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Regional Consultation between Fair
Administrators in Latin America
organized in co-operation with
the Corporación de Ferias y
Exposiciones of Colombia

Bogotá, Colombia
27 November - 3 December 1975

FINAL REPORT*

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I. INTRODUCTION

A. Background and Purpose

In recognition of the important role international fairs have to play in the industrialization process, and of the need of developing countries to make their fairs more effective institutions for meeting present and future industrial needs, UNIDO, in co-operation with the Corporación de Ferias y Exposiciones of Colombia, organized a Consultation among administrators dealing with fair activities in Latin America. The purpose of the Consultation was to provide an occasion for an exchange of ideas and experience that led to the introduction and adoption of ways and means of integrating Latin America's efforts to use international fairs as effective vehicles for the promotion of socio-economic and especially industrial development.

B. Participants and Location

The Regional Consultation of Fair Administrators was comprised of 19 representatives from 11 countries of Latin America: Argentina, Bolivia, Brazil, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Panama, Paraguay and Uruguay.

A list of participants is given in Annex 1.

The Consultation took place in the Conference Room of the Bogotá International Trade Fair, in Bogotá.

C. Opening of the Consultation

The Consultation was officially opened by Dr. Oscar Perez, Director of the Bogotá International Trade Fair. Dr. Perez warmly welcomed the participants. He expressed his special thanks to UNIDO for its help in arranging the meeting, and his appreciation that it was being held in Bogotá, the home of the first officially recognized trade fair in Latin America.

Mr. Farinpour explained how the development of modern fairs was closely connected with the process of industrialization. UNIDO is interested in fair activities, because of the important role international fairs had to play in the industrialization process. They offered excellent opportunities for the development of markets, the transfer of technology and the exchange of technical and economic information and experience. UNIDO had experience in assisting developing countries in their fair activities in four ways:

- 1.- Providing technical assistance in improving the structure, organization and operation of fairs in these countries as well as their effective participation in foreign fairs.

- 2.- Promoting commercial contacts at fairs between businessmen from developing and industrial countries thus assisting business representatives of developing countries in developing joint ventures and the transfer of technology.
- 3.- Encouraging co-operation between fair administrators in developing and industrial countries which led to the foundation of the Afro-Asian Association of International Fairs and the current project for strengthening the Association of International Fairs of America (AFIDA).
- 4.- Providing supporting activities such as the publication of handbooks on industrial fairs in developing countries, which would shortly be available in Spanish and French editions and organizing consultations and seminars on various fair activities.

Mr. Farinpeur also explained that the purpose of the consultation was to provide an interchange of ideas and experience, which at the same time would lead to the adoption of methods to integrate the efforts of Latin American fairs as effective means of promoting economic development, especially in industry.

Finally, he introduced four consultants who would lead discussions on these three main topics: Mr. L. Ferris, of the Secretaria Permanente del Tratado General de Integracion Economica Centroamericana, Guatemala; Mr. A. Tauberger, of the AMK Berlin, Company for Exhibitions, Fairs and Congresses Ltd., Berlin, Mr. C. van der Heyde; and Mr. R.H.C. Hammond, UNIDO expert for AFIDA.

D. Election of Officers

Mr. Oscar Perez, Director of the Bogotá International Trade Fair, was unanimously elected chairman of the meeting. Mr. Hammond, UNIDO expert to AFIDA, was elected rapporteur.

II. DISCUSSION OF AGENDA

The provisional Agenda and Work Schedule shown in Annexes 2 and 3 were adopted and discussed as follows:

A. Fairs and Exhibitions as Promotional Business Institutions,
led by Mr. A. Tauberger.

Mr. Tauberger, UNIDO Consultant, opened the discussion.

The multiplicity of fairs and exhibitions demonstrated their usefulness, but the focal problem was how to use fairs to obtain the best results in the industrial progress of developing countries.

Fairs could benefit the domestic economy of the countries in which they were held, they could benefit supra-national economic units such as the Andean Pact and the European Common Market, and they could promote exports.

Certain fundamentals in international fairs applied both to highly industrialized and to developing countries. The most important of these was that fairs must reflect the economic development of the specific branch of industry or even of an entire national economy

Fairs could influence three sections of the economy production, distribution and consumption.

Fairs allowed developing countries to obtain a survey of the range of capital goods available from industrialized nations. As to distribution, fairs enabled traders, both wholesale and retail, to know what ranges of goods were available to them. And similarly fairs helped these traders to select and then to supply the consuming public with products high in quality and low price, and exhibits at fairs often served to show that domestic products were of equal standard and more economical in price than foreign products.

International fairs must reflect the market, and the market partner must be encouraged to take part in their organization. Fair organizers must not regard their task as one primarily of selling suitable exhibition facilities, but of helping exhibitors with the marketing of their products. The history of overseas import fair "Partners for Progress" illustrated this; here 80% of the organizers work was in connexion with providing marketing advice.

The object was to bring the exporter in touch with the client. Simultaneously great efforts were made to interest importers in the products shown in the Fair. These activities, together with support given by the Federal German Republic, had led to "Partners for Progress" becoming an effective means of promoting exports by developing countries.

The discussion which followed Mr. Tauberger's talk was divided into two parts; problems facing exporters from developing countries in taking part effectively in foreign fairs, and the organization of fairs in developing countries.

One of the main difficulties developing countries experienced in participation, was finding the right fair to suit their particular needs. Fairs in industrial countries often supplied information about the number and type of buyers who attended the fair, and information could usually be obtained from commercial departments, embassies and from international chambers of commerce, but it was felt that there was need for a clearing house of information in Latin America which would collate the experience of exhibitors in Latin America, would build up

a stock of objective information about fairs, and would help government departments responsible for arranging participation in foreign fairs to establish their own research departments, and thus guide exhibitors to the fair most likely to meet their needs, in the light of their country's present and future development requirements. One of the common problems facing organizers of fairs in Latin America was that of securing sufficient support from their own governments and from foreign manufacturers of capital goods, whose exhibits would be valuable in developing the economy. Frequently foreign exhibits were of luxury goods which were irrelevant to promoting development.

One suggestion for solving both aspects of their problem was to link the fair to the development plan of the country in which the fair was held. The publicity given to the development plan would assist the government to popularize it among the people of the country, and so help to secure governmental and popular support, and if foreign manufacturers of capital goods were informed of the nature and size of the market for their products, they would be much more ready to exhibit at the fair.

B. Fairs Promote Industrialization of the Third World, led by Mr. C. van der Heyde

Mr. van der Heyde said the purpose of his speech was to show how fairs could help promote the industrialization of the Third World.

Recent events such as the energy crises, the vast movements of currency to the OPEC countries, inflation and world recession, showed that a genuine partnership of all countries of the world was needed to solve these problems.

The social-economic structure of a country was largely dependent on its degree of industrialization. This depended not only on the supply of machinery, but also on the availability of the necessary trained workers and of an appropriate infrastructure. Trade Fairs offered an efficient and neutral platform for this planning and its realization, both by exhibiting at a foreign fair and by organizing fairs at home.

Participating in a fair could give firms represented at them opportunities of fostering and widening business ties. It costs time and money to take part in fairs and this investment could only be profitable if participation was properly planned, prepared, organized and analyzed.

Planning entailed choosing the most appropriate fair and fixing the object of participation.

The appropriate fair was one where the timing, frequency, duration and range of exhibits was in line with the structure of the commercial groups represented as exhibitors and buyers.

Participation was possible either in a specialized trade fair for one sector of industry, or in a general fair; also exhibitors could take part either in a joint exhibit or in national pavilion organized by their government or independently. National exhibits or "National Weeks" were other forms of promoting exports. Preparations for taking part in a fair included stand design, choice of products, selection of stand personnel and advance publicity. The most important point of participation in a fair were the talks which led to orders and future business ties. Therefore the selection of appropriate staff for the exhibitors stand was of paramount importance.

In Latin America fairs could be developed by establishing efficient facilities which were operated by a permanent staff of experts, and which covered supply and demand of the particular country and of neighboring countries. There was need for a continued co-operation in the fair sector between the Latin American countries and with UNIDO.

Developing countries had the potential for a rapid process of industrialization which would lessen social tensions resulting from widely differing standards of living and education. Industrial nations had the technology, experience and capital which could promote economic growth. International fairs in industrialized and developing countries could help to secure co-operation between these two complementary groups.

One of the subjects which attracted much attention in the discussion which followed Mr. von der Heyde's speech was the relative merits of specialized and general fairs. It was agreed that the tide was flowing towards specialized fairs because they offered a concentrated and homogenous market for both exhibitors and buyers. But specialized fairs could be established only if there was a sufficient concentration of production in the area, either national or regional, from which the fair could obtain exhibitors, and if there was a sufficiently large demand for the products covered by the fair. However, some Latin American countries, notably Brazil and Colombia, had successfully established specialized fairs which had begun to attract international as well as national exhibitors and buyers.

Reference was made to fairs being not only instruments of marketing but also of social development. They contributed to technical advance by providing a center where businessmen could meet to discuss development and marketing problems, and they encouraged tourism and related social activities.

There was a discussion on trade marts. It was generally agreed that, except in specially favourable circumstances, the cost of renting space and effectively staffing a stand in a trade mart was likely to be much more than that of participating in a trade fair, with less effective results.

C. Co-ordination and Harmonization of Fair Activities of Latin American Countries, led by Mr. L. Ferris

Mr. Ferris, UNIDO Consultant, opened the discussion.

