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UNITED NATIONS INDUSTRIAL
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EXPLORATORY MISSION TO PREPARE
AN INDUSTRIAL DEVELOPMENT
SURVEY OF THE CARIBBEAN*.
UP/CAR/78/128

Prepared for the Caribbean Development and Co-operation
Committee by the United Nations Industrial Development Organisation

Based on the work of Arnold Khavkine, industrial consultant

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Explanatory notes

The following abbreviations have been used in this report:

BHPI	Bureau Haitien de Promotion Industrielle
CARICOM	Caribbean Community
CDB	Caribbean Development Bank
CDCC	Caribbean Development and Co-operation Committee
CEA	Consejo Estatal de Azucar
CEDOPEX	Centro de Promoción de Exportaciones
CGCED	Caribbean Group for Co-operation in Economic Development
CIDA	Canadian International Development Agency
CORDE	Corporacion Dominicana de Empresas Estatales
DFC	Development Finance Company
EEC	European Economic Community
EIB	European Investment Bank
EDF	European Development Fund
FAO	Food and Agriculture Organization
IADB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDAI	Institut de Developpment Agricole et Industriel
IDC	Industrial Development Corporation
KFW	Kreditanstalt für Wiederaufbau
LDC	Less Developed Country
MDC	More Developed Country
OAS	Organization of American States
OPEC	Organization of Petroleum Exporting Countries
SONAPI	Societe Nationale des Parcs Industriels

ABSTRACT

The report is an assessment of the possibilities for conducting an industrial survey in the Caribbean region, and the countries covered in the proposed survey would include Trinidad and Tobago, Barbados, Guyana, Jamaica, Surinam, Haiti, and the Dominican Republic. The expert, Mr. Arnold Khavkine, spent four months in the Caribbean, funding was from the United Nations Industrial Development Fund, and CDCC was the co-operating office in the region. The Caribbean Development and Cooperation Committee (CDCC) of the Economic Commission for Latin America (ECLA) in Port-of-Spain, Trinidad originated the request for a mission, and the project's official title was "Exploratory Mission to Prepare an Industrial Survey of the Caribbean, UF/CAR/78/128". Among the terms of reference for the project, the ones that have been given the greatest stress are institutional infrastructure dealing with industry, the possibility of developing a common industrial strategy including the selection of priority industries, and recommended objectives for an industrial survey team.

The project, being an exploratory mission, focused on a future industrial survey, and the report presents the principal direction such a survey should take. "Action-oriented" and a "catalyst for industrialization" are concepts ranking high in importance. A survey should prepare an inventory of priority projects having the potential of a high degree of cooperation among countries in the region. Light industry using large labour inputs and regional raw materials should have priority in an industrialization strategy. Most realistically, cooperation on industrial projects might include several countries or even be bilateral, but cooperation among all member countries on a specific project would probably be an exception. Consideration should be given to the possibility of implementing a pilot project with multilateral inputs.

The proposed survey team should develop pre-feasibility studies for selected projects resulting from an inventory carried out first by the survey team; however, phases including feasibility studies, industrial promotion, and financing should not be done. The terms of reference for the survey should not encompass initiatives of either an institutional or macro-economic character nor policy matters related to economic integration. An important phase of the survey team's work programme should be to review the different degrees of industrialization of countries in the region, make an assessment of natural resources, and coordinate their industrial development plans in accordance with the long term objectives of the CDCC.

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1. Introduction

1.1. At its First Session, in November 1975, the Caribbean Development and Co-operation Committee (CDCC) adopted a Work Programme in the Industrial Sector aiming at increased co-operation between the member countries with a view to achieving balanced industrial growth, and thus increase employment, stimulate intra-regional trade and expand exports to countries outside the CDCC region. At its Third Session (April 1978) the Committee adopted a proposal by UNIDO to schedule the implementation of an action-oriented Industrial Development Survey with these basic aims in view; the Committee further requested UNIDO to develop a formal project and to report thereon at the Fourth Session in March 1979. To this effect, UNIDO requested an industrial consultant to carry out an exploratory mission to examine and assess in broad terms possibilities for intra-regional industrial co-ordination and co-operation and to advise with regard to specific aspects which should be covered by the proposed Industrial Survey Team.

1.2 The mission started with a period of briefing and consultations with the Director and advisers of the ECLA Office for the Caribbean in Port-of-Spain which encompasses in its sphere of action the member countries of the CDCC. As a result of functional considerations related to other ongoing projects in the CDCC region and of subsequent developments, the exploratory mission was requested to cover specifically the following countries: Trinidad and Tobago; Barbados; Guyana; Jamaica; Surinam ; Haiti; Dominican Republic. A certain number of factors and elements relevant to this group of countries are briefly reviewed

in Chapter 3. It will, in the present context, be sufficient to indicate that, for the purpose of the analysis which is the subject matter of this Report, this group of countries is designated as "the area".

1.3. The exploratory mission which, chronologically, included the consultations mentioned above as well as subsequent ones in Port-of-Spain, visits to the enumerated countries for contacts with the competent authorities, drafting of the Report and attendance at the Fourth Session of CDCC, took place during the period from 23 November 1978 to 29 March 1979. Geographically, the periods of presence (which inevitably included transit periods) in the various countries were as follows:

- Trinidad and Tobago: 23 November - 16 December 1978
- Barbados : 17 December - 23 December 1978
- Trinidad and Tobago: 24 December - 26 December 1978
- Suriname : 27 December 1978 - 3 January 1979
- Guyana : 4 January - 11 January 1979
- Trinidad and Tobago: 12 January - 16 January 1979
- Jamaica : 17 January - 2 February 1979
- Haiti : 3 February - 9 February 1979
- Dominican Republic : 10 February - 21 February 1979
- Trinidad and Tobago: 22 February - 19 March 1979
- Suriname : 20 March - 29 March 1979

1.4. In each country visited, it has been endeavoured to contact a wide enough range of institutions, agencies, enterprises and personalities to permit a brief assessment of basic industrial policies and of sectors

which might be particularly sensitive to intra-area co-ordination and co-operation. At the same time, an attempt was made to ascertain authoritative views on the basic aims of the proposed Industrial Development Survey, as well as possible local frameworks for the Project's implementation, Where appropriate, informal Questionnaires were used as working tools for the establishment of dialogues and for reviews of the relevant factors. The range of institutions covered in each country was, as a rule, the combined result of specific requests made by the Consultant and of arrangements made by local authorities and (where available) UNDP offices, following prior communications made, by UNIDO and the ECLA Office in Port-of-Spain, announcing the visits. While this approach proved adequate in a number of cases, others required somewhat difficult ad hoc arrangements by the Consultant after his arrival, involving substantial loss of time. It is therefore submitted, with specific reference to future visits by members of the proposed Survey Team, that detailed briefings in writing (not by cable) be sent out as far as possible in advance to UNDP offices and key local officials in order to allow them to make adequate preparations and, in turn, to brief appropriate personalities, thus avoiding to a maximum extent, the need for lengthy preliminary explanations--involving additional loss of time--of the type that, almost invariably, proved necessary during the implementation of the mission here reviewed.

