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INTERVIEW

Trade Fair for Developing Countries

Interview with Dr M. Busche, of "Ausstellungs-Dienst Berlin"

It is six years now that the first Import Trade Fair called "Partners of Progress" has been staged in Berlin. Its original form was that of a pure aid to information, but following actual needs, it gradually changed into a commercial trade fair of the developing countries. The number of exhibitors taking part in these fairs, and the growing interest shown by more and more expert visitors, have both made it clear that this kind of trade show has gained a firm position among German trade fairs and specialised exhibitions. We have asked Dr M. Busche, authorised signatory of the Berlin Exhibition Service (Ausstellungs-Dienst Berlin: ADB), about his experiences with the import show, "Partners of Progress", which is designed exclusively for the promotion of imports from African, Asian, and Latin American developing countries.

QUESTION: The Import Show, "Partners of Progress", which takes place annually in conjunction with the German Industries' Fair, has opened its gates for the sixth time this year. Which were the original considerations that have led to the conception of such a special trade fair for developing countries?

ANSWER: The Import Show, "Partners of Progress", is designed to promoting the Federal Republic's imports from the industrially less developed countries of Africa, Asia, and Latin America. We believe that, for achieving the participation of developing countries in the trade exhibitions, a specialised trade fair service is required, which is not, and probably cannot be, offered by other trade fairs and trade fair organisations of the traditional type. The general motto of this import show is the adage of "aid by trade", whose truth has been proved many times, and it is possible to interpret this slogan by emphasising the fact that aid by trade is of advantage for the two trading partners.

QUESTION: Which kind of development has this kind of trade

show taken, measured by the numbers of exhibitors, the breadth and variety of the goods on show, etc., during the years in which it has existed?

ANSWER: In our view, the import show has gone through a highly favourable course of development. In the beginning, it was usual to specialise by exhibiting the products but also the cultural achievements and even information about political developments and conditions of individual development regions or continents. Thus, in 1962, a special African, in 1963, an Asian, and in 1964, a Latin American special regional fair were staged.

But for 1965, we decided to give up regional delimitations, we dropped the designation of the fair as a "special regional show" and renamed and re-styled it as an "Import Exhibition". No fewer than 35 development countries from three continents then took part in this first import display; their number rose to 48 in 1965, and to 56 in 1966.

From 1966 onwards, we have also tried to persuade private en-

terprise from less developed countries to take part in our exhibitions. We succeeded in gaining for participation about 50 and in 1968 about 220 direct private exhibitors in the Import Fair, "Partners of Progress". The breadth and variety of goods supplied for purchase orders has also steadily grown. In 1968, the show harbours about 10,000 different types of goods as exhibits.

The Commercial Impact of the Fair

QUESTION: Is this Import Fair an event which may be of real commercial advantage to developing countries, showing the way to sales and opening up marketing outlets, or are its uses more or less restricted to an educational exercise, training developing countries for what they could and should do when taking part in "real", conventional trade fairs?

ANSWER: Our import exhibition is of great commercial interest. It is a meeting place where important business contacts are taken up and consolidated. Its greatest value is that sellers can spy out the lie of the land in studying potential

markets, but also actual sales show a gratifyingly high and rising volume. There are big groups of buyers from department stores, purchasing associations, typical wholesaling and import traders, and, last but not least, the innumerable trade brokers and commercial agents who have been turning up here with great regularity and provide proof of the commercial value of our import fair. There is, of course, still an educational element; we try to educate participants in taking part in a more effective and more successful way in future import shows opening their gates in Berlin.

QUESTION: One sometimes hears it said of the Import Fair that it is more of a folkloristic display, whose exhibitors prefer the picturesque show to the sales effect. What has been your experience, in this respect, with exhibitors from developing countries?

ANSWER: Since we have scrapped the name of "Special Show", the folkloristic element has also disappeared. However, it must not be overlooked that participating countries often — and in many respects with full justification — felt that the special regional shows served as representative demonstrations of their national sovereignty, which had only very recently been gained, their historical dignity, and their cultural achievements, up to and including the 1964 exhibition. The special Latin American event of 1964 was a particularly well-designed show of this kind. But after this, it has been our experience that exhibitors from less developed countries have followed the new trend towards the trade show, initiated in 1965, with a great deal of good will and largely also with definite success.