In Latin American countries participation in international fairs and exhibitions is fundamental within the national strategy designed to increase exports; such exports may be classified in two major groups: Traditional and non-traditional products.

A national strategy should include a national desire to expand industrial export capacity to plan, co-ordinate and apply certain coherent actions to achieve this goal, and the adaptability of the instruments utilized by the public sector for this purpose. To be effective it must have the backing of the government as well as that from the private sector.

One of the ways to expand exports is participation in certain selected fairs, with products which are competitive in certain markets. Fairs have therefore become increasingly more important and efforts should be made by the Latin American countries to participate in a manner such as to yield the greatest benefit.

To maximize their participation in fairs countries of the region should give serious consideration to a joint participation in selected industrial sectors.

This could be achieved by selecting small industries whose expenses could be financed either by national governments or by the fair itself, through a series of measures designed to create a fund for this specific purpose. Joint participation of several Latin American countries would thereby strengthen their negotiating capacity and they would be able to attend fairs at a lower cost.

Following the speech of Mr. Ferris, UNIDO consultant, representatives of the countries represented at the meeting recounted their experiences of fair participation. Generally, the more highly industrialized countries took part in many more fairs than those with less industrial development.

Most countries had government departments concerned with fair participation, and most governments made substantial contributions towards the cost of companies taking part in foreign fairs. There had been an experiment of regional participation by the Andean Group at the recent Lima Fair, where there had been a joint pavilion as well as separate displays by member countries.

III. RECOMMENDATION OF THE CONSULTATION

Participants of the Consultation stressed the importance of the contribution international fairs and exhibitions made to the socio-economic

development of Latin American countries, especially in the industrial sector, which these countries urgently seek to realize. Moreover, the participants believed that in order that the Latin American countries can use their fairs as effective institutions for promoting their present and future industrial needs, the co-operation between these fairs will not only enforce their functional activities, but also pave the way for their purposeful collaboration with other fairs in the world.

The participants selected five members among the participants to draft a resolution in order to introduce the needs of the Latin American countries for joint action and the ways and means to harmonize the efforts of these countries to organize and participate in fairs, with a view to stimulating common action and assistance among themselves and to establish closer co-operation and co-ordination with international fairs in other countries and with international organizations dealing with fair activities.

A resolution was put forward by the five members and was adopted unanimously by the participants.

Annex 1

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Annex 2

AGENDA ITEM

- 1.- Fairs and Exhibitions as Promotional Business Institutions.
- 2.- Fairs Promote Industrialization of the Third World.
3. The ways and means Fair activities can be coordinated and harmonised in Latin American Countries.
4. General discussion and recommendations on Integration of Fair activities in Latin American Countries and with other Countries particularly industrialized ones.
5. Discussion of final report.

Annex 3

WORK SCHEDULE

Thursday, 27 November 1975

- 9.30 - 10 a.m. Registration
- 10 - 10.30 a.m. Opening of the consultation, election of officers, approval of the programme and work schedule
- 10.30 a.m. - 12 noon Fairs and exhibitions as promotional business institutions, by Mr. A. Tauberger, UNIDO consultant
- 3 - 5 p.m. General debate on the above subject

Friday, 28 November 1975

- 10 a.m. - 12 noon Fairs promote industrialization of the third world, by Mr. C. von der Heyde, UNIDO consultant
- 3 - 6 p.m. General debate on the above subject

Monday, 1 December 1975

- 10 a.m. - 12 noon Co-ordination and harmonisation of fair activities of Latin American countries, by Mr. L. Ferris, UNIDO consultant
- 3 - 6 p.m. General debate on the above subject

Tuesday, 2 December 1975

- 10 a.m. - 12 noon General debate and recommendations on the integration of fair activities of the Latin American countries with relevant activities of other countries, in particular industrialized countries
- 3 - 6 p.m. Continuation of the debate

Wednesday, 3 December 1975

- 10 a.m. - 12 noon Adoption of the final report

SPEECH MADE BY MR. A.A. FARINPOUR, UNIDO REPRESENTATIVE
ON THE DISCUSSION OF REGIONAL CONSULTATION OF
FAIR ADMINISTRATORS IN BOGOTA, 27 NOVEMBER TO 3 DECEMBER 1975

In earlier times, producers of goods came to fairs to offer their goods for sale; buyers came to fairs to buy the goods and take them home. With the development of industrial production, which meant the mass production of goods of uniform size and quality, it was no longer practical or necessary to take the goods themselves to the fair and to offer them for sale. Instead, the producers brought samples to be examined by prospective buyers who then placed their orders, secure in the knowledge that they would later take delivery of a product of the same quality and price as the sample offered at the fair. Nowadays, many of the more specialized fairs are exclusively limited to the showing and demonstrating of industrial products and it is strictly forbidden to sell the goods displayed. The Development of the modern fair is, therefore, closely connected to the progress of industrialization.

However, where many developing countries are concerned, there is still some confusion regarding the difference between markets and fairs. Many developing countries have been invited to participate in international fairs, but as they often had no industrial products to display they limited their participation to the showing of handicrafts, and agricultural products. This type of participation has some value, but it is little compared to that which full participation could afford.

Fairs in general have developed into institutions which can play a very important role in the advancement of the developing countries. For instance:

- (a) More technology transfer is taking place at modern fairs than anywhere else. They provide an excellent opportunity for visitors to up-date their knowledge regarding the latest technical innovations and designs, prices, qualities, etc.;

- (b) Fairs provide exhibitors with a unique opportunity to display their products, to make them available for competition, comparison and choice, and to claim a share in the market. Participation in fairs is sometimes more valuable for exhibitors than a whole year's advertising or public relations efforts;
- (c) For both exhibitors and visitors fairs are valuable promotional instruments; they offer opportunities for the development of markets, for the exchange of technical information and experience, and for the establishment of multi-purpose business contracts.

At present worldwide fair activities are growing at a rapid rate and it is estimated that by the end of this decade fairs related expenditures will reach US\$ 8 thousand million per year in space sales, conference facility rentals and hotel business. Such fairs are by no means confined to industrialized countries; fairs and exhibitions of the developing countries are proliferating. As business today is becoming increasingly international, and since international fairs and exhibitions are definitely becoming an integral aspect of international business.

UNIDO is interested in fair activities because of the important role international fairs play in the industrialization process of developing countries and the great amount of investment involved in organizing and/or participating at other fairs.

UNIDO's aim through this specific activity is to use international fairs and exhibitions as a vehicle for promotion of commercial contacts between industrial and business leaders from both the industrialized and developing countries.

To achieve the above objectives UNIDO is assisting developing countries in four ways as follows:

1. Providing technical assistance in improving the structure, organization and operation of fairs in these countries as well as their effective participation in foreign fairs.
2. Promoting commercial contacts at fairs between businessmen from developing and industrial countries thus assisting business representatives of developing countries in initiating contractual relationships, management contracts, product design, developing joint ventures and the transfer of technology.
3. Encouraging cooperation between fair administrators in developing and industrialized countries which led to the foundation of the Afro-Asian Association of International Fairs and the current project for strengthening the Association of International Fairs in Latin America (AFIDA).
4. Providing supporting activities such as publication of a handbook on industrial fairs in developing countries, which would shortly be available in Spanish and French editions, and organizing consultations and seminars on various fair activities such as the present consultation.

UNIDO's aim in organizing this consultation is to provide an interchange of ideas and experience, which at the same time would lead to the closer cooperation and integration of the efforts of Latin American Fairs as effective means of promoting economic development, especially in the industrial section.

At the end I wish to underline that the process of social-economic growth in developing countries at various stages of development raises many complex problems whose solutions require particular skills and talents, and international fairs are considered as effective institutions for meeting the present and future needs of these countries. It should, however, be understood that as a fair is like a magnet attracting the interests of individuals, businessmen, government representatives, it is an instrument of knowledge, understanding, esteem, peace and therefore friendship among nations; and for this reason organizing a fair is a personal job. By organizing a fair or participating in a fair we are not only facilitating the matching of demand and supply of businessmen but contributing to the process of better knowledge among peoples and therefore to the human solidarity to which we all aim.

FAIRS AND EXHIBITIONS AS PROMOTIONAL
BUSINESS INSTITUTIONS

b

A. Tauberger

The benefits of international fairs and exhibitions are obvious. Why otherwise should there be such a multitude and variety of international fairs and exhibitions in every continent of the world? The theme and substance of this lecture need therefore not be concerned with the benefits of international fairs and exhibitions, but rather their specifically aimed optimum effect as an instrument of promotion according to the requirements and interests of the developing countries. I regard this as the focal problem, and I propose therefore not to take up your time with a discourse on the history and typology of international fairs and exhibitions.

Assuming we are in agreement that the aims of international fairs and exhibitions as an instrument of development policy are a decisive criterion for assessing the benefits they bring, certain differences are nevertheless immediately apparent. As far as the effective benefits of the instrument of international fairs and exhibitions are concerned, I would be inclined to give separate consideration to three main groups of factors:

- 1) The national economy
- 2) Supranational economic entities, such as the Andes Pact or the European Common Market, and
- 3) Measures aimed purely at the promotion of exports.

I would like to pass over the third point for the time being, for I feel that it is the first two points that will be of special interest to us here in Bogota.