An enumeration of the institutions and personalities visited during the mission is attached as Annex No. 2 to this Report.

1.5. On the national level, the degrees of interest expressed for the proposed survey represented in each visited country, a considerable

range. The opinions manifested embodied active interest and belief in concrete results for specific sectors; moderate interest in the basic aims of the proposed Survey coupled, at times, with skepticism regarding the realism of these aims; indifference both as to the implementation of the Project and to its outcome; and complete skepticism, in some cases stemming from apprehension of the possible impact of joint ventures and industrial co-operation on specific industries and enterprises. Since diversity of reactions cuts across institutional, sectorial or functional structures and units, neither "national" nor "institutional" consensus could possibly be determined. If an attempt were made to attach specific weights to manifested reactions, commensurate to their authoritative character (a somewhat uncertain exercise), the interest manifested "nationally", in a decreasing order, would be: Jamaica, closely followed by Suriname and the Dominican Republic; Haiti (considerable interest expressed, but narrow operational basis); Guyana; Barbados (narrow operational basis due to small-scale economy); Trinidad and Tobago.

However, one common denominator was prevalent in most of the positions adopted: the interest expressed in the information concerning potential demand and supply of industrial inputs, information which might be channelled by the Survey Team to decision centres at the national levels, together with data on industrial policies and plans about which reciprocal knowledge in the visited countries is, to a considerable degree, limited.

1.5.1. By and large, skepticism as to possible concrete results of any regional Industrial Development Survey was expressed by Project Managers of the UN System acting on a national level in related fields; by Managers of Regional Projects (with exception of the International

Trade Mission in the CARICOM area); and by representatives of the European Economic Community in Suriname and in the CARICOM countries visited (except by the representative accredited in Trinidad).

1.6. The Report is addressed to UNIDO (and through UNIDO to ECLA's Office for the Caribbean). However, it has been drafted under the assumption that, should UNIDO deem it advisable, it could serve as an initial working instrument for the proposed Industrial Development Survey Team. Thus, it contains some data which may be widely known at Headquarters but could prove useful for a mission operating in the field. Following the present Introduction and a Summary, Chapter No. 3 of the Report includes some elements mentioned under points 1, 4 and 6 of the job description; Chapter No. 4 corresponds by and large to the field covered by point 3, and Chapter No. 5 by point 5 of that document. Chapters No. 6, 7 and 8 include the author's basic views on operational aspects of the proposed Survey while at the same time including some data requested under point 2 of the job description. Finally, Chapter No. 9 includes some data that was to be provided according to points 7, 8 and 9 of the job description.

1.7. The Consultant wishes at this point to express his sincere appreciation to the Governments and competent authorities of Trinidad and Tobago, Barbados, Suriname, Guyana, Jamaica, Haiti and the Dominican Republic for their co-operation and assistance in facilitating his mission, and his gratitude to all personalities visited in the course of his investigation, for the time, information and advice given to him.

At the same time, his appreciation is extended to the UNDP Resident Representatives and their deputies or advisers and Administrative

Officers in Georgetown, Kingston, Port-au-Prince, Santo Domingo and Port-of-Spain for their assistance and advice, and for the arrangements made to facilitate the implementation of the mission. Particular appreciation is extended to the Director of the ECLA Office for the Caribbean, in Port-of-Spain, and his advisers for their valuable and helpful advice and attention throughout the mission's period of activity as well as for all assistance given, personally and administratively, in connection with the mission's implementation.

2. Summary and Conclusions

2.1. The present report is the result of an exploratory mission undertaken to assess possibilities of increased co-ordination and co-operation in the industrial field between member countries of the CDCC, and to prepare the ground for an Industrial Development Survey by UNIDO which would initiate implementation of a long-term Work Programme in the Industrial Sector adopted at the First, and endorsed at the Third Session of the Committee. To this effect, the exploratory mission attempted to assemble relevant data on national institutions dealing with industrial development and on their policies, as well as on some industries requiring particular attention with above basic aims in view. The mission furthermore sought to define, in broad terms, an operational approach for the proposed Survey, to ascertain administrative and technical elements which might give support to the Survey Team's activity, and to select an institutional framework for the Team's investigations and action. The mission had also as its task to put forward suggestions with regard to the proposed Survey Team's composition and expertise inputs. As a result of functional considerations related to other ongoing projects in the region encompassed by CDCC, the exploratory mission covered the following countries: Trinidad and Tobago; Barbados; Guyana; Jamaica; Suriname; Haiti; and the Dominican Republic. This group of countries is, in the present report, designated as "the area".

2.2. The area under consideration presents some common characteristics and the countries included in it have some common, basic interest in the industrial field while being, at the same time, subject to the action of powerful centrifugal forces. While there is a basic area-wide willingness--

going beyond mere expression of interest in principle--to identify areas of complementary and joint action to avoid scattered and less than optimal approaches in pursuing industrial growth objectives, it would be the Survey Team's basic aim to obtain consensus with regard to specific multilateral or bilateral endeavours which might contribute to achieve these objectives.

2.3. A brief review, included in this Report, of various types of national institutions dealing with industrial development, and of some of their policies, is meant to serve as a guideline for the proposed Industrial Development Survey in its investigations. These institutions include Ministries, planning agencies, State Corporations and enterprises, private sector organizations, as well as industrial development and financing institutions. Selected data are indicated pointing to some industrial branches of structures which might warrant special study under the terms of reference of the proposed Industrial Survey. These data pertain to specific sectorial situations in member countries and presenting possibilities for the influx of inputs under inter-area bilateral or multilateral co-operation.

2.4. The Work Programme in the Industrial Sector adopted by the CDCC at its First Session and endorsed as a basis for action at the Third Session in April 1978, defines basic objectives which can be summarized as follows:

2.5 Manufacturing growth should assure a maximum use of local resources, decrease unemployment, stimulate intra-area trade and correct disequilibrium by import substitution and/or export expansion. At the

same time, linkages between agriculture and industry should be strengthened. To this effect, scattered approaches should be avoided and, in a wider perspective, economies of scale should be attained. The immediate objective is identification of areas of complementary and mutual co-operation while future plans of wider scope might consist in a systematic review of different degrees of industrialization and of resources development, aiming at the co-ordination of industrial policies and formulation of joint development plans.

2.6. Identification of areas of complementary and mutual co-operation implies that the Industrial Development Survey Team will not be expected to conduct investigations in depth of factors relevant to industrialization in a macro-economic sense, nor to perform studies leading to the formulation of new projects, since these studies are being performed under different frameworks.