QUESTION: The Import Show, "Partners of Progress", is accessible to the general public. Would it not be more germane to the purpose of this type of fair, designed to foster imports, to permit entry to buyers and potential buyers only, leaving the general public outside?

ANSWER: It is certainly true that buyers and potential buyers are the most important visitors and talking partners for exhibitors. Companies and business associations domiciled in the developing countries want to meet them, to build up contacts with them, and to prepare for, or close, sales deals with them. However, the public who also attend the fair in large numbers fulfil there a twofold and highly important mission. In the first instance, European visitors for the first time obtain there a glimpse, a true impression, of the goods on offer and of the economic potentialities and peculiarities of the exhibiting nations. In the second instance, the attendance of the general public makes the exhibition a market test for the exhibitors. The degree of interest displayed by the visitors, enquiries made for certain products, and individual purchases made of exhibits demonstrate to the exhibitor which kind of product may have a real chance to impress the German consumer and be accepted by him, or may have the same but wider effect in a European market. The exhibitor can even find out which kind of adjustment of this production and marketing policies will be required to make his products marketable.

QUESTION: Do individual countries and here again individual branches of these exhibitor countries' economies predominate in

your Exhibition, demonstrating a trend towards regional and product specialisation running counter to its intended character of a generalised import fair?

ANSWER: It is a gratifying observation that our Import Show, "Partners of Progress", has made very well-balanced progress. Yet there is a certain degree of concentration of the fair in the fields of commodities (raw materials), foodstuffs and staple consumer goods, in their widest sense. The import show has become the venue for highly interesting talks about deals in cotton and copper, but also in transistor radios and mosaic building boards, and we also register negotiations about joint investment ventures of German and foreign partners in developing countries.

Some degree of specialisation has become unavoidable: for practical reasons, we had to take the field of tourism ("New Holiday Centres in Three Continents") out of the import show, and we have called into life a completely new kind of annual event serving touristic interests, the "International Touristic Exchange Market".

Direct Build-up of Contacts

QUESTION: You do not only put at the disposal of the exhibitors exhibiting floors and stands but offer less developed countries assistance of various kinds. Which advisory and supporting tasks are being undertaken by the ADB?

ANSWER: ADB (Trade Fair and Exhibition Services, Berlin), through its departments for the Promotion of Trade, and for Press and Publicity Questions, offer the following forms of assistance and trade fair service:

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We publish a trade promotion magazine, called "Partner", on the one hand in a German version which contains information and advice for the German import trade, and, on the other hand, in three foreign editions (English, French, and Spanish), which contain advice and information for the exporters in Asia, Africa, and Latin America. We have also commissioned and published a German pamphlet, "Buying in Developing Countries", and another one in the three foreign languages, "How to Export to the Federal Republic of Germany". In the same foreign languages, there is also available a "Guidebook for Exhibitors in the Import Trade Fair, 'Partners of Progress'".

Our Department for the Promotion of Trade closely cooperates with the Geneva International Trade Centre of GATT and with the German Federal Foreign Trade Information Office (Bundesstelle für Außenhandels-Information) in trying to establish direct contacts between exporters in development countries and importers in Germany. Written enquiries are not simply passed on to trade associations but (if necessary with the help of such associations) to individual firms.

With special relevance to the import fair, the ADB has been running an introductory seminar for German attendants at exhibition stands for promoting trade, and both an introductory and a follow-up seminar for exhibitors and their staff. In cooperation with the "foreign country associations" (Afrika-Verein, Ibero-Amerika-Verein, Nah- und Mittelost-Verein, Ostasiatischer Verein) at Hamburg and Bremen, the ADB is staging an annual "Wirtschaftstag Berlin" (Economic Conference at Berlin) for discussing topical problems of international trade.

After the import fair has closed its gates, ADB produces an overall confidential report on the course of the exhibition, which will be sent to all our exhibitors, accompanied by an equally confidential report on the success of his country of domicile at the exhibition.

QUESTION: Is it at all possible that Fair Management or the Fair as such can help to launch deals, to close sales agreements?

ANSWER: There is very much that can be done. What is essential and indispensable is timely and—as far as possible—comprehensive information, telling German importers what they need to know about exhibitors, about goods on show, about the authorised delegates attending the fair, etc. This information is contained in the official Catalogue of the Fair, the List of Exhibitors, the Gazette of Goods shown, a list of names and addresses, etc.