Just to make one thing clear from the start for the coming discussion, let me say that I am not a supporter of the theory that the developing countries or less developed countries have no other course but to catch up with the standard of development of the industrialized nations with a corresponding time lag. It is rather my opinion that the situation of a specific Latin-American country in the year 1975 cannot be compared with the situation of France, England, Germany or the United States at the end of the last century, even if an apparent similarity of selected statistics is conceded. The political and social-economic conditions are vastly different today, so that it is not sufficient to draw simple analogical conclusions in order to decide which instruments are the best for the developing countries. As far as international fairs and exhibitions are concerned, this means in concrete terms that it is incorrect, in my opinion, to say that the developing countries

now find themselves in similar circumstances to those of the West European countries in the second half of the last century, and that therefore only a certain type of fair will be of optimum effect for such countries. On the contrary, I feel that certain fundamentals with regard to international fairs and exhibitions apply equally well to both the highly industrialized and the less developed countries, and one of the most important of such fundamentals is that international fairs and exhibitions must mirror the actual economic development of a specific branch of industry or even an entire national economy. However, they can be not only a mirror in the passive sense, but also an instrument for the shaping and forming of such a specific branch of industry or even a whole national economy. And that is just the starting point for my deliberations as to the extent to which this superlative instrument of industrial creativeness can and should be used as an instrument of development policy.

The diagram in front of you provides a survey of the areas in which international fairs and exhibitions can exercise their effect. In my view, the only area in which we should be chiefly interested is that encompassing industry and technology. To what extent fairs and exhibitions are suitable for influencing political, ethical, sociological and cultural areas is a matter of secondary importance for our discussion today.

In relation to the domestic market or the inner economy, international fairs and exhibitions can act as a promotional or steering instrument on three sectors: firstly on that of production, secondly on that of distribution and lastly on that of consumption.

In the national economies of industrially developed countries, special fairs have become established to cover these sectors, some of which are quite narrow and specialized. This is a reflection of the variegated and highly developed degree of industrialization and marketing. The situation in the less developed countries is quite different. The general and fundamental need for economic development precludes such diversification.

It would also be at variance with the state of development reached by the various national economies. This is the reason why the universal fair is found to be the most widespread type of event in the less developed countries. However, this bears no resemblance - and here I wish to correct a widespread error - to the old type of universal fair encountered in the second half of the last century and even at the beginning of the present century in West Europe. The world economic situation at present is quite different to that prevailing at the beginning of this century, and exhibitors from the industrialized nations in particular participate in international fairs and exhibitions from quite different marketing standpoints than they did in the past, especially those held in the less developed countries.

What function of development policy can international fairs and exhibitions exercise with regard to production? Well, one of the main

characteristics of the less developed countries is the necessity of building up their own industries and/or appropriate infrastructures. A prerequisite for this is to have the right kind of capital goods. Only in rare cases are the less developed countries in a position to produce such capital goods themselves. In most cases, these nations have no other course but to import them from the industrialized countries. It is just in this area that international fairs and exhibitions constitute an outstanding means for the domestic industry, whether private or state-controlled, to obtain a comprehensive survey of the range of products available from the industrialized nations on the sector of capital goods.

International fairs and exhibitions in a less developed country structured to support the said country's development aims represent an ideal instrument of information, with which the relevant industrial circles can obtain a full picture of the cheapest and most effective production facilities. In this respect, international fairs and exhibitions represent a convenient and above all inexpensive means for the appropriate private or state-controlled industrial authorities to obtain a comprehensive survey, especially when they are held in their own country. A prime requisite for this, however, is for the international fair to be structured so as to comply with the development needs of the relevant country. This means that the exhibition companies of the less developed countries will have to seek closer contact and improved communication with their development institutions. Only then will it be possible for the exhibition companies to plan events which will bring worthwhile benefits. What has been said for the sector of capital goods applies equally well to that of consumer goods. International fairs and exhibitions offer the possibility here too for the local population to obtain a survey of the range of consumer goods offered, whether from national production or imports.

International fairs and exhibitions also have an educational effect on distribution. Particularly in the less developed countries, the sector of distribution does not enjoy the significance accorded to it in the industrialized countries. International fairs and exhibitions can make it closer to the foreign trade, the wholesale trade and the retail trade in the less developed countries what possibilities, opportunities and functions are available for these sectors of the economy. It must be the aim of the exhibition companies in the less developed countries to leave their trading institutions in no doubt that the international fairs and exhibitions which they organize are important centralized opportunities for them to obtain information and guidance. This is a prerequisite for placing the various trading sectors in a position to supply the population with the necessary goods in optimum manner and at the cheapest prices.

The final sector, which I would like to touch on briefly, is that of consumption. Here, international fairs and exhibitions are suitable for triggering consumer desire in the country's population by presenting the variety of available products in an attractive framework.

I may be allowed to summarise by saying that, from the viewpoint of development policy, the function of international fairs and exhibitions in relation to the domestic market and/or the national economy, can be regarded as follows:

- 1.) They can make a significant contribution to the optimum coverage of import requirements of the less developed countries on the sector of capital and consumer goods.
- 2.) They represent an outstanding means of contributing to the transfer of technological know-how from the industrialized to the less industrialized nations.
- 3.) The confrontation with exhibitors from the highly developed industrial nations enables the domestic industry and trade to become familiar with modern marketing methods.
- 4.) The presentation of a wide range of consumer goods to the largest possible section of the population generates consumer desire, which in turn exercises a growth-encouraging influence.
- 5.) This is a point which we are not keen on hearing in the more export-conscious countries, but nevertheless, it must be mentioned here in order to complete the picture. It can be made clear to the domestic industry and population at international fairs and exhibitions that the country's own industry is fully capable of offering certain categories of capital and consumer goods of equal standard. To this extent, international fairs and exhibitions also serve to give industrial circles and also the public in general a clearer idea of the areas in which imports can be saved by production.

In most of the less developed countries, the international fairs and exhibitions held therein have been of significance mainly for the internal market or the inner economy of the country concerned. I am convinced, however, that one of the most important functions of exhibition companies in the less developed countries is to take steps to ensure that the international fairs and exhibitions they organize are also of significance for the economic areas beyond the borders of the country concerned. One of the chief disadvantages of the less developed countries, particularly as regards the production of consumer goods, is that the domestic demand, inhibited as it is by low purchasing potential, is often inadequate to cause the quantities to be produced which would place production on a rational, and therefore cheap, footing. Here, the aim must be to create economic areas which would generate a demand for sufficient quantities backed by adequate purchasing power to enable cheap production to become feasible. International fairs and exhibitions aimed at specific supranational economic areas can render an effective contribution in this respect. The aim of the exhibition companies in the less developed countries must therefore be not only to organize international fairs and exhibitions with the development needs of their own countries in mind, but also to look beyond their borders, to recognize the possibilities that

larger economic areas hold for their events and plan them accordingly.

Up to now I have only briefly outlined the areas in which international fairs and exhibitions as an instrument of development promotion are of significance. I have not attempted to draw a complete picture, for I feel it would be of more benefit to go more closely into this or that particular point in the course of the discussion. Let me just detail the organizational aspects which it is essential to take into account in the conception of international fairs and exhibitions, especially when they have a particular object in the framework of development policy.

I pointed out at the beginning that international fairs and exhibitions constitute a mirror of a specific economic situation or a specific stage of development.

International fairs and exhibitions thus have to be guided by the market. There are thus two factors which are of paramount importance for the presentation of international fairs and exhibitions: Firstly their ultimate aims as a facet of development policy, and secondly the prevailing market structure or structures. And this brings us to the all-decisive point. It is my conviction that international fairs and exhibitions can only be successfully implemented at all if the market partner is encouraged to take part in their conception. I would like to state quite plainly here that although the institution of Honorary Presidency, Presidency or other office is often necessary for reasons of protocol, these do not represent any sponsoring body of an international fair or exhibition. It is much more important for the relevant industrial circles to be given the opportunity to participate and to have a say in conception and presentation. Here I feel that there are many possibilities for improvement available for the exhibition companies in the less developed countries. In the Federal Republic, for instance, it is usual for all the larger and more important events to appoint an advisory committee, on which the relevant industrial circles are represented. These committees have a large say in the matter of the presentation and conception of the exhibitions concerned, and this plays an important part in ensuring that the needs of the particular industrial circles are taken fully into account. On the other hand, the degree of identification of the said industrial circles with the particular event is much greater than it would be without such participation. I have given prime importance to this point, because it has been my impression hitherto that politics and protocol have been accorded too much significance in connexion with international fairs and exhibitions held in the less developed countries.

It is the business of exhibition companies to sell space, of course, but this is not their only function. The world market is in a state of flux, and the necessity to determine economic trends from the state of the market become even more urgent with every increase in economic integration.

International fairs and exhibitions are therefore subject to constant change analogously to the shifts of the market. The non-hardware service functions of the exhibition companies are bound to expand accordingly. This development has been discernible for a great number of years in the countries of Western Europe, especially in the Federal Republic. It is precisely with a view to utilizing international fairs and exhibitions as an instrument of development promotion that the exhibition companies in the less developed countries must create the organizational prerequisites for the provision of such services. In concrete terms, this means that the exhibition companies must give their international fairs and exhibitions a structure corresponding to the aims of their development policy. A condition for this is comprehensive knowledge of the structure of the national economy and the needs of the country resulting therefrom, not to forget close contact with the institutions responsible for evolving and defining development policy. The exhibition companies must possess the capability of not only offering their clients optimum hardware, i.e. suitable halls with commensurate technical equipment, but also the corresponding software, i.e. market and structure data. This I regard as one of the main functions of the exhibition companies, precisely in regard to the promotion of industrial development of their own countries. However, this function can be fulfilled only if the exhibition companies, including also those in the less developed countries, establish their own market research and/or marketing departments.

