

(30)

WORKING GROUP FOR TRADE PROMOTION

Agenda Notes & Minutes

C O N T E N T S

Agenda Notes of the first meeting (missing)

Minutes of the first meeting.

Agenda Notes of the second meeting.

Minutes of the second meeting.

Agenda Notes of the third meeting.

Minutes of the third meeting.

Agenda Notes of the fourth meeting.

Minutes of the fourth meeting.

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May 24, 1971

Minutes of the First Meeting of the Trade Promotion Group held on 16th February, 1971 at the ICA Regional Office and Education Centre, New Delhi

The first meeting of the Working Group for Trade Promotion of the ICA Sub-Committee for Agriculture and Trade was held on 16th February 1971 in the office of the ICA Regional Office & Education Centre, New Delhi.

The following were present :

1. Mr Irwin Hunter, Australia
2. Mr V.N. Puri, India
3. Mr K.W. Devanayagam, Ceylon
4. Mr H. Yanagida, Japan
5. Mr Dong Hoo Joh, Republic of Korea
6. Mr N.A. Kularajah, Malaysia

Special invitees:

7. Mr H. Togawa, Managing Director, IDACA, Japan
8. Col. Surin Cholpraserd, Thailand
9. Mr R. Nonaka, Japan

ICA

10. Mr P.E. Weeraman, Regional Director
11. Mr M.V. Madane, Joint Director, TA&T (Secretary)
12. Mr J.M. Rana, Director (Education)

In attendance

13. Mr A.H. Ganesan, Personal Assistant to the Regional Director
14. Mr Y. Nakaoka of the Central Union of Agricultural Cooperatives of Japan.

The following business was transacted.

1. Election of Chairman

Mr Irwin Hunter of Australia was unanimously elected Chairman of the Group. Mr Hunter thanked the Members for electing him Chairman.

Col. Surin Cholpraserd of Thailand was unanimously coopted as a Member of the Trade Promotion Group.

Mr M.V. Madane was accepted as the Secretary of the Group.

2. Objectives and working procedure of the Group

The Group decided that its main task would be to discuss and find solutions to the problems of international trade with cooperatives in the Region and the promotion of inter-cooperative trade both on an intra-regional and an inter-regional basis.

3. Establishment of a Cooperative Trade Exchange in the Region

4. International Trade possibilities on the basis of recommendations made in the Report of the First part of the Survey of Agricultural Cooperative Marketing Projects in South-East Asia

The Chairman suggested that in view of the close connection between the two subjects, items 3 and 4 be considered simultaneously so that a meaningful discussion could be held.

The following comments were made :

- i. Agricultural development is very essential in the countries of the Region as most of the economies are dependent on agriculture. Within the agricultural sector, marketing, both within and outside the country, is of great importance. Marketing is a major problem even in developed countries like Australia.
- ii. The Survey of Agricultural Cooperative Marketing Projects undertaken by the ICA is an important step in this direction. The Movements should utilise the services of the ICA in such a manner that concerted efforts could be made to tackle the problems faced by the movements.
- iii. The establishment of a Trade Exchange in a centrally located place in the Region would be very useful to marketing organisations engaged in trade. But this involves problems of personnel and financial resources for such an Exchange. While the need of setting up such an Exchange was appreciated, it was felt that it should be preceded by large-scale development of international trade among the cooperatives in the Region. It was suggested that the findings of the second and third parts of the Survey, which would be undertaken by the ICA, be taken into consideration while discussing this proposal. It was suggested that the Regional Office should study the functioning of existing cooperative trading organisations of this nature and prepare a note for discussion at the next meeting. Special mention was made in this connection of the Overseas Farmers Cooperative Federation in U.K. and the N.A.F. in Copenhagen.

iv. Members of the Group expressed concern at the general attitude of developed cooperative movements, especially of the West, towards the purchasing of substantial quantities of goods from non-cooperative sources in the countries of the Region. The cooperatives in the Region do not have any idea of these purchases. Efforts should, therefore, be made by the member-organisations of the Region to develop their cooperatives so as to win the patronage of the developed movements instead of allowing it to go to the private sector. A point was also made that the Western movements should inform the Regional Office of their requirements from the Region so that the Regional Office could circulate this information to cooperative trading organisations in the region.

5. Any other matter with the permission of the Chair

The Chairman suggested that in order to focus attention on the importance of trade in the functioning of agricultural cooperatives the Agricultural Sub-Committee be renamed the "ICA Sub-Committee for Agriculture and Trade". This suggestion was welcomed by the Members and it was unanimously agreed to request the Sub-Committee to adopt the name suggested.

With a vote of thanks to the Chair the meeting terminated.

May 24, 1971

Minutes of the First Meeting of the ICA Fishery
Group held at 3.00 P.M. on Monday the 15th Feb, 1971

The first meeting of the Fishery Group of the ICA Sub-Committee for Agriculture and Trade was held at 3.00 p.m. on Monday, the 15th February, 1971 at the ICA Regional Office & Education Centre, New Delhi.

The following were present :

Members

1. Mr K.W. Devanayagam, Ceylon
2. Mr V.N. Puri, India
3. Mr H. Yanagida, Japan
4. Mr N.A. Kularajah, Malaysia
5. Col. Surin Cholpraserd, Thailand
6. Mr Dong Hoo Joh, Republic of Korea

Special Invitees

7. Mr P. Lacour, Chairman, ICA Fisheries Sub-Committee
8. Mr H. Togawa, Managing Director, IDACA, Tokyo, Japan
9. Mr R. Nonaka, Japanese National Federation of Fishery
Cooperative Associations, Japan

ICA

10. Mr P.E. Weeraman, Regional Director
11. Mr J.M. Rana, Director (Education)
12. Mr M.V. Madane, Joint Director, TA&T
13. Mr Lionel Gunawardana, Deputy Director (P&PR)

In attendance

14. Mr A.H. Ganesana, Personal Assistant to the
Regional Director
15. Mr Y. Nakaoka of the Central Union of Agricultural
Cooperatives were in attendance.

2. Mr K.W. Devanayagam, Member for Ceylon, was elected Chairman of the Group. Mr Devanayagam thanked the Members for electing him Chairman and welcomed the members to the meeting. He also welcomed Mr Lacour and other special invitees to the meeting. Mr M.V. Madane of the ICA Regional Office was accepted as the Secretary of the Group.

3. At the outset, members discussed the broad objectives and the functioning of this Group. The discussion centred around the question whether the Group should function as a separate entity or whether the question of fisheries should be included on the Agenda of meetings of the ICA Sub-Committee for Agriculture and Trade. It was decided that in order to ensure proper discussion on the various technical and other aspects concerning fishery cooperatives it would be useful to have a separate Group. This was conceived as a separate forum for the development of fishery cooperatives, and when funds permitted it would be possible for this Group to meet independently of the Agriculture Sub-Committee. It was suggested that the Group should meet prior to the meeting of the Sub-Committee so that Group's recommendations could be considered at the meeting of the Sub-Committee which would follow.

4. The following matters were discussed at the meeting. Introductory remarks were made by MR Lacour when each matter was taken up.

5. Regional Seminar on Fisheries, Bombay, India

The FAO had decided to organise this seminar in collaboration with the ICA and to take care of most of the expenses involved in holding the seminar. The Members of the Group welcomed the proposal and agreed to support the seminar if it was to be held by the FAO in collaboration with the ICA.

6. Cooperative Fish Canning Project, Ceylon

Mr Lacour briefed the meeting about the proposal to send a Fishery Expert from France to Ceylon to study the needs of cooperative fishery societies for their development. He said that the expert would visit Ceylon along with the Regional Director and would spend about one month in Ceylon studying the fisheries in Ceylon. The Members of the Group welcomed the proposal to send such an expert to Ceylon and thanked the French Movement for the assistance offered in this regard. It was suggested that as the Expert would be visiting a country in this Region, the possibility of his visiting some neighbouring countries to help their fishery cooperatives should be explored. Mr Lacour indicated that the Expert would be able to extend the period of his visit by about a week if any Movement were interested in consulting the expert. The Movements should coordinate this programme with the Regional Office. It was decided that a letter should be addressed to the movements in the Region about the expert's visit to find out whether they wished to use the services of the expert during this period.

7. IBASEC

Mr Lacour informed the Group of the proposal to establish International Business Advisory Service for Cooperatives (IBASEC). This will work as an Expert body for providing consultative services for the preparation of projects and for the development of trade. The Agency which will be a body corporate established under the UK Law was being organised with the support of individuals rather than of organisations. Mr Lacour stated that cooperatives would hold about 50% of the share capital of this agency. Mr Lacour requested movements of this Region to support this Agency and to suggest the names of persons who could be associated with this Agency. The members welcomed the suggestion and requested the Regional Office to collect additional information on the proposal and circulate it among the movements in the Region so as to enable them to consider the question of joining this agency. The Group expressed its appreciation of the efforts being made by Mr Lacour and others for the establishment of IBASEC. The cooperative movements in the Region were in need of a contact in Europe for trade development and it was hoped that IBASEC would provide this contact in future.

With a vote of thanks to the Chair and to Mr P. Lacour, the meeting was closed.

2

SECOND MEETING OF THE WORKING GROUP FOR TRADE PROMOTION

PERTH (W.AUSTRALIA) : NOVEMBER 1, 1971

PROGRAMME AND AGENDA

- Item No. I Confirmation of the Minutes of the last meeting of the Working Group for Trade Promotion held at New Delhi on February 16, 1971.
- Item No. II Trade Development.
- Item No. III Follow-up of the recommendations of the Survey of Agricultural Cooperative Marketing Projects in South-East Asia - Part I
- Item No. IV Proposal for the establishment of a Cooperative Trade Exchange.
- Item No. V Third Asian International Trade Fair.
- Item No. VI ICA Cooperative Trade Study.
- Item No. VII Any other matter with the permission of the Chair.
- Item No. VIII Date and venue of the next meeting.

AGENDA ITEM NO. ICONFIRMATION OF THE MINUTES OF THE LAST MEETING OF THE
WORKING GROU2 FOR TRADE PROMOTION HELD AT NEW DELHI
ON FEBRUARY 16, 1971.

The Minutes of the first meeting of the Working Group for Trade Promotion held at New Delhi on February 16, 1971, were circulated and are submitted for confirmation. A copy of the Minutes of the meeting held at New Delhi is annexed hereto.

AGENDA ITEM No.IITRADE DEVELOPMENT

The Regional Office continued to function as a clearing house of trade information. The following are some of the important activities undertaken to promote inter-cooperative trade in the Region:

1. Trade Information Bulletin

The Bulletin entitled "ICA TRADE NEWS" continued to be issued on a monthly basis.

2. Trade Development

The Regional Office provided contacts to several cooperatives for starting trade relations in countries of the Region and outside. The follow-up action has not been reported by these organisations to the Regional Office and hence it is not possible to give any details about the trade contracts entered into by them.

Following are some of the important trade contacts developed through the Regional Office:

1. The National Federation of Industrial Cooperatives, India were provided trade contacts in Nigeria and Ghana for the export of leather footwear and hosiery goods, as they wanted to depute one of their Assistant Managers to go on a tour of Middle East and some African countries. The ICA was, however, unable to provide trade contacts in Libya, Sierra Leone, Aden, Saudi Arabia, Kuwait, Qatar, Bahrain and Dubai, as we have no member organisation in these countries. The proposed tour of the representative of the Federation was later postponed.

2. The Chief Cooperatives Officer, Ministry of Economic Development, Cooperatives Division, Guyana, was provided with introductions to a number of cooperatives in countries of the Region for the import of a variety of consumer goods into Guyana. During June 1971, the Ministry had informed the Head Office that they were planning to establish a Cooperative Wholesale Society within a few months and were interested in obtaining contacts with suppliers abroad.

3. The S.K. District Coop. Fish Marketing Federation Ltd., Mangalore (India) were provided contacts for export from India of marine products, such as canned sardines, shrimps and mackerel.