2.7. The action-oriented Survey should, in a first phase, act as an industrialization catalyst by reviewing existing studies, programmes national and regional, plans and ongoing projects on a national level, with a view to identifying those which might, for optimum implementation, benefit from specific inputs originating in one or several other countries in the area under consideration. This "inventory" would lead to the establishment of priority lists of projects, enterprises and industries which would be most sensitive or "elastic" to functional co-operation in an area-wide context. Preference should be given to labor-intensive, lighter industries using a maximum proportion of "area" inputs and allowing for agriculture-industry linkages. Outside assistance for improvement of technical and managerial skills should be scheduled

in order to limit increased production costs resulting from the labor-intensive character of the selected projects.

2.8. Comprehensive area-wide contributions to any identified project could hardly be envisaged; limited multilateral or even bilateral participation to successful implementation should be considered as satisfactory. Particular attention should be given to the possibility of implementing a pilot project with multilateral inputs within the area.

2.9. The Survey Team will be able to rely on a wide spectrum of supporting elements in order to ascertain and assess available data and submit it to a process of adjustment, selection and elimination: within the United Nations system, UNIDO missions and projects and other local and regional projects; regional institutions, in particular those dealing specifically with the CARICOM component of the area under consideration; finally national systems with their development plans, programmes and statistical projections, even though some of them may lack absolute reliability.

2.10. The second phase of the Survey Team's activity (which might chronologically overlap with the first one) ought to be specifically action-oriented and consist in the performance of pre-feasibility studies for selected projects resulting from the "inventory" carried out in the course of the first phase. However, development of projects should not go beyond a limit compatible with a survey and activity should therefore stop short of implementation phases involving full feasibility studies, promotion, financial arrangements and related matters.

2.11. The third phase of the Survey Team's activity should consist in establishing a general framework for a systematic reviewing of different degrees of industrialization in the area and for an assessment of natural resources, aiming at the co-ordination of industrial development measures and the formulation of joint development plans, in accordance with the long-term objectives set out in the Work Programme of the CDCC.

2.12. The terms of reference of the Industrial Survey should not encompass initiatives of an institutional and macro-economic character such as measures leading to economic integration and related matters. However, the Survey Team would have to take into account recently implemented or projected endeavors in the CDCC region by international agencies, and aiming at objectives related to those of the proposed Survey, such as the Regional Industrial Programming project of CARICOM or the Assistance to CARICOM's LDC's, a project carried out under the auspices of C.G.C.E.D.

2.13. In order to provide appropriate local co-operation and follow-up, an institutional framework should be set up which would ensure that (1) the national authorities concerned will be ready to give the Survey Team active co-operation and that (2) an administrative base will exist for implementation of projects which might result from the Survey Team's findings and recommendations, accepted by the competent authorities or decision centers. It is therefore suggested to establish a joint Council comprising selected Development Finance Companies and Industrial Development Corporations of the participating countries. The Council would act on an ad hoc basis; it would (1) be the counterpart of the

Survey Team; (2) constitute the co-ordinating link for the Team's activity which would, in each country, be facilitated by the national DFC's and IDC's; (3) examine and appraise the Team's findings and recommendations and contribute to the programming for any future action that might be agreed upon.

2.14. After a preparatory period scheduled to establish the administrative and institutional framework for the Survey, to provide any necessary co-ordination with other ongoing or planned projects and to determine counterpart contributions of recipient governments, the Survey Team's activity might span a period of about 30 months. Two different approaches might be considered for the provision of expertise, the first consisting in the selection of a strict minimum of experts (for example one industrial economist and one industrial engineer) and the provision of consultants on an ad hoc basis; the second in the designation of a numerically more important and cohesive team. The second approach is developed in the Report, envisaging provision of a total of 150 man-months of expertise, and of training inputs for selected specialists from recipient countries.

3. The Area Under Consideration

3.1. The proposed Industrial Development Survey, which the exploratory mission was scheduled to prepare, would, according to the terms of reference, encompass the "Caribbean geographic region". However, this term lacks precise definition and it is therefore important to avoid uncertainty with regard to the terminology used in connection with the project, both with regard to its present phase and to the future implementation. This is the more essential as a considerable proportion of publications, reports, articles and other documentary sources have, in this respect, introduced elements of confusion by neglecting to set down clear-cut geographical definitions of their "Caribbean" subject-matters. Thus, a number of these publications, while initially dealing with the "Caribbean" in a wide geographical sense, tend to narrow down their analysis to data pertaining to the English speaking Caribbean territories, without introducing further clarification.

3.1.1. In dealing with the term "Caribbean" in a geopolitical sense, several specialists have described three concentric circles, either of which could be used as definitions of the "Caribbean":

- a) the innermost circle consisting of the Commonwealth Caribbean or West Indies;¹

¹The Commonwealth Caribbean comprises the four relatively "more developed" countries of Barbados, Guyana, Jamaica, and Trinidad and Tobago; the relatively "less developed" countries and entities in the Windward and Leeward Islands: Antigua, Dominica, Grenada, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent; the mainland territory of Belize; and the British colonies of the Virgin Islands, Cayman Islands and Turk and Caicos Islands.

- b) the second circle consisting of the Commonwealth Caribbean as well as of Cuba, Haiti, the Dominican Republic, Puerto Rico, the U.S. Virgin Islands, the Netherlands Antilles, Suriname, the French Antilles and French Guiana;
- c) the outermost circle including, in addition, those Latin American countries which border the Caribbean Sea: Mexico, the five Central American Republics, Panama, Colombia, and Venezuela.

3.1.2. Within the second "circle" mentioned above--and which seems to be the most widely accepted definition of the "Caribbean" (described as a "region" or a "sub-region", depending upon the sources used)--a number of political and/or economic groupings have been successively formed since the Second World War, the most important of which (in an absolute sense as well as in the present context) encompassing former British possessions.

- a) In 1958, the British authorities created the "West Indies Federation" comprising ten members: Antigua, Barbados, Dominica, Grenada, Jamaica, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent and Trinidad and Tobago. The Federation was dissolved in 1962 after Jamaica and Trinidad and Tobago had opted out of it. The three "more developed" entities became successively independent: Trinidad and Tobago (1962), Jamaica (1962) and Barbados (1966). The remaining ("less developed") territories constituted in 1967 the "West Indies Associated States" with self-government status, Britain retaining responsibilities

for defense and external affairs.² (Montserrat remained, however, a Crown Colony.)