I would just like to say a few brief words on the subject of the necessary hardware, which is one of the preconditions for the implementation of an international fair.

It goes without saying that suitable premises or halls are one of the basic necessities for a successful international fair or exhibition. However, there are huge differences between the various less developed countries in the matter of the facilities available on such premises. Solidly built, weatherproof halls should be given preference over any improvised buildings. Only in this way can smooth implementation of an international fair or exhibition be guaranteed. Such premises also provide the facility of offering comfort and convenience for both exhibitors and visitors. The very fact that international fairs and exhibitions in the less developed countries mainly display capital goods from highly industrialized countries makes it necessary for the exhibition halls to be provided with commensurate technical equipment. It is recommended that such halls should have adequate electric, gas, water and compressed-air connexions. In addition, care should be taken to ensure that such connexions should be available everywhere in the halls without any great amount of wiring or pipelaying being entailed. I would like to give one example in this connexion. My company has halls at its disposal which were built before the Second World War. Technical know-how in those days was not by any means up to today's requirements. One of our main problems in the past was that the stands had to be provided with the necessary supply leads, which meant that the floor had to be ripped up every time in order to permit the supply leads to be laid. These old halls have now been relaid with a completely new floor based on the 1-metre raster

system. In the halls featuring this new flooring system, it is possible to take up areas measuring 1 square metre at any required location and to connect the supply leads as required. Having had three years of experience with this system, we now know that it enables supply leads to be laid much more cheaply with substantial reductions in labour costs and time.

Permit me now to make a few remarks as to whether and to what extent exhibition companies should offer exhibitors standardized stands.

I feel it should be taken for granted that exhibition companies should be able to provide exhibitors with personnel for the erection of their stands. These can either be their own workmen or people provided by contractors to the order of the exhibition companies. Here it is necessary for the exhibition companies to train up a certain number of experienced workmen in the course of time, in order to be able to offer exhibitors an optimum service. As far as standardized stands are concerned, I feel that this is a question of secondary importance, especially for exhibition companies in the less developed countries. It has been our own experience that exhibitors have availed themselves of standardized stands at very few exhibitions although exhibitors from overseas countries seem to prefer them, as they cut down expense and are less elaborate. As far as the participation of German companies in international fairs and exhibitions in the less developed countries is concerned, it has been my experience that they rather prefer to erect their own stands and seldom make use of standardized stands.

I would like to conclude the first part of my discourse with an organization model of the type used today by most exhibition companies in the Federal Republic of Germany. The paramount factor here is the so-called project-orientated organization. Thus, a project department undertakes the responsibility for the execution of a specific project. The various project departments responsible for the execution of the diverse projects are grouped into a division, which works in liaison with other divisions, namely the Marketing Division, the Finance Division, the Administration Division and the Technical Division. My own company adheres to this principle of organization, and I have to say that it has been very successful. It is my conviction that the basic structure of this organization model can be adopted by exhibition companies in the less developed countries.

Up to now I have only touched briefly on the problems inherent in the subject of my discourse. Although a number of aspects have only been mentioned in passing, so to speak, I am certain that the discussion will provide an opportunity for further clarification.

I would like to conclude by summarising the case history of a project executed by my company. This will afford me the opportunity at the same time to deal with the third aspect of the significance of international fairs and exhibitions as an instrument for the promotion of industrial development.

Within the schedule of events of the A&K Berlin, the Overseas Import Fair "Partners for Progress" is regarded as being of the utmost importance. As the years passed, we have succeeded in raising this event to a universally recognized instrument of export promotion ideally suitable for use by your countries. Let me describe briefly how this event evolved.

This Fair took place for the first part in 1961, the chief aim being to afford the general public a survey of the cultural life of the developing countries and of the commercial difficulties they experienced. At the beginning of the Sixties, it was a thing of great importance to cultivate a certain image in regard to the developing countries, in order to promote understanding on the part of the general public for the development aid programme. The fair took place twice in this form until 1963, exhibitors from Asiatic, African and Latin-American countries taking part in turn.

These special events were embedded in another exhibition, which was likewise aimed at the public in general. As the organizers, we noticed very quickly that one of the main problems of the participating developing countries was that of boosting their exports to the industrialized nations. In the years between 1964 and 1969 inclusive, we took extra pains as organizers to emphasize this aspect and to bring the fair into line accordingly. Our chief difficulty at this time was to make clear to the responsible institutions in the developing countries which form of participation with commercial aims would be most suitable, and under what conditions it would be possible at all to sell their products in the Federal Republic of Germany. Looking back, it can be said that 80% of our work in connexion with the presentation of the Overseas Import Fair "Partners for Progress" was mainly on the sector of advice and consulting. The advisory services extended to questions of customs and duties, legal provisions concerning food, the intricacies of trading regulations, collection of statistical data, advice on the selection of goods to be exhibited at the fair, and so on. It was one of our main aims in this respect to convince private export companies as quickly as possible to take part directly in this event, for it had been our experience that a participation co-ordinated exclusively by state authorities generally resulted in dissatisfaction. The important thing was to bring the private exporter from the developing country into contact with his German client. In the course of many trips to the developing countries and numerous discussions held there with the state co-ordination authorities, success was finally obtained in substantially increasing the participation of direct private exhibitors from the developing countries in this event.

Simultaneously with the intensive advice given to participating countries of the Third World, great efforts were made to interest potential German purchasers in this fair. This called for intensive effort, for at that time, in the mid-Sixties, interest in the developing countries as supply sources was not by any means as widespread as it is today. Here too, as the result of intensive perseverance over a number of years, a situation was achieved by the end of 1969 which made it appear feasible to separate the Overseas Import Fair "Partners for Progress" from its former setting as part of another event and make it a completely independent fair.

Here it was our primary concern to emphasize the special character of the event. In the past when it had been integrated in another exhibition, the general public had had access to this event during its entire duration. This turned out to be decidedly disadvantageous, for it quickly became apparent that there was a divergence of interests with regard to the aims of the various developing countries; some exhibitors were interested only in direct contact with the public, others sought only contact with buyers and importers. For this reason, the Overseas Import Fair "Partners for Progress" has been presented as an independent exhibition since 1970. It runs for a total of 5 days. The first four days are devoted to trade buyers, while on the last day, a Monday, the fair is opened to the general public. This solution has been highly successful.

Wherein, you may ask, lies the special importance and significance of this event for your country?

Well, for one thing the Overseas Import Fair "Partners for Progress" is Europe's only fair devoted solely to overseas imports. This is a point which merits close attention. Ladies and gentlemen, you are aware that we in the Federal Republic of Germany have a well-defined trade fair system. For this reason we are always being asked why the non-specialized Overseas Import Fair "Partners for Progress" is of such particular importance for exhibitors or exporters from overseas developing countries. Here it should be noted that the overseas import trade is a business sui generis. According to statements made by the Federal Association of German Wholesale and Foreign Traders, we have about 30,000 firms in the Federal Republic of Germany that import direct. However, it should be noted that of these 30,000 direct importers, the overwhelming majority conduct their business with the European neighbouring countries, and most of them are therefore of no importance as potential customers for the overseas developing countries. According to estimations of the said Federal Association of German Wholesale and Foreign Traders, there are scarcely more than 2,000 to 3,000 firms in the Federal Republic of Germany whose main business is overseas imports. In the course of the years, we in the Federal Republic of Germany have succeeded in convincing not only these firms, but also others with only a very minor interest in the overseas import business that the Overseas Import Fair "Partners for Progress" is their event. And not a product-related event, but more a trade event related to a stage of business. We are asked again and again by the participating countries whether it would not be more advantageous to take part in a specific trade fair in order to push special products. Our experience and that of our exhibitors has shown that this is not favourable. The main reason is that the extremely specialized product-related events may be well attended by representatives of the large companies, but these are special buyers, not staff members of the import departments of such companies. And it is precisely of such importance for exhibitors from overseas to establish contact with staff members or head of import departments, especially those employed by the large warehouses, department stores and mail order companies. It is these departments which decide what it is to be imported and in what quantities. Of course, they avail themselves of the expert advice of the professional buyer, but it is the import department that has the final say.

I trust this example will suffice to show that it is no longer possible nowadays just to let space or provide the necessary technical equipment for a fair, especially when starting to build up new events. Intensive advisory and contact-making activity is absolutely essential. However, it is just as necessary to obtain the information on the scene which the fair is intended to reflect, in order to enable its presentation to be attuned to the circumstances of the market. Indeed, consulting activities account for the main weight of our efforts in connexion with the Overseas Import Fair "Partners for Progress" organized by my company. Some of the measures we adopt here are necessarily individual. If I may be allowed to cite one example: If, on the basis of market surveys provided by us to various countries on request, a certain land has decided to give special effort to the promotion of a specific product or product range, and informs us in good time accordingly, we organize special publicity campaigns for this certain land or its exhibitors, send information material to the appropriate industrial circles and during our all-the-year-round contact with the more important importers and department stores and mail order houses, we keep drawing attention to the participation of this country with this specific product.

In conclusion, I would like to mention that the significance of the Overseas Import Fair "Partners for Progress" has also been given recognition by the Federal Government. For the participation of the developing countries in this event, promotion funds are at our disposal which are intended to support the participation of the developing countries and ameliorate their chronic shortage of foreign currency. In addition, the Federal Government has recognized that this event in particular is an excellent means of promoting imports from the developing countries. For the area of non-liberalized industrial goods, exhibition quotas of substantial scope have been fixed for this event, the only one in the Federal Republic to receive such recognition. The main quotas have been fixed for textiles, as these are the only industrial products that are not completely liberalized. The magnitude of this support amounted to 70 million DM this year.