4. The Sepah Consumers Cooperative, Teheran (Iran), approached the Regional Office for providing them with cooperative contacts for the import of rice and pulses into Iran. The Regional Office addressed letters to cooperatives in Thailand, Philippines and India, and contacts have since been established between the Sepah Society and those in the above countries.

5. The Northern Province Fishermen's Cooperative Societies Union, Jaffna, (Ceylon) approached the Regional Office requesting that it approaches the West Bengal Small Industries Corporation, Calcutta (India), for the import of Ceylonese Chanks. After this had been done, the Fishermen's Society informed the Regional Office, that import of Chanks had been banned by the Government of India under its current licensing policy, which was checked by the Regional Office and found to be correct.

There is an ongoing trade contract between ZENKOREN-UNICOOJAPAN in Japan and NAFED in India for the supply of solvent extraction meal from India to Japan.

AGENDA ITEM NO. IIIFOLLOW-UP OF THE RECOMMENDATIONS OF THE SURVEY OF
AGRICULTURAL COOPERATIVE MARKETING PROJECTS IN SOUTH-EAST ASIA -
PART I

The following follow-up action has been taken on the basis of the recommendations made by the Study Team appointed for the Survey in respect of India and Indonesia.

INDIA: The Regional Office has suggested to the National Agricultural Cooperative Marketing Federation Ltd. (NAFED), New Delhi, to initiate planning on cooperative projects for exploring possibilities of assistance on the basis of the recommendations made by the Study Team appointed for the Survey.

As regards the training of technical personnel, the Regional Office had informal consultations with the Central Union of Agricultural Cooperatives in Japan during June 1971. It was felt that a beginning could be made in the follow-up action by organising a training programme in Japan for five technical personnel at IDACA in Tokyo during April 1972. The five technical personnel should be drawn from some of the existing solvent extraction plants in India and the offices of NAFED. This training programme will aim at orienting the trainees on the various business practices concerning the feedstuff industry in Japan and their relationship with the import of raw materials from abroad. The total period of the course will not exceed one month and will be divided into theoretical training and on-the-job training. A major portion of the training period will be spent in field visits.

All the local costs of the course in Japan will be borne by the Central Union of Agricultural Cooperatives and the IDACA in Tokyo.

As regards the costs of international travel, the Regional Office has been informed that there is a possibility of obtaining the costs of travel from the Government of Japan. The matter is at present being discussed with NAFED and the Central Union of Agricultural Cooperatives in Japan.

INDONESIA

At the instance of the Central Union of Agricultural Cooperatives, the Government of Japan offered to the Government of Indonesia to train five executives of the cooperative movement of Indonesia in cooperative marketing activities. The five Indonesian workers have been selected by the Government of Indonesia from among those who are working for cooperatives which are connected with the East Java Maize Project. The training was given at IDACA from mid-July 1971 for a period of one month. Three weeks of this training were devoted to on-the-spot study. Costs not met by the Government of Japan were met by the Central Union of Agricultural Cooperatives of Japan.

AGENDA ITEM NO. IVPROPOSAL FOR THE ESTABLISHMENT OF A COOPERATIVE TRADE EXCHANGE

As suggested at the 1st meeting of the Working Group, available information on the organisation and functioning of Overseas Farmers' Cooperative Federations Ltd. in the U.K. and the Nordisk Andelsforbund (NAF), the Scandinavian Cooperative Wholesale Society in Denmark, has been collected and is given below. From the information reproduced here, it appears that both the organisations are engaged in direct trading activities on behalf of their constituent members. The work they do is far beyond trade promotion work. It is now to be decided whether we should develop the proposal for the establishment of a Trade Exchange for undertaking direct export-import activities or should restrict the activities to trade information and active promotion. Another way would be (as suggested in the note circulated at the meeting of the Agriculture Sub-Committee held in Seoul) to create a centre with facilities for trading organisations willing to participate in the scheme to conduct business on their own.

The Overseas Farmers' Cooperative Federation Ltd., London.

The company was founded in London in 1920 under control of primary producers from British Commonwealth countries, with the following objects to be achieved on behalf of the affiliated cooperative primary producers:

- i. Marketing and distributing all kinds of produce sent to the U.K. and to the Continent.
- ii. Combined purchasing of all requirements for export to the shareholding federations and their associates from the U.K. or elsewhere.

The shareholders in "Overseas Farmers" are :

1. The Australian Producers' Wholesale Cooperative Federation Pty. Ltd., Melbourne.
2. The Farmers' Cooperative Wholesale Federation (N.Z.) Ltd., Wellington.

3. Federated Central Cooperative Company of Southern Rhodesia Ltd., Salisbury.
4. Die Federale Landbouko-öperasie van Suid-Afrika Boperk., Cape town.

~~These four constituent~~ federations are in turn made up of various bodies representing primary producers' interests in the respective countries.

"Overseas Farmers" charge a commission for services rendered and from this income their expenses are defrayed; the residue, after deduction for tax payments and for allocations to reserves, is returned to member-federations in proportion to their turnover.

The principal commodity groups handled by the organisation include: fresh, dried, and canned fruits, fruit juices, nuts, vegetables, honey, wheat, barley, oats, seeds, dairy produce, bacon, wool, fresh and canned meat products and wine.

Total turnover of "Overseas Farmers" amounted to £Stg.113 million in the three years ended March 1965. From its inception to that date, the entire trade over a period of 45 years totalled £Stg. 808 million. In addition to the London Office, there are branches in Liverpool and Bristol, the U.K. being the most important market for the produce brought in from the commonwealth countries.

In November 1965, "Overseas Farmers" entered into an agreement with the British firm of Adams Butter Ltd., who are large importers, packers and distributors of butter, and claim to own the world's largest butter packing unit. Under the terms of this agreement, a joint subsidiary is being established and registered in the U.K., to be known as Australian Dairies Ltd., with the object of improving the sales organisation for, and the efficiency of, the distribution of Australian butter in the U.K.

NORDISK ANDELSFORBUND (NAF) - Scandinavian Cooperative Wholesale Society, Copenhagen (Denmark)

Long before the NAF was established in 1918, the Cooperative Movements in the Scandinavian countries had discussed the idea of establishing a joint international buying organisation.

The NAF comprises at present of six cooperative wholesale societies of Denmark, Finland (2 societies), Iceland, Norway and Sweden. The main object of the NAF is to make available to its member-organisations economies by buying collectively on their behalf.

When the organisation was founded, the strength and size of the cooperative movements in the member-countries was very unequal. The total turnover of the three wholesale societies that had joined the NAF (after the withdrawal of Finland) was in 1917, 112 million Crowns, and the turnover of the FDB alone that year was 81.5 million Crowns or 73 per cent. If a strictly mathematical and proportional distribution of the representation on the board had been applied - which is not foreign to cooperative principles in an association of this kind - the right of decision would have been in the hands of one single national organisation. The risk that this might in the future cause internal friction within the association could not be ignored. The provisions of the regulations governing representation, therefore, were formulated to prevent any one country having an absolute majority in any sphere of activity, which confirmed the feeling of equality among member organisations. The agreement of the largest national society to this rule at the foundation of the organisation may be regarded as an important concession made in the interests of inter-Scandinavian cooperation. The rule, however, was probably necessary if the association was to be formed at that time, when the wholesale societies of the Scandinavian countries were as yet at such divergent stages of development.

According to the present rules of NAF, the general congress (annual meeting) consists of two delegates from each country and sixteen representatives in relation to each country's share capital and share in the turnover of the NAF during the two previous years. As no country may have more than seven additional representatives, it is impossible for any one country to get a majority. The greatest number of representatives at the annual congress is thus twenty-six, while the highest possible number of votes for any country is nine. The present rules, which are in principle the same as the original ones, stipulate that the board shall consist of a maximum

of twelve and a minimum of nine members, elected by the member-organisations in accordance with their representation at the annual meeting, and decisions are made by simple majority, except with regard to proposals referring to the purchase of real estate or ships, when a two-thirds majority is required. In the board, too, a majority for a single country is, therefore, out of question.

The regulation stipulating shares in proportion to the total turnover of the organizations in the respective countries was naturally intended to make the number of shares dependent upon the economic strength of the organisations.

The stipulation regarding the liabilities of members were formulated, of course, to conform to Danish Law, for the NAF was created formally as a Danish cooperative society. It seems highly unlikely that the NAF in 1918, with members in three different countries, could have been established in any other country than Denmark with its greater freedom for the association of cooperative societies. In the other Scandinavian countries, every form of cooperative organisation with members in other countries was, and still is attended with considerable limitations as regards the types of activities, the right to own real property and the general legal position.

When the NAF became legally settled in Denmark, it was faced with the choice between unlimited and limited liability, and it was deemed necessary to limit the liability of the members, so that the smaller societies with weak economic resources would not have to run exceptionally great risks in case of failure, or burden the larger societies with too heavy obligations if a crash came, for unlimited liability was mutual - "each for all and all for each". Therefore, limited liability was chosen. Limited liability has meant, however, that the NAF has only been able to sell to its members, but it has unlimited powers to buy from or act as intermediary in purchases from both its own members and outside firms.

Prior to the establishment of the NAF, the consumer cooperatives had made their purchases from the nearest private wholesale dealers. When a number of consumer cooperatives had been established, cooperative wholesales were set up which bought goods through the private representatives of foreign business houses. The NAF was, therefore, a logical development to obviate a large chain of middlemen and to establish direct relations between the producers and the consumers. Having been established as a joint buying and importing agency since the end of World War I, NAF had to establish contacts with, and obtain supplies from, private firms and satisfactory relations of this nature have continued since that time. Where possible, business was developed with cooperatives.

The initial difficulties experienced by the NAF consisted mainly in establishing the right contacts, but once the large buying requirements of the NAF were known, sellers' representatives were keen to sell their goods to the NAF. The NAF has direct relations with a number of big cooperative producers' associations particularly in the U.S.A., Australia, etc. For economic reasons, there is a tendency on the part of NAF to concentrate its purchases through a few selected organisations in order to provide incentives which are powerful enough to initiate offers from suppliers that are beneficial to the consumers.

The imports of NAF consist mainly of dry, fresh and canned fruits, tea and coffee, spices, oilseeds, sisal, rubber and raw materials for oil and margarine industries. Dry, fresh and canned fruits are imported from all over the world and are among the most important goods bought through the NAF. Coffee is another important item of imports. Many of the commodities listed above are bought through the London branch of NAF. The NAF also has a number of buying depots in various parts of the world.

AGENDA ITEM NO. VTHIRD ASIAN INTERNATIONAL TRADE FAIR, NEW DELHI

The Government of India have recently announced their plans to hold the Third Asian International Trade Fair in cooperation with SCAFU of the United Nations at New Delhi between November 3 and December 17, 1972.

It will be recalled that the ICA was able to participate in the Second Asian International Trade Fair held at Tehran (Iran) during October 1969 with the active support and collaboration of 12 cooperative organisations from the Region and one from Europe.

The total expenditure incurred by the ICA for its participation in the Second Fair amounted to Rs.33,000, out of which the participating organisations contributed a sum of Rs.13,500. The ICA had to heavily subsidize the costs incurred for the Second Fair, the deficit being Rs.19,500.

According to the tentative budget drawn up for the costs involved for participation in the Third Fair amounts to Rs.20,000 (US\$2,670). It is suggested that ICA participation in the Third Fair should be made as self-sufficient as possible. For collecting the total amount of Rs.20,000 from cooperative trading organisations, the ICA will have to get at least 13 organisations paying US\$200 each. It may be added that each participating organisation paid a contribution of US\$150 for the Second Fair.

AGENDA ITEM NO. VIICA COOPERATIVE TRADE STUDY

The 24th Congress of the ICA held at Hamburg had unanimously adopted a joint proposal of the National Cooperative Union of India and the Cooperative League of the USA to prepare a general report on the existing trade between cooperatives in various countries and between countries on the basis of the recommendations of the Second and Third Asian Agricultural Cooperative Conferences and the documentation available on the subject with various organisations.

A copy of the letter received from the London Head Office is annexed hereto.

