, planning and carrying out promotion surveys with the aim of appraising promotion opportunities for selected commodities.
- Support to such units in the formulation and implementation of generic market promotion programmes.

#### **E. Commodity trading**

- Preparation of technical papers and handbooks, including trader's guides, on: major aspects of the world trade in selected commodities; physical trading arrangements; contracts and practices; the functioning of commodity exchanges, including their impact on export marketing and risk management; futures market operations; and international regulations of commodity markets. These publications/documents are used in advisory and human resource development activities.
- Review, for specific commodities, of national trading capacities and practices with regard to international markets, in particular their efficacy in securing optimal export revenues. Provision of advice to specialized government organizations,

marketing boards, producers'/exporters' associations or selected enterprises in order to increase their export revenues from a given commodity.

- Advice to the government authorities concerned with the preconditions and requirements for establishing commodity markets in exporting developing countries.

## **F. Trade information systems**

- Preparation of technical papers on communications and information flows, in particular on trade information sources and information analysis for selected commodities for use in advisory and human resource development activities.
- Provision of current price and other market information on a regular basis to a number of developing countries on selected commodities.
- Assistance in the establishment of commodity-specific trade information services in developing countries, including the creation of networks using computer technology, telecommunications systems and databases. Support to developing countries and international commodity bodies to improve the collection, compilation, dissemination and application of commodity-specific trade information.

## **G. Diversification**

- Market research on selected unprocessed and processed commodities to ascertain whether apparent permanent weaknesses in their trade positions can be remedied by marketing and promotional efforts or by diversification. If the latter, identification of measures to be undertaken, i.e., new economic activities or other levels of processing. Justification for diversification and of the economic feasibility of the alternative options. These activities are carried out in cooperation with the relevant international organizations (FAO, UNCTAD and UNIDO) and commodity bodies.
- Preparation of technical papers on related issues for use in selected human resource development activities.

## **H. Human resource development**

- Upgrading skills in the public and private sectors in developing countries is an important component of ITC's commodity-related activities. The aim is to impart skills that can be instantly utilized by the government officials concerned and at enterprise level by the commodity processing and trading community in the cooperating developing countries. This is done through in-service training with major commodity traders and processors in the main markets and in the leading exporting developing countries as well as through dissemination seminars and specialized group training programmes. In support of human resource development activities, ITC is developing training material consisting of handbooks, guides, manuals and cases.

ITC's technical cooperation activities in the above mentioned important areas mostly do not require investments in infrastructure; nor do they depend on the conclusions of international commodity agreements. Motivation and the building of better professional skills among export sector operators and the availability of up-to-date and reliable market information are the ingredients for success, and quantifiable progress can be achieved within the framework of fairly modest budgets.

It is in accordance with this philosophy that ITC has built up its technical cooperation programme in commodities and is attempting to provide the necessary transfer of knowledge to the processing and export enterprises and commodity boards at origin, thus enabling the commodity sectors to perform more efficiently and obtain better economic results.

## **Special considerations**

A number of important considerations will continue to influence ITC's work in commodities. These are special activities with LDCs, rural development, expansion of trade and technical cooperation among developing countries, the economic emergence of Central and Eastern European countries, technical cooperation at the enterprise level, environmental aspects of trade and the participation of women in commodity-related activities.

### **A. Special technical cooperation activities with LDCs**

ITC's commodity-related activities have evolved a strong focus on technical cooperation with small commodity-exporting developing countries including LDCs, aiming at increasing exports of selected unprocessed and processed commodities. In providing this support, ITC concentrates on the following areas: market research and development, trade intelligence and information, marketing, diversification, promotion and human resource development.

The emphasis is firstly on the broadening and improvement of the supply base for export, which can be attained through diversification (i.e., the processing of commodities to obtain export products with higher value added), and better quality control and packaging. The second area of emphasis is on marketing; the aim is to secure markets and increase export earnings per unit of product.

Activities in support of diversification will continue to be carried out in cooperation with the relevant international organizations (FAO, UNCTAD, UNIDO).

The recommendations of the earlier-mentioned Second United Nations Conference on the Least Developed Countries reinforce ITC's determination to continue to improve its commodity programme for LDCs. Equally, the report of the Expert Group on African Commodity Problems, entitled *Africa's Commodity Problems: Towards a Solution*, together with the comments of the Secretariat of the Organization of African Unity (OAU) dated August 1990, provides a further stimulus to ITC's commodity-related work in Africa.

## **B. Rural development**

As economic development in the rural areas is closely linked to the improvement of their commodity situation, rural development will continue to remain an important consideration in ITC's commodity-related work.

## **C. Trade and technical cooperation among developing countries**

In view of the increasing importance of developing countries as markets for commodities from other developing countries, ITC's commodity-related activities aim increasingly at strengthening economic and trade cooperation between commodity-exporting and importing developing countries.

## **D. Central and Eastern Europe**

The economic and political changes in Central and Eastern Europe will have important effects on commodity production and trade. Such factors as the currently low per capita consumption of major commodities and the expected acceleration of economic growth in these countries may well in a few years lead to increased commodity imports from developing countries (particularly of basic foodstuffs, tropical fruit and tropical beverages).

## **E. Implications of recent developments in international trade policy**

The agreements reached under the GATT Uruguay Round, particularly those improving market-access conditions and the subsequent establishment of a World Trade Organization (WTO), will have vital effects on the international trade in commodities. The free trade agreement between Canada, the United States and Mexico is likely to have significant implications for trade in selected commodities.

The assessment of market-access conditions for commodities in the light of the above may become an important part of ITC's commodity-related work.

## **F. Enterprise-oriented approach**

A number of exporting developing countries have recently changed their marketing policies, liberalizing their commodity trade and abolishing certain commodity marketing boards. These changes have led to the emergence of the private sector. This implies that ITC's work in commodities will increasingly be centered on enterprises (including cooperatives).

## **G. Environmental aspects**

ITC's commodity-related activities, in particular its generic promotion campaigns aim, to a large extent, at strengthening the competitiveness of natural products (coir, cotton, jute, silk, sisal, etc.) in relation to synthetics and thus contribute to international efforts to safeguard the environment. A paper entitled *Trade and Environment - the role of ITC* was prepared early 1995.

## **H. Participation of women in commodity-related activities**

ITC is conscious of both the contribution of women to national economic growth in general and to the development of the commodity sector in particular and the need to involve them in commodity processing, marketing and distribution. It will therefore continue to seek to provide opportunities for training women government officials and managers/exporters from both the State and private sectors in the above aspects. This training will focus on in-service training with major commodity traders and processors in the main target markets.



## V. Description of ITC activities in commodities

### Product and market development

#### A. Food and beverages

##### ■ Cocoa and cocoa products

The cocoa programme started based on a document describing possible technical cooperation projects. The publication *Cocoa: A trader's guide* was widely distributed and dissemination seminars/consultations took place in 26 cocoa producing developing countries. These seminars identified the need for in-service training for cocoa bean exporters with international cocoa trading companies. This activity took place over a five-year period in New York, London, Paris, Amsterdam and Berlin with participants from mainly the smaller cocoa producing countries.

The commodity handbook entitled *Cocoa: A Shipper's Manual* was published in 1991. The manual has together with *Cases in International Cocoa Marketing* been extensively used in training activities. The publication *Fine or Flavor Cocoa - An overview of world production and trade* (1991) described speciality cocoa beans as a market to watch carefully. The magazine *Coffee and Cocoa International* published early 1995 a special edition in Russian partly based on this ITC publication.

Export development support was extended to selected enterprises in four LDCs. A specially prepared module based on experience gained has been used extensively in technical cooperation programmes in cocoa marketing. The activities were interrupted due to financial constraints.

The project proposal ITC prepared for generic promotion of cocoa in Japan was financed by CFC. ITC participated in 1994 in the implementation of the project, working under a subcontract from the Chocolate and Cocoa Association of Japan.