Ladies and gentlemen, I trust that this brief review I have been able to give you of the Overseas Import Fair "Partners for Progress" has given you some idea of its nature, if indeed you are not already familiar with it. I think this would be a suitable point to end my talk, and I would be pleased to answer any questions you may have. Many thanks for your attention.

FAIRS PROMOTE INDUSTRIALIZATION OF THE THIRD WORLD

By

Carl-Ferdinand von der Heyde

My presidents, ladies and gentlemen,

The past two years have clearly revealed the interdependence of all nations of the globe and of their economies in a very drastic manner. The energy crisis, reorganization of the world monetary system, the immense drainage of currency reserves from the industrial nations to the OPEC countries, the contrast between developing countries with rich and poor oil resources and, finally, the inflationary trends in many nations have shown that structural and market changes in the economy cannot be restricted to certain countries or groups of countries. They affect all nations to a differing extent.

Initial signs of a recovery from the world-wide recession have been noted in recent months but the different effects of this recession and world uncertainty with regard to the future development have by no means been overcome. A genuine partnership between all nations of the globe is needed to solve the problems linked with this. This means a further expansion of mutual dependence which can also make a contribution to the preservation of world peace.

Dependence and integration along the lines of a partnership can have a positive effect on the socio-economic and economic balance between the nations. For such a partnership a potential of which too little use has so far been made exists between the developing countries on the one hand and the industrial nations on the other hand. I therefore welcome the fact that UNIDO has focused attention at this consultation on the promotion of industrialization of developing countries by a partnership with each other and with the industrial nations. For me it is a special pleasure and honour to be able to speak to this gathering of experts and give some answers to the question as to the extent to which trade fairs can promote the industrialization of developing countries.

The socio-economic infrastructure of a country is largely dependent on its degree of industrialization. This industrialization not only offers the material basis for development of the standard of living but also influences civilizing and cultural development. It can only be successful if, at the same time, the entire infrastructure of a country is adapted to progressive industrialization. This not only applies to the supply of energy, transportation and communications in the widest sense but also to education in particular, that is to say - the training of skilled workers, tradesmen, technicians, scientists, administrative specialists and self-employed persons for whom progressive industrialization provides not only the possibility but also the necessity of employment.

All three developments - industrialization, training and infrastructure - are dependent on each other and must take equal precedence. This calls for long-term and carefully arranged planning. It calls for a realistic assessment of the appropriate developing country's own possibilities and of additional possibilities arising under a partnership and cooperation with other countries.

Trade fairs offer an efficient and neutral platform for this planning and its realization. This is the case for participation of a developing country as an exhibitor, visitor or partner to discussion at a foreign fair and for the organization of fairs and exhibitions at home.

One important aspect in this connexion is the target linked with participation in a fair or with its organization. To simplify matters I should like to summarize these different targets - the aims of the fair - under the following groups:

1. Promotion of exports of raw materials, foods, semi-finished products or finished industrial products.
2. Promotion of the sale of services in job-finishing, transportation or tourism.
3. Initiation or strengthening of cooperation on a government or commercial level in industry, technology, capital or administration.
4. Promotion of a country's image and of its population or its economy.

Let me first deal with the participation of developing countries in international fairs abroad.

Participation in international fairs

Trade fairs and exhibitions are instruments of the market economy which serve either direct or indirect commercial aims. Under general marketing arrangements they are intended to give the firms represented at them an opportunity of initiating, fostering, widening and re-orientating business ties. Where official national exhibits are involved they have the same assignment in connexion with trade relations and international techo-scientific cooperation. It costs money to participate in trade fairs. They are investments of capital and time. And, like every investment, they can only yield a maximum of commercial advantages if they are carefully planned, prepared, organized and analyzed.

Planning

Planning includes, for one thing, establishment of the fair targets already mentioned and, as a result of this, choice of the place for the fair. A condition governing participation in an international trade fair is that the products of the country or of its economy should tally with the range of exhibits of an existing or new trade fair and that visitors to the fair should be customers of the exhibitor or country - in other words consumers, dealers or major buyers. In addition it is necessary to ensure that orders can be placed and information supplied during participation in a trade fair.

If these fundamental conditions exist the fair's targets must be fixed, in other words it must be decided whether the main object of participation in the fair is marketing, sales preparations and control, the offer of services or cooperation. Typical fair aims in connexion with marketing are seasonal, stock replenishment and supplementary orders, the making of offers, introduction of new products, fostering contacts, advice, initiating new business ties on a regional, national or international level, representatives' visits, obtaining the services of agents and the granting or acquisition of licences and patents.

Sales preparations and controls include, among other things, market research, an analysis of competition, analysis and organization of sales channels, an analysis of product ranges, product tests and design, advertising, sales promotion, regional and international public relations, horizontal and vertical market discussions and market agreements.

The services sector mainly covers job-finishing, that is the production of articles as specified by and for a foreign customer who himself markets the finished products in the developing country. Another form of service is charter shipping or registration of foreign ships in the developing country. Finally, tourism is another aspect of this sector, including the advertising necessary for this purpose.

Cooperation is taken as meaning economic and/or technical collaboration. It can be bilateral or multilateral and affect the production or distribution of products. This includes jointly operated firms in the partner countries or in other nations. But cooperation can also be the importation of technical/scientific know-how through an industrial nation setting up production, communication or supply systems in the developing country. The training of specialists in skilled trades, technical fields or administration can also be a part of this. This training can be given in the developing country itself or in the industrial partner country. In many cases cooperation also covers the question of investments or exports of capital by the government or economy of the industrial nation.

Another point of importance is which economic area is to be covered and whether the main emphasis of export efforts lies on a bilateral or multilateral level. In practice an exhibitor will usually pursue several of these trade fair aims which should be realized with a minimum of expense and time. The extent to which these aims can be achieved depends not only on preparation, organization and evaluation of participation in the fair but also on the choice of the fair and efficiency of the company organizing it.

Choice of the place for the fair

Important aspects when choosing a trade fair are its nature, timing, frequency, site, product range and group of visitors. Its timing, frequency, duration and makeup of products must be in line with the structure and selling rhythm of the commercial groups represented at it as exhibitors and buyers.

As far as the nature of a fair is concerned one should first make a very clear distinction between fairs and exhibitions. Fairs are events with a market emphasis which usually last for only three to ten days and are not open to the general public. They bring together supply and demand, represented by producers on the one hand and dealers or major buyers on the other hand, and reflect the market situation in a national or international setting. Exhibitions, on the other hand, put the accent on information. They normally last for weeks or even months, make their main appeal to the final consumer and have the aim of instructing or advertising.

There are universal fairs with a wide selection of unassociated groups of goods, trade fairs - also referred to in some countries as salons, which have specialized, on the supply or demand side, in some or a few related sectors and, finally, multi-sector fairs at which ancillary trade fairs are staged simultaneously but in separate halls. Fairs and exhibitions may be regional, national or international. They may be held on a single occasion or at regular intervals. They can have a permanent venue or wander from one place to another. Their frequency and timing are arranged according to the selling rhythm - frequently seasonal - of the particular sector and according to the periods of time needed to develop new types or models.

One special feature of recognized international trade fairs is their multilateral nature which enables exhibitors to do business with partners from a large number of nations. To give an example, with the 18 different international trade fairs held regularly by the Cologne Fair Company every other exhibitor and every third visitor comes, on the average, from abroad.

In addition to fairs and exhibitions there are events similar to fairs arranged by trade associations, although these are only of regional importance, and also general consumer exhibitions which play only a minor part in the market economy.

Trade marts and other forms of trade centres of the kind that have originated mainly in the U.S.A. in the last decade are of limited market importance. The big distances to be covered within the American home market made it necessary for manufacturers and importers to set up permanent centers as purely regional marketing bases. They are open throughout the year and, unlike the international fairs lasting only a few days, do not provide a basis for multilateral sales nor do they offer efficient opportunities of communication between top managements and government representatives and do not therefore form a basis for talks on cooperation. The costs involved are very much bigger than for participation in a fair. Another very problematic aspect is to man a stand with competent personnel for the whole year. The trade marts that have come into being in Europe in recent years are also mainly of a regional nature with regard to their marketing aims and of no importance to industrialization of the developing countries.

The site chosen for a fair, that is to say its ecogeographical situation, is important as regards the likely group of visitors which may be regional, national or international. This is where communications, accommodation facilities and the proximity to concentrated consumer areas play a part. In assessing the groups of visitors encountered at a fair the exhibitor should pay less attention to their quantity and more to their standing and international cross-section. In this respect it is important whether the exhibitor mainly wishes to contact the trade, importers and major buyers, potential representatives and agents or the general public.

The other exhibitors at a fair - in other words the scope, quality and concentration of the range of exhibits - are another factor in deciding the draw the fair has for visitors. Before taking part in a fair it should therefore be considered whether the range of products really reflects a genuine image of the market and whether the standing of the other exhibitors corresponds to the

importance of the exhibiting firm or country. Here again it is not so much a question of the number of exhibitors and size of the floor space occupied but whether all leading producers from this branch of industry are represented, either on a national or international level.

Forms of participation

Apart from the cost factor all these considerations are important in deciding whether individual firms or institutions should exhibit at a fair on their own or within a joint exhibit or national pavilion organized by their country.

