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Chambers of Foreign Trade – Bridges Between Markets

In the discussion of topical economic questions it is often argued that German private enterprise has become weary. But this certainly does not apply to wide sections of foreign trade. In fact, recently the traditional meeting of the German chambers of foreign trade in Bonn clearly manifested the continued private initiative of German exporters. As for the argument that owing to too many political considerations which, for various "good reasons", the Federal Government has to take into account, the instruments of trade policy have become rather blunt, one really has to wonder why so far no adequate consideration has been given by the Federal Government to the outstanding political and economic importance of the foreign trade chambers, especially in the financial field.

The foreign trade chambers—which are voluntary associations of German and foreign industrialists and businessmen—are an instrument for foreign trade which can be rightly said to have so far served national as well as international trade in a most effective way. These associations help to open up external relations between the Federal Republic and its customers and they serve the cultivation and promotion of such relations both in traditional markets and in the developing countries. The foreign countries in particular have frequently shown—as did Mexico some time ago—that they are not only interested in the work of these institutions but that they even respect and recognize them as authorities and neutral negotiating parties.

The reasons for this great interest abroad are mainly to be found in the chambers’ tasks and aims which have greatly changed over the years. Originally their main aim was one-sided “little” promotion of exports from Germany to the host country. Since the second world war bilateral promotion of exports has come to the fore. And today the work of the chambers is no longer centred on aiding mostly German exporters in initiating and transacting exports to partner countries but increasingly on the partners’ exports to the Federal Republic. On the basis of private initiative the chambers are thus making an important contribution to expanding the international division of labour.

An additional aim in recent years has been to help the host countries solve their domestic economic problems, and by analogy this aid could be described as “little” development aid. There can be no hard and fast rule for policies of promoting exports and development aid. They must be adjusted to the specific conditions in each foreign country. Their organization actually predestines the chambers for balancing the interests of the various partners; they form a bridge between markets. Their work represents an efficient supplement to governmental trade policy.

Industrialised countries, in their trade policy, are faced with the dilemma that on the one hand they are carrying out a more or less strong promotion of exports, and on the other are giving development aid. As non-government institutions the foreign trade chambers, in their dual role, are able at least to mitigate, though not to solve this conflict between the two policies.

This economically favourable impact is, however, considerably weakened by the chambers’ own small financial scope. For this reason a review of the present State grants to the chambers seems quite justified, all the more so since in accordance with their new policy and in view of the resulting world-wide formation of regional blocs the chambers will in future no longer be able to carry out their additional tasks to the full. Only through a more active State support can it be prevented that one of the few instruments of trade policy apparently still efficient is becoming blunt and that the initiative of entrepreneurs prevalent in the external sector of our economy is actually growing weary one day.

Gerhard Schöldmann