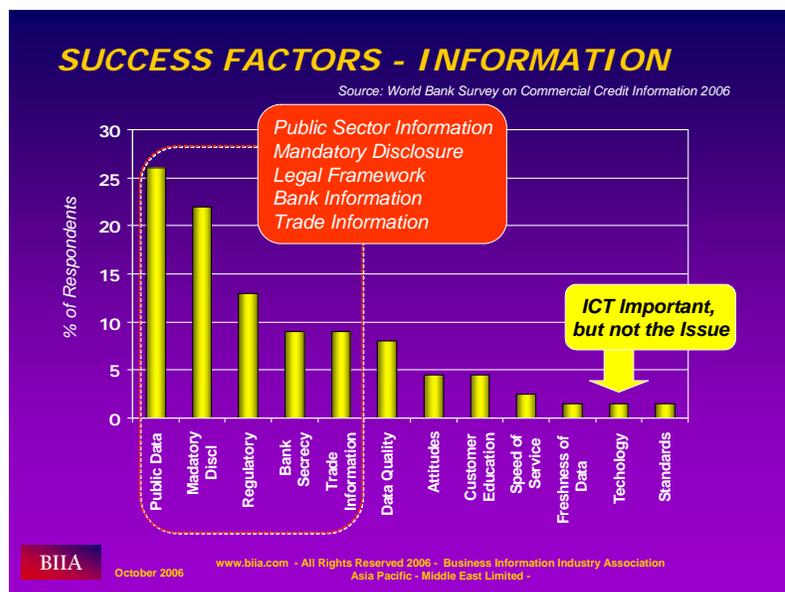


BIIA AT UNCTAD (United Nations Conference on Trade and Development)

BIIA PRESENTATION AT THE UNCTAD EXPERT MEETING IN GENEVA, SWITZERLAND

BIIA was invited for a second time in 2006 to UNCTAD expert meetings “Using ICTs to Achieve Growth and Development”. BIIA participated in the expert panel “The Impact of ICTs on Business Sectors” and presented on the subject of “Trade Finance: The Case of e-Credit Information”.

BIIA’s presentation touched upon the key issue of public sector information, which is dysfunctional in many developing countries, thus impacting negatively the creation of accurate, reliable and timely credit information. While UNCTAD is placing great emphasis on eliminating asymmetries in credit information through ICT, BIIA argued that ICT was only part of the equation. It has to be recognized that *Public Sector Information* was part of the value chain in commercial lending and its impact on the quality of credit information has not been given proper credence.



BIIA quoted from a recent World Bank survey in which information executives clearly indicated that a) access to accurate and reliable public sector information (registers), b) mandatory disclosure and filing of financial statements, c) a regulatory framework that permitted information pooling d) access to bank information were the most critical success factors in operating a commercial credit information business. The survey also to the forefront the relative poor performance of the public

sector information in many countries, impacting negatively the availability to provide accurate, reliable and timely credit information. BIIA presented the case of Thailand, where a partnership between the public and private sectors was responsible for the elimination of asymmetries in credit information. It is a highly successful role model and can be applied elsewhere.

BIIA also presented an overview of the new Singapore *SME Credit Bureau*, which has become fully functional with the help of ICT partners and data contributors. Credit grantors (banks, trade credit providers) are now able to evaluate the creditworthiness of SMEs expeditiously leading to better access to credit for SMEs. In addition SMEs are able to tap web based advisory services in form of a *SME Tool Kit* providing expertise in finance, accounting, credit management, human resource planning and e-education. In the case of *Singapore Public Sector Information* was not the issue. It was the absence of a legal framework and reservations towards information pooling which had to be overcome.

In a closing statement BIIA stressed again the point that ICT was only part of the equation. A concerted effort was required to bring about a change in *Mind Set* towards the acceptance of greater transparency in credit transactions, and to reverse negative perceptions about mandatory and voluntary disclosure as well as information pooling. Governments had to be persuaded to create a *Legal Framework* that governs disclosure and compliance, encourages voluntary disclosure, corporate governance and the pooling of credit information. Furthermore governments need to recognize that they had to invest in the public sector information infrastructure as a basis for economic growth. A concerted effort would involve institutions, such as the World Bank Group, UNCTAD, Central Banks, Public Sector Information, Financial Services sector, trade finance and trade credit providers and the information industry.

24. *The case of e-credit information was a further illustration of how ICT are enablers of economic growth, but not the whole answer to development problems. Issues pertaining to public policy (such as the existence of, and the accessibility to reliable public records or the aspects of the regulatory regime like bank secrecy), cultural attitudes towards credit information among borrowers and the general public, or the existence of standards were at least as important factors of success for efficient trade finance as technology. Having said this, bridging the digital divide in public in this public sector would greatly help to achieve lower levels of imperfect information and hence reduce the number of imperfect decisions. Partnership between the private and the public sector was crucial in order to address problems in the sphere of the legal and regulatory framework and in the mindsets affecting credit information. There was also a need to invest in modern information systems and in the provision of electronic access to the relevant registries. The result would be greater availability of trade finance, particular for small businesses. This was the experience of two developing countries, Thailand and Singapore, whose cases were presented as examples.*

At the close of the Expert Meeting, UNCTAD issued a protocol which contains the following paragraph on the subject of "*The Impact of ICTs on Business Sectors*". The full text of the proceedings will be available on www.unctad.org/ecommerce.

Background:

UNCTAD (United Nations Conference on Trade and Development) was established in 1964. UNCTAD promotes the development-friendly integration of developing countries into the world economy. UNCTAD has progressively evolved into an authoritative knowledge-based institution whose work aims to help shape current policy debates and thinking on development, with a particular focus on ensuring that domestic policies and international action are mutually supportive in bringing about sustainable development. 192 nations are members of UNCTAD.



In 2005 UNCTAD issued its '*Information Economy Report 2005*'. A second edition was issued in November of 2006. UNCTAD is holding expert meetings on a regular basis in support of the implementation and follow-up of recommendations contained in the '*Information Economy Report*'. An excerpt of this report is posted on the BIIA website www.biiia.com – library section under the heading UNCTAD. The *Information Economy Report* can be obtained online: www.unctad.org Publications Section.

UNCTAD Expert Meeting on the subject of "*Using ICTs to Achieve Growth and Development*" are jointly organized by UNCTAD, OECD and ILO. The expert meetings have the objectives to present and discuss the latest empirical evidence on the impact of ICTs on enterprise productivity and competitiveness, trade, employment and economic growth, especially in developing countries.

The BIIA December 2006 presentation is posted in the library section of the BIIA website: www.biiia.com (title 'UNCTAD and BIIA: IMPACT of ICT on e-Credit Information')

World Bank Survey on "*Commercial Credit Information and Public Sector Information*". Charts summarizing the findings of this survey are posted on the BIIA Website: www.biiia.com – member sections under the heading 'World Bank Survey'.

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Joachim C. Bartels
Managing Director