Participation can be arranged in a specialized trade fair for a particular sector or in a fair designed to meet the special requirements of developing countries. One example of an international trade fair is ANUGA - the World Food Market - which is held in Cologne every other year. In September of this year exhibitors at Cologne's ANUGA, which occupies a floor space of 1,721,600 sq. ft., included 47 developing countries, 37 of them taking part in national exhibits or pavilions. Altogether developing countries exhibit regularly at ten different international trade fairs in Cologne. The main countries from Latin America are Argentina, Brazil and Colombia.

One event specially catering to the interests of developing countries is the overseas import fair "Partner des Fortschritts" ("Partners in Progress") in Berlin. It has been held annually since 1963. About 1,000 overseas institutions and firms from 55 nations took part in it last September and occupied a floor space of 247,480 sq. ft. Two important special events were held in conjunction with this fair and in collaboration with UNIDO, the German Ministry for Economic Cooperation and the German Foundation for International Development Aid -- the 4th Consultation Meeting on Product Adaptation and Development for Export Industries, the Conference on Industrial Promotion and the International Consulting Forum between Arab and European countries. Both events were described by the foreign participants as very useful and successful.

The so-called national exhibition is another form of exhibitions abroad. It is an independent event relating to one nation only and provides a wealth of information on the country, its people and economy. It is usually held in the vicinity of the particular country's capital and also makes an appeal to the general public in that region. Its aims are to make contacts with the government and industry as well as to promote the exhibiting country's image. In view of its exclusiveness an event of this kind can expect intense and far-reaching coverage in all information media, as revealed by the Chinese National Exhibition in Cologne this June.

Another version of the national exhibition is what is known as the "National Week" organized by a country in one town in conjunction with the municipal authorities and the local retail trade. During a "Moroccan Week", for example, the nation's products such as foods, arts and crafts are offered in department stores. This is usually combined with folklore programmes. The aims are the promotion of local sales and touristic advertising.

Finally, the choice of the place for the fair will also depend on the reputation and experience of the organizing company and its connexions at home and abroad. Other factors are the situation, size and buildings of the fair grounds as well as technical and organizational services. A trade fair company should also have an exact knowledge of the industrial and trade situation and development trends so as to offer a guarantee of being able to stage fairs geared to market requirements. To ensure this knowledge and to satisfy the justified wishes of exhibitors and visitors the fair company should be advised by a Council on which the various groups of exhibitors and all levels of the trade or buyers attending the fair should be represented. If possible those responsible for arranging participation in a fair should themselves visit the fair in question to gather all the necessary information on its special features before commencing preparations for actual participation.

Preparations

Preparations for participation in a fair include, in addition to stand design, choice and display of products and deciding on stand personnel, advance advertising, descriptive literature to be distributed at the fair, reservation of accommodation and, where applicable, the issuing of invitations to the firm's receptions and press conferences. Lastly, preparations also include the sending of information and descriptive literature to the fair company which then passes on these materials to the publicity media through its press office either before or during the fair. All these preparations are cost factors which have to be included in budget planning for participation in a fair.

The design of the exhibition stand should be concentrated less on ostentation than on emphasizing the achievement, products and personal features of the exhibiting country or firm. Its size, situation and makeup should be commensurate with but not exceed the space needed for the exhibits and the importance of the exhibiting country.

Presentation of the products selected for the fair should be clean and unpretentious. Here effective placing of new and special products is just as important as a brief and matter-of-fact description of all exhibits.

One important requirement for successful participation in a fair is experience and efficiency of stand personnel. A fair usually lasts only a few days during which business ties are to be made for many years. If high-ranking persons from the exhibiting country are present on the stand on all days of the fair the competent partners for discussions from the economy and government will also be represented among the visitors and the fair will be a genuine neutral meeting place for that particular sector. Experts able to give foreign visitors information on consignment and customs matters and to answer questions for representatives of the press, radio and television should also be available on the stand. It may also be advisable for members of the embassy of the exhibiting country to be present and, where applicable, representatives of foreign agents of national firms.

Advice

There are a whole number of institutions that can offer valuable advice in preparing participation in trade fairs. In addition to the UNIDO these are mainly the embassy of the developing country in the nation where the fair is held and, conversely, the embassy of the industrial nation in the developing country itself. But mixed or international Chambers of Commerce and trade organizations of the industrial countries are also available to provide information on participation in trade fairs. Detailed information is obtainable through the official representatives maintained by leading European trade fair companies in many developing countries.

The European Committee of Engineering Firms - CEBI, Brussels, and the European Committee of Consulting Engineers - CEDIC, Essen, are of special importance. Both institutions offer their services to governments and individual firms from developing countries and industrial nations for advising on technical aspects of cooperation.

A number of industrial nations have special ministries for economic cooperation with developing countries. These ministries not only advise and assist in general matters connected with cooperation but also with regard to the participation of developing countries in trade fairs.

Another feature of preparations is the provision of advance information to existing or potential business partners abroad, including government departments. Appointments for talks, visits to work or business negotiations should be fixed well in advance with industry or government.

Procedure

The form of procedure adopted when taking part in a trade fair also depends on the exhibitor's aims at the fair. However, certain fundamental organizational principles are generally applicable; for all days of the fair there should be a duty roster which stipulates who has to be on the stand at a given time and what his duties are. This also includes participation in supporting events of one's own firm or country, of the fair company or others.

The most important points of participation in a fair are the talks which lead to orders, future business ties or yield information. And so, in addition to registering enquiries and booking orders notes should also be made on the gist of all talks. In particular the names and addresses of all visitors with whom serious talks were held on the stand should be recorded on lists.

Analysis

An analysis of the fair's results should be commenced directly after it ends. This means that all orders and enquiries should not only be dealt with promptly and conscientiously but any agreements made should also be confirmed. Notes on investigations of product tests, the competitive situation, development of the market, possibilities of cooperation and so on should be analysed immediately and it is important that this information should be made accessible to all government departments and industrial undertakings of one's own country that could be interested in it.

In the long run this analysis is the only measure of the fair's success which is derived from the sum total of all business concluded or prepared at a fair, cooperation agreements reached, ties fostered or new contacts made and the market knowledge and experience acquired from participation in the fair. From this follows an assessment of the extent to which the fair's aims have been reached, exceeded or not realized and the answer to the question as to whether the correct relationship exists between effort, expenditure and result.

Effects of the recession

The effect of the world-wide recession on trade fairs is of interest in this connexion. The increasingly critical costs situation has naturally forced industry to adopt far-reaching economy measures. This has mainly affected regional and national exhibitions but participation in recognized international trade fairs has grown in the last two years, both as regards exhibitors and visitors. This also applies to the developing countries. In particular there has been a further increase in the internationality of supply and demand.

As far as participation in its trade fairs is concerned industry has therefore reacted to the recession in a marked anticyclic manner. With the intensification of international competition and increasing difficulties in selling on the home market and on export markets, there has been a further growth in the importance of trade fairs in our market economy. Information in the broadest sense of the word has become a salient feature supplementing the range of products at trade fairs. This information not only results from talks and contacts on the stand but includes a variety of practical supporting events highlighting answers to problems and an exchange of notes and ideas. Some of these are international conventions and meetings dealing with matters of international cooperation. In this respect too the fairs therefore offer developing countries special opportunities.

Trade fairs in Latin America

In conclusion permit me to say a few words about fairs and exhibitions in the developing countries themselves. It is an old maxim of businessmen that products must be presented at the center of demand. An example of this is provided by the industrial exhibitions of industrial nations in developing countries. Their main aim is an exchange of goods and cooperation on a bilateral level. Conversely, the developing countries should, in pursuance of the demand for their products, take part in international fairs in the industrial nations if they are endeavouring to achieve the aim of trade and cooperation on a multilateral basis. It would not be a promising outlook if the fairs in the developing countries were to compete with the international trade fairs in the industrial nations.

In my view the following aims could be realized in building up and expanding trade fairs in developing countries:

1. The establishment of medium sized trade fair facilities that are efficient from the technical and organizational viewpoint, including all services for holding conventions.

2. Operation of trade fair amenities by a permanent staff of experts.
3. The establishment of straightforward trade fairs covering supply and demand of the particular country and of neighbouring countries.
4. The establishment of informative and instructive trade exhibitions which appeal to the general public.
5. The promotion of industrial nations' exhibitions in the developing countries.
6. Continuation of cooperation in the trade fair sector within the Latin American nations and with UNIDO.

Summary

Ladies and gentlemen,

A considerable intensification of cooperation between the developing countries and the industrial nations is not merely a socio-economic and world political necessity for both groups of countries but seems to be the obvious choice in mutual economic interests. The developing countries have the potential for a more rapid process of industrialization and therefore for lessening political tension that is bound to result from a greatly differing standard of living, economic growth and general standard of education. The industrial nations - and here I include the industrialized nations belonging to COMECON - have the technology, the organizational

experience and the capital that can make this intensified industrialization and economic growth of the developing countries possible. But a third group I should like to mention expressly is the OPEC countries who could be partners with a strong capital backing for the other developing countries and for the industrial nations. International trade fairs in the industrial nations and fairs organized in the developing countries offer a neutral platform for efficient promotion of cooperation and for trade between all nations. In this cooperation UNIDO plays the part of an unbiased mediator and adviser. I wish the UNIDO continued success in this assignment to the benefit of all nations on earth.

I should like to thank you for your kind attention and shall be glad to answer any questions you may have.