During the Fair, the ADB runs a Fair Office, manned by the Department for Trade Promotion. This Department offers aid and advice for the finding and establishment of contacts and for making negotiations technically less difficult. This also requires comprehensive and correct information. To help obtaining such information, the Commission of the European Communities, the Federal Office for Foreign Trade Information, several foreign trade banks, an Information Office on Marine and Air Freight Rates, etc., are also represented at the Fair.

More Private Exhibitors

QUESTION: Is it worthwhile for an individual trader from a developing country to exhibit at the fair, or would it not be more effective if he left his representation to trade associations and/or government agencies?

ANSWER: On principle, private and direct participation will always pay its way. We have seen with satisfaction that about 50 private exhibitors, whom we had here in 1966, have grown into 220 who show their own goods and services in 1968. It is certainly true that private and direct participation in a trade fair is a higher form of foreign trade promotion than indirect representation there. Traders fare always best by doing their own bargaining.

However, our experience shows us that also trade associations and government agencies may be act-

ing usefully and with good commercial effect in representing producers and exporters from development countries at our import fair.

QUESTION: How do you view the willingness and the scope of German importers for becoming "partners of progress", facilitating development countries' access to foreign markets?

ANSWER: German importers have always been broadminded and open to promotion of new partners' interests. It is certainly true that traders' and trading customs are different in various parts of the world, and that psychological attitudes vary locally, but this applies also to Europe and its different nations, and every foreign trader must get used to this.

Interesting Supply Capacities

QUESTION: Do you believe that the Import Fair offers advantages also to German importers, for example by opening up for him new sources of supply?

ANSWER: German importers have a deep understanding of the fact that so-called developing countries represent growing and highly interesting supply capacities, offering favourable purchasing possibilities for the German consumer. There are "old" products offered by new makers (for example, straight stitch sewing machines and telescopes), "new" products brought out by new firms (hardwood prefabricated houses from Brazil, banana liqueur from Ecuador, hard straw "wallpapers" from Korea), and last, but not least, traditional products at "new" prices (lamps, watches, watch straps, wigs, etc., from Hong Kong).

QUESTION: Do you test the success achieved at your Fairs, and have you any idea which products have been tested and found acceptable by the fair and have made the transition to becoming saleable trading commodities?

ANSWER: Yes, we have several kinds of tests. Our first indicator is the comparative value of num-

bers: numbers of countries and individual exhibitors taking part, of individual goods exhibited, of buyers registered as such at the fair. Other things remaining equal, e.g. the fundamental amount of aid invested in the Import Show, if indicator figures all show an increase between 1966 and 1968, this seems to be a most convincing proof of the success of the 1966 Fair.

To test the success of individual exhibitor countries is not only a difficult but also a delicate task, but there are such possibilities. The results of our enquiries into these problems are being transmitted confidentially to the exhibitors and countries concerned.

Testing the success of every single product exhibited is physically almost impossible in view of the colossal number (about 10,000) of goods shown in 1968. The only thing we can do is pointing to individual "show-stealers", e.g. the highly striking successes of inflatable dinghies

from the Chinese National Republic (i.e. Formosa), of ladies' handbags from Korea, of carpets from Pakistan, of wine from Algeria, silver jewellery from Mexico, which all these have achieved in Berlin.

Organisation for Promoting Exports from LDC

QUESTION: After products of less developed countries have passed the marketing test successfully at your Import Fair, do you advise them to enter, in future, also the more traditional trade fairs and specialised exhibitions, as exhibitors?

ANSWER: No, we leave this decision entirely to the participating countries and firms. However, we are witnessing that export promoting agencies of exhibiting countries and exhibiting companies from there, in spite of strong competition for their "custom" by other organisers of trade fairs are returning and bringing with them also steadily rising numbers of

newcomers to the Import Fair at Berlin, whilst the comparable figures for other fairs are stagnating. The Import Exhibition, "Partners of Progress", is absolutely the biggest export fair of developing countries in the whole world.

QUESTION: Do you believe it to be useful or even necessary to set up organisations for promoting trade in Western Germany which will specialise in the trade with development countries?

ANSWER: Yes. A short time ago, I addressed the German Foundation for Developing Countries on this subject at greater length. I am of the opinion that export promotion organisations operating in development countries ought to have partners in our country. A non-profit making body designed to promote imports from development countries, operating in the Federal Republic of Germany, could do much practical good. The field to be worked may be full of rocks but it is also full of unexploited fertility.

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