- b) Since 1968, eleven Commonwealth Caribbean countries and territories³ had been members of a Caribbean Free Trade Area (CARIFTA). In the same year, the six "West Indies Associated States" and Montserrat formed the East Caribbean Common Market (ECCM) enjoying special status within CARIFTA. The small ECCM territories thus aimed at achieving a degree of economic equilibrium with the other CARIFTA members (combined ECCM population of about 500,000 against that of the "big four", ranging, at that time, from 250,000 to two million).
- c) In 1973, the then four independent CARIFTA members decided to transform the Association into a Common Market under a new umbrella institution, the Caribbean Community (CARICOM) which was to cover additional (non-economic) aspects of co-operation in the fields of health, education, transport as well as in the co-ordination of foreign policies. Between 1973 and 1974, all the other CARIFTA members joined CARICOM. The Bahamas, while not a member, participates in areas of non-economic activity.
- d) So far, CARICOM has been an entirely English-speaking

²The following became subsequently independent: Grenada (1973); Dominica (1978); St. Lucia (February, 1979).

³The "big four": Jamaica, Trinidad and Tobago, Barbados, Guyana (independent since 1966); the six initial "West Indies Associated States"; Montserrat. Belize (a self-governing colony) joined in 1971 as a twelfth member.

grouping with a common British colonial past. A widening of CARICOM beyond the first "circle", as defined under para. 3.1.1 above, would mean the infusion of a variety of other cultures and differing political, institutional, organizational and linguistic structures and traditions (essentially Spanish, French and Dutch). Actually, a number of other Caribbean countries, or political entities, notably Haiti, the Dominican Republic, but also Suriname, Puerto Rico and Cuba have expressed varying degrees of interest in joining or else in co-operating with CARICOM.

3.1.3. The Caribbean Development and Co-operation Committee, at the request of which the Industrial Development Survey of the Caribbean is to be undertaken, initially comprised the following member States: the Commonwealth of the Bahamas, Barbados, Cuba, the Dominican Republic, Grenada, Guyana, Haiti, Jamaica and Trinidad and Tobago, with Belize and the "West Indies Associated States" participating as Associate Members. Suriname became a member of the CDCC after achieving independence in November, 1975. It should be kept in mind in this context that a number of member States belong to economic and/or political groups constituted in the "Caribbean" region (see para. 3.1.2 above) while Cuba, the Dominican Republic, Haiti and Suriname do not.

3.1.4. Finally, it will be recalled that, as specified in the Introduction, the present Report is dealing with the following C.D.C.C. countries: Trinidad and Tobago; Barbados; Suriname; Guyana; Jamaica; Haiti and the Dominican Republic. The data presented in the following paragraphs thus pertain specifically to this group of countries (or area according to the terminology used in the Report).

3.2. The countries under consideration vary considerably in size, population, natural resources endowment and development levels. As can be ascertained from the table annexed to this Chapter, Guyana is the largest country in size with an area of about 215,000 square kilometers. Admittedly, this is a lot of space for about 790,000 people and the population density is only 3.7 persons per square kilometer. Suriname is the most sparsely populated country in the area with 2.5 persons per square kilometer. However, most Guyanese and Surinamese are living in a narrow, fertile coastal strip and hardly penetrate into the largely inaccessible savannahs and rain forest of the interior. On the other hand, Barbados, with a land area of 430 square kilometers and about 245,000 inhabitants, is one of the most densely populated countries in the world, with 560 persons per square kilometer. Corresponding figures for Trinidad and Tobago are 208, for Jamaica 175, for Haiti 170 and for the Dominican Republic 91.

3.2.1. The Dominican Republic and Haiti have populations that, in the very near future, will roughly reach five million each, and areas of 48,500 and 27,750 square kilometers respectively. Haiti, with far less fertile lands than its neighbor, has relatively small deposits of bauxite and copper and some hydroelectric potential, while the Dominican Republic has some deposits of bauxite, copper and nickel. Jamaica, the third country (in the considered area) forming part of the Greater Antilles, was, until a few years ago, the world's most important source of bauxite and remains an important supplier; it is, at the same time, better endowed in agricultural resources than Haiti. The two mainland countries, Guyana and Suriname, have considerable deposits of bauxite and other minerals

and an important potential in agricultural and forestry resources which make their economies comparable, although Suriname has a much higher per capita income. Of all the countries in the area, only Trinidad and Tobago (the largest island of the Lesser Antilles) has indigenous sources of energy in the form of petroleum and gas from offshore fields; petroleum refining (including that of imported petroleum) is one of Trinidad's major industries.

While agriculture is still the most important element in the economies of Haiti and the Dominican Republic from the point of view of employment, income and generation of foreign exchange, Jamaica, Trinidad, Guyana and Suriname derive the most important portion of their income from mineral production--in effect either bauxite or oil and its processed products. Barbados has no significant natural resources except its beaches which have allowed a substantial development of tourist business; tourism plays also a major part in the economy of Jamaica.

3.2.2. In the face of their considerable diversity in size and natural resources and of their geographical dispersion, apparent at a glance on the map, the question arises as to whether these countries have much in common with each other. A superficial analysis leads to the conclusion that their link is an historical one: they have a common colonial heritage, since they all had been dependent territories with plantation and monocultural economies, slavery, indentured labor and production for the benefit of the metropolitan powers. It is, however, apparent that this historical legacy constitutes, in the present context, a reinforcement of centrifugal currents resulting precisely from the attraction of powerful external political, economic and cultural (including linguistic) forces

emanating from the former colonial powers or successor entities (including the United States and Canada). Without elaborating further at present on this subject, it will be sufficient to indicate here that, on a politico-economic level, Trinidad and Tobago, Jamaica, Guyana, and Barbados are members of CARICOM, of the Commonwealth, and are signatories and beneficiaries of the Lomé Convention functioning under the auspices of E.E.C.; Suriname is a signatory of the Lomé Convention but not a member of either the Commonwealth or of CARICOM, while Haiti and the Dominican Republic are not associated with either of these institutions. Nevertheless the economies of these countries present certain common deficiencies and features which may form the basis of joint development strategies in a number of sectors; some of these common features are briefly considered below.

3.2.3. Their per capita incomes (except for Haiti) are relatively high by standards applicable to developing countries. However, this apparent affluence has to be qualified since account has to be taken of a considerable degree of inequality of income and of a very high level of un- and under-employment. According to available data, unemployment ranges between 21 and 25%, to which must be added no less than a 10% average of under-employed labor force in the area.

3.2.4. Although population sizes vary with the countries, none of them has a large population; the range of natural resources is narrow; markets are small and fragmented; productivity is low. The economies are dependent on foreign capital, goods, skills and markets. Exports are limited to a small range of agricultural commodities (such as sugar, coffee, rice),

to hydrocarbons in the case of Trinidad, and to one predominant mineral: bauxite, exported in significant quantities (some of it in the form of alumina) by Jamaica, Guyana and Suriname. In all countries of the area under consideration, efforts have been made (in particular since the Second World War), and are being pursued, to develop manufacturing, mining and tourism to avoid what was considered an excessive reliance on a limited range of agricultural products for export.