Members of the Council would like to comment and make suggestions as to the manner in which this report could be prepared in the light of the present problems and the experience gained so far in the field of trade development.

AGENDA ITEM NO. VIIANY OTHER MATTER WITH THE PERMISSION OF THE CHAIRAGENDA ITEM NO. VIIIDATE AND VENUE OF THE NEXT MEETING OF THE GROUP

H.V. Madane
Secretary, ICA Sub-Committee for
Agriculture and Trade

ANNEXINTERNATIONAL COOPERATIVE ALLIANCE

11 Upper Grosvenor Street,
London W1X 9PA, England

11th August 1971

Dear Mr Weeraman,

Cooperative Trade Study

You will recall that the 24th Congress of the I.C.A. unanimously adopted a joint proposal of the National Cooperative Union of India and the Cooperative League of the USA to the effect that the Alliance should consider the resolutions "of the second and third Asian Agricultural Cooperative Conferences held at Tokyo and New Delhi respectively in 1964 and 1967, and take necessary follow-up action to facilitate international trading between developed and developing countries to their mutual benefit, and seek funds outside the regular budget and in collaboration with member cooperatives, to develop a general report on the trade taking place between cooperatives in the various countries and between countries. The report should show products or services handled, annual volume, how import or export regulations are handled, problems related to trade, etc., and, if possible, opportunities for further trade and the benefits to cooperative participants from such trade. Experiences of the International Cooperative Petroleum Association could be used as an example. Such data to be collected by a special I.C.A. Committee formed for this purpose with the results of the survey to be discussed in regional seminars in Europe, Asia, Africa, and the Americas".

We are now beginning intensive work on this Study within the I.C.A. London Secretariat. It has not proved possible to obtain financial support from outside sources, and because of limited staff and pressure of other work it is only now that we have been able to start actual research. Our present proposal is

to draw together a general report on problems and prospects for International Cooperative Trade, to be submitted to the 1972 Congress. This will be based on existing materials and will be structured according to the attached outline.

It would then be for the Congress to assess whether and to what extent it wished this work to be carried forward via:

- a) regional conferences for exchange of information, identification of trade opportunities and discussion on next steps;
- b) detailed field surveys by teams of trade experts (trade promotion officers)
- c) specific projects for management training in cooperative export promotion;
- d) investigation into feasibility of a cooperative export advisory service;
- e) consideration of machinery for regional or international insurance funds to underwrite financial security for both cooperative buyers and cooperative sellers with respect to regional or international cooperative trade transactions; and
- f) support for aided-trade projects on the Japanese/Thailand model.

My purpose in writing is to seek your comments on this procedure and any suggestions that you may have as to the outline and as to available information, particularly in respect of South-East Asia. More particularly, Dr. Saxena (who is now abroad, as you know), has asked me to enquire as to whether it would be possible for Mr. Madane to prepare a South-East Asia paper on the basis of the attached outline, utilising material from the Eisenberg report, the various Asian conferences on agricultural cooperation, and on inter-cooperative trade, the Asian Marketing Survey, and of course anything else available in your office. It would be very helpful if we could have such a report by early spring.

With Cooperative Greetings,

Yours sincerely,

Sd/-

Mr P.E. Weeraman
Regional Director,
ICA RO & EC, New Delhi 14.

Leonora Stettner
Secretary for Research

Outline for Study on

INTERNATIONAL COOPERATIVE TRADE

1. Types of cooperative trade across national borders.
 - a) Imports or exports of cooperatives in developing countries
 - b) Inter-cooperative trade
 - c) Joint buying
 - d) Joint selling
 - e) Aided-trade arrangements
2. Specific data on trade flows
3. Benefits of trade across national borders
4. Problems in respect of cooperative trade of developing countries
5. Action to be taken by cooperatives
 - a) in developing countries
 - b) in developed countries
6. Action to be taken by governments
 - a) in developing countries
 - b) in developed countries
7. Action to be taken by international organisation
 - a) governmental
 - b) NGOs

December 20, 1971

Minutes of the Second Meeting of the Trade Promotion Group of the ICA Sub-Committee for Agriculture and Trade for South-East Asia held on 1st November, 1971.

The second meeting of the Working Group for Trade Promotion of the ICA Sub-Committee for Agriculture and Trade for South-East Asia was held at Perth on 1st November, 1971 in the office of the Cooperative Bulk Handling Limited, Perth. The following were present :

Members

- 1. Mr Irwin Hunter, Chairman of the Group and Member for Australia.
- 2. Mr K.W. Devanayagam, Member for Ceylon
- 3. Mr Moti Lal Choudhary, Member for India
- 4. Mr Gholam Hossein Azadi, Member for Iran
- 5. Mr Eddiwan, representing Indonesia
- 6. Mr H. Yanagida, Member for Japan
- 7. Mr N.A. Kularajah, representing Malaysia
- 8. Mr B.P. Faustino, Member for the Philippines
- 9. Mr Ahmed Mian Soomro, Member for Pakistan

Special invitees

- 1. Mr H. Togawa, Japan
- 2. Dr Suthee Singhasane, Thailand
- 3. Mr Mak Kam Heng, Singapore

ICA Regional Office for South-East Asia

- 1. Mr P.E. Weeraman, Regional Director
- 2. Mr J.M. Rana, Director (Education)
- 3. Mr M.V. Madane, Joint Director (TA&T) and Secretary, Working Group for Trade Promotion

In attendance

- 1. Mr Shiro Futagami, Japan
- 2. Mr A.H. Ganesan, Personal Assistant to the Regional Director.

Mr Irwin Hunter, Member for Australia and Chairman of the Working Group, presided over the meeting.

Item No. I Confirmation of the Minutes of the last meeting of the Working Group for Trade Promotion held at New Delhi on February 16, 1971.

The minutes of the first meeting of the Group held on 16th February, 1971, in New Delhi, which were circulated earlier, were confirmed.

The Group decided to discuss agenda items II and IV together as they were closely related to one another.

Items No. II Trade Development and No. IV Cooperative Trade Exchange

Members of the Group noted with appreciation the efforts being made by the Regional Office in the field of trade development through exchange of information and documentation among the various cooperative trading organisations in the Region. It was also noted that as a result of the recently concluded Survey of Cooperative Agricultural Marketing Projects the process of trade development in some countries has been accelerated. However, the majority of the members felt that much more was needed to be done in this field if the cooperatives were to create any noticeable impact in the field of international trade. The private sector was still in a very dominant position with its exclusive channels of negotiation and communication.

The Group discussed at great length the possibilities of intensifying trade development work through the ICA Regional Office. It was felt that majority of the cooperative organisations in the Region were producers' organisations and as such there was a need to develop marketing outlets for their products. The emphasis, therefore, must shift from the exchange of information to the active promotion of international trade. The Chairman of the Group emphasised that the developed cooperatives in Australia and Japan were in a position to open their own branches and offices in different parts of the world to promote trade in their own products. However, the need for active assistance was greater in respect of the countries of the Region where the cooperatives were not in a position to establish such outlets with their own resources. It was, therefore, necessary for trade development efforts to be geared in future to the requirements of these movements.

The Chairman, while agreeing with the views expressed by the members, emphasised that this was the most opportune moment for initiating measures to accelerate the development of cooperative trade. The Survey that is being conducted by the Regional Office will also greatly facilitate the strengthening of trade development activity, he added. He, therefore, requested the Group to consider the establishment of a cooperative trade exchange in a suitable place in the Region. The Member for India

emphasised the need for coordinating our activities with that of the State Trading Corporations in several countries with a view to avoiding duplication of efforts in respect of certain commodities. He also emphasised that the ICA Regional Office should continue to obtain information on the trade agreements made between various countries in the Region in order to keep itself informed of the possibilities of trade by cooperatives under the general provisions of these agreements.

The Member for the Philippines mentioned that there were three degrees of trade promotion work, namely, exchange of trade information, active trade promotion or engaging in trade. It was necessary to decide which one of these activities are to be undertaken by the Regional Office. After a lengthy discussion it was decided that the Regional Office should take up the second line namely active trade promotion on behalf of the cooperatives in the Region.

The Member for Malaysia then recommended that a Cooperative Trade Exchange be established at Singapore and the staff involved in trade promotion activities at the Regional Office be moved to that place with a view to setting up an active trade promotion centre for the Region. He added that this Centre should deal with all products and should also provide buying facilities for European and other cooperatives which are already purchasing considerable quantities of goods in Singapore and other commercial centres. The suggestion was generally welcomed. However, it was felt that a detailed examination of the proposal would be necessary before making a final recommendation. The Member for Singapore, welcoming the proposal, felt that Singapore would be an ideal place for locating the Trade Exchange.

The Member for Japan stated that Japan was not against the proposal for establishing such a trade exchange. However, considerable information will have to be collected concerning the economic viability of the scheme with special reference to the commodities that are to be handled and the cost of operating the centre.

The Chairman of the Group then summarized the recommendations as follows :

- i. that immediate steps be taken by the Regional Office to look into the proposal regarding the establishment of a Cooperative Trade Exchange of the ICA.
- ii. that simultaneously, efforts should be made to strengthen the trade promotion activities of the Regional Office.
- iii. that Singapore, Hong Kong and other important places in the Region should be considered as possible centres for locating a trade exchange. For this, information should be collected concerning the costs of hiring the premises, maintaining the staff and operating the Exchange.

- iv. that the emphasis should now be on active trade promotion work by the Regional Office.
- v. that the Regional Office should ascertain whether the trade exchange could be operated on a contributory basis by the cooperative trading organisations.
- vi. that each member organisation should be requested to formulate its own recommendations concerning the functioning of such an exchange. The member organisations should also be requested to formulate their own terms of reference for operating the centre. These recommendations and terms of reference should be sent to the ICA Regional Office not later than the 15th February, 1972.
- vii. that on the basis of information received from member organisations, the ICA Regional Office should write a note on the subject and circularise it among the members of the Working Group,
- viii. that while examining the proposal the feasibility of establishing a Regional Cooperative Marketing Organisation should also be examined.
- ix. that a final recommendation on the subject will be considered at the next meeting of the Working Group.

Item III Follow-up of the recommendations of the Survey of Cooperative Agricultural Marketing Projects in South-East Asia - Part I

The Members of the Group noted with satisfaction the developments that were taking place in the field of international trade as a result of the marketing survey currently being conducted by the Regional Office. It was felt that the survey would help to establish a good basis for the intensive development of international trading activity by the Regional Office.

Item No. V Third Asian International Trade Fair

The Group discussed the proposal for participation in the Third Asian International Trade Fair to be held in New Delhi during November/December 1972. The participation of the cooperatives of the Region in this fair was discussed in the context of the total world participation in the trade fair. It was felt that the impact that could be created by establishing a stall on behalf of the ICA would be very insignificant compared to the total effort made by trading organisations and governments from different parts of the world. The Group, therefore, decided not to participate in the trade fair.

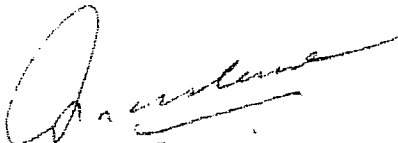
Item No. VI ICA Cooperative Trade Study

The Members of the Working Group welcomed the proposal of the ICA Head Office to initiate a Study of cooperative trade as a follow-up of the 24th ICA Congress resolution which had recommended that a report be prepared on the present position of trade development and its future prospects. The Group recommended that the cooperative trading organisations in the Region should provide as much information as possible to the Regional Office for finalizing the regional report.

Item No. VII Any other matter with the permission of the Chair

The Member for India suggested that ICA should collect and disseminate information concerning wool marketing. The Chairman assured the member that he would send whatever information was available concerning wool marketing in Australia,

With a vote of thanks to the Chair the meeting was closed.