CO-ORDINATION AND HARMONIZATION OF FAIR ACTIVITIES
OF LATIN AMERICAN COUNTRIES

by L. Ferris

1. The various activities carried out by the Latin American countries through their participating in or organizing international exhibitions and fairs are an integral part of the various strategies that have been planned in each country at national level with the final purpose of achieving a greater expansion of exports, both in traditional and non-traditional products.

Consequently, it is necessary to make a general analysis of the composition of Latin American exports and to define what is understood by a strategy for the promotion of exports.

2. In general terms, the exports of the Latin American countries can be classified in two major groups:

- (a) Traditional exports and
- (b) Non-traditional exports.

The former, as their name indicates, have been traditionally exported by each country over the years and in general constitute one of the bases on which the national economy rests. That applies in the great majority of cases to agricultural products such as coffee, sugar, cotton, bananas, etc.

The same exporting tradition has had the result of creating at the national level the specialized export and marketing machinery and systems, which operate in a generally acceptable manner; in addition, international boards and agencies have been created which govern the production and marketing of these products, the fundamental objective being to provide the highest possible degree of protection for the producer countries.

Non-traditional exports, on the other hand, are all other products, that is to say, those that each country processes or produces according to the degree of industrial development that it has achieved. It is the exportation of these products to which we shall devote our attention since,

with a few exceptions, they encounter considerable competition in the markets of third countries from products originating in countries similar to ours. These articles and products constitute the immense majority of those displayed at international exhibitions and fairs.

3. An export strategy is in essence a plan of action or an integrated complex of measures adopted by the public sector to increase and diversify its exports, both from the point of view of the range of exportable products and of the markets to which they are sent. A strategy comprises the determination of certain basic objectives, the assignment and mobilization of resources to achieve them and the exercise of control to ensure the accomplishment of those aims.

The most appropriate conception of a strategy is one that considers exportation as an instrument to achieve development objectives and, consequently, evaluates its interaction with other elements of the economy. The expansion and diversification of exports is an important factor from the point of view of the development process as an integrated whole, since exportation not only generates foreign exchange but also serves as a stimulus to raise the general efficiency of production and to improve the utilization of available resources.

Thus, for the execution of an export strategy, the following must be considered as being among the necessary conditions:

- A national decision regarding a substantial increase in industrial exports;
- Capacity to plan, co-ordinate and apply a series of coherent measures for the purpose of achieving this and other development objectives; and
- Adaptability of the instruments that the public sector employs to achieve these purposes and to orient the action of enterprises and public agencies according to the development of world supply and demand.

The adoption of a definite and explicit strategy for the development and diversification of exports is necessary in order to induce changes in the economic and institutional system, which will not develop spontaneously to the extent required for the development of the Latin American countries and will not of themselves be suitable in nature.

4. In the developed industrial countries export promotion activities can be concentrated on aspects related to external demand for the country's projects and marketing, but in Latin America at the moment such activities would be wider in scope. In fact, it is necessary to stimulate and orient development of export capacity and supply in general, including the establishment of new industries and activities that have been the subject of economic planning from the outset with the purpose of production for export.

As it is not only a question of penetrating international markets with new products but also of maintaining and increasing the total participation of exports in those markets, it is necessary also to achieve a degree of efficiency in production and marketing that is comparable or superior to those of other competing countries, many of which may have reached higher levels of relative development. Thus it is essential to create conditions to ensure that, once the production and exportation system as a whole has reached that level of efficiency, its productivity can be raised at the same or a higher rate than in other competing countries.

It should be added that international competition in manufactures, as against in primary products, is not restricted to countries well supplied with natural resources but covers all countries that have managed to organize an efficient system for the processing of raw materials and the distribution of the finished products, whether or not they have the necessary natural resources.

Thus it can be observed that some countries without natural resources have compensated for this lack by considerably increasing their efficiency in manufacturing and distribution.

5. An export strategy must take into account specific guidelines relating to export policies, investment in the physical, economic and social infrastructure and other measures tending to expand and diversify exports. In any case, as has already been indicated, the strategy must be co-ordinated with the development of the region and take account of the various differences between the countries.

With the aim of stimulating both the production and supply of exportable products at competitive prices, in line with international quality requirements, and to develop the action required in external markets and other aspects of the exporting process, it is necessary to carry out indicative planning at regional level and operative planning at national level.

6. The effectiveness of a regional strategy will depend upon the support that it is given by the Government and the private sector in the various countries, both at the entrepreneurial and at the labour level. On the other hand, it will also depend on the degree of integration of that strategy with each country's external trade policy, including the activity of its trade representatives abroad.

In this context, the external trade policy may well be considered as one of the essential elements in the export development strategy.

7. Other elements that must be considered in formulating the export strategy for non-traditional products might be as follows:

- The allocation of high national priority to increasing and diversifying exports;
- Evaluation of each country's resources and competitive advantages for the development of exports;
- Carrying out research and continuous identification of new products for export and their adaptation to the requirements of international markets;
- Determination of potential markets for exportable products;
- Establishment of general targets for exports by activity or product group.

8. Instruments and machinery exist for implementing the export strategy. For purposes of classification, although rather arbitrarily, a distinction has been made between machinery and instruments. Instruments have been taken to mean measures which help to create an institutional framework favourable to the development of exports, while machinery means those structures more directly related to export activities.

Apart from a series of programmes which constitute basic elements in the implementation of the export strategy, such as the study of markets and of export capacity, technical assistance, technological research, etc., mention should be made of other equally important activities, such as export promotion measures, which, along with the development of exports in the strict sense, are important factors in stimulating an awareness of export possibilities among local producers. One of the most important of these activities is participation in international fairs and exhibitions.

9. These events serve a very useful purpose in familiarising manufacturers with the essential requirements of international markets. They also permit identification, from the point of view of both the producer and the public agencies participating, of technical assistance requirements and at the same time of the degree of relative competitiveness with relation to international markets and other potential exporters.

The purposes mentioned above could be achieved through joint participation in particular international fairs and exhibitions. This type of participation is to be recommended in that it reduces costs for the individual participating countries and permits a better and more comprehensive selection of exhibits. On the other hand, the large number of such international events taking place every year makes it necessary carefully to select those in which participation will be most useful.

For this purpose consideration must be given to both the interest existing on given markets and the products with which it is desired to penetrate markets, as well as the nature and reputation of the fair or exhibition in relation to the results which it is hoped to obtain from such participation.

10. Mention has already been made of the considerable number of fairs and exhibitions held annually in various parts of the world; the Latin American countries participate in some of these, depending on the actual nature of the event and its relationship with their own strategy for the development of exports.

It is somewhat difficult to determine the number of fairs and similar events being organized at the world level at present; however, partial lists are available in various specialized publications. We are aware of the more important events held at the Latin American level, which may be general, sectoral, specialized or of some other nature.

With regard to Latin America's participation in such fairs, the degree of interest shown has varied; thus, for example, one country participated in 47 events in the course of 1974, while others participated in only three or four.

The participation of any country depends logically on the financial and human resources at its disposal for this purpose. It is therefore extremely important carefully to study and evaluate those fairs in which it is proposed to participate, seeking to make maximum use of the various advantages and facilities generally offered to exhibitors.

11. What has the result of the Latin American fairs been? It is impossible to quantify the value of the commercial negotiations which have taken place at these events, since the figures published initially are not a faithful reflection of what has happened; it is also impossible to determine their cost. The cost-benefit ratio can therefore not be assessed, but the fact is that, as a result of these activities, Latin American products have succeeded in penetrating other markets and the countries have succeeded in projecting a new image. Apparently, however, participation has not been co-ordinated at regional level, which, it is considered, would be desirable.

12. Fairs are organized in some European countries with special emphasis on the marketing of products and articles from developing countries, in which commercial and industrial sectors of a number of countries participate

jointly; this example could be followed. In these events, not only are producers and exporters offered possibilities and facilities for exploring specific markets; equipment is also exhibited which could help them to improve and increase their production. A two-way exchange is thus provided for.

While it is true that the level of industrial development of the Latin American countries does not lend itself to this type of activity, it is time to begin a serious study of the possibilities for joint participation, at least by several countries, in selected fairs. Appropriate industrial sectors could be mentioned, such as footwear, wood products, prepared foods and others. Consideration could be given to providing, at specialized fairs, for joint participation and the display of manufactured articles in a single pavilion, a certain amount of independence between the different exhibitors being maintained. The degree of success will inevitably vary, depending on particular marketing factors, but all the exhibitors would enjoy the same conditions. And those that did not succeed in selling their products would have gained valuable experience which, intelligently applied, would enable them to adapt their products to the requirements of the market, with a resulting improvement in these products in the future and increased possibilities for export. An excellent opportunity is afforded for obtaining a very profitable transfer of technology.

13. How should the participation of Latin American countries at international fairs held at the regional level be harmonized and co-ordinated?

This sort of task is not an easy one; individual Latin American countries, as everyone knows, are at different stages of industrial development, with the result that export products and articles vary from country to country.

The fairs being held at present are mostly general in nature, and consequently producers and manufacturers of a wide range of articles participate, the exporters and exhibitors being undertakings with the necessary financial capacity to cover the costs involved in participation; they also have some experience in the international marketing of their articles and are in the process of developing an export tradition; it is precisely for these reasons that they participate in such activities.

If we wish to co-ordinate and harmonize participation by Latin American countries in fairs and exhibitions, the best approach would be to begin by offering the opportunity of participation to those small undertakings which are not economically in a position to bear these costs, in spite of having a product or article which fulfils the minimum requisites for marketing on a given market.