3.2.5 Thus, a relatively important industrial sector has been built up by Jamaica, Trinidad and Tobago, Barbados, Guyana, the Dominican Republic Suriname and even Haiti. The Appendix to this Chapter includes figures indicating the percentage contribution of manufacturing to the Gross Domestic Product; however, these figures cannot be considered as absolute criteria, as the relevant statistics seem to have been established on widely differing bases. As will be subsequently indicated in this Report, none of the countries under consideration has been able to establish a well-diversified, competitive industrial sector that is integrated with the rest of the economy. Industrial sectors often built up at high incentive costs, are in many cases totally segregated from the local economies inasmuch as they heavily depend on imported inputs, are highly capital-intensive and have thus only limited impact upon utilization of local resources for added value. In particular, few linkages have been generated with agriculture: in other words, there is locally little processing of agricultural products. Thus, manufacturing (together with bauxite mining in Jamaica, Guyana and Suriname and petroleum production in Trinidad and Tobago) constitutes the small, capital-intensive, to a great extent foreign-owned, nonagricultural sector existing side by side with the traditional labor-intensive agricultural sector. This

dualism has had some negative effects; it has, amongst others, contributed to agricultural backwardness through wage differentials and provided only limited incentives to local enterprise.

3.3. Within the limits indicated in the preceding paragraphs, Jamaica and Trinidad and Tobago have a relatively wide range of industrial production. Jamaica has the largest manufacturing sector of the area; it produces a variety of beverages, food products and chemicals as well as cement, appliances and other consumer goods, including tobacco, most of them import substituting. Processing plants produced about three million tons of alumina in 1975 (bauxite production: 11.3 million tons). Trinidad and Tobago with the second largest production in the area, refines petroleum, produces petrochemicals and fertilizers, food products and a certain variety of consumer goods; it has assembly plants for motor vehicles and appliances. Guyana has a much more limited range of manufacturing than the first two countries; several small factories produce pharmaceuticals, household chemicals, food products and garments. Quantitative import restrictions imposed in 1977 by Guyana (as well as by Jamaica) limited the purchase of necessary inputs and prevented expansion of some manufacturing sectors. Processing plants produced, in 1976, about 250,000 tons of alumina (bauxite production: 4.8 million tons). Barbados has attracted a number of clothing manufacturers and some factories producing electronics and pharmaceuticals, all working exclusively for the export market. Suriname is attempting to develop import substituting industries to produce a wide range of consumer goods at present purchased in Holland with Dutch credits. Progress is slow as the local market is limited and the country is not situated on any major shipping route which would have

facilitated export. Processing plants produced about 1.15 million tons of alumina and the only smelter in the area produced 40,000 tons of aluminium in 1975. (Bauxite production: 4.75 million tons.) Suriname has also a large timber processing plant. In the Dominican Republic, processing of sugar cane is still the dominant industrial activity which is employing a high proportion of the country's labor force. The manufacturing sector also includes light industries where food, beverage and tobacco production is dominant. In Haiti, the industrial sector appears surprisingly large (see Appendix) in view of the considerable obstacles to economic growth. Recent increase of manufacturing output is mainly due to the establishment of "enclave" industries producing sports goods, electronic components and clothing for export. Previously established industries produce cement, flour, textiles and some basic consumer goods.

3.4. Some data on the potential evolution of industrial activity in the area are indicated in subsequent Chapters of this Report. The analysis of some relevant factors leads to the conclusion that a first approach to a common industrial strategy for the considered area, along the lines developed in Chapters 5 and 6, can be undertaken with reasonable chances of success. Nevertheless, some competent views expressed in this respect (as indicated in the Introduction) might be considered as inconclusive and possibly as reflecting the powerful centrifugal forces mentioned above. It can, however, be claimed that regional integration in the industrial field is, for countries of the Caribbean region, the only realistic chance of overcoming some of the considerable economic and social obstacles preventing the success of a comprehensive development

strategy. It must, in this respect, be borne in mind that the "Caribbean region" should for the present purpose be interpreted as encompassing the countries composing the Caribbean Development and Co-operation Committee. Thus, the position of countries not included in the present study, and findings related to their industrial activity and policies, might be taken into account in developing an overall project.

APPENDIX TO CHAPTER 3

<u>Item</u>	<u>Barbados</u>	<u>Dominican Rep.</u>	<u>Guyana</u>	<u>Haiti</u>	<u>Jamaica</u>	<u>Suriname</u>	<u>Trinidad & Tobago</u>
Area (square kilometers)	430	48,442	215,000	27,750	11,500	163,265	5,128
Population (thousands) ¹	245	4,834	791	4,674	2,078	384	1,093
Population density (persons per square kilometer)	560	91	3.7	170	175	2.5	208
GNP per capita (US dollars)	1,550	780	540	200	1,070	1,178	2,240
Contribution of manufacturing to GDP at factor cost (in percentage) ²	12.2	16.0	12.4	12.1	19.5	6.1	7.5

(1972)

Sources: National Statistics and international organizations

¹Estimates in 1978 publications

²1976 estimates

4. National Institutions dealing with Industrial
Development

4.1. The present Chapter constitutes a review of the structure of the industrial sector in the visited countries, in particular of the various types of institutions dealing with industrial development, and of some aspects of their policies. The data included below are meant to serve as a guideline for the proposed Industrial Development Survey Team in its investigations. The enumeration of institutions is not exhaustive and those mentioned--while constituting at present the most important for the purpose of the Project--would have to be supplemented in the light of future experience. The countries have been enumerated below, by and large, in the chronological order of the visits undertaken in the course of the present mission. The institutions are indicated (with available pertinent data) according to the following categories: Ministries; planning institutions; State industrial sector (where relevant); private sector; industrial development institutions.

4.2 Barbados

4.2.1. Ministry of Trade, Industry, Tourism and Caribbean Affairs -
Ministry of Finance and Planning.

An analysis of the present situation leads to the conclusion, adopted by the two Ministries, that the previous reliance on low labor costs, which led to the encouragement of "enclave" industries was to a great extent wrong since these costs proved to be higher than assumed. Given this situation, the absence of significant quantities of industrial raw materials in the country, and the relatively high proportion of unemployment (15% of the labor force), the present

development planning aims at:

- i) an inventory of local resources, including energy and agriculture;
- ii) switching away from primary, agriculture-based industries. Thus, the sugar producing industry, subject to declining and fluctuating prices, can only function marginally, and only because the equipment has already been amortized;
- iii) turning to more complex manufacturing processes (such as chemicals production, products of sugar polarization, etc.) thus using available technological skills, not being adequately used at present by the "enclave" industries;
- iv) compiling adequate data on internal demand and on external markets which could constitute outlets.