##### ■ Coffee and coffee products

In 1991 ITC completed the implementation of two coffee projects: one consisting of a workshop and in-service training in coffee trading and promotion, and one on export development of coffee from LDCs. Following the implementation an independent evaluation took place. The ITC commodity handbook *Coffee: An exporter's guide* was published in English in 1992. Dissemination activities in the form of a presentation to the delegates of the International Coffee Organization and export workshops and enterprise level management consultations in the United Republic of Tanzania, Zimbabwe, Malawi, Ethiopia and Uganda were carried out later in the year. The guide was published in French and Spanish in 1993. A two year extension of the project made it possible to continue the dissemination activities

in 1993 in Papua New Guinea, the Philippines, Viet Nam, Madagascar and Cameroon. In 1994 coffee export seminars and enterprise level management consultations were held in five countries in Latin America and Africa. As the project came to a close in early 1995, more than 850 exporters and coffee sector professionals have participated in these seminars, and about 6,000 copies of the guide had been distributed. A proposal for a continuation of skill building support to coffee exporters in developing countries, in the form of an interregional three year project, is currently under consideration by a donor.

While the dissemination of the guide has spearheaded ITC's activities in coffee at the international level, other technical cooperation needs in coffee have been identified and project ideas and proposals have been prepared. Cooperation with the International Coffee Organization (ICO) and regional institutions such as the Inter-African Coffee Organization (IACO) and the Organisation africaine et malgache du café (OAMCAF) has been intensified and a number of project proposals have been developed.

#### ■ **Tea**

ITC has been a member of the Experts' Group which on behalf of the Intergovernmental Group on Tea in 1992-93 prepared a project proposal integrating research on human health and tea with generic promotion of tea. The final version of the proposal was presented to CFC in 1993. CFC has approved partial funding of the project and co-funding from the tea industry worldwide was announced in April 1995, and the implementation of the project is expected to start soon thereafter. The United Kingdom Tea Council will be responsible for the implementation of the project with possible technical assistance from FAO, WHO and ITC.

#### ■ **Sugar**

ITC is collaborating with the International Sugar Organization (ISO) in the development of a programme on trading in sugar and sugar products for participants from economies in transition such as former East European countries.

#### ■ **Meat and meat products**

ITC has undertaken preparatory activities for the formulation of export development proposals on livestock, meat and meat products. These proposals mainly aim at the development of trade between developing countries. Among the proposals available are: Preparation of an international meat buyer's guide; Market research in selected developing countries importing meat; Supply studies of selected producing countries; Promotion of meat (lean meat in particular) and Export opportunities for sheep and sheep meat from Latin American countries to selected Middle Eastern markets.

In the last number of years it has proved difficult to obtain financing for projects within the meat sector.

#### ■ **Spices and essential oils**

ITC participated in the International Seminar on Pepper in Bangkok, jointly sponsored by ESCAP and the International Pepper Community, in August 1994, and presented a paper

on the marketing of pepper and pepper products. As a follow-up, ITC is carrying out a market survey in South East Asian countries to identify the potential during the first half of 1995.

Since 1983, the Market News Service (MNS) has been providing weekly price and market information covering 30 of the major spices, spice seeds and herbs on a continuous basis. The service covers the major trading centres in Europe, Hong Kong, Japan, Singapore, the Middle East and the United States. In addition to the weekly price and market information, notes on production development, post-harvest handling and marketing are available. The service is available to producers and exporters on a subscription basis.

ITC continued to provide interim secretariat services to the International Spice Group (ISG) and made efforts to obtain support for the designation of ISG as an international commodity body. ITC and the Commonwealth Secretariat are taking steps to convene a fourth meeting of the Group either in November 1995 or February 1996 and to prioritize the needs of spice producing/exporting countries in the light of developments following the Uruguay Round.

ITC issued in 1994 an update of annotated statistics of imports of spices into major markets and will during 1995 publish a study of selected markets for spices. ITC is assisting the Spices Board of India in implementing a three-year UNDP-financed project.

ITC has developed a proposal for a three-year Cooperative Programme on Quality Assurance of Spices in close cooperation with the American Spice Trade Association (ASTA) and the European Spice Association (ESA) for which financing is sought. The objective is to have workshops on cleanliness of spices in producing/exporting countries in Africa, Asia and Latin America. This programme has co-financing in the form of expertise being provided free of charge from the industry in the United States and Europe and all local facilities being arranged by the recipient countries.

ITC has held discussions with the International Federation of Essential Oils and Aroma Traders (IFEAT) concerning the updating of the market study on essential oils. In 1994, ITC cooperated with FAO in updating market information on selected markets (Japan, the United States and Europe) for essential oils.

#### ■ Vegetable oil seeds, fats and oils

Following the publication of the commodity handbook *Vegetable Oils and Oilseeds - A Trader's Guide*, which concentrated on the seven main oil seeds and oils of particular interest to developing countries, namely soya beans, cotton seed, ground-nuts, sunflower seed, rape seed, oil palm and coconuts, dissemination seminars/consultations were held in 19 countries in Asia and the Pacific region, Africa and Latin America.

Another three-year project following the dissemination seminars covers the in-service training of traders in tropical vegetable oils from developing and least developed countries. Within the frame of this project, 15 traders in ground-nut and lauric oils from selected developing producing countries followed a tailor-made in-service training programme organized in collaboration with FOSFA - the International Federation of Oils, Seeds and Fats Associations Ltd. A continuation of these training sessions was postponed due to financial constraints and will hopefully be restarted in 1995/1996.

In response to requests from the FAO Intergovernmental Group on Oilseeds, Oils and Fats (IGOOF) ITC has prepared two project proposals entitled "Trade information support and training of traders with a view to increasing intra-African trade in palm oil" and "Generic promotion of desiccated coconut in Italy - a pilot project". Co-financing for those projects is sought.

Trade in feed ingredients is an important business for developing countries, and the major import markets are significantly influenced by government policies, as well as by the changes of the economic and political environment in the former USSR and other Eastern European countries. In order to monitor the current situation in the major markets and to disseminate this information to developing countries, market research was carried out and a publication will be issued during 1995, entitled "Recent trends and prospects for feed ingredients in selected markets". The effects of the conclusion of the Uruguay Round will also be reflected.

#### ■ **Fish and fishery products**

Due to lack of financing, an enterprise-oriented project in Mauritania on export of fresh fish to Europe by air was discontinued. However, a proposal for continuation of this activity, as recommended by an evaluation team, has been put forward to an interested donor.

Preparatory work for and planning of export development work on edible fish and aquarium fish was undertaken for the United Republic of Tanzania and will be implemented in 1995.

An ITC adviser visited the exhibition Fish' 94 International and Seafood Europe in Bremen to consult with the fishery industry and, in particular, to give advice to exporters from developing countries.

ITC is still seeking financing for the preparation of a fish exporter's guide, under a project proposal prepared in cooperation with FAO. This guide is meant to form part of ITC's series of commodity handbooks. As a follow-up to the guide, it is proposed to organize a training programme by means of dissemination seminars and workshops. Special attention will be paid to small volume producers in LDCs and in small island developing countries (SIDCs) in the Pacific and the Caribbean, which mostly have a very small resource base.

#### ■ **Citrus fruit, including citrus juices**

The survey *Fruit Juices, with Special Reference to Citrus and Tropical Juices: a Study of the World Market* was published in 1991.

During the period 1992-1994, ITC organized (as a follow-up to the survey) a series of export seminars and consultations in about 25 developing countries worldwide, exporting fruit juices and pulp or with the potential to do so.

In 1994, ITC carried out market research on fruit juices in Poland, the Czech Republic and Hungary. Though imports are still small, *inter alia*, due to the low buying power of most consumers, long term prospects are good and consumers appreciate citrus and tropical fruit

juices from developing countries. A market study, including also some information on Austria, Denmark and Finland, will be published in 1995.

At the Tenth Session of the Intergovernmental Group on Citrus Fruit in Albufeira, Portugal (September 1993) ITC was requested to undertake market research on fast growing markets for fruit juices in Asia. Field research in Japan, the Republic of Korea, Hong Kong and Singapore is planned to start in April, the findings of which will be presented at the Group's next session in São Paulo (September 1995). Later in the year a market study will be published.

#### ■ **Edible nuts, including groundnuts hand-picked selected (HPS)**

Trade in edible nuts is large and is expected to reach \$5 billion in 1994. The share of developing countries is close to 55%. Since 1985, ITC has been able through two interregional projects, both financed by the Government of Norway, to assist developing countries in their export marketing efforts with regard to edible nuts by responding to a large number of requests for information on supply and market opportunities.