M.V. Madane
Secretary, Working Group
for Trade Promotion

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre for S-E Asia
43 Friends' Colony (East), PO Box 3312,
New Delhi-14, India

September 9, 1972

THIRD MEETING OF THE WORKING GROUP FOR TRADE PROMOTION
BANGKOK (THAILAND) : TUESDAY, 14th November, 1972

PROGRAMME AND AGENDA

- Item No. I Election of Chairman of the Working Group.
- Item No. II Confirmation of the Minutes of the last meeting of Working Group for Trade Promotion held at Perth, Western Australia, on November 1, 1971.
- Item No. III Matters arising out of the Minutes of the last meeting.
- Item No. IV Recent developments in the field of cooperatives with special reference to cooperative trade.
- Item No. V Follow-up of the recommendations of the Survey of Agricultural Cooperative Marketing Projects in South-East Asia - Parts I & II.
- Item No. VI Proposal for the establishment of a Cooperative Trade Exchange in the Region.
- Item No. VII Any other matter with the permission of the Chair.
- Item No. VIII Date and Venue of the next meeting.
-

AGENDA ITEM NO. I

ELECTION OF CHAIRMAN OF THE WORKING GROUP

Members of the Group are requested to elect a Chairman for the next term.

AGENDA ITEM NO. II

CONFIRMATION OF THE MINUTES OF THE LAST MEETING OF
WORKING GROUP FOR TRADE PROMOTION HELD AT PERTH ON
NOVEMBER 1, 1971

The minutes of the second meeting of Working Group for Trade Promotion held at Perth on 1st November 1971 were circulated and are submitted for confirmation. A copy of the minutes of the meeting held at Perth is annexed hereto.

AGENDA ITEM NO. IIIMATTERS ARISING OUT OF THE MINUTES OF THE LAST MEETING

Items II & IV : Trade Development and Cooperative
(of the minutes) Trade Exchange

On the basis of the decisions taken at the above meeting concerning trade development and the establishment of a cooperative trade exchange in the Region, investigations have been made with regard to the feasibility of establishing such an exchange. Detailed information regarding the proposal has been given under Agenda Item No. VI.

Item V : Third Asian International Trade Fair
(of the minutes)

The trade fair authorities have been duly informed of the decision of the Working Group that the member organisations would not participate in the forthcoming Third Asian International Trade Fair to be held in New Delhi during November/December 1972.

Item VI : ICA Cooperative Trade Study
(of the minutes)

As suggested by the ICA Head Office, a comprehensive paper was prepared on cooperative trade in South-East Asia and was sent to the Head Office for being incorporated in the global study on cooperative trade by the ICA as a follow up of the resolution passed on this subject at the 24th ICA Congress held in Hamburg. We wish to record our deep appreciation of the assistance given to us by the cooperative organisations which sent us information concerning the present position of trade development in the Region.

Item VII : Information on Wool Marketing in
(of the minutes) Australia

As requested by the Member for India, efforts were made to collect information concerning wool marketing. At the request of the Regional Office, the Member for Australia collected very useful information on this subject and sent it to the Member for India. A copy of the letter through which the information was sent was received in the Regional Office. We wish to record our gratitude to the Member for Australia for the assistance rendered.

AGENDA ITEM NO. IVRECENT DEVELOPMENTS IN THE FIELD OF TRADE
WITH SPECIAL REFERENCE TO COOPERATIVE TRADEGeneral

During the period under review, the third meeting of the United Nations Conference on Trade and Development (UNCTAD) was held at Santiago in Chile. In the Conference discussions on international trade figured very prominently but without much result. As in the past, efforts made at UNCTAD III to improve the access of developing countries to the markets of the developed countries were unsuccessful. Strong attitudes were taken by developed countries in the field of reduction of tariff and non-tariff barriers. In the absence of such concessions which entail reduction in production of agricultural commodities in the developed countries and rationalisation of industries, there are not many prospects of the developing countries getting a larger share of the international market.

The UNCTAD passed a resolution urging developed countries to support cooperatives. However, there was no substantial support given by developed countries to this recommendation which would have committed them to assist the cooperatives in the developing countries. This resolution would not have much effect in the field of cooperative trade as there is no specific recommendation which could help trading cooperatives to build up their strength.

4.1 Cooperative Trade Development

The Regional Office continued to function as a clearing house of trade information. The following are some of the important activities undertaken by the Regional Office to promote inter-cooperative trade.

4.2 Trade Information Bulletin

The Bulletin entitled "ICA TRADE NEWS" continued to be issued on a monthly basis. It entered the fourth year of its publication in July 1972. On the basis of the contacts listed in the Trade News, cooperatives in the Region were able to establish a few trade contacts.

4.3 Trade Development

The Regional Office provided contacts to several cooperatives for import/export of goods both in the Region and outside. Most of the organisations have not reported to us the follow-up action taken by them. It is only in cases where difficulties were encountered that some organisations have come back to the Regional Office for help in resolving the same.

Some examples of the type of trade contacts provided by the Regional Office are listed below :

- i) The Japan Cooperative Trading Co.Ltd., Tokyo, was provided with cooperative contacts in Thailand, Indonesia, Malaysia and the Philippines for the import of various types of fish.
- ii) The Jalgaon District Cooperative Marketing Society Ltd., Jalgaon (Maharashtra), India, was provided with contacts in Europe for the export of banana powder.
- iii) The Farmers' Cooperative Wholesale Federation (N.Z.) Ltd., Wellington, was put in touch with exporters of Rock Salt in Pakistan.
- iv) The Shertallai Coir Mats and Matting Cooperative Society Ltd., Shertallai (India), was put in touch with Inter-Coop, the cooperative wholesale societies in Sweden and Japan, and the Clarence River Fishermens Cooperative Society in Australia. The Shertallai Society has already secured an order for coir rope from the Clarence River Fishermen's Cooperative Society in Australia.

4.4 Discussions with Inter-Coop and KF

The Joint Director (T&T) visited West Germany and Sweden during May-June 1972 and had discussions with the officials of Inter-Coop (a body formed by merging the Cooperative Wholesale Committee and the Committee on Retail Distribution both of the ICA), and KF in Stockholm concerning prospects of these organisations importing goods from South-East Asia.

Mr Volkers of Inter-Coop felt that there was good scope for linking purchases made by Inter-Coop for its constituents with exports from cooperatives in the Region. It was agreed that there should be a continuous exchange of information and documentation between the Regional Office and Inter-Coop. The Regional Office will send to Inter-Coop all publications and documentation prepared for trade promotion work and provide new contacts to it for the purchase of various commodities from the South-East Asian Region. The Inter-Coop will occasionally send to the Regional Office information concerning its purchases and minutes of the meetings of Expert Groups established for various commodities under the auspices of Inter-Coop.

It was also agreed that the cooperatives in South-East Asia may directly contact the Expert Groups of Inter-Coop regarding the commodities which the South-East Asian cooperatives could export to the members of Inter-Coop.

4.5 Discussions in KF

Mr Rolf Åkeby of the Products from Sweden Department of KF explained to Mr Madane the present buying practices of the various departments of KF when the latter visited him in Stockholm. Most of the purchases were at present being made directly from manufacturers on the basis of specifications and models provided by KF.

Mr Madane was informed that during recent months there has been a discussion going on in KF concerning purchases from developing countries and that there is now a better understanding in KF of the problems of cooperatives in developing countries. Recently a delegation from Japan also visited KF and discussed trade possibilities. Mr Madane was assured that samples and offers for the supply of goods from South-East Asia may be sent directly to different departments of KF with a copy to Mr Akeby, who would then take up with individual departments the question of importing the respective commodities.

AGENDA ITEM NO. VFOLLOW UP OF RECOMMENDATIONS OF THE SURVEY OF AGRICULTURAL
COOPERATIVE MARKETING PROJECTS IN SOUTH-EAST ASIA.
PARTS I & IIIndia

On the basis of the recommendations of the ICA Study Team, which made the first part of the Survey, four persons working with cooperative solvent extraction plants and the National Agricultural Cooperative Marketing Federation in India, have undergone a four-week training course in Japan during July 1972. The course was held at IDACA, Tokyo. The training course oriented the trainees in the various business practices concerning the feedstuff industry in Japan and their relationship with the import of raw materials from abroad. About half the period of training was devoted to the study of cooperatives and their facilities related to animal feed activities.

The international travel costs of the trainees were shared equally one-third being paid by the Central Union of Agricultural Cooperatives, one third by the ICA, and the remaining one-third by the four Indian cooperative organisations to which the trainees belonged. The local costs of the four trainees in Japan were met by the Central Union of Agricultural Cooperatives and the IDACA.

Indonesia

Discussions were held by the Joint Director (TA&T) with the leaders of the Dewan Koperasi Indonesia (DKI) in Djakarta as well as its branch in East Java concerning the follow-up action to be taken on the recommendations of the ICA Study Team which surveyed Indonesia during 1970. The

leaders of GAKOPERTA which is the Provincial Federation of Agricultural Cooperatives were also present at the discussions held in East Java.

During these discussions it was noted that the cooperatives were facing a severe shortage of funds because the government of Indonesia had recently ordered that all money realised by the cooperatives from the sale of fertilizers (given to them under the technical assistance programme) should be paid in to the government treasury. Originally a part of this money was given to the cooperatives and it was then possible for them to gradually build up their funds. The recent decision of the government has deprived the cooperatives of the opportunity of improving their resources. The technical assistance project is likely to come to an end in the near future and if the cooperatives are not developed before the termination of the project they have no chance of further development. It may be recalled that the original intention of the project, which was supported by the agricultural cooperatives of Japan, was to develop agricultural cooperatives which are involved in the cultivation and export of maize from Indonesia. Also, the ICA Survey was undertaken with a view to strengthening the cooperative infrastructure in East Java Province.

Follow-up of Recommendations of the Team
appointed for Second Part of the Survey

A proposal for the conducting of a training course in IDACI, Tokyo, during 1973 is under discussion. The course will be aimed at providing practical training for personnel engaged in the marketing of fruits and vegetables in Sri Lanka and the Republic of Korea. It will be recalled that the Second Survey was made mainly in respect of the marketing of fruits and vegetables in the above two countries.

AGENDA ITEM No. VIPROPOSAL FOR THE ESTABLISHMENT OF A COOPERATIVE
TRADE EXCHANGE IN THE REGION

On the basis of the discussion held at the last meeting of the Working Group and on the basis of comments received so far in the Regional Office, a proposal has been prepared by the Joint Director for Technical Assistance and Trade and this is reproduced below for consideration by the Working Group.

Establishment of a Cooperative Trade Exchange

The recommendation of the Working Group for Trade Promotion for the establishment of a Cooperative Trade Exchange (CTE) in the Region was endorsed by the Sub-Committee at its meeting mentioned above. The Sub-Committee has, among other things, recommended that the member-organisations in the Region should be requested to formulate their recommendations concerning the functioning of such an Exchange and the terms of reference for operating such a Centre. In accordance with this recommendation we have sent to the member movements a communication on January 5, 1972 conveying the decision of the Sub-Committee on the subject and requesting their views on the Trade Exchange proposal. Member movements from four countries viz. Australia, Bangladesh, India and Thailand have reacted very favourably to the idea of establishing a Cooperative Trade Exchange. The Central Union of Agricultural Cooperatives in Japan has expressed its inability to join the Trade Exchange. Communication from others is awaited. However, positive response from member movements was noticed during my visits to Malaysia, Singapore and the Philippines. Comments received so far are enclosed. Comments received from other Movements will be sent as soon as they are received.

I visited Singapore and Hong Kong during March/April 1972 for studying the facilities which are available at these two places for operating an agency such as a Cooperative Trade Exchange and ascertaining the costs for operating it. Following is a brief report on the conditions concerning these two aspects in Singapore and Hong Kong.

SINGAPOREMeeting with Mr Ridzwan Dzefir, Director, Trade Division, Government of Singapore and his Assistants

Mr Ridzwan and his assistants have welcomed the proposal for the establishment of a Cooperative Trade Exchange and have promised full cooperation in obtaining government approval if it was decided to establish the Exchange at Singapore. Once a final decision has been taken by us we have to approach the Government of Singapore after which Mr Ridzwan will consult the relevant government agencies including the Registrar of Cooperative Societies and help us in obtaining the approval.