4.2.2. The Private Sector: Barbados Association of Manufacturers.

The B.A.M. is affiliated to the Caribbean Association of Industry and Commerce (C.A.I.C.), with headquarters in St. Lucia. The Association is composed of Chambers of Commerce and/or Manufacturers Associations from CARICOM member countries, with associate membership from Venezuela, Suriname, Bahamas, Curacao, Martinique and Guadeloupe.

The Barbados Association of Manufacturers seeks to achieve free movement of capital and right of establishment not only within the CARICOM area, but throughout the Caribbean, as well as a revision and geographical extension of the CARICOM Convention on Harmonization of Fiscal Incentives which, in the view of the B.A.M. President, attaches undue weight to the CARICOM LDC's.

4.2.3. Industrial Development Institutions.

a. The Barbados Industrial Development Corporation.

- 1) The I.D.C. acts under the supervision of the Ministry of Commerce and Industry and is administered by a Board of Directors. Its statutory responsibility is to stimulate the development of manufacturing industry and handicrafts. Its main administrative divisions are: Investment; Research and Planning; Technical; Handicrafts; Administration and Finance.
 - ii) The Investment Division does not directly contribute funds to enterprises, but:
 - seeks to channel external funds into local enterprises;
 - manages a fiscal incentives scheme;
 - provides contacts with the Construction Division.
 - iii) The Construction Division, using Government allocations and external assistance, mainly from the Caribbean Development Bank, purchases land "on speculation" and constructs factory buildings to be ceded on a lend-lease basis to private enterprise.
 - iv) The operations of I.D.C. are summarized in a well-presented document entitled "Development Plan 1978-82".
- b. The Barbados Development Bank provides industrial financing, using its own resources, as well as funds obtained on the capital market and loans from the Inter-American Development Bank.

4.3 Suriname

4.3.1. Ministry of Development

- i) This Ministry promotes surveys of natural resources including

energy, used for industrial development (exclusive of agro-products, covered by the Ministry of Agriculture) and, further, seeks to provide stimuli for private enterprise to valorize these resources. However, the division of tasks in the industrial field, between the Ministry of Development and the Ministry of Economic Affairs is not clear-cut⁴ and the Suriname authorities are looking forward to the establishment of an Industrial Development Board (see para. 4.3.6 below) to achieve a rationalization and to avoid duplication of efforts in the industrial development process. Basically, private ownership--and a wide distribution of shares among the public--is encouraged by the Government.

ii) According to the Ministry, a certain number of surveys which, to some extent, constitute industrial programming schemes, have recently been, or are about to be, initiated or completed as a result of co-ordinated action between the Ministry of Development and other agencies:

- A "multi-annual" agricultural and agro-industrial development scheme worked out by "ILACO" engineering in March 1977;
- a survey on the development of the forestry industry;
- an "industrial activities" Programme, to be initiated and completed "in the very near future".

It is stated that these surveys are essential for an appropriate utilization of Dutch financial assistance (see para. 4.3.5.(iv) below).

iii) It must be stressed in this context that several studies on industrializaion aspects in Suriname - by the German firm

⁴Thus, the small industries sector falls within the scope of the Ministry of Economic Affairs.

Salzgitter, by the Dutch group C.I.V.I. in 1959/60, by UNIDO in 1972 - do not seem to have benefited from any follow-up, but are, to some extent, still valid.

4.3.2. The Ministry of Economic Affairs.

- i) While the Ministry is, at present, receptive to possibilities for industrial co-operation with other countries, it is apparent that the links with the Netherlands remain strong and no change is expected in this respect in the near future. The Suriname market is relatively small, the Caribbean area (and particularly neighboring Guyana) is, by and large, actually and potentially competitive. Suriname has adopted a "wait and see" attitude with regard to the possibility of joining CARICOM, although it is interested in modalities of co-operation in the field of air transport and shipping. The Ministry has been giving particular attention to strengthening economic links with Venezuela and Brazil (with the latter country, which is seeking increased commercial outlets in the Caribbean, negotiations are concentrating on the field of shipping and fisheries).
- ii) A "Task Force" From Trinidad and Tobago visited Suriname in 1972, seeking a commercial agreement covering the purchase of a wide range of Surinamese agricultural products to be transformed in Trinidad for local consumption, as well as for export to Africa and the Middle East. This position, which did not provide for any "value added" inputs from Suriname, was not acceptable to the Ministry.

4.3.3. The Planning Bureau

- 1) The Bureau, which has an autonomous status but has been set up under the auspices of the Ministry of Development, is, in principle, responsible for national, regional and sectoral planning. The Ministry of Development itself has a rural development planning unit. However, very little industrial planning has been performed so far on a national scale. Officials state that future regional development programmes will include industrial components, with particular reference to the Paramaribo region.
- ii) Chronologically, Suriname had one Ten Year Development Plan 1954/63 extended to 1968, two Successive Five Year Plans up to 1976, and, since then, a system of "revolving" Four Year Plans with annual revisions.

4.3.4. The Private Sector

- 1) The Suriname Trade and Industry Association is an associate member of the C.A.I.C. (see para 4.2.2 above) and considers as one of its tasks the formulation of proposals for a revision of Suriname's somewhat antiquated industrial legislation.
- ii) The Association's spokesman stresses the need to establish an adequate basis for national industrial development--in the form of an Industrial Development and a Marketing Board--before giving attention to co-ordination and co-operation schemes with foreign entities.

4.3.5. The National Development Bank⁵

- 1) The Bank, established by special statute in 1963, is

⁵Since the activity of this Bank and, more generally, the impact of Dutch aid on the economy of Suriname has received relatively little coverage in publications dealing with the Caribben economy, it was thought advisable to include some comparatively detailed data in this section.

exclusively an industrial development bank. Its Government-owned capital amounts to 20 million Surinamese guilders (1 sf = 1.75 U.S. dollars). An initially established "Industrial Development Center" within the Bank was abolished in 1968.

- ii) The Bank is, by its Charter, entitled to provide loans to, and to acquire share capital of, industrial enterprises. It will, in the course of 1979, begin to manage a guarantee fund (financed by the Dutch Development Aid Programme) to facilitate commercial bank lending to industrial enterprises. The Bank is also entitled to build and lease factory buildings, in other words, to act as an Industrial Development Corporation.
- iii) Up to now, the Bank has played a relatively passive role. However, its impact on industrialization will increase in the near future as a result of the following two developments:
 - iv) Utilization of Netherlands grant
 - In November 1975 (Independence of the country) the Netherlands granted Surinam an amount of 3.5 billion Dutch guilders to be spent in a maximum of 15 years, out of which 2.7 billion for "productive" sectors.
 - Out of these 2.7 billion, 1.1 billion have up to now been committed to specific projects, but only 370 million have actually been spent. This slow implementation results in the dwindling of available funds due to inflation. To cope with this situation, an ad hoc Committee of Experts has been set up in March 1978 to advise CONS (the Dutch-Surinam Committee on Development). As a result of the Committee's findings and recommendations,

the funds--up to now spent on agriculture, housing and infrastructure projects--will to a great extent be channelled through the National Development Bank to implement industrial projects.

v) Establishment of an Industrial Development Board

The recent decision to establish the Board did not include any detailed provisions as to its institutional framework. Whether or not it will be, administratively, part of the Development Bank, there will be close links between the two institutions.