In 1990, a report was published, entitled *Edible nuts - A Study of the Market in the United Kingdom*. The United Kingdom is a particularly important market for nuts, particularly those nuts produced by the developing countries. This is the reason why an additional study was undertaken, resulting in the 1994 publication *Market Opportunities for Tropical Nuts in the United Kingdom* which also was translated into French and Spanish. In 1995, the ITC nut programme will concentrate on edible groundnuts (peanuts) in an effort to overcome problems in connection with market entries as a result of stricter phytosanitary regulations in the main import markets, particularly with regard to aflatoxin.

#### ■ **Rice**

The Market News Service (MNS) is giving market and price information on rice and it has been widely disseminated to exporters and importers of rice in developing countries, with a view to increasing transparency in rice trade. A project proposal for the continuation of this service has been prepared and funding is sought. The start-up of the service was financed by UNCTAD but the present phase is accommodated within the MNS core project (financed by the Government of Sweden).

At the request of the FAO Intergovernmental Group on Rice, ITC has contributed to the preparation of a project proposal entitled "Global rice marketing information and analysis service", which was submitted to CFC for financing, but financing was not accorded.

## **B. Agricultural raw materials**

#### ■ **Cotton and cotton products**

The country programme for the Syrian Arab Republic includes inputs for the promotion of the country's cotton based industries. The supply study towards this aim was conducted in January 1994. In connection with the supply study mission two workshops were conducted, one in Aleppo and one in Damascus, about the role of cotton in the international trade for textiles

and garments. Some 80 participants from public and private mills, chambers of commerce and industry and related government organizations attended the workshops.

Initial discussions have been held with the European Bank for Reconstruction and Development (EBRD), London to carry out similar supply studies both for cotton and silk products in some of the Asian republics of the former Soviet Union.

■ **Hard fibres**

ITC prepared at the request of the secretariat of the designated ICB on Hard Fibres the following project proposal for the generic promotion of sisal "Product and market development of traditional and non-traditional sisal products in Europe and North America"; ITC is currently seeking possibilities of co-financing and submitting the proposal to CFC for consideration. In 1994 CFC approved the project "Product and market development of coir and coir products (rubberized coir, geotextiles, garden centre products, and coir waste products) in Europe, Japan and North America". This two-year project is under implementation.

■ **Jute and jute products**

The project on the market promotion of jute products (i.e., secondary carpet backing, yarn, bags, wall coverings and geotextiles) in selected Western European countries continued. Activities included participation in selected specialized trade fairs (e.g., the Interfloor in Birmingham, United Kingdom, and Domotex in Hannover, Germany); preparation and distribution of a brochure (in English, French and German) on jute secondary carpet backing to manufacturers, specifiers and retailers; advertising in specialized magazines; and the jute label programme. A proposal for a new three year project to continue promotional activities for jute products in Europe was approved at IJO's November 1993 session and submitted to CFC for financing. Pending approval ITC is carrying out limited activities such as distributing promotional carpet backing labels to major manufacturers of tufted carpets.

In 1994 ITC ended the final year of a three-year jute promotion campaign in Japan. Activities consisted of seminars, dissemination of technical brochures, distribution of the jute logo and advertising in specialized magazines. A new project is commencing in 1995.

Consultations are ongoing between IJO, CFC and other possible sources of financing in order to obtain the required funds to start promotion of diversified jute products in the United States market.

As part of a five-year UNDP financed national Jute Programme in India, ITC prepared a strategy for the promotion of non-traditional jute products, and ITC implemented promotional activities such as participation at HEIMTEXTIL International Trade Fair for Home and Household Fabrics in Frankfurt. Other activities included product and market development of jute based furnishing fabrics, travel goods and garments.

Jute is generally acknowledged to be an environmentally acceptable material for packaging applications, by comparison with competing synthetic materials. However, problems have arisen in some markets concerning the disposal of used jute packaging, and concerning the composition of the batching oils used to prepare the fibre for processing.

ITC has devoted particular attention to these matters in the context of its work with developing countries in overcoming of technical barriers to trade. On the basis of an extensive study, a presentation entitled "Jute Packaging and the Environment - The Problems and the Opportunities" was presented at an FAO international consultation on Jute and the Environment in October 1993. This presentation included recommendations on the most promising applications for used jute packaging, and on the establishment and monitoring of standards for the composition of jute batching oils.

#### ■ **Silk and silk products**

In 1994 ITC continued its close cooperation with the International Silk Association (ISA), Lyon. ITC was invited to participate as an observer in the first meeting of ISA subcommittee for Interior Decoration Fabrics at DECOREX in London. ITC has also been in contact with other UN agencies, such as FAO, UNIDO and World Bank in order to monitor the activities in the silk sector to avoid overlapping in development programmes.

An initial supply study on the prospects for sericulture and silk production was conducted in Nepal in March 1994. ITC was invited to present a paper on the international silk trade at the International Sericulture Congress in Mysore, India in October 1994. The collection of data for the update of *Silk Review 1994* was started towards the end of the year.

The ongoing regional export promotion project for silk and silk products continued and the participating enterprises were given a variety of technical inputs including sewing technology workshop in China, design advice in India and market contact missions.

#### ■ **Coconut products (other than coconut oil)**

A project for the development of a computer-based market intelligence system for coconut-producing countries, implemented in collaboration with the Asian and Pacific Coconut Community (APCC), has recently been completed. Hardware was installed and software developed at the APCC secretariat. Project activities included the installation of an electronic bulletin board; the establishment of a data bank on exporters, importers, experts, publications, etc.; and training of personnel. Communication links with producing countries were established; to this end equipment was purchased and personnel in member countries benefited from in-service training at the APCC premises and from advisory activities. A self-evaluation of the project has been undertaken.

A project proposal was prepared in 1993 on generic promotion of desiccated coconut in Italy for submission to CFC and other donors for co-financing.

#### ■ **Natural rubber and rubber products**

In 1994 ITC's technical cooperation in this sector has entered a new phase. With the completion in December 1993 of its in-depth interim evaluation, focus of the project on sustainable development to the African rubber industry and the South-South cooperation has progressively increased. In line with the recommendations made in the evaluation report and the experience gained, the African component of the project was reformulated and priorities rearranged in consultation with the counterpart organization, the Professional Association of Natural Rubber in Africa (ANRA). ANRA was also provided some technical support in the

formulation of a three-year project on quality improvement and maintenance. The new project to be financed (\$3.68 million) by the Common Fund for Commodities (CFC) is designed to complement and support overall aims of ITC's technical cooperation with the African rubber industry.

The pace of implementation has remained lower than the desired level due to continued shortage of funds. Certain planned activities had to be scaled down; and a few rephased into 1995. The main work on updating of a study on international trade in selected rubber products, however, has been completed; and the report will be available for general distribution by mid 1995. The activities carried out and initiated in support of the African rubber industry included: identification of some potential buyers of natural rubber and business partners in selected South American countries (promotion of South-South cooperation); arranging senior level management training for some selected executives; initiating supply/demand and needs analysis survey of the selected enterprises in five natural rubber producing countries in West Africa; and assisting ANRA in its efforts to strengthen its technical competence and improve its image within and outside the region. Other important activities carried out were: dissemination of ITC findings covering recent developments in the international trade in rubber-based products, including South-South trade and also the growth of export oriented downstream industries in the resource-based countries among the industry leaders at the International Rubber Forum held in Colombo by the International Rubber Study Group; and the completion of an in-depth study of the rubber industry in a major resource-based Asian developing countries for identification of potential joint venture partners for a EU member country.

#### ■ Tropical timber and wood products

ITC works closely with the International Tropical Timber Organization (ITTO) and has developed a comprehensive programme that takes into account ITTO's priorities particularly in the field of economic information, market intelligence, and sustainable development. To this effect, ITC participated actively in ITTO council meetings and technical committees during 1994, including in the ITTO Working Party on Eco-labelling (Cartagena, Colombia, May 1994).

In response to mounting environmental concerns on the tropical deforestation issue, ITC continued the implementation of the project on the "Global development of the rubberwood industry based on a sustainable timber resource" whose objectives aim, *inter alia*, to help relieve the pressure on the world's natural tropical forests by increasing the availability on a sustainable basis of substantial volumes of rubberwood which would constitute an additional and renewable source of wood products.

