

EXPORTS IN THE NEW TRADING ORDER

The past few years have seen a fundamental change in the global trading environment that has had far-reaching effects on developing countries. This change has been driven by a new awareness of the benefits of free trade and open competition, as well as the almost universal liberalisation of the economies of the developing countries.

The Uruguay Round of multilateral trade negotiations has been concluded, introducing a broad range of changes in global trade policy framework and practices. A single market of Europe has emerged, bringing in its wake many new product and market characteristics in the community, and the North American Free Trade Agreement (NAFTA) will pose new challenges to developing countries. The transformation of the economies of the former Soviet Union and Eastern Europe and their integration into world trading and financial systems have also brought changes. Likewise, development of the newly industrialised countries of East Asia has become more pronounced; and the Pacific Rim is developing as a major world trading partner.

The gradual phasing out of preferential access agreements means that goods from the least developed countries which do not have a competitive edge on the free market will lose their safe access to markets in developed countries. These least developed countries have only a limited time to realign their production and export strategies to adjust to the new dynamics of international trade.

The Secretariat, through the CFTC, assists member countries in improving export performance and increasing foreign exchange earnings through a range of programmes covering virtually every aspect of export promotion, trade development and export-investment. Institutional development assistance is also provided in strengthening the effectiveness of their export promotion agencies and redesigning and sharpening their export policies and strategies. Recently, it has helped in the formulation of export

and industrial development strategies and relevant institutional arrangements in Kenya.



Helping countries take advantage of the new trading environment

Trade Promotion Assistance

One of the ways the Secretariat helps countries improve trade promotion is by training local officials in export market development. In the two years since mid-1993, for example, assistance was given to enterprises in Zambia in reviewing product-

costing and pricing, and in formulating relevant policies and strategies. In collaboration with the Government of Singapore, the Secretariat has organised an advanced training programme on export market development. The programme was targeted at middle-level management officials from export promotion agencies in Commonwealth developing countries.

Included in the assistance to developing countries is a programme of integrated export marketing which helps exporters of specific products through all stages from production to market penetration by focusing on product specifications and standards, designing and packaging, and test-marketing prior to the launch of a trade promotion campaign. India and Pakistan have recently benefited from this sort of assistance.

Contact-Promotion programmes and Buyer-Seller Meets are also provided by the Secretariat to assist exporters identify and target new market opportunities overseas. Under these programmes, which are funded by the CFTC, company representatives are able to meet and display their products to prospective buyers from other countries. The Secretariat plans well ahead for these contact meetings, undertaking supply studies in the recipient country, identifying suitable opportunities in targeted markets and short-listing producers likely to succeed. Advice is also provided on the redesigning of products as well as packaging and labelling. At times, appropriate training is extended to exporters and factory staff.

In the two years since mid-1993, export promotion programmes have been undertaken for countries such as Bangladesh, Ghana, India, Lesotho, Malaysia, Mauritius, Nigeria, Pakistan and Western Samoa. In selecting producers for these programmes, the Secretariat pays special attention to women entrepreneurs.

To assist member countries improve their products to the level where they will be competitive on the free market, the Secretariat has helped countries such as Solomon Islands, Tanzania and Zimbabwe by training producers and exporters of handicrafts in



Negotiations between representatives of Trinidad and Tobago and South Korea on an export sector programme

product adaptation, quality improvement, designing, business practices, costing and pricing, and cost and quality control procedures.

Export Investment Promotion

By fostering collaboration between local and foreign firms through investments, joint ventures, transfer of technology and other related arrangements, the Secretariat has helped developing member countries increase the number of enterprises engaged in manufacturing and processing for export markets.

Trinidad and Tobago, for example, was given help in assessing the opportunities for joint venture with East Asian firms. Assistance was also given to Dominica and Western Samoa to assess their export capabilities and identify investment opportunities for the manufacture and export of their products to the United States. Jamaica was assisted in the assessment of products and product-sectors with export potential which would be capable of attracting investment from Japan.

Tourism Marketing

Tourism is a major industry for Commonwealth member countries, particularly the small island states, and earns valuable foreign exchange. The Secretariat has assisted a number of member countries in formulating and implementing tourism promotion and marketing development plans. Belize and St Kitts and Nevis have been recipients of such assistance and the Caribbean Tourism Organisation

was given help to generate statistical data that is critical to more efficient tourism planning and decision-making in the region. An intra-regional tourism market study to promote tourism within Southern Africa has also been completed.

Trade Information

Recognising the growing importance of regional groupings in international trade, the Secretariat

has produced a number of guides for business people and exporters who need information on tariffs as much as micro-level information on, for example, rules of origin and safety and environmental standards. It has produced guides for trading with the Single European Market and the NAFTA countries. Practical guides for the exporting of products such as fruits, vegetables and flowers to various markets in Europe have also been produced.



EXPLOITING NATURAL RESOURCES

Governments have targeted the exploitation of natural resources, such as minerals and petroleum, in their efforts to attract foreign investment and realise the potential of their hidden wealth. Secretariat assistance to these efforts has focused on advising these governments, on request, on appropriate legal, economic and fiscal terms for the exploitation of mineral resources, and on promotional efforts targeting international companies for investment. It has also helped countries settle maritime boundary questions and develop legal and regulatory frameworks in the fisheries sector.

Mining and Petroleum

With more countries seeking to develop their natural resources, competition to attract foreign exploration companies has become keen. Many governments have therefore turned to the Secretariat for assistance in formulating appropriate policies, for advice on competitive legal, economic and fiscal terms for the exploitation of mineral resources, and on how to attract investment. The main resources targeted by governments in the past two years were oil, gas, diamonds, gold, platinum, copper, lead, zinc and coal.

The Secretariat's in-house consultants have assisted some 15 Commonwealth countries, including several small states, in this period. In Lesotho, for example, new mining legislation has been drafted.

Legal and economic expertise has also been provided to the Governments of Botswana (in mining), India (in petroleum and mining) and Tonga (in petroleum) in reviewing their existing exploration and extraction terms. The creation of a sound policy framework and the formulation of terms conducive for foreign risk investment are the main themes underpinning all natural resource work.

In Pakistan, the Secretariat's in-house consultants helped a national task force frame a new minerals' policy. Substantial legal and economic inputs were similarly made in Namibia, Solomon Islands and Zimbabwe during the course of negotiations covering the further development of three major mineral deposits.

Advice was also offered prior to and during mining and petroleum negotiations elsewhere, for example in Grenada, Malta and Sierra Leone. Other examples of the type of activity undertaken in this period include assistance with the formulation of a new mining tax regime in Sri Lanka, with the drafting of model investment agreements in a number of countries and with the conduct of international promotion meetings for a number of governments, including that of Seychelles.

In October 1994, the Namibian Government signed historic agreements with De Beers Centenary which will govern the future exploitation of diamonds in