4.3.6. The Future Industrial Development Board

- i) Assistance from both UNIDO and EEC has been requested in the establishment of the Board, and the external co-operation was expected to be provided early in 1979.
- ii) The Board will be expected to establish an industrial development programme and to proceed with project identifications and setting up of priority lists; it will, where appropriate, perform feasibility studies.
- iii) The Board will establish and manage industrial estates and perform other functions of industrial promotion, including contacts with foreign entrepreneurs and interests.
- iv) According to information received, the Board will give priority to agro-industries, to diversification of mining production, to the utilization of hydro-energy as a substitution to petroleum imports (Suriname's trade deficit with the CARICOM countries is due to its petroleum imports from Trinidad) and will give special attention to Suriname's potential co-operation with the CARICOM region in the industrial field.

4.3.7. Above mentioned indications lead to the conclusion that any decisions (whether by the public or private sector) concerning Suriname's co-operation with other C.D.C.C. countries in the industrial field would, to a great extent, be derived from the activity of the future Industrial Development Board.

At the same time, however, the proposed UNIDO Survey Team might, in co-operation with above mentioned external expertise, contribute to the Board's fact-finding activity.

4.4. Guyana

4.4.1 Ministry of Economic Development

While this Ministry might, functionally, co-operate in the implementation of any intra-Caribbean co-ordinated approach or joint industrial project agreed upon, it is likely that its role would be less active than that of the Guyana State Corporation (see para. 4.4.3 below). However, the Office of the Chief Economic Adviser in the Ministry is in a position to give detailed accounts and data concerning ongoing and potential projects in the industrial field.

4.4.2. The State Planning Commission

- i) The Commission is placed under the authority of the Prime Minister who has delegated his powers to the Ministry of National Development (which is, however, essentially dealing with political matters).
- ii) The Commission is composed of a "Secretariat" (with a head Planning Officer and other staff); a Technical Advisory Panel; a Planning Board; and an Economic and Social Council which includes Trade Unions and Chambers of Commerce.
- iii) Three "National Plans" have been worked out up to now: for 1962/66; 1966/70; and 1972/76. There exists, at present, an "Investment Plan" for 1977/81, but the entire concept of national, regional and sectoral planning as applicable to Guyana is at present being reconsidered and revised by the

Planning Commission.

4.4.3. The Guyana State Corporation

i) The Corporation, headed by the Prime Minister and administered by an Executive Vice-President, covers all enterprises in the public sector except for the production of bauxite, sugar and liquor, which are covered by separate State-owned corporations. In the fields of industry, agriculture and fisheries, the Corporation, while independent, is, de facto, working closely with the relevant Ministries.

ii) Examples of enterprises owned and managed by the Guyana State Corporation:

- Guyana Timbers Ltd. (logging, saw milling; linked to Timber Export Board which also acts for private enterprise).
- Guyana Pharmaceutical Corp. (manufacturing and commercializing).
- Guyana Marine Foods (owns fishing and shrimping trawlers).

The State Corporation also owns and manages public utilities and transport enterprises.

iii) A rapid appraisal leads to the conclusion that the set-up of the Corporation would probably be flexible enough to allow co-operation with the industrial private sector for the implementation of intra-area development projects.

4.4.4. The Private Sector: The Guyana Manufacturing Association

A member of C.A.I.C. (see 4.2.2 above), the Association is encouraging joint ventures and partnerships among entrepreneurs in the CARICOM region. It is also working for freedom of movement for private professional services within the area. On the national level,

it has the difficult task of calling for greater scope for private investment in competition with State enterprises and for adequate consultation with the private sector.

4.4.5. The Guyana Cooperative Agricultural and Industrial Development Bank

- i) Established in 1973 under the name of "Guyana Agricultural Cooperative Development Bank", its original (Government subscribed) capital was Guyana \$30 million, out of which 6 million are at present paid up (G\$2.5 = U.S. \$1). The Bank has benefited from financial assistance of organizations such as the Caribbean Development Bank and the World Bank (IDA). It has also received technical co-operation from outside agencies such as C.I.D.A. (Canadian Aid).
- ii) "Agriculture" has to be taken in a wide sense in this context: sawmills and fishing industry have benefited from loans granted by the Bank.
- iii) At the time of the Bank's establishment, the Guyana Development Corporation (which, among other activities, subscribed to share capital of industrial enterprises) had been transformed into the Small Industries Corporation which granted loans to small private firms (up to G\$80,000) and executed certain projects for the Government (construction and management of a number of factories). Larger private industries had, and have at present, to rely on loans from commercial banks.
- iv) In November 1978 the Small Industries Corporation was incorporated into the Bank which added the "Industrial" component into its name. It appears therefore that the Bank will combine the functions of an industrial development bank and of an

industrial development corporation. However, modalities of intervention in the industrial field are being studied at present and have not been determined as yet by the competent authorities. [The last Annual Report covers the calendar year 1977.]

- v) No particular significance should be attached to the component "co-operative" in the name; this means simply that, initially, a financial participation of trade unions in the Bank's capital had been envisaged.

4.5. Jamaica

4.5.1 Ministry of Foreign Affairs

The Ministry has an active unit dealing with economic aspects of foreign policy and has therefore to receive high priority for future contacts and co-ordination by any mission dealing with industrial co-operation and co-ordination in the area. It is likely that the Ministry will be prepared to go to some length--including day-to-day co-operation on technical matters--in order to contribute to the formulation of projects involving co-operation of Jamaican industrial interests with public or private sectors in the Caribbean area. The Ministry of Commerce and Industry indicates that the Ministry of Foreign Affairs will, at a later date, be in a position to supply a list of projects which might benefit from intra-area inputs; these projects will be or have been outlined as a result of CARICOM meetings. It will have to be determined whether a geographically wider area (such as the one considered by the present mission) could be envisaged for co-operation purposes. It must be noted in this context that Jamaica is increasingly looking to the

Caribbean area outside CARICOM for co-operation in the industrial sphere.