In line with the above, the project has produced a comprehensive series of background studies to establish the state-of-the-art and to identify development opportunities and constraints. These studies have been disseminated to selected specialists worldwide. In addition, an integrated development strategy for the rubberwood industry has been formulated and, as recommended by the Kuala Lumpur 1993 workshop, an interregional technical assistance programme has been prepared. This programme has been translated into a relevant project proposal for which active consultations have been held with the authorities of certain producing countries with a view to submission to ITTO for its approval and possible funding.



To address in an effective way the specific problems involved in the integrated development of the rubberwood industry would require the implementation of the proposed programme of technical assistance, which would be executed in association with FAO and UNIDO. However, during the bridging period (1994) and pending the identification of a possible source of funding for such an enlarged programme, ITC concentrated on undertaking specific generic promotion and market development activities while continuing the dissemination of the information and studies produced by the project in previous phases. The objective being to create increasing awareness among policy-makers, development agencies, financial institutions, potential investors, trade and industry, on the importance of the rubberwood resource to socio-economic development and environmental conservation.

The Market News Service for Tropical Timber and Wood Products which was started up in 1990, continues to transmit the regular fortnightly reports by facsimile, electronic mail and air mail, to receivers in more than 60 countries. The reports are also reproduced wholly or in part in trade journals.

Price and other market information on all the major traded tropical timber species in producing and consuming countries are collected for the reports from a worldwide network of correspondents. The reports include tropical timber logs, sawn lumber, plywood and have been expanded to also include plantation timbers, sustainable yield and lesser known species, and some softwoods. The reports are now available in French as well as English.

This service additionally responds to a substantial number of enquiries for advice and assistance in sourcing and marketing tropical timbers, and for historical price information from the unique MNS price data bank.

A project has been put forward in conjunction with FAO for a special timber MNS for 15 Pacific Island countries to cooperate in developing improved market opportunities for their timber products. This project awaits funding.

A desk study has been carried out for UNDP on current and future market prospects for timbers from an environmentally sustainable development project in Papua New Guinea.

The tropical timber MNS is funded by ITTO until the end of 1995.

#### ■ **Hides, skins, leather and leather products**

An agreement was established with the organizers of the world's leading leather trade fairs in Paris, Hong Kong and Miami. According to this cooperation agreement ITC will from now be represented with a stand of its own at these important trade fairs every year. The organizers also take ITC's travel cost for their account. In return ITC supplies the organizers with advisory services and grants them the exclusive rights to reproduce the complete MNS report on hides and skins in their new international leather trade magazine *Leather Markets*. A dozen or so other leather trade magazines will continue to publish excerpts of the report.

ITC established contacts with the Bureau International des Epizooties in Paris and the CITES (Convention of Washington for the protection of endangered species) in Geneva. Both organizations are connected with the international leather trade and it was agreed to establish regular contacts with the organizations.

ITC continued its cooperation with UNIDO in the implementation of UNIDO's large scale leather industry improvement programme in Africa (RALFIS) on the basis of an interagency agreement. ITC implements the marketing part and among others organizes participation twice a year in the GDS shoe fair (the world's largest) in Germany for various shoe factories from African countries. In cooperation with NORIMPOD (Norway) and DIPO (Denmark) the trade fair participation in March 1995 was followed by a sales mission to Denmark and Norway, an exercise which might be repeated. An extra outcome of this project is a new ITC publication on export marketing of shoes from Africa. The publication is in the final editing stage.

The increase of cooperation with the sister agencies in the field of leather, recently resulted in an agreement with FAO to work together on a scheduled FAO publication which monitors im- and export duties, taxes, etc., in the leather trade and another publication on trade restrictions.

ITC organized a mission to assist sport shoe manufacturers in Sri Lanka with their exports to the United States. ITC has been invited for discussions in the Seychelles in June 1995 to implement a project for a fishskin tannery in that country, financed by the Seychelles Development Bank. In July/August 1995 a mission to Botswana and Namibia is scheduled for a hide and skin supply study financed by the UNDP Sectoral Support Fund. As a regular member of UNIDO's international leather panel, ITC is invited to participate in this year's meeting in the Islamic Republic of Iran in August. In July 1995 an ITC organized Panafrikan buyers/sellers meeting for leather and leather products will take place in Botswana.

Finance has recently been obtained from the Government of the Netherlands to start the project "Coordinated Leather Industry Assistance (CLIA) Monitoring Capability - phase I Africa". This project basically aims to coordinate all on-going and planned leather industry assistance projects in Africa in order to avoid duplication of activities. It involves intensive travelling to donor countries/organizations in the second half of 1995.

Other project proposals are "Export Development Support to Selected Enterprises in Developing Countries, Phase I" and "Hides and Skins Recovery and Export Development in Selected African Countries". The latter has the support of UNIDO, FAO, ICT (International Council of Tanners), UNIC (Unione Nazionale Industria Conciaria), and some financial contribution from the private industry has been promised.

ITC's Market News Service (MNS) for hides, skins and semi-finished leather has been operating since 1985. This service supplies prices and market information on subscription basis and covers the world trade in cattle hides, sheep, goat and pigskins in all major markets (over 60 countries). An approximately 20 page report is published every fortnight and available by airmail, fax and electronic bulletin board to exporters and importers worldwide.

Various activities were undertaken to further improve this service, to give it more publicity and to find more paying subscribers to create funds in order to increase its self-financing capability.

One of the activities is the trade fair participation as indicated before. Early 1995 a business opportunity section in the report was introduced which should make subscriptions even more attractive. Leather trade magazines all over the world continue to reproduce the

basic information sheet of the MNS report and thereby give free publicity for the MNS. Some of them continue to place free advertisements for the service as well. One of the latest actions is the appointment of agents (on trial basis) to sell subscriptions in selected countries.

MNS correspondents were visited in the United Kingdom and Ireland early 1995. Plans to visit correspondents in other countries too, something which is of vital importance in the MNS system, had to be abandoned because of lack of funds.

The contact service in which buyers and sellers of leather and leather products are brought together continues successfully on daily basis.

## **C. Minerals and metals**

### **■ Copper and copper products**

ITC published in 1990 a study entitled *Copper and Copper Products: An Overview of World Production, Consumption and Trade*.

Through a trust fund contribution ITC was able in 1992 to work in China and Chile with the major copper and copper products manufacturing enterprises to establish their needs for technical cooperation. The work provided ITC with the necessary inputs to proceed with updating and refinement of a large-scale export development project at enterprise level that had already been prepared but not yet funded. A software for an information system on copper products has been developed which would be supportive of an eventual large-scale project in this product group.

Due to resource limitation (staff and funding) work on other metals and minerals has been limited to scanning published information with the purpose of developing eventually active projects in the future.

## **D. Cross-commodity activities**

The trend towards trade liberalization, the search for "market-based" solutions and the subsequent abolishment of the commodity marketing boards in many developing countries increased the awareness of the importance of commodity markets in the commercialization of primary products. In this context, ITC will bring forward a project proposal for technical cooperation with commodity markets in producing/exporting developing countries trading in physicals, including auction systems, grading systems, training and public relations.

A project proposal has also been prepared for direct submission to CFC on "Training commodity exporters from least developed countries in export marketing and export operation, including the use of relevant market instruments". The project will be commodity-specific, and in its first phase intended to train coffee and cocoa exporters.

## **Training, specialized trade services and trade information**

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### **A. Training**

In the past, the ITC training programme was concerned with training in trade promotion and the international marketing of non-traditional products. Pursuant to UNCTAD resolution 158(VI), ITC started to increase its commodity-related training activities. A number of projects were formulated aiming at improving the skills of personnel from selected developing countries, particularly LDCs, in the processing, marketing and distribution of major commodities. ITC also supports international efforts to increase training activities in commodity trading for personnel from LDCs. The main components of the ITC commodity-related HRD programme are as follows:

- Organization of interregional training events;
- In-service training programmes with major commodity traders and processors;
- Organization in producing/exporting countries of dissemination seminars/consultations to follow up the publication of commodity handbooks; and workshops while providing direct market development support to private enterprises;
- Design and preparation of training material; and
- Consultations with training institutions, industrial and trade associations, and major enterprises (in developed and commodity-exporting developing countries) engaged in the processing, marketing and distribution of commodities of export interest to developing countries. The aim is to organize and manage training programmes (both formal and in-service training) in the processing, marketing and distribution of these commodities.

Workshops on marketing, management and trading have taken place for cocoa, coffee, cotton and jute. Project proposals for similar workshops on natural rubber and tea have been prepared and submitted to potential donor countries for funding.