Meeting with Mr Choo Jim Tech, Administrative Manager of the Singapore Manufacturers Association (SMA)

The Singapore Manufacturers Association (SMA) maintains a show room in Singapore in which major products by its affiliates are exhibited for view by prospective buyers. Mr Tech agreed to exchange information and documentation on the respective activities of the ICA Regional Office and the SMA. He also felt that it would be possible for the SMA to provide exhibits for display in the Cooperative Trade Exchange.

Meeting with Mr Kenneth C.L. Seah, Public Relations Manager, the Port of Singapore Authority (PSA)

The Port of Singapore Authority has very extensive facilities in the free-trade zone area of the Port of Singapore. Mr Seah welcomed our proposal for the establishment of a Cooperative Trade Exchange and assured us full cooperation in providing warehouse and other facilities operated by the PSA. Mr Seah felt that Singapore being a very important Entrepot port in the Region the establishment of CTE in Singapore will be to the mutual advantage of the PSA and the ICA.

Costs in Singapore

A rough estimate of the cost of operating the Cooperative Trade Exchange in Singapore has been prepared on the basis of investigations made during my visit. According to these estimates the approximate cost for operating the Exchange for one year would be S\$84,600 (US\$30,214) with a monthly average S\$7,050 (US\$2,518). The basis for working out the costs is one executive, one assistant, one stenographer-cum-secretary, one peon and one driver with minimum office accommodation and equipment. Residential costs for one person have been taken into account. The estimates do not include miscellaneous and incidental expenses. A detailed statement on costs is enclosed.

HONG KONGMeeting with Mr A.L.Purves, Assistant Director, Commerce and Industry Department, Fire Brigade Building, Govt. of Hong Kong

The reaction of Mr Purves to the idea of establishing a Cooperative Trade Exchange was positive. He felt that the Government of Hong Kong would be able to extend all the facilities which are normally given to the agencies such as the proposed Exchange.

Meeting with Mr Neil Morris, Secretary, Trade Development Council

Mr Morris promised full collaboration in the import export activities of the Cooperative Trade Exchange. He also agreed to provide contacts for making purchases on behalf of the CTE.

Hong Kong Port

The facilities of the port are available to all import export agencies once they have been given licences to operate in Hong Kong.

Costs in Hong Kong

The cost for operating the Exchange in Hong Kong have been worked out on the basis of information which was available during my visit. According to the estimates the annual cost would be around H\$162,708 (US\$28,798) and the average monthly cost would be HK\$13,559 (US\$2,400).

RECOMMENDATION

Reactions in Singapore and Hong Kong to our proposal for the establishment of a Cooperative Trade Exchange were favourable. The government agencies in both the places have promised to assist us in getting government approval and in obtaining other facilities. The Manufacturers Associations have also promised their full support. The cost for operating the Exchange in both the places would not vary to a great extent.

Taking into consideration all the relevant factors I feel that the Cooperative Trade Exchange should be established in Singapore. Following are the main reasons for making this proposal.

- a) Singapore is an independent country and the decision making process at the government level as well as at the level of trading agencies is direct.
- b) There is more political stability in Singapore than in Hong Kong.

- c) The Hong Kong market is always subject to pressures from the neighbouring country namely the People's Republic of China.
- d) We have a member organisation in Singapore which can help us in getting the Trade Exchange established and in operating it in future.
- e) The Chairman and Members of the Executive Board of the Union have helped me a great deal in making the initial contacts during my last visit to Singapore in connection with the Cooperative Trade Exchange. In Hong Kong, I had to rely on personal contacts to fix appointments with various departments and agencies.
- f) Singapore is more centrally located in the Region than Hong Kong.

Although it is recommended that the Trade Exchange be established in Singapore it will be necessary for us to keep in constant touch with the Hong Kong market. Like Singapore, Hong Kong is also a major supplier of several commodities purchased by cooperatives in Europe. It is also a major Trade Exchange for the whole world. It is, therefore, suggested that even if we have an office in Singapore arrangements should be made to make direct purchases from manufacturers and suppliers in Hong Kong. This could be done by either maintaining an Agent in Hong Kong or by occasional visits to that place. The mode of conducting purchasing in Hong Kong through the CTE in Singapore can be worked out while making all the detailed preparations for the Trade Exchange. In this connection, the suggestions made by members of the Sub-Committee should be taken into consideration.

It is difficult to state in this note the exact nature of contributions which the member-movements should make for the establishment of a Cooperative Trade Exchange. The suggestions made by members for sharing the costs are very helpful and should form the basis for evolving the pattern for cost sharing. It is however suggested that contributions for the first year should be ensured by member movements while taking a decision on the subject. A period of one year is the minimum to get the Centre established. In addition, the business cooperatives making use of the services of the Centre should be charged a commission in accordance with the local practices in Singapore and Hong Kong. I was informed that, depending upon the commodity, the commission charged by import-export agencies is between 2% and 5%.

During my recent visit to Europe, I was able to discuss the question of Cooperative Trade Exchange with INTERCOOP which is an Auxiliary Agency of the ICA. INTERCOOP makes joint purchases in the South-East Asian Region on behalf of several European cooperative wholesale organisations.

Mr R. Volkers, Secretary of INTERCOOP welcomed the proposal of Cooperative Trade Exchange and stated that it should be possible for the INTERCOOP to collaborate with us in making joint purchases. He felt that if the Cooperative Trade Exchange operates on a commercial and efficient basis it should not be difficult for INTERCOOP to make use of its services while making joint purchases.

COOPERATIVE TRADE EXCHANGE

LOCATION : SINGAPORE

Cost of operation

<u>OFFICE ACCOMMODATION</u>	<u>Non-recurring</u>	<u>Annually</u>	<u>Monthly</u>
	S\$	S\$	S\$
500 sq.ft. (air-conditioned) at S\$2.40 per sq. ft.		14,400	1,200

OFFICE EQUIPMENT & FURNITURE

Typewriter electric (big)	1,400
-do- (brief size)	800
Calculator electric	1,100
Duplicator (Rotary)	2,800
Photo-copying machine	1,200
Furniture	3,000
New Car (1100 cc)	7,000
	<u>17,300</u>

OFFICE - Recurring expenditure

Maintenance of office equipment	600	50
Expenses for transport, entertainment, postage, etc.	12,000	1,000
Car Park	840	70
Telephone with one extension	840	70
	<u>14,280</u>	<u>1,190</u>

SALARIES

	S\$	S\$
Executive	24,000	2,000
Steno-typist	4,800	400
Assistant	8,400	700
Car driver	2,400	200
Office boy or cleaner	1,800	150
	<u>41,400</u>	<u>3,450</u>

RESIDENTIAL ACCOMMODATION

Furnished flat 2 bed room		12,000	1,000
Telephone rental from 2nd year onwards		720	60
Telephone installation	300		
Domestic servant		1,800	150
	<u>300</u>	<u>14,520</u>	<u>1,210</u>

SUMMARY

	<u>Non-Recurring</u> S\$	<u>Annually</u> S\$	<u>Monthly</u> S\$
Office accommodation		14,400	1,200
Office equipment and furniture	17,300	-	-
Office expenses		14,280	1,190
salaries		41,400	3,450
Residential accommodation, etc.	300	14,520	1,210
		<u>84,600</u>	<u>7,050</u>
	TOTAL S\$ 17,600		
	or		
	US\$ 6,286	<u>30,214</u>	<u>2,518</u>

Note : The initial requirement of staff has been taken as under :

One Executive
 One Steno-typist
 One Assistant
 One Car Driver
 One office boy/cleaner

The approximate salaries for other categories of staff is stated below :

Typist S\$ 250 p.m.

Telephone operator-cum-Receptionist S\$ 200 p.m.

COOPERATIVE TRADE EXCHANGELOCATION : HONG KONGCost of operation

	<u>Non-recurring</u> HK\$	<u>Annually</u> HK\$	<u>Monthly</u> HK\$
<u>OFFICE ACCOMMODATION</u>			
500 sq. ft. (air-conditioned) at HK\$ 4.50 per sq. ft.		27,000	2,250
<u>OFFICE EQUIPMENT & FURNITURE</u>			
Typewriter elec. (big carriage)	2,955		
- do - (brief size)	1,690		
Calculator electric	2,320		
Duplicator (Rotary)	5,910		
Photo-copying machine	2,535		
Furniture	6,650		
New Car (1100 cc)	14,770		
	<u>36,830</u>		
<u>OFFICE - Recurring expenditure</u>			
Maintenance of office equipment		1,260	105
Expenses for transport, entertain- ment, postage, etc.		25,320	2,110
Car park		1,776	148
Telephone		360	30
		<u>28,716</u>	<u>2,393</u>
<u>SALARIES</u>			
Executive		48,000	4,000
Steno-typist		15,000	1,250
Assistant		6,600	550
Car driver		7,800	650
Office boy		4,200	350
		<u>81,600</u>	<u>6,800</u>
<u>RESIDENTIAL ACCOMMODATION</u>			
Furnished flat 2 bed room		18,000	1,500
Telephone rental		240	20
Domestic servant		7,152	596
		<u>25,392</u>	<u>2,116</u>

SUMMARY

	<u>Non-Recurring</u> HK\$	<u>Annually</u> HK\$	<u>Monthly</u> HK\$
Office accommodation		27,000	2,250
Office equipment and furniture 36,830	36,830	-	-
Office expenses		28,716	2,393
salaries		81,600	6,800
Residential accommodation, etc.		25,392	2,116
	-----	-----	-----
Total HK\$	36,830	162,708	13,559
or			
US\$	6,519	28,798	2,400
	-----	-----	-----

Note : The initial requirement of staff has been worked out as under :

One Executive
 One Steno-typist
 One Assistant
 One Car Driver
 One office boy/cleaner

The approximate salaries for other categories of staff is stated below :

Typist HK\$ 400

Telephone Operator-cum-Receptionis HK\$ 400

(TRUE COPY)

ANNEX 'A'

WESTFARMERS

WESTRALIAN FARMERS COOPERATIVE LIMITED
569 Wellington Street, Perth

MA/IH

10th February 1972

Mr M.V. Madane
Secretary
Working Group for Trade Promotion
ICA Regional Office
New Delhi

Dear Mr Madane,

Re : Cooperative Trade Exchange

The following is intended as my submission for consideration and I hope you will find it is in line with the minutes of the Trade Section of the Agricultural Sub-Committee and your communication of the 5th January.

Having researched the subject matter, I submit that the Cooperative Trade Exchange centre should be developed in the Region as soon as practicable. The two centres which lend themselves to communications from member countries in trade activity are Singapore and Hong Kong. Singapore would appear to be the most desirable place to establish this activity because of its geographical situation and its rapidly increasing importance as an entrepot port.

Advantages

The Centre should contribute a number of advantages to the participating cooperatives in the Region -

1. It would act as a collating and distribution point for trade information.
2. The objective would be to promote trade between co-operatives and to promote products of cooperatives of the member countries.
3. It would have a buying advantage for the cooperatives and if trade was built to size because of bulk buying advantages - perhaps in some instances from the private sector.
4. It would provide an impetus to members to increase international trade.

5. It could provide a greater negotiating power to cooperatives in the Region when dealing with government trade groups.

Objective

The primary purpose of this Centre would be to increase international trade between the cooperatives in the Region. The secondary purpose would be to increase the trade of regional cooperatives with cooperatives in other parts of the world.

Products Handled

The Centre should operate in all products both purchased and sold by cooperatives within the Region.

Functions of the Centre

It is recommended that consideration be given to clearly defined functions in which it actively participates :-

1. Collate and distribute trade information to all participating cooperatives.
2. Engage in trade promotion of products sold by participating cooperatives.
3. Be involved in trade to the extent of buying and selling on behalf of participating cooperatives.

Operations of the Centre

It is also submitted for consideration that participating cooperatives should buy shares in the Centre, which would provide it with working capital. If more capital was required, extra shares could be issued.

In day-to-day operations, the Centre should be motivated by profit, which would be earned by taking a commission on each buying and selling operation.

