

Commercial Representation

Handbook for **OFFICIAL TRADE REPRESENTATIVES**

中國對外經濟貿易出版社

驻外经济商务人员培训手册

(英文版)

联合国国际贸易中心高级顾问诺斯 编著

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PREFACE

The institutional setting

Within a national development plan, various government ministries will usually have evolved policies to deal with such matters as agricultural and industrial production, foreign exchange rates, taxation, tariffs, quotas and trade agreements, etc. These and similar policies have a more or less direct impact on foreign trade and on national trade promotion programmes.

On the institutional level, many organizations other than government ministries are involved in one way or another with trade promotion. These include trade promotion boards and councils; standards and other regulatory bodies; banks and other financial institutions; associations of producers, importers and exporters; and chambers of commerce and industry. Ideally, these organizations, governmental and non-governmental, will complement each other, thereby creating an environment within which trade will flourish and the importer and the exporter will receive the necessary trade support services.

Among the most essential of these institutions is the trade promotion organization (TPO). It may be a department, branch or division of a ministry of commerce or its equivalent; it may be a semi-autonomous or a fully autonomous parastatal body, or even one partly or wholly funded by the private sector. Whatever the form that it takes, the TPO serves as the focal point for the development of a country's export promotion activities. Commercial representation is one of these activities.

In practice, because of the way a country's external trade services are shared, there are usually two bodies primarily concerned with commercial representation abroad: the ministry that is responsible for overall trade policy, to which the commercial representative in the field normally belongs or is seconded, and the TPO, with which the commercial representative generally deals direct on trade promotion matters.

The core of a TPO is usually a trade information centre with detailed market access and product information that exporters need. Such structured information is periodically updated and must be supplemented by a more or less constant flow of related information from abroad. Moreover, once an accessible market has been identified, the exporter should receive individual support to achieve market penetration, in the form of continuing expert guidance from a source located in the market itself. The responsibility for developing commercial relations and promoting exports, on a day-to-day basis and at the practical working level in foreign markets, increasingly falls on the country's official commercial representatives. They are the eyes and ears of both the TPO and the exporter in the market-place.

Commercial representatives may be career trade officers who serve abroad for only one or two postings, or members of a rotational service who may expect to spend the greater part of their careers in other countries. They may or may not have undergone significant, programmed training. Experience indicates, nevertheless, that the most successful

TPOs are those that recognize this function as a highly specialized, professional one and plan their operations accordingly. They recruit and train the most qualified people available, deploy them in selected markets according to a well-formulated commercial strategy, and programme and manage their activities systematically within the framework of their national trade promotion programmes.

Nevertheless, developing countries cannot afford to place trained, professional commercial representatives in all the potential markets for their products. In these circumstances, they must rely on other national representatives of their country, such as diplomatic officers, to function as commercial representatives to the extent that their other duties allow.

The handbook and how to use it

This handbook has been written for a wide range of possible users. It is addressed to commercial representatives from countries at different stages of development who have been or who are about to be posted abroad, possibly with little preparation. It is also meant for experienced officers who may find it useful as a reference. It may provide home-based officials who work with the commercial representative an effective insight into that side of trade operations and thus benefit their own work. Similarly, it may enable diplomatic officials, who are occasionally called upon to do trade work, to find answers to some of their questions.

Other ITC publications on commercial representation

This handbook is one element in a larger package of materials designed and produced by the International Trade Centre UNCTAD/GATT (ITC) to assist developing countries to maximize the effectiveness of their commercial representation services. A training pack is available for the use of developing countries that wish to establish a structured training programme for commercial representatives. In addition, a Model Manual of Instructions for Commercial Representatives Posted Abroad can be adapted by any country to its individual requirements. Another publication, The Commercial Representation Service; Guidelines for Head Office Management, has been prepared, as well as a Glossary of Trade Terms used in ITC's commercial representation publications and programmes.

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Note

The following abbreviations are used:

BTN	Brussels Tariff Nomenclature
CCCN	Customs Co-operation Council Nomenclature
EDP	Electronic data processing
GATT	General Agreement on Tariffs and Trade
ICC	International Chamber of Commerce
SITC	Standard International Trade Classification
TPO	Trade Promotion Office
UNIDO	United Nations Industrial Development Organization
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development

B/L	Bill of lading
c. & f.	Cost and freight
c.i.f.	Cost, insurance, freight
c.o.d.	Cash on delivery
f.a.s.	Free alongside ship
f.o.b.	Free on board
n.e.s.	Not elsewhere specified

PART ONE

INTRODUCTION