With regard to the development of commodity-specific training materials, ITC has published a *Training Manual for Cotton Trading Operations, Cases in International Cocoa Marketing* and a collection of readings on coffee.

The main objective of ITC's HRD activities in commodities is described in chapter IV, section H. (Human resource development). As stated, ITC has been trying to give importance to in-service training for developing country personnel in trading and processing centres in both developing and developed countries. The approach to this training is two-pronged: training in an important exporting developing country (generally in the form of a one-week workshop and four to six weeks of in-service training with processors and exporters), followed by in-service training of four to eight weeks with major traders and processors in importing countries.

## **B. Specialized trade services**

Within the framework of the technical cooperation activities described in the foregoing paragraphs, ITC's specialized trade services provide a comprehensive range of consultancy, research and backstopping services, including a review of the major functional problems in the export trade in commodities. The advisory services cover trade fairs, publicity and publications, export financing and export credit insurance, export packaging, export quality management, and the legal aspects of foreign trade.

ITC's technical cooperation activities in export quality management and packaging have taken the form of advisory and training activities in specific product sectors. In carrying out these activities, ITC has frequently worked with FAO, the International Organization for Standardization (ISO) and UNIDO.

Work on quality improvement, quality control and pre-shipment inspection for selected commodities (e.g. spices), has been carried out in selected developing countries.

Advice on the export quality management of selected major commodities such as coffee, rice, coal, minerals, natural rubber and timber was completed for Viet Nam in 1993. To disseminate information on standards, regulations and quality control practices affecting various products, including commodities, ITC continued to distribute its *Export Quality* note. A handbook on *Quality Control for the Food Industry* was produced in 1992 and has been disseminated widely.

With regard to export packaging, ITC has been involved in the development and testing of alternative bulk packages for tea (in particular the introduction of paper sacks to replace plywood tea chests), the development of designs for tea retail packs for export, the improvement of packaging designs for cocoa products from a major cocoa-producing African country and helping with solving an environmental problem for jute bags.

A handbook on *Textiles and Clothing: Quality Requirements in Selected Markets* was issued in 1994 and is being disseminated widely in separate editions in English, French and Spanish. A Workshop on Ecolabelling and other Environmental Quality Requirements for Trade of Developing Countries in Textiles and Clothing will be implemented in June 1995 in Geneva for participants from 12 selected developing countries.

## **C. Trade information**

Trade information is an important aspect of ITC's technical cooperation activities in commodities. The first steps in ITC's market development work are market studies and extensive reviews providing the basic information required by exporters. Investment feasibility studies based on identified market opportunities are carried out.

The ITC Trade Information Service provides advice on the setting up, operation and development of national, subregional or regional trade information services - or specific elements of such services - and related training activities which are important components of ITC's work in commodities. They cover all aspects of trade information and related electronic data processing and telecommunications techniques.

ITC also provides specialized information services from headquarters. Among the services provided are the following:

- Provision of *ad hoc* trade information, marketing advice and contact information upon request (free of charge for LDCs);
- Publication of a series of market briefs and short market reports on specific products/markets;
- Publication of a directory of on-line databases and CD-ROM for trade promotion activities;
- Publication of a *World Directory of Standardization and Quality Assurance Related Institutions* (a new up-date will be ready in 1995);
- Provision of foreign trade statistics in the form of computer print-outs, CD-ROM or diskettes;
- Provision of technical and commercial information on packaging and export quality management through the packaging information services and the *Export Quality Note*.

The development of computer-aided market intelligence systems for coconut- and pepper-producing countries in collaboration with APCC and the International Pepper Community respectively is an example of ITC's commodity-specific trade information activities. ITC is exploring possibilities for cooperation with IJO in setting up a computerized trade information system for jute and jute products. The system is intended to be linked to national centres in selected jute-producing countries.

In addition, the ITC Market News Service provides current price and other market information to over 500 receiving centres in more than 90 developing countries on the following commodities: tropical and off-season fruits, off-season vegetables, bulk-packed fruit juices, fresh-cut flowers and ornamental plants, spices, spice seeds and herbs, rice, hides and skins and semi-finished leather, tropical timber, sawn wood and plywood. Producers are also advised on the handling, packaging, storage, grading, transportation and quality control of these products. Plans for providing services on cotton yarn and grey cloth, and raw silk and silk products were set in motion.

## **VI. Chart on ITC's technical cooperation activities in commodities**

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The chart presented on the next pages has been designed for the purpose of:

- Presenting a comprehensive view of activities planned, being implemented, and/or completed by ITC with regard to commodities;
- Facilitating the monitoring of ITC's commodity-related work (from preparation of project proposals; submission to, and approval by, UNDP and/or donor countries; to project implementation and completion);
- Providing a comprehensive overview of the budgetary means already made available to ITC by UNDP and donors as well as an overview of financial delivery in relation to approved budgets; and
- Indicating funding requirements for specific elements of proposed programmes.

**Chart on ITC's technical cooperation activities  
in commodities (1993-1994)  
(interregional and regional projects only)**

**Contents**

	<b>Page</b>
<b>I. COMMODITY-SPECIFIC</b>	<b>37</b>
<b>A. Food and beverages</b>	<b>37</b>
1. Cocoa and cocoa products	37
2. Coffee and coffee products	37
3. Tea	39
4. Sugar	39
5. Meat and meat products	39
6. Spices and essential oils	40
7. Vegetable oils seeds, fats and oils	40
8. Rice	41
9. Fish and fishery products	41
10. Citrus fruit, including citrus juices	41
11. Edible nuts, including groundnuts (HPS)	41
<b>B. Agricultural raw materials</b>	<b>42</b>
1. Cotton and cotton yarn	42
2. Hard fibres	42
3. Jute and jute products	43
4. Silk and silk products	43
5. Coconut products (other than coconut oil)	44
6. Natural rubber and rubber products	44
7. Tropical timber and wood products	44
8. Hides, skins, leather and leather products	45
<b>C. Minerals and metals</b>	<b>46</b>
Copper and copper products	46
<b>II. CROSS-COMMODITY ISSUES</b>	<b>46</b>



**Chart on ITC's technical cooperation activities in commodities  
(interregional and regional projects only)**

List of projects/proposals	Year	Completed or ongoing (\$US'000) <sup>1/</sup>					Additional funding required <sup>1/3/</sup> (\$US '000)
		Financed by	Budget <sup>2/</sup>	Expenditures			
				Cumulative to end 1994	1993	1994	
<b>I. COMMODITY-SPECIFIC</b>							
<b>A. Food and beverages</b>							
<b>1. Cocoa and cocoa products</b>							
a. Cocoa: A Trader's Guide (INT/60/49)	1985-1990	Sweden	462	464			
b. Export development support to selected enterprises in LDCs and smaller developing producing countries exporting cocoa (INT/60/81)	1990-1992	Sweden	230	238			
c. Integrated technical assistance at enterprise level in trading techniques, marketing management, quality maintenance and trade intelligence	1996-1998						400
d. In-service training for cocoa traders (INT/24/58) (INT/61/37)	1988-1990 1992-1993	Denmark Switzerland	254 64	252 46			
e. Generic promotion of cocoa - preparatory work for the International Cocoa Organization (INT/61/33) (INT/48/02)	1987-1988 1991	Switzerland Netherlands	62 4	60 4			
f. Workshop on cocoa marketing, management and trading (INT/61/37)	1988 1995 1998	Switzerland	69	69			170 210
g. Training material for the Cocoa Programme (INT/61/39)	1988-1990	Switzerland	80	57			
h. Generic Promotion in Japan (INT/96/01)	1993-1994	CCAJ <sup>4/</sup>	23	21	5	16	
<b>Subtotal 1: Cocoa and cocoa products</b>			<b>1,248</b>	<b>1,211</b>	<b>5</b>	<b>16</b>	<b>780</b>
<b>2. Coffee and coffee products</b>							
a. Special programme for LDCs: Export development at enterprise level for coffee and coffee products (INT/60/62)	1987-1991	Sweden	643	633			

1/ Figures rounded to the nearest thousand.

2/ Excluding 13% support costs.

3/ Including 13% support costs.

4/ Chocolate and Cocoa Association of Japan funded by CFC.