4.5.2. The National Planning Agency

- i) The Agency is administratively linked to the Ministry of Finance and Planning; it deals primarily with planning on a national scale, although it also studies some regional aspects, such as the problem of the over-concentration of enterprises in the Kingston region. There appears to exist a rather flexible system of co-operation with various Ministries in the field of sectorial planning. The overall Development Plan for the 1978/82 period was issued in December 1978.
- ii) During the last quarter of 1977, the Planning Agency established a Sub-Committee on "Regional" (CARICOM) Industries to look at:
 - (a) resource based industries, (b) basic materials industries, and (c) basic needs and consumers goods industries, which could be developed in collaboration with other CARICOM countries and possibly within a regionally agreed framework, as a means of strengthening regional economic co-operation. The Committee noted that, within CARICOM, no regionally worked out and agreed upon programme existed for the location of industries. (It noted nevertheless that a technical committee had been set up by the Prime Ministers of the MDC's in mid-1976 to study and propose areas of co-operation, and that ad hoc working parties have, in this context, been studying textile, pulp and paper, and other industries.)
- iii) The Sub-Committee indentified a number of potentially regional industries, classified them into specific sub-sectors at the national level and established a check-list indicating the competent agencies at the national level, and action that might

be taken in a regional context. That presentation does not seem to have benefited from any follow-up but should be taken into account by any future Survey Team aiming at intra-area co-operation in the industrial field.

4.5.3. "The Private Sector Organization of Jamaica"

The Organization groups 23 professional Associations, of which three are members of the C.A.I.C.: Manufacturers Association, Exporters Association and the Jamaica Chamber of Commerce.

4.5.4. The Jamaica Development Bank

- i) The Bank, established with Government owned capital, has been substantially relying on lines of credit from outside institutions such as the C.D.B., IBRD (agriculture), IADB (industry, tourism), CIDA and KFW, and has been benefiting from accompanying technical assistance which has contributed, to some degree, to improve its operating systems and procedures.
- ii) The Bank directs its lending activities to the following sectors: industry, tourism, agriculture including agro-industries. It provides technical assistance to local enterprises for their own capital-market operations.
- iii) It has a small Research and Planning Department but does not engage in macro-economic studies: data in this field are being provided by the National Planning Agency, the Department of Statistics (Ministry of Finance) and by the Bank of Jamaica. The R&P Department assists in the setting-up of the Bank's own operations and drafts evaluation reports to regional and international lending agencies.

- iv) The Bank maintains close contact with the Jamaica National Investment Co. Ltd., which manages the funds produced by the levy on bauxite production, and used for Government investment into major projects. As of March 1978, these accumulated funds (less expenditures) amounted to Jamaica Dollars 557 million (J\$1 = U.S. \$0.6).

4.5.5. The Jamaica Industrial Development Corporation

- i) Established about 25 years ago, and placed under the authority of the Ministry of Commerce and Industry, the I.D.C. initially covered the following fields:
- investment promotion
 - Planning and Research (servicing the requirements of the Ministry in response to requests from the manufacturing sector)
 - administration of incentive schemes under the Industrial Incentive Law and the Export Encouragement Law.
- ii) Subsequently, the I.D.C. took over additional sectors of industrial development: technical assistance to enterprises in the management, technical and financial fields; factory construction and leases; management of industrial estates; management of Tool Makers and Food Technology Institute (operating with UNIDO assistance).
- iii) I.D.C. has a number of industrial subsidiaries: a dairy processing plant (85% IDC owned); a tool manufacturing plant (100% IDC owned); a dry dock in Kingston harbor (100% IDC owned).
- iv) At present, the I.D.C. is in a transitional stage, since the Ministry of Commerce and Industry is progressively taking

over the Corporation's investment promotion, research and planning, and incentive managing functions. It appears therefore that, in future, I.D.C. will concentrate upon "technical" activity.

4.5.6. The Small Enterprise Development Co.

This agency was established in 1973 and took over the promotion of the small enterprise sector which had been previously handled by three institutions: I.D.C., Loans Board, Jamaica Development Bank. For development purposes, the sector is divided between a "modern" and an "emerging" one, according to certain investment and employment criteria. The Development Co. benefits from a World Bank credit line and, for the "modern" sector, from an I.D.C. technical assistance. The Company is entitled by its Charter to engage in equity participations.

4.6 Haiti

4.6.1. Ministry of Commerce and Industry

- i) At the request of the Ministry, a UNIDO mission recently visited Haiti to conduct a survey, aiming at identification of projects, particularly in the textile, agro-industrial and mechanical industries fields. The mission left Haiti beginning February 1979 and is expected to submit its report to the Government in April. It appears that, at the moment of writing, the mission has provisionally identified eight valid projects in the agro-industrial and textile sectors. Furthermore, another UNIDO mission in the field of industrial investments promotion is at present in the country; its basic terms of reference are: (a) establishment of an

investment promotion agency; (b) draft a comprehensive investment legislation; (c) follow-up of the recommendations of the first UNIDO mission mentioned above.

The proposed Industrial Development Survey Team will have to take into detailed consideration the findings and progressive results of above missions.

4.6.2. The Ministry of Planning

- i) The National Council for Development and Planning (CONADEP) was abolished in November, 1978, and its functions have been taken over by the new Ministry. While CONADEP had been directly placed under the authority of the Presidency of the Republic and endowed with financial autonomy, the Planning Ministry's budget is determined by the Ministry of Finance. The new Ministry is still in a phase of organization, a fact that is clearly apparent from an appraisal of present decision making processes.
- ii) There exists a "Development Plan" for the 1976/81 period, supplemented and revised by annual Plans. These indicative projections tend to give an increasing weight to private enterprise but do not include any specific or consistent approach in the industrial or agro-industrial fields.
- iii) The Department of Programmes and Projects which appears to continue its activity initiated in the CONADEP framework, seeks to define specific projects and to promote their implementation in co-operation with the functional Ministries, such as the Ministry of Commerce and Industry. A certain duplication with the activity of the latter Ministry (and

of the Industrial Promotion Bureau, see para. 4.6.5 below) is apparent under the present set-up.

4.6.3. Private Sector: The Haiti Chamber of Commerce

- i) There is no specific professional group of industrialists in Haiti, a fact which is reflecting a situation where, in the great majority of cases, there is no clear-cut division between "commerce" and "industry" since a wide range of superficial transformation processes performed in Haiti, called "industrial" are, in fact, commercial operations.
- ii) There is no organic link with C.A.I.C. (see para 4.2.2 above). However the Haiti Chamber of Commerce became, in January 1979, affiliated to the Inter-American Association of Businessmen ("Asociacion Interamericana de Hombres de Empresa") resulting from its contact with the Santo Domingo Chapter of the Association.

4.6.4. The Institut de Developpment Agricole et Industriel (I.D.A.I.)

- i) The Institut, established in 1961 with Government capital, is an autonomous agency managed by a Board