Profits could be used as follows :-

- .. Paying a dividend on issued capital
- .. Paying a rebate to shareholders in proportion to trading
- .. In the establishment period, retain earnings for future growth.

It appears necessary that the Centre should be motivated by profit for the following reasons -

1. The initiative for trade would come from the Centre itself.

2. The Centre would be self-supporting.
3. Profits provide a measure of performance of the Centre.

It is clear, therefore, that we do not recommend the Centre as merely one of promotion but to actively participate in the development of trade between the cooperative members of the Region.

Staffing would need to be skilled, particularly in marketing.

In submitting these headings and qualifications, you would readily understand that at this point of time I cannot commit the larger cooperatives of Australia to participate. This would be better left until general agreement or modification is reached between members of the Agricultural Sub-Committee and Trade, and perhaps the Advisory Council.

If it is decided to proceed along these lines - or for that matter with some adjustments - then it will be necessary for each member country to make an all-out effort, particularly with the bigger units capable of exporting, to get behind the support of this cooperative trade facility.

Should you require any further information, please do not hesitate to communicate.

With kindest regards,

Yours sincerely,

sl/-

Divisional Manager

(TRUE COPY)

ANNEX 'B'

Phone: 255846

BANGLADESH JATIYA SAMABAYA UNION
9-D, Motijheel Commercial Area,
8th Floor, Dacca-2,
Bangladesh

No.152/68/BJSU/919

Dated: 30.3.1972

To
Mr M.V. Madane,
Secretary
Working Group for Trade Promotion,
ICA Regional Office
New Delhi

Ref : His letter No.6.8/A dated January 5,1972

Dear Cooperator,

We have gone through the proposal for the Establishment of a Cooperative Trade Exchange. We welcome the proposal. Cooperative Movements in the developing countries will be greatly benefitted by the establishment of such a Trade Exchange. It is felt that Trade between different movements in this region have not been able to achieve much due to (a) lack of correct informations and (b) lack of contacts between the Trading Units of different Cooperative Movements.

It is therefore necessary that the Regional Office of the ICA should set up a Cooperative Trade Exchange as early as possible.

- a) Its function should be not only to disseminate Trade informations but also to actively promote Trade on behalf of the Cooperatives.
- b) It should work as the media between the different movements.
- c) Certain agreed percentage of profit on successful Trade deals may be shared by the proposed Trade Exchange for its proper functioning and management. Cooperative Movements of the developed countries particularly in the field of Trade should contribute substantially towards proper functioning of this Organisation both financially as well as with technically qualified personnel. The ICA can involve the Cooperatives of developed countries outside this region in this matter.

Cooperative Greetings,

Yours faithfully,

Sd/-

(Faizur Rahman Khan)
Honorary General Secretary

COOPERATIVE FEDERATION OF CEYLON

455 Galle Road,
Colombo-3, Ceylon

Enclosure to their letter No.3/8 dated March 8, 1972

3(a) (i) The functions of the proposed Trade Exchange

Carry out a survey of the items of trade of member countries presently organized through Cooperative Institutions and which could be sold in the Region on the basis of reciprocal trade arrangements or through normal trade. The respective Cooperative Federations of member countries could be associated in this survey. In view of the comparative success of the survey of Cooperative Agricultural Marketing Projects, the proposed survey (which would be on a larger scale and which would take into account all items of trade including manufactured, semi manufactured or processed goods for sale) would provide the basic information required to be transmitted through the proposed Trade Exchange.

(ii) Establish contact with member Governments and have clearly defined areas of trade in which the Cooperative sector could be given special facilities for the regional marketing of goods both through the media of normal trade as well as through bi-lateral trade agreements.

(iii) Open up a publicity Centre as one of the activities of the Trade Exchange at which various goods of member countries produced by Cooperative Institutions could be available for inspection by prospective buyers. The Trade Exchange should maintain a catalogue indicating prices and other information of a descriptive nature.

(iv) Liaise with the commercial and trade sections of the Embassies of member countries and coordinate, making available trade facilities for the Cooperative sector through normal trade channels.

(v) Establish contact with such Institutions as GATT and the European Common Market and help to institutionalize the sale specially of primary agricultural products through the cooperative sector by forging links with the counterpart cooperative organizations in countries represented through such institutions or organisations.

3(b) The extent of its involvement in trade deals

The functions suggested at (3) above, indicate the limits of the involvement of the proposed Trade Exchange in trade deals. The Trade Exchange would help Co-operative Institutions of member countries of the Region to establish trade contacts as well as provide the facility of trade information including trade samples and other data with a view to actively promoting trade activity between Cooperative Institutions of member countries of the Region.

It may be possible, at a later stage, for the Trade Exchange to expand its activities to actively help in bi-lateral trade negotiations especially in regard to pricing and seeking agreement on the media of payment in terms of world currencies.

The Trade Exchange could also pursue bi-lateral trade on barter and swing credit arrangements. It could also seek the active cooperation of member Governments for obtaining of international credit on soft terms for Cooperative Institutions engaged in regional trading activities through such financial institutions, as the World Bank and the Asian Development Bank.

3(c) The pattern of sharing the costs by trading organisations and other agencies

The initial costs would relate to the establishment of a Trade Exchange including the acquisition, lease or renting of suitable buildings as well as the recurrent costs of staff and services. It is suggested that initial costs be shared proportionately according to the ability of each country to share in the costs. It should be possible for some of the countries which are more developed than the others and have a larger share of regional trade to absorb higher costs initially. The proportionate sharing of recurrent costs both by trading organisations as well as by Federations of Cooperative Institutions of each of the member countries could thereafter be worked out on the scale of annual trade turnover with annual revisions taking into account performance in the past trading year.

The member country which is selected for the establishment of the Trade Exchange should provide special facilities such as seconding some of the staff already working in Cooperative Institutions to serve in the proposed Trade Exchange since the member country concerned would have the special advantage of a regional cooperative trade entrepot. It may also be possible for the Cooperative Federation of the member country concerned to assist by obtaining on lease or rent, suitable buildings at reasonable minimum cost.

3(d) The terms of reference for the proper functioning of a Trade Exchange

The proposals in respect of (a) and (b) already indicate the scope and the limits of the terms of reference of the proposed Trade Exchange. This would have to be worked out in detail by a special Working Group of the I.C.A. Sub-Committee for Agriculture and Trade for South-East Asia, in coordination with the Working Group for Trade Promotion.

The establishment of a Regional Marketing Organisation is highly opportune taking into account the fact that the current trend in world trade is for the establishment of regional trading alliances providing advantageous reciprocal facilities to member countries of the Region. A corollary has been the creation of tariff barriers to prevent goods from other trading regions entering and competing with goods produced within such trade Regions. At successive meetings of Heads of States and Governments of South-East Asia, various proposals have been submitted from time to time for the establishment of an Asian Common Market or at least the creation of Regional Marketing Organisations. In most cases, the failure to make progress has been due to the fact that the goods of one country very often compete with the goods of another in the open International Trading Market. This is particularly so in trading activity through the normal commercial channels. The only institutional arrangement that would perhaps be able to link together the trade of member countries of the region would be such a Cooperative Marketing Organisation.

(TRUE COPY)

ANNEX 'D'

NATIONAL AGRICULTURAL COOPERATIVE MARKETING FEDERATION
LIMITED, D-44 New Delhi South Extension, Part II.

New Delhi-49
India

Ref.No.HO/SL/13/20/71-72/30636

Date: Feb 25, 1972

The General Secretary
National Cooperative Union of India
72 Jorbagh
New Delhi-3

Sub: Proposal for the establishment of a
Cooperative Trade Exchange

Dear Sir,

Please refer to your letter No.NCUI/ICA/
(Ad.Con)/71 dated February 15, 1972. I have the pleasure
of informing you that this organisation is in favour of the
idea of setting up a Trade Exchange Centre in the South-East
Asian Region for promoting cooperative trade between the
national cooperatives in this region. It is hoped that the
setting up of a Trade Exchange will lead to establishment
of a regional marketing organisation to be located in one of
the important market centres suggested by the ICA Sub-Committee
for Agriculture and Trade. The Federation is of the opinion
that the Regional Office of the ICA for South-East Asia should
take prompt and immediate steps for setting up of a Trade
Exchange Centre. I, therefore, suggest that the ICA may
immediately formulate concrete proposals in this regard and
circulate them to all the concerned member-organisations
for eliciting their views as soon as possible so that the
Trade Exchange Centre may be established in the immediate
future.

Thanking you,

Yours faithfully,

Sd/-

(J.K. Verma)
Managing Director

cc: Mr P.E. Weeraman
Regional Director
ICA Regional Office,
New Delhi-14.

Sd/-

(Managing Director)

THE COOPERATIVE LEAGUE OF THAILAND

4 Pichai Road, Dusit, Tel. NO. 811414

BANGKOK, THAILAND

Our Ref. CLT 18/2515

Your Ref: 6.8/i.

Date : March 10, 1972

Mr M.V. Madane
Secretary, Working Group
for Trade Promotion
ICA Regional Office
New Delhi

Dear Mr Madane,

Re : Proposal for the establishment of Cooperative
Trade Exchange

With reference to your letter dated January 5, 1972, requesting us to submit our comments on the establishment of a Cooperative Trade Exchange in the Region, following are our comments on the subject :

- a) The functions of the proposed Trade Exchange :
 - 1) to be a centre and trading information among the International Cooperatives' members, and
 - 2) to solve the trading problems of International Cooperatives.
- b) The extent of its involvement in trade deals :
 - 1) it should be only the information centre and should not run business itself, and
 - 2) expand its activities to include area outside South-East Asian Region.
- c) The pattern of sharing the costs by the trading organisations and other agencies: In the beginning this Trade Exchange should be managed and patronized by the ICA. Subsequently it should be operated on a commission basis.

With cooperative greetings,

Sincerely yours,

sd/-

Suthee Singhasaneh
Director

MINUTES

of the Third Meeting of the Working Group for Trade Promotion
of the ICA Sub-Committee for Agriculture and Trade for
South-East Asia held at Bangkok (Thailand) on Nov 14, 1972

1. The Third Meeting of the Working Group for Trade Promotion of the ICA Sub-Committee for Agriculture and Trade for South-East Asia was held on 14th November, 1972 at the Thai Hotel in Bangkok (Thailand). The following were present :

Members

- (1) Mr Irwin Hunter, Member for Australia
- (2) Mr Eddiwan, Member for Indonesia
- (3) Mr H. Yanagida, Member for Japan
- (4) Mr Ismail Bin-Din, Member for Malaysia
- (5) Mr Ell Byung Park, Member for Republic of Korea
- (6) Mr B.P. Faustino, Member for the Philippines
- (7) Mr A.K. Isaac, Member for Singapore
- (8) Col. Surin Cholpraserd, Member for Thailand

Special Invitees

- (1) Dr Tadashi Yamamoto
FAO Regional Fisheries Statistician, Bangkok
- (2) Mr H. Togawa
Managing Director
Institute for the Development of Agricultural
Cooperation in Asia (IDACA), Tokyo
- (3) Mr Aziz Ibrahim
ANGKASA, Kuala Lumpur
- (4) Dr Suthee Singhasaneh
Director
Cooperative League of Thailand, Bangkok
- (5) Mr Mak Kam Heng
Chairman
Singapore National Cooperative Union, Singapore
- (6) Mr Thep Saiyananda, Dy Director General,
Ministry of Agriculture and Cooperatives, Bangkok

- (7) Mr Chern Bamroongwongse, Dy Director General,
Ministry of Agriculture and Cooperatives, Bangkok
- (8) Mr Lampoon Savigamin, General Manager,
Cooperative Marketing and Purchasing Federation
of Thailand, Bangkok
- (9) Prof. Pantum Thisya-mondal,
Economic Department, Kasetsart University, Bangkok
- (10) Dr Virach, Deputy Manager,
Bank for Agriculture and Agricultural Coops, Bangkok

ICA Regional Office for South-East Asia

- (1) Mr P.E. Weeraman, Regional Director
- (2) Mr J.M. Rana, Director (Education)
- (3) Mr M.V. Madane, Joint Director (TA&T) and
Secretary, Working Group for Trade Promotion

In attendance

- (1) Mr Shiro Futagami
Central Union of Agricultural Cooperatives, Tokyo, Japan
- (2) Mr A.H. Ganesan
Personal Assistant to the Regional Director, ICA, New Delhi

2. The following business was transacted :

Agenda Item No.1 : Election of Chairman of the Working Group

3. The Regional Director, Mr P.E. Weeraman welcomed the Members of the Working Group to the meeting. He then invited Col. Surin Cholpraserd, Member for Thailand to act as Pro-tem Chairman until a chairman of the Working Group was elected. Col. Surin then occupied the chair and conducted election for the chairmanship of the Working Group. Mr Irwin Hunter, Member for Australia, was then unanimously elected chairman of the Working Group for the next term.