List of projects/proposals	Year	Completed or ongoing (\$US'000) <sup>1/</sup>					Additional funding required <sup>1/3/</sup> (\$US '000)
		Financed by	Budget <sup>2/</sup>	Expenditures			
				Cumulative to end 1994	1993	1994	
b. Training in the promotion of coffee (a) Workshop on trading and promotion and (b) In-service training (INT/61/36)	1988-1991	Switzerland	531	513			
c. Preparation of a coffee exporter's guide (INT/48/01), INT/50/33 and INT/24/65)	1990-1992	Netherlands	190	190			
	1990	Denmark	61	61			
	1991-1992	Norway	116	145	65		
d. Coffee exporter's guide, phase II (extended dissemination activities) (INT/50/33)	1993-1994	Norway	230	230	136	94	
e. Identification and optimization of origin gourmet coffee potential (with ICO)	1996-1998						1,600
f. Revision and publication of ITC Commodity Handbook "Coffee - An Exporter's Guide"	1997-1998						250
g. Coffee export seminars and management consultations at enterprise level in coffee producing/export countries	1995-1997						355
h. Technical assistance to African coffee producers in coffee quality assessment (Liquoring/cup tasting) (with IACO)	1996-1997						490
i. Export seminars for coffee and cocoa sectors in LDCs	1996-1998						400
j. Export development programme for the Ethiopian coffee sector	1996-1997						325
k. Export development programme for the Nicaragua coffee sector	1996-1997						200
l. Export and risk management seminars for Uganda coffee exporters (with World Bank)	1996-1997						190
m. Export and risk management seminars for coffee and cocoa sector in Cameroon	1995-1996						320
n. Market development advisory services for commodities (INT/24/47)	Annual	Denmark	-	-	140	140	
<b>Subtotal 2: Coffee and coffee products</b>			<b>1,771</b>	<b>1,772</b>	<b>341</b>	<b>234</b>	<b>4,130</b>

1/ Figures rounded to the nearest thousand.

2/ Excluding 13% support costs.

3/ Including 13% support costs.

4/ In cooperation with other agencies

List of projects/proposals	Year	Completed or ongoing (\$US'000) <sup>1/</sup>					Additional funding required <sup>1/3/</sup> (\$US '000)
		Financed by	Budget <sup>2/</sup>	Expenditures			
				Cumulative to end 1994	1993	1994	
<b>3. Tea</b>							
a. Advances against commodities in export operations (tea)	1985-1988	Canada	84	84			
b. Special programme for LDCs: Formulation of export development projects for tea and tea products (INT/50/25)	1988-1989	Norway	111	110			
c. Training in tea quality assessment/maintenance (workshop and in-service training)	1996-1998						550
d. Marketing of blended and packeted tea	1996-1997						230
e. Formulation of project proposals for tea consumption and human health/generic promotion of tea (Preparatory phase) (Full project)	1992 1995-1999	ITC/RB <sup>4/</sup>	10	10			500 <sup>4/</sup>
f. Studies on bulk packaging of tea (incl. transportation and warehousing)	1995-1997						120
g. Market development advisory services for commodities (INT/24/47)	Annual	Denmark	-	-	30	10	
<b>Subtotal 3: Tea</b>			<b>205</b>	<b>204</b>	<b>30</b>	<b>10</b>	<b>1,400</b>
<b>4. Sugar</b>							
a. In-service training in trading of sugar and sugar products for traders from Eastern Europe and Africa							600
<b>Subtotal 4: Sugar</b>							<b>600</b>
<b>5. Meat and meat products</b>							
a. Preparatory activities for the export development of livestock, meat and meat products, in particular the development of trade between developing countries (INT/61/33)	1987	Switzerland	34	20			
b. Project proposals arising out of (a) - International Meat Buyers Guide - Market research studies of meat importing countries and market studies of selected producing countries - Meat promotion, in particular lean meat	1996-1999						300 240 50

1/ Figures rounded to the nearest thousand.

2/ Excluding 13% support costs.

3/ Including 13% support costs.

4/ Regular budget.

List of projects/proposals	Year	Completed or ongoing (\$US'000) <sup>1/</sup>					Additional funding required <sup>1/3</sup> (\$US '000)
		Financed by	Budget <sup>2/</sup>	Expenditures			
				Cumulative to end 1994	1993	1994	
c. Export development of sheepmeat from Latin American countries to selected Middle East markets	1996-1998						120
<b>Subtotal 5: Meat and meat products</b>			<b>34</b>	<b>20</b>			<b>710</b>
<b>6. Spices and essential oils</b>							
a. Market promotion activities in selected countries	1996-1998						300
b. Development of a computer-based market intelligence system for pepper producing countries in cooperation with the International Pepper Community (INT/60/70)	1989-1991	Sweden	133	114			
c. Monitoring the impact of spice substitutes on the market for natural spices (in particular pepper) (INT/61/33)	1989	Switzerland	25	25			
d. High value spices and herbs from LDCs (INT/47/47)	1989-1991	Netherlands	22	22			
e. Workshops on quality control and maintenance of spices in collaboration with ASTA and the European Spice Association	1995-1997						450
f. Regional market news service for spices for Asia and the Pacific (RAS/86/017)	1987-1991	UNDP	650	650			
g. Promoting Quality and Export of Indian Spices (IND/94/003)	1994-1996	UNDP	350			200	
h. Market study for selected essential oils in cooperation with FAO (INT/88/01)	1994	FAO ITC/RB <sup>4/</sup>	19 19	19 19		19 19	
i. Third meeting of the International Spice Group (INT/60/08)	1991	Sweden	58	39			
j. Market News Service for spices, spices seeds & spice herbs MNS core project INT/60/07	Annual Annual	Sweden ITC/RB <sup>4/</sup>	- -	- -	50 40	50 40	
<b>Subtotal 6: Spices</b>			<b>1,276</b>	<b>888</b>	<b>90</b>	<b>328</b>	<b>750</b>
<b>7. Vegetable oil seeds, fats and oils</b>							
a. Guide to trading techniques for vegetable oils and seeds (including dissemination seminars) (INT/60/63)	1987-1991	Sweden	474	409			

1/ Figures rounded to the nearest thousand.

2/ Excluding 13% support costs.

3/ Including 13% support costs.

4/ Regular budget.

List of projects/proposals	Year	Completed or ongoing (\$US'000) <sup>1/</sup>					Additional funding required <sup>1/3/</sup> (\$US '000)
		Financed by	Budget <sup>2/</sup>	Expenditures			
				Cumulative to end 1994	1993	1994	
b. In-service training for traders in oil seeds, oil-bearing fruits and vegetable oils (INT/60/90)	1991-1992	Sweden	140	140			
c. International workshop on trading techniques	1996						150
d. Trade information support and training of traders with a view to increasing intra-African trade in palm oil	1996-1999						800
<b>Subtotal 7: Vegetable oil seeds, fats and oils</b>			<b>614</b>	<b>549</b>			<b>950</b>
<b>8. Rice</b>							
Market News Service for rice (INT/88/A07) (MNS core project INT/60/07)	1991-1993 Annual	UNCTAD Sweden	74	74	10	70	
<b>Subtotal 8: Rice</b>			<b>74</b>	<b>74</b>	<b>10</b>	<b>70</b>	
<b>9. Fish and fishery products</b>							
a. Fish and fishery products - an exporter's guide (incl. dissemination seminars/consultations)	1996-1999						800
b. Market development advisory services (INT/24/48)	Annual	Denmark	-	-	50	50	
<b>Subtotal 9: Fish and fishery products</b>					<b>50</b>	<b>50</b>	<b>800</b>
<b>10. Citrus fruit, including citrus juices</b>							
a. Export development support at country and enterprise level for fruit juices - dissemination seminars/consultations	1992-1993	Norway	261	261	130		
b. Market development advisory services (INT/24/48)	Annual	Denmark	-	-	25	50	
<b>Subtotal 10: Citrus fruit, including citrus juices</b>			<b>261</b>	<b>261</b>	<b>155</b>	<b>50</b>	
<b>11. Edible nuts, including groundnuts (HPS)</b>							
a. Market development advisory services (INT/50/19)	1985-1989	Norway	200	200			
b. Export development of macadamia nuts	1991-1992	Norway	50	50			
c. Market opportunities for tropical nuts in the United Kingdom (INT/50/39)	1993-1994	Norway	165	165	65	100	

1/ Figures rounded to the nearest thousand.