Of course, there are small concerns of this type in every country manufacturing many different articles, and it would be impossible to make a suitable selection if one is thinking in general terms. If, however, selection is confined to a given industrial sector, the choice would not present great problems.

Financing for their participation could come either from the country of origin of what we could call the "invited" enterprises, or from the actual fair itself. In the former case, the competent authorities could set aside a given sum for this object, channelled through the relevant agency responsible for export development, or alternatively that agency could increase the participation charge for large enterprises so as to create a fund for this purpose.

On the second hypothesis, the fair could establish a similar fund on the basis of small increases in the rents charged for exhibition space, the price for admission to the fair premises, or another suitable source. What is important is to obtain financing for this purpose.

Thought could also be given to authorizing the "invited" enterprises to sell the exhibits at a bazaar which would be held immediately after the closure of the fair proper.

Another possible method of financing would be for the host country to organize some kind of activity during the periods when the fair premises are not being used, in order gradually to build up funds. The host country would send out invitations to those countries which it had decided to invite so that they could proceed in sufficient time to select the enterprises to be "invited".

The arrangements suggested would give an opportunity to the small industrialist to participate in these important activities and develop the awareness of export possibilities which is so necessary.

14. In these suggestions attention is paid primarily to the small industrialist, since in this way it will be possible to avoid the commercial competition which is bound to exist between larger enterprises with more experience in the sale of their products.

"Invited" enterprises would have to abide by the general provisions which would be drawn up and would govern their participation, since they would be subject to the decisions of the national export development agency.

RECOMMENDATIONS

The participants at the Regional Consultation of Fair Directors in Latin America consider that a fair serves a useful purpose as a meeting-place and a centre for negotiations with a view to promoting commercial contacts and exchanging ideas on technology, equipment, capital goods, financing, exports, investment and services contributing to the social and economic development of the countries concerned, and that, in addition, it encourages the public and private sectors to:

- (1) Increase awareness of the possibilities of industrial development, exports and international economic co-operation;
- (2) Obtain advisory services in connexion with the purchase of equipment, industrial design, standardization and quality control, packaging, consumer preferences, market demand, commercial competition and other related subjects;
- (3) Promote knowledge about the country and awaken interest among national and foreign visitors in its economy, tourist possibilities and culture.

The participants also consider that many Latin American countries need advice, guidance and assistance in the various stages of organization, operation and promotion of their activities.

In order to give support to fairs as a valuable instrument for the industrial development of these countries, and increase the effective participation of these countries in other fairs, regional and wider international co-operation are necessary.

REGIONAL CO-OPERATION

- (a) Technical advice and assistance should be obtained with the aim of improving the operational, organizational and administrative structure for fairs and similar activities.
- (b) The Latin American countries should seek to develop such specialized fairs within the region as are in line with their interests.
- (c) Co-ordination between fairs in the countries of the region should be promoted.

- (d) The organization of permanent information services at fairs held in the region should be promoted in order to publicize the industrial development programmes of each country.
- (e) The promotional efforts of these permanent services should be integrated so that information on the organization and functioning of the various fairs can be collected and disseminated.
- (f) In combination with the fairs held in the region, promotional programmes should be organized to spread information on the industrial development and export potential of each country.
- (g) Personnel should be trained for various activities in this field.
- (h) Consultation meetings should be organized.
- (i) Attention should be drawn to the need to create suitable administrative systems and facilities in relation to customs, transport, insurance, etc.
- (j) A calendar of fairs in the Latin American countries should be drawn up.
- (k) A recommendation should be addressed to the agencies responsible for international fairs in the region, if they are not yet members of the Association of International Fairs in America (AFIDA), that they should consider the possibility of joining the Association in order to reinforce co-operation.
- (l) AFIDA should be asked to encourage, through its members, the development of an awareness of the possibilities of fairs together with the organization of the services mentioned in recommendation (e) above.

WIDER INTERNATIONAL CO-OPERATION

Co-operation should be intensified between the bodies responsible for the various fairs organized by each country in the region and those of other countries, particularly industrialized countries, as well as international organizations concerned with fairs and exhibitions. With this end in view, the participants recommend that:

- (a) The international fairs of industrialized countries should be encouraged to establish permanent services which will offer guidance and advice in order to maximize the results of participation by the countries of the region.

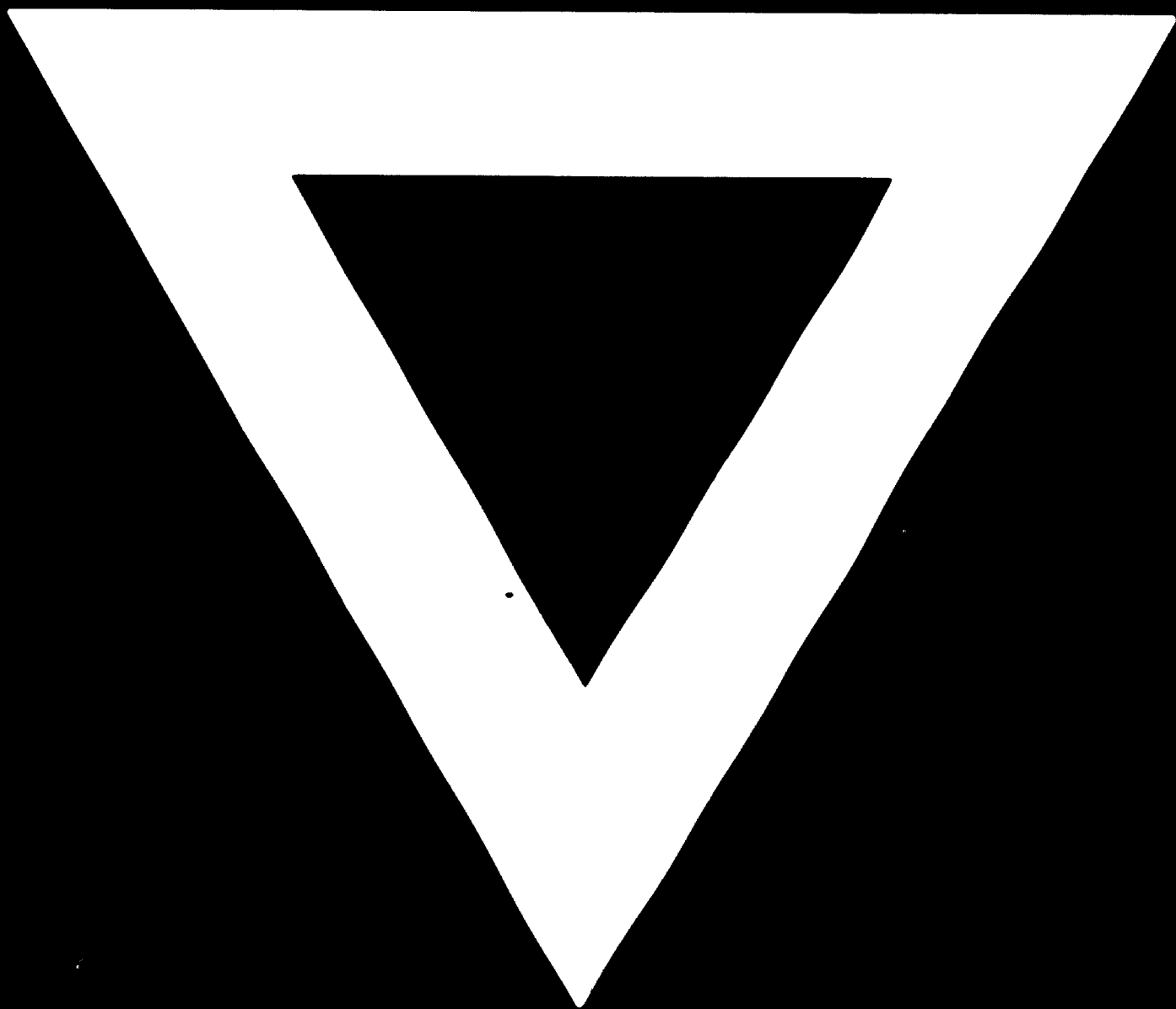
- (b) Participation by the industrialized countries in fairs in the region should be expanded and promoted so that they can exhibit advanced technology which is in line with development programmes.
- (c) The suggestion should be made to organizers of international fairs in industrialized countries that they should encourage visits by entrepreneurs from the countries of the region, thus giving them an opportunity to explain their needs and problems.
- (d) Relations should be intensified between the countries of the region and organizations such as the Union of International Fairs (UFI), the Committee of Organizers of National Participation in International Economic Events (INTEREXPO), etc.
- (e) Consultation meetings should be held between bodies responsible for fairs in the region and their counterparts in industrialized countries or in other developing countries with a view to bringing about an exchange of experience.
- (f) Organizers of international fairs in industrialized countries should be asked to grant the maximum facilities for the participation of the countries of the region in such fairs.
- (g) The participants at the Consultation further recommend that the bodies responsible for fairs in the industrialized countries should make use of any permanent information services established at fairs in the region.

Finally, the participants of this consultation agree on requesting UNIDO to propose to the governments of the countries in the region to give greater priority to fair activities as a means of encouraging economic and social development programmes.

Governments are invited to consider these recommendations as a means of achieving this objective. Also the participants request UNIDO to follow-up and execute these recommendations with the close co-operation of relevant organizations in Latin America and other parts of the world such as CIPE, OAS, AFIDA, UFI and INTEREXPO.



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