Agenda Item No.2 : Confirmation of the Minutes of the last meeting of Working Group for Trade Promotion held at Perth on Nov 1, 1971

4. The minutes of the second meeting of the Working Group held at Perth on November 1, 1971, which were circulated earlier, were confirmed.

Agenda Item No.3 : Matters arising out of the minutes of the last meeting

Item No.VI of the minutes

5. The Secretary of the Group gave a resume of the action taken on the minutes of the last meeting. The Group recorded its high appreciation of the paper prepared by the Secretariat on "Cooperative Trade in South-East Asia" which was submitted to the headquarters of the ICA as a follow-up of the 24th Congress Resolution. The group felt that this was a useful paper and it should therefore be updated and published for circulation amongst the members of the Group.

Item No.VII of the minutes

6. The Working Group was informed of the efforts made by the Member for Australia for collecting information on wool marketing and for sending it to the Member for India. The Working Group thanked the Member for Australia for his kind assistance.

Agenda Item No.4 : Recent developments in the field of trade with special reference to cooperative trade

7. The Working Group was informed of the recent developments in the field of international trade and the special efforts made by the Regional Office in promoting cooperative trade on a bilateral and multi-lateral basis. Members appreciated the desire of the INTERCOOP, which is the Auxiliary Committee of the ICA, to extend its cooperation to the Regional Office in its efforts to strengthen international trade relationship among cooperatives in different parts of the world.

Agenda Item No.5 : Follow-up of recommendations of the Survey of Cooperative Agricultural Marketing Projects in South-East Asia (Parts I and II)

8. The Working Group was informed of the follow-up action taken by the Regional Office on the recommendations of the Study Teams appointed by the ICA for conducting Survey of Cooperative Agricultural Marketing Projects in South-East Asia. Particular mention was made of the generous assistance given by the Central Union of Agricultural Cooperatives of Japan in organising a training programme for personnel working in the project areas in India and Indonesia. Speaking on the subject, Member for Japan informed the Working Group of the arrangements made for financing the training programmes in collaboration with the Afro-Asian Rural Reconstruction Organisation (AARRO). He added that almost the entire international costs in Japan incurred for conducting the

programme was met from the funds made available by the IARRO. Members of the Group thanked the Central Union of Agricultural Cooperatives for its generous assistance in providing training to the project personnel.

9. The Member for Indonesia informed the Working Group concerning cooperative finance in the East Java Maize Project area. He stated that according to the present government policy the cooperatives in the project area were not entitled to receive the money realised from fertilizers sale to farmers as these fertilizers were received from Japan under a government to government technical assistance agreement. He, however, informed the Working Group that the government does provide credit to the cooperatives in the project area to ease their financial difficulties.

Agenda Item No.6 : Proposal for the establishment of a Cooperative Trade Exchange in the Region

10. Members of the Working Group were informed of the work done by the Regional Office in preparing and collecting additional information concerning the proposal for the establishment of a Cooperative Trade Exchange in the Region. Since the last meeting of the Working Group, the Regional Office has also collected information concerning the costs for operating the Centre in Singapore and Hong Kong. Contacts have also been made with INTERCOOP and a few wholesale societies in Europe to explore possibilities of their collaboration with the proposed trade exchange. Members expressed appreciation of the work done so far in the Regional Office and stressed the need for continuing the preparatory work with a view to developing the proposal further.

11. The Working Group was also informed of the positive response to the proposal received from the member-movements from Indonesia, Republic of Korea, the Philippines, Singapore and Thailand and the negative reaction from the Central Union of Agricultural Cooperatives of Japan. The Regional Director conveyed to the Group the comments received from the Director of the ICA in London. The Director has expressed concern at the negative response received from the Central Union of Agricultural Cooperatives in Japan. The Director was also of the opinion that at least three years guarantee would be necessary in underwriting the costs with a view to give a fair trial to the Trade Exchange. The Regional Director added that the ICA was not a business organisation and hence it cannot function as a trading agency. He, therefore, felt that perhaps a suitable legal structure will have to be evolved in order to enable the Trade Exchange to function as a business agency. Perhaps a separate agency may have to be registered and the cooperatives in the Region will have to assume full responsibility for financing this agency.

12. The members of the Working Group then commented on the proposal and expressed their views on its feasibility.

13. The Member for Australia and Chairman of the Group stated that the proposal has been under consideration for almost three years and Australia has already commented on the communication received from the Regional Office. He felt that the proposed trade exchange should be able to function on a contributory basis. The Cooperative Federation of Australia has in principle supported the proposal but more detailed discussions will have to be taken up with marketing organisations in Australia on the advantages and the objectives of the Trade Exchange. He felt that the Working Group should now agree to a sophisticated formula on the basis of which member organisations would be able to take up further discussions with the trading organisations in the respective countries. In his opinion, as a trading facility, the Trade Exchange should be a viable proposition if it operates on behalf of cooperative trading organisations charging them commission for its activities.

14. The Member for Japan explained why Japan was not participating in the Trade Exchange. The major items of interest in foreign trade for cooperatives in Japan, he said, were raw materials for feedstuff and livestock and for importing these commodities agricultural cooperatives in Japan have already established their branch offices in Australia, Thailand and Hong Kong. It was, therefore, not possible for them to participate in a new agency. He added that to avoid any misunderstanding among the Working Group members it was necessary to clarify that Japan was not discouraging the establishment of the Trade Exchange and the members of the Working Group should not interpret the reaction from Japan as a negative attitude towards the proposal.

15. The Member for the Philippines stated that as the majority of the members were in favour of the proposal we should now decide whether the Trade Exchange should be a trading agency or a purely an information exchange. He added that the Exchange should be located at Singapore and, if necessary, a separate trading cooperative should be registered as suggested by the Regional Director. He later suggested that the question should now be referred to a Committee for detailed examination.

16. The Member for Indonesia suggested that the Exchange should be a trading facility and it should be located at Singapore.

17. The Member for Singapore also spoke in favour of the Exchange working as a trading agency as he felt that the cooperatives would be benefited only if such activity is undertaken. He expressed appreciation for the support given by the members for locating the Exchange at Singapore and assured the Working Group that cooperatives in Singapore will extend their full cooperation to this endeavour. He added that in future, cooperatives in Singapore may be willing to buy several commodities through this agency.

18. The Member for Malaysia felt that if it was decided to have a trading agency, then it should be registered as such in Singapore. He requested the Working Group to clarify who can subscribe to the equity capital of this agency and whether non-cooperative agencies could be members. Malaysian cooperatives, he said, did not have many products for export. However, they can certainly make use of this agency for imports. He supported the suggestion made by the Member for the Philippines for appointing a Sub-Committee to examine the proposal. At this stage the Regional Director explained that if necessary a Joint Stock Company can also be formed provided it is owned by cooperatives.

19. The Member for the Republic of Korea expressed his support to the proposal and added that his organisation has not yet made up its mind concerning the location of the Exchange.

20. The Member for Thailand supported the idea of establishing the Exchange at Singapore and said that Thailand will benefit both by trading and promotional activities of this Agency.

21. While summarising the discussion on the subject the Chairman of the Group expressed his appreciation for the remarks made by the Member for Japan concerning the trade proposal. Even Australia, he said, may not need a facility of the nature of a trade exchange at present. However, his country will certainly need this agency for a few years. Australian economy was based on exports of agricultural products which are at present being sold mostly through private sector. At present there is no coordinating factor in the Region although the cooperatives have made great progress and there have been fundamental structural changes in the cooperative movement. Mutual trading by cooperatives would, therefore, be of great benefit to all and keeping in mind this long-term objectives, the original proposal was earlier put forward by Australia.

22. The Chairman further stated that the majority of the members were now in favour of the proposal and it was, therefore, necessary to make further investigations to determine whether it should be a trading or only a promotional agency. It was also necessary to prescribe the manner of its operation and evolve a pattern for participation by trading cooperatives on a contributory basis. As regards location, the members have already expressed their desire to locate the Exchange in Singapore. The Chairman, therefore, proposed that a Select Committee should be appointed to make further investigations into the proposal.

23. The Member for Thailand asked if the Trade Exchange could both be promotional as well as a trading agency. The Chairman replied that trade and promotion could go together. The Regional Director stated that the Regional Office is already doing promotional work and the question now is whether we should go further. Member for Malaysia suggested that the Select Committee should be requested to submit its recommendations within six months so that member organisations would have a chance to consult their affiliates before the next meeting of the Working Group.

24. The Chairman then proposed that the Working Group should request the ICA Sub-Committee for Agriculture and Trade to appoint a Select Committee and lay down its terms of reference. Members of the Working Group unanimously accepted this proposal.

Agenda Item No.7 : Date and venue of the next meeting

25. The next meeting of the Working Group should be held just before the next meeting of the ICA Sub-Committee for Agriculture and Trade for South-East Asia.

26. With a vote of thanks to the Chair the meeting was closed.

M.V. Madane
Secretary of the Working
Group for Trade Promotion

October 3, 1973

FOURTH MEETING OF THE WORKING GROUP FOR TRADE PROMOTION
TOKYO (JAPAN) : OCTOBER 30 - NOVEMBER 1, 1973

A G E N D A

- Item No. I Confirmation of the Minutes of the last meeting of the Working Group for Trade Promotion held at Bangkok on Nov 14, 1972.

- Item No. II Matters arising out of the minutes of the last meeting.

- Item No. III Promotion of Cooperative Trade.

- Item No. IV London Secretariat Document on Promotion of Intercooperative Agricultural Trade.

- Item No. V Proposal for the establishment of a Cooperative Trading Organisation in the Region.

- Item No. VI Any other matter with the permission of the Chairman.

- Item No. VII Date and venue of the next meeting.

AGENDA ITEM NO. I

CONFIRMATION OF THE MINUTES OF THE LAST MEETING OF THE WORKING GROUP FOR TRADE PROMOTION HELD AT BANGKOK (THAILAND) ON NOVEMBER 14, 1972

1.1 The Minutes of the Third meeting of the Working Group for Trade Promotion held at Bangkok on November 14, 1972, were circulated and are submitted for confirmation. A copy of the Minutes of the meeting held at Bangkok is annexed hereto.

AGENDA ITEM NO. II

MATTERS ARISING OUT OF THE MINUTES OF THE LAST MEETING

Item VI Proposal for the establishment of a
(of the Minutes) Cooperative Trade Exchange in the Region

2.1 Please see Agenda Item No.V.

AGENDA ITEM NO. III

PROMOTION OF COOPERATIVE TRADE

Cooperative Trade Development

3.1 As in the past the Regional office continued to function as a clearing house for trade information. The following were some of the important activities undertaken by the Regional Office during the period under review.

Trade Information Bulletin

3.2 The ICA TRADE NEWS continued to be issued on a monthly basis. The scope of the Trade News has been slightly broadened to include news concerning development and technical assistance. The journal entered fifth year of its publication in July 1973.

Trade Development

3.3 Some of the trade contacts provided by the Regional Office are listed below :

- (i) The Filipino Cooperative Wholesale Society, Inc., Manila, were provided cooperative contacts both in the Region and Europe for the import of food items, etc. and export of products of industrial cooperatives.
- (ii) The Malaysian Cooperative Industrial Development Society Ltd., Kuala Lumpur, were provided contacts in Europe for the export of orchids.
- (iii) The Malaysian Cooperative Supermarkets Society Ltd., Kuala Lumpur, were provided contacts both in the Region and outside for the import of food and non-food items for sale in its supermarkets.
- (iv) The All-India Handloom Fabrics Marketing Cooperative Society Ltd., Bombay, were provided with cooperative contacts in W.Germany for the export of handloom textiles.

3.3.1 For making contacts in Europe the Regional Office generally sought the assistance of INTERCOOP located at Hamburg.

AGENDA ITEM NO. IVLONDON SECRETARIAT DOCUMENT ON "INTER-
COOPERATIVE TRADE : PROBLEMS & PROSPECTS"

4.1 A study on "Inter-Cooperative Trade : Problems and Prospects" has recently been prepared by Research Department of the ICA London Office. As report of the Study is still in a draft form it has not been possible to circulate it among the Sub-Committee Members. However, a brief introduction to the study will be made at the time of the Meeting.

AGENDA ITEM NO. VPROPOSAL FOR THE ESTABLISHMENT OF A COOPERATIVE TRADING
ORGANISATION IN THE REGION

5.1 The Working Group at its last meeting held in Bangkok had recommended that the proposed Cooperative Trade Exchange be located at Singapore. The Group had also recommended to the ICA Sub-Committee for Agriculture and Trade to appoint a Select Committee to go into details concerning the trade exchange proposals and make suitable recommendations. The Sub-Committee at its meeting held immediately thereafter accepted both these recommendations and appointed a Select Committee composed as follows :

- i. Mr B.P. Faustino, Chairman (Philippines)
- ii. Mr Irwin Hunter, Member (Australia)
- iii. Mr A.K. Isaac, Member (Singapore)

Mr M.V. Madane was requested to work as Secretary of the Select Committee.

5.2 The Select Committee held two meetings. First in Chiangmai (Thailand) during the Advisory Council meeting and the second at Singapore from 14th to 16th January, 1973. Minutes of the second meeting held at Singapore are appended to these agenda papers.

5.3 The Select Committee at its meeting held at Singapore had recommended the establishment of an International Cooperative Trading Organisation (ICTO) and had suggested that it should be registered under the Company Act of Singapore. To begin with, an authorised share capital of Singapore \$1 million was recommended out of which S\$500,000 are to be subscribed before commencement of the business. The number of board members suggested was between five and seven and staff for managing the organisation will consist of a General Manager and four other employees. The Select Committee also recommended that a continuous contact should be maintained between the ICA Regional Office in New Delhi and the proposed trading company.

Adequacy of share capital

5.4 Members of the Select Committee had taken unanimous decisions on various aspects of the proposal after extensive discussion with all concerned parties in Singapore and after a prolonged meeting of the Select Committee. The recommendations of the Select Committee, therefore, were widely appreciated both by the government departments and the cooperative organisations in Singapore. There was only one item on which a senior cooperative executive from Singapore expressed his concern and that was concerning the adequacy of capital for the proposed company. He felt that the company may find itself under-capitalized if the business is started only with S\$500,000 as the initial subscribed share capital.

Trade Proposal

5.5 - On the basis of various recommendations made at the above meeting Draft Memorandum of Association and Articles of Association of the proposed trading company were prepared by the Secretary of the Select Committee in consultation with a firm of solicitor in Singapore. The Draft Memorandum and Articles of Association along with a forwarding letter by the ICA Regional Director for South-East Asia were circulated among member-movements after having been duly approved by the Chairman and other members of the Select Committee. Additional copies of the proposal were also sent to member-organisations for wider circulation among their affiliates in the respective countries.

5.6 Except in the case of Australia, no other Cooperative Movement has made any definite commitment to participate in the proposed Company. However, it is expected that most of the Movements will communicate their decision concerning participation at the time of the Tokyo meetings.

Proposed follow-up

5.7 If a positive decision is taken on the proposal at the Tokyo meetings of the Working Group and the Sub-Committee, follow-up action will have to be initiated thereafter to facilitate its early establishment. Following are some of the important steps which will have to be taken in this direction.

- a) It will be necessary to obtain firm commitments in writing from participating organisations in the equity capital.
- b) As soon as six countries have declared their intention to participate and as soon as the minimum required amount of share capital has been subscribed, a proposal will have to be drafted for registration of the company. At this stage it will be necessary to appoint a General Manager.

- c) The first Board Meeting should be held immediately after the registration or as soon as possible thereafter.
- d) After the establishment of the company and before commencement of its business, it will be necessary to make contacts with major trading cooperatives both in the Region and outside in order to reach an understanding concerning ways and means for transacting business through the proposed company. It will also be necessary to discuss with INTERCOOP and leading consumer cooperative wholesales in Western countries the manner in which the trading company could provide services to these organisations for their purchases from the South-East Asian Region.
- e) It will then be necessary to recruit necessary staff and hire premises for the office.
- f) The company then should start its business as soon as possible.

AGENDA ITEM NO.VI

ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIRMAN

AGENDA ITEM NO.VII

DATE AND VENUE OF THE NEXT MEETING

/True copy/

ICA Regional office
43 Friends colony (East),
New Delhi-110014, India.

November 20, 1973

MINUTES OF THE FOURTH MEETING OF THE WORKING GROUP
FOR COOPERATIVE FISHERIES, TOKYO : OCTOBER 28, 1973

The fourth meeting of the working group for cooperative fisheries was held at the Marunouchi Hotel in Tokyo, on Sunday the 28th October, 1973. The following were present.

Members

MR Eddiwan, Member for Indonesia in the chair
MR Irwin Hunter, Member for Australia
MR Faizur Rahman Khan, Member for Bangladesh
MR Motilal Choushary, Member for India
MR H Yanagida, Member for Japan
MR Aziz Ibrahim, Member for Malaysia
MR B P Faustino, Member for the Philippines
MR A K Isaac, Member for Singapore
MR Pradit Machima, Alternative Member for Thailand, vice
col. Surin Cholpraserd.

Special invitees

DR S K Saxena, Director, ICA, London
MR Alf Carlsson, Director, SCC, Stockholm
MR Ismail bin Din, Member, ICA Sub-Committee for
Agriculture and Trade for South-East Asia
MR M Murase, Managing Director, UNICOOPJAPAN, Tokyo
MR H Togawa, Managing Director, IDACA, Tokyo
MR Shiro Futagami, International Department, CUAC, Tokyo

ICA Staff

MR P E Weeraman, Regional Director for South-East Asia
MR J M Rana, Director (Education)
DR Dharm Vir, Joint Director (Education)
MR M V Madane, Joint Director, TAST and Secretary of the Group

In attendance

MR A H Ganesan, personal Assistant to the Regional Director
of the ICA in South-East Asia.

Agenda Item No.1 : confirmation of the minutes of the last meeting held at Bangkok on November 14, 1972.

2. The minutes of the last meeting, third in the series, which were circulated earlier, were confirmed.

Agenda Item No.2 : Matters arising out of the minutes

3. It was decided to consider the follow-up action during discussions on relevant Agenda items.

Agenda Item No.3 : Fishery Assistance project in Sri Lanka

4. The secretary of the group informed the recent developments regarding the above project in Sri Lanka. Dr Saxena informed the meeting that discussions are currently being held on the project with the French cooperative movement and with Mr Lacour. He said that the fisheries and the consumers cooperative movement of France are trying to raise funds for giving limited assistance to the Sri Lanka movement. Referring to the present trend in technical assistance Dr Saxena said that if assistance is given by advanced countries it will be safe to assume that the financial component of such assistance programme is likely to come more from the government than from the cooperative movement.

Agenda Item No.4 : FAO/SIDA course on the management of fishermen's cooperatives

5. A resume of the above course was given to the meeting by the director (Education) of the ICA regional office. He said that the course was found useful by the participants. One of the recommendations, he added, was that the FAO should organise follow-up national courses for training of managers of fishery cooperatives. The meeting was informed that if requests were received from the governments, the FAO will assist in organising and conducting such courses. The ICA can also take up with the FAO the question of organising courses if requests to that effect were received from member organisations in the region.

6. Dr Saxena informed the meeting that the FAO representative who was present at the recent ICA fisheries sub-committee meeting held at Budapest also spoke about the usefulness of the Bombay seminar. As FAO did not have any funds for printing the seminar papers, the ICA fisheries sub-committee will look into the material circulated at the course and will study the possibility of bringing out a publication on this subject.

Agenda Item No.5 : International Business Advisory Services for cooperatives (IBASEC)

7. The meeting was informed that the information on IBASEC received from the head office was circulated to members of the working group. Dr Saxena informed the meeting that IBASEC has since been registered in England. He sought the assistance of the movements in the region to make it a going concern. A meeting between the chairman of the fisheries sub-committee and the main agriculture committee will be held in the near future to discuss IBASEC's role in future. Dr Saxena further informed the working group that ICA's role in this process was only as a promotional organisation. He added that the main role of IBASEC will be to provide management consultancy services to cooperative societies against nominal payment.

Agenda Item No.6 : Development of inland fisheries

8. The secretary of the working group briefly reported that Mr K.S. Ponnuthurai, retired senior Assistant Commissioner of cooperative development, Sri Lanka, had been given a special assignment by the regional office to report on the fishery cooperatives of Bangladesh. The secretary gave a resume of the main recommendations made by Mr. Ponnuthurai. He said that the report mainly dealt with organisational structure of the fishery cooperatives and did not discuss the technical aspects of fisheries. It was, therefore, not possible to identify an inland fishery project from the report recommendations.

9. The member for Bangladesh requested the working group to initiate an inland fishery project in his country. The chairman requested the member to study Mr Ponnuthurai's report and prepare a project for development of inland fisheries. If such project is sent to the ICA the regional office will take further action on the request. The member for Bangladesh agreed to send such project to the ICA.

Agenda Item No.7 : Any other matter with the permission of chair

10. During the discussion on this item, the chairman invited Dr Saxena to comment on the last meeting of the fishery sub-committee meeting held at Budapest. Dr Saxena informed the meeting that the sub-committee had discussed the forthcoming conference on the Law of Seas as it was considered to be of importance to the work of the fisheries committee. The whole question of pollution of seas will be considered at this conference. ICA will also be represented at the conference. After informing the meeting of Mr Lacour's election as chairman of the sub-committee, Dr Saxena mentioned about the appointments of the secretary of the fisheries

sub-committee and the secretary for agriculture in the head office of the ICA. The secretary of the fisheries sub-committee will be stationed in Paris and he will have close liaison with the secretary for agriculture in London.

11. Dr Saxena also referred to the accounting manual for small fishery organisations produced by the Overseas Development Authority Administration in the UK and said that if members of the Working Group were interested in the manual, copies could be sent to them by the head office. He also informed the meeting that the ICA will be represented by its Japanese member organisation at the forthcoming technical conference on fisheries products to be held in Japan in December 1973.

12. The chairman thanked Dr Saxena for his interesting report and said that those members who wish to attend the pollution conference are welcome to do so. He felt that the views of the working group should also be sent to the pollution conference.

13. The member for Malaysia sought the assistance of the ICA in solving the difficulties faced by the trawler fishermen in Malaysia because of certain laws relating to territorial waters. The representative of ANKASA in Malaysia informed the meeting that this particular problem is under ANKASA'S consideration and if necessary the help of the ICA will be sought in due course. He was hopeful that ANKASA itself would be able to solve the problem by consulting the government of Malaysia.

14. The member for India expressed his interest in developing fisheries around Andaman Islands. He was advised that specific requests regarding development of such fishing areas should be sent to the ICA so that it can explore the possibility of getting some advanced movements interested in the project.

Agenda Item No.8 : venue and the dates of the next meeting

15. It was decided to hold the next meeting at the same place and time as that of the next advisory council meeting.

With a vote of thanks to the chair the meeting was closed.

M.V. Indanc
Secretary, Working Group for
Cooperative Fisheries.