2/ Excluding 13% support costs.

3/ Including 13% support costs.

List of projects/proposals	Year	Completed or ongoing (\$US'000) <sup>1/</sup>					Additional funding required <sup>1/3/</sup> (\$US '000)
		Financed by	Budget <sup>2/</sup>	Expenditures			
				Cumulative to end 1994	1993	1994	
d. Market opportunities for peanuts (INT/50/39)	1994-1995	Norway	84			42	102
<b>Subtotal 11: Edible nuts, including groundnuts (HPS)</b>			<b>499</b>	<b>415</b>	<b>65</b>	<b>142</b>	<b>102</b>
<b>B. Agricultural raw materials</b>							
<b>1. Cotton and cotton yarn</b>							
a. Special programme for LDCs: Export marketing assistance to African LDCs, producers of cotton, cotton yarns and grey cloth Dissemination seminars/workshops Market research on cotton yarn and grey cloth in Europe (INT/60/60)	1987-1989	Sweden	133	133			
b. Workshop on commodity trading operations for cotton (INT/61/38)	1988	Switzerland	133	73			
c. Export market assistance to selected developing country producers for cotton household textiles (INT/60/76)	1989-1992	Sweden	151	151			
d. Export development programme for cotton products	1996-1999						800
<b>Subtotal 12: Cotton and cotton yarn</b>			<b>417</b>	<b>357</b>			<b>800</b>
<b>2. Hard fibres</b>							
a. Promotion of consumption of sisal agricultural twine in selected countries (INT/60/74 and INT/02/01)	1989-1990 1989-1990 1990-1991	Sweden ABEMS <sup>4/</sup> Sweden	156 18 125	150 18 125			
b. Product and market development of rubberized coir and geotextiles	1994-1996	CFC	475			33	
c. Rubberized coir: a pilot study (INT/60/68)	1989	Sweden	35	34			
d. Promotion of consumption of rubberized coir in Germany, the United Kingdom and Sweden (INT/60/82)	1990-1991 1991-1992 1995-1996	Sweden Sweden Sweden	70 70 70	31 25			70

1/ Figures rounded to the nearest thousand.

2/ Excluding 13% support costs.

3/ Including 13% support costs.

List of projects/proposals	Year	Completed or ongoing (\$US'000) <sup>1/</sup>					Additional funding required <sup>1/3/</sup> (\$US '000)
		Financed by	Budget <sup>2/</sup>	Expenditures			
				Cumulative to end 1994	1993	1994	
e. Product development and marketing of sisal products other than agricultural twine	1996-1999						800
<b>Subtotal 13: Hard fibres</b>			<b>949</b>	<b>383</b>		<b>33</b>	<b>870</b>
<b>3. Jute and jute products</b>							
a. Market promotion programme in Japan for a new 30 kg jute rice bag (RAS/77/06)	1988-1989 1992	IJO IJO	132 70	130 70			
b. Market promotion programme in Japan for selected jute products (RAS/77/09)	1992-1993 1993-1995	IJO IJO	87 300	87 227	60	107	100
c. Market promotion programme in Western Europe (RAS/77/07, RAS/77/08 and RAS/17/30)	1988-1990 1988-1990 1995-1997	IJO Belgium	235 326	235 320			450
d. Market promotion in Europe (RAS/77/10)	1992-1993	IJO	70	70			
e. Market promotion for jute geotextiles in the United States (RAS/86/106)	1986-1991	UNDP	50	50			
f. Market promotion for jute carpet backing in the United States	1996-1998						700
g. Promotion of jute sacks in Africa	1996-1998						600
h. Buyers/Sellers Meet, USA (INT/24/68)	1991	Denmark	16	16			
i. Market promotion of jute carpet backing and woolpacks in Australia and New Zealand	1996-1998						600
j. Market development of diversified jute products from India (IND/92/312)	1993-1994	UNDP	300	300	70	230	300
<b>Subtotal 14: Jute and jute products</b>			<b>1,586</b>	<b>1,505</b>	<b>130</b>	<b>337</b>	<b>2,750</b>
<b>4. Silk and silk products</b>							
a. Export development support to selected enterprises in Asia and the Pacific producing/exporting silk and silk products (RAS/47/22)	1986-1991 1992-1994	Netherlands Netherlands	800 436	800 423	213	69	250

1/ Figures rounded to the nearest thousand.

2/ Excluding 13% support costs.

3/ Including 13% support costs.

List of projects/proposals	Year	Completed or ongoing (\$US'000) <sup>1/</sup>					Additional funding required <sup>1/3/</sup> (\$US '000)
		Financed by	Budget <sup>2/</sup>	Expenditures			
				Cumulative to end 1994	1993	1994	
b. Export development assistance to selected enterprises in China (CPR/60/50)	1987-1992	Sweden	540	540			
c. Implementation of export development programmes at enterprise level on silk/silk products for selected producing/exporting countries	1996-1999						800
<b>Subtotal 15: Silk and silk products</b>			<b>1,776</b>	<b>1,763</b>	<b>213</b>	<b>69</b>	<b>1,050</b>
<b>5. Coconut products (other than coconut oil)</b>							
a. Development of a computer-based market intelligence system for coconut producing countries in collaboration with the Asian and Pacific Coconut Community (APCC) (INT/20/68)	1986-1991	Canada	252	252			-
b. Export development of the non-traditional coconut industry in selected Asian and Pacific Island countries	1996-1999						450
c. Generic promotion in Italy for desiccated coconut	1996-1998						400 <sup>4/</sup>
<b>Subtotal 16: Coconut products</b>			<b>252</b>	<b>252</b>			<b>850</b>
<b>6. Natural rubber and rubber products</b>							
a. Integrated export development support to selected enterprises in developing countries exporting natural rubber products (INT/20/70 and INT/47/26)	1987-1992 1986-1994	Canada Netherlands	368 892	379 884	388	157	500
b. Workshop on trading and promotion of natural rubber	1996						160
c. Natural Rubber Trader's Guide	1996-1997						600
<b>Subtotal 17: Natural rubber and rubber products</b>			<b>1,260</b>	<b>1,263</b>	<b>388</b>	<b>157</b>	<b>1,260</b>
<b>7. Tropical timber and wood products</b>							
a. Development of a comprehensive ITC medium-term programme for wood products (carried out as part of INT/26/45)	1988	Finland	25	25			

1/ Figures rounded to the nearest thousand.

2/ Excluding 13% support costs.

3/ Including 13% support costs.

4/ Co-financing sought for 50% from APCC member countries.



List of projects/proposals	Year	Completed or ongoing (\$US'000) <sup>1/</sup>					Additional funding required <sup>1/3/</sup> (\$US '000)
		Financed by	Budget <sup>2/</sup>	Expenditures			
				Cumulative to end 1994	1993	1994	
b. ITC action programme on wood products: Preparation of market reviews of processed wood products (INT/26/49)	1989-1992	Finland	1,391	1,364			970
	1994		48	48		48	
c. Marketing assistance project on builders' woodwork from developing countries (INT/26/45)	1985-1989	Finland	311	311			
d. Marketing assistance project on wood-based panels from developing countries (INT/26/46)	1985-1988	Finland	139	139			
e. Wooden household furniture (INT/33/01)	1990	ITTO	128	124			
f. Market News Service (MNS) for tropical timber and timber products (INT/33/02-04)	1990-1994	ITTO	1,207	988	340	345	
g. Global development of the rubber wood industry (INT/47/52/55) (INT/92/012)	1992-1996	Netherlands	615	615	187	251	735
	1992-1996	UNDP	400	400	250		
<b>Subtotal 18: Tropical timber and wood products</b>			<b>4,264</b>	<b>4,014</b>	<b>777</b>	<b>644</b>	<b>1,705</b>
<b>8. Hides, skins, leather and leather products</b>							
a. Market News Service for raw and semi-tanned hides and skins (Phase III) (INT/61/53) (MNS core project INT/60/07) Regular budget	1991-1993	Switzerland	230	158	90		
	Annual	Sweden		70		70	
	Annual	ITC				100	
b. Regional Africa Leather and Footwear Industry Scheme (RALFIS)	1993-1995	UNIDO subcontract	121			23	
c. Leather products export development support to selected enterprises in developing countries	1996-1998						900
d. Hides and skins recovery and export development in selected African countries	1996-1998						850
<b>Subtotal 19: Hides, skins, leather and leather products</b>			<b>351</b>	<b>228</b>	<b>90</b>	<b>193</b>	<b>1,750</b>

1/ Figures rounded to the nearest thousand.

2/ Excluding 13% support costs.

3/ Including 13% support costs.

الجمهورية اللبنانية

مكتب وزير الدولة لشؤون التنمية الإدارية  
مركز مشاريع ودراسات القطاع العام

List of projects/proposals	Year	Completed or ongoing (\$US'000) <sup>1/</sup>					Additional funding required <sup>1/3</sup> (\$US '000)
		Financed by	Budget <sup>2/</sup>	Expenditures			
				Cumulative to end 1994	1993	1994	
<b>C. Minerals and metals</b>							
<b>Copper and copper products</b>							
a. Preparation of project proposals for selected products manufactured from copper (INT/60/54, INT/60/65 and INT/61/33)	1986-1988	Sweden	30	26			
	1988	Switzerland	62	60			
b. Export development assistance to selected developing country exporters of copper products (INT/76/05)	1990	Germany	58	58			
<b>Subtotal 20: Copper and copper products</b>			<b>150</b>	<b>144</b>			
<b>II. CROSS-COMMODITY ISSUES</b>							
<b>Note:</b>							
Most of ITC's technical cooperation activities in the processing, marketing and distribution of commodities are commodity specific. However, technical cooperation projects are being prepared on cross-commodity issues, such as technical assistance to commodity markets in developing countries and the operation of commodity exchanges and the development of training material on commodity trading, export financing for commodities, etc.							
a. Training material on commodity trading (coffee and coffee products, cocoa and cocoa products and cotton) (INT/61/39)	1988	Switzerland	80	87			
b. ASTRO-ITC workshop on multiple risk management in international trading operations	1990	UNDP	10	10			
c. Trade information support to rural-based commodities in selected LDCs and small commodity exporting countries	1996-1998						450
<b>Subtotal 21: Cross-commodity issues</b>			<b>90</b>	<b>97</b>			<b>450</b>
<b>GRAND TOTAL (Subtotals 1 - 21)</b>			<b>17,077</b>	<b>15,400</b>	<b>2,344</b>	<b>2,333</b>	<b>21,707</b>

1/ Figures rounded to the nearest thousand.

2/ Excluding 13% support costs.

3/ Including 13% support costs.

## INFORMATION



### INTERNATIONAL TRADE CENTRE UNCTAD/WTO (ITC)

The International Trade Centre UNCTAD/WTO (ITC) is the focal point in the United Nations system for technical cooperation with developing countries in trade promotion. ITC was created by the General Agreement on Tariffs and Trade (GATT) in 1964 and since 1968 has been operated jointly by GATT (now by the World Trade Organization, or WTO) and by the UN, the latter acting through the United Nations Conference on Trade and Development (UNCTAD). As an executing agency of the United Nations Development Programme (UNDP), ITC is directly responsible for implementing UNDP-financed projects in developing countries and economies in transition related to trade promotion.

#### Main programme areas

ITC works with developing countries and economies in transition to set up effective trade promotion programmes for expanding their exports and improving their import operations. This covers six key areas:

- **Product and market development:** Direct export marketing support to the business community through advice on product development, product adaptation and international marketing for commodities, manufactures and services. The aim is to develop and market internationally competitive products and services to expand and diversify these countries' exports.
- **Development of trade support services:** Creation and enhancement of foreign trade support services for the business community provided by public and private institutions at the national and regional levels. The objective is to ensure that enterprises have the facilities to export and import effectively.
- **Trade information:** Establishment of sustainable national trade information services and dissemination of information on products, services, markets and functions to enterprises and trade organizations. The purpose is to lay a foundation for sound international business decisions and for appropriate trade promotion programmes.
- **Human resource development:** Strengthening of national institutional capacities for foreign trade training and organization of direct training for enterprises in importing and exporting. The goal is to achieve efficient foreign trade operations based on relevant knowledge and skills.
- **International purchasing and supply management:** Application of cost-effective import systems and practices in enterprises and public trading entities by strengthening the advisory services provided by national purchasing organizations, both public and private. The aim is to optimize foreign exchange resources expended on imports.
- **Needs assessment and programme design for trade promotion:** Conception of effective national and regional trade promotion programmes based on an analysis of supply potential and constraints, and identification of related technical cooperation requirements. The objective is to reinforce the link between trade policy and the implementation of trade promotion activities.

In all of these services ITC gives particular attention to activities with the least developed countries (LDCs).

#### Trade promotion projects

ITC's technical cooperation projects are carried out in all developing areas, at the national, subregional, regional and interregional levels. They are undertaken at the request of governments of the countries concerned. Projects are administered from ITC headquarters in Geneva and are implemented by ITC specialists who work in close liaison with local officials. A project may last from a few weeks to several years, depending on the number and types of activities involved.

National projects often take the form of a broad-based integrated country project, which includes a package of services to expand the country's exports and/or improve its import operations. In some cases national projects cover only one type of activity. Subregional, regional and interregional projects may also deal with either one or a combination of ITC services, depending on the trade promotion and export development requirements of the group of countries concerned.

All of ITC's technical cooperation projects are systematically monitored and evaluated to ensure that the objectives initially agreed to between the government(s) and ITC are being achieved.

.../...

### **Headquarters services**

In addition to specific technical cooperation projects with individual developing countries and economies in transition, or groups of these countries, ITC provides services from its headquarters in Geneva that are available to all such countries. These include publications on trade promotion, export development, international marketing, international purchasing, supply management, and foreign trade training, as well as trade information and trade statistics services of various types.

### **Coordination with other organizations**

ITC's technical cooperation work is coordinated with a number of other organizations inside and outside the UN system. ITC maintains close liaison with UNCTAD and WTO for specific technical cooperation activities, in addition to its more formal links with these two organizations for its overall technical cooperation programme. ITC's export market development activities are coordinated, whenever relevant, with the work of the Food and Agriculture Organization of the UN (FAO) and the United Nations Industrial Development Organization (UNIDO). Close contacts are maintained with UNDP, which provides financing for a portion of ITC's projects with developing countries and economies in transition, and whose Resident Representatives and Resident Coordinators serve as ITC's official representatives in their countries of assignment.

ITC also works with other UN organizations, regional development banks, intergovernmental bodies outside the UN system, nongovernmental organizations and numerous trade-related institutions. In particular it has developed a close association with import promotion offices that have been set up in various countries to promote exports from developing countries into their respective national markets. ITC is continuously broadening its contacts with foreign trade and business institutions as it extends its network of technical cooperation partners.

### **Sources of funding**

ITC's regular budget is funded in equal parts by the UN and WTO. It finances general research and development on trade promotion and export development, part of which results in published studies, market information and statistical services. This budget also covers overall administration of the organization.

Financing for ITC's technical cooperation activities in developing countries and economies in transition comes from UNDP, other international organizations, and voluntary contributions from individual developed and developing countries. Voluntary contributions consist of either trust funds for projects in other countries or funds-in-trust provided for projects in the donor's own country.

### **Status and policymaking**

ITC's legal status is that of a "joint subsidiary organ" of WTO and the UN, the latter acting through UNCTAD. The broad policy guidelines for ITC's technical cooperation work are determined by the governing organs of ITC's parent bodies. Recommendations on ITC's future work programme are made to these two organs by ITC's annual intergovernmental meeting, the Joint Advisory Group on the International Trade Centre UNCTAD/WTO (JAG). The JAG also reviews ITC's proposals for its medium-term plan, which provides a general framework for ITC's activities over a six-year period and forms part of the overall UN Medium-Term Plan. Representatives of member states of ITC's parent organizations attend the JAG meeting. In addition to the review by these intergovernmental meetings, ITC's policies and programmes are periodically examined in meetings attended by representatives of its parent organizations and ITC's Executive Director.

### **Secretariat**

Mr. J. Denis Bélisle, ITC's Executive Director, is responsible for the management of ITC. Staff at ITC headquarters in Geneva, Switzerland, number approximately 210. Several hundred consultants are assigned to ITC projects in developing countries and economies in transition each year.

### **Liaison offices**

ITC does not have any regional or national field offices. However, each government with which ITC works, in both recipient and developed countries, appoints an official ITC liaison officer within its administration.

### **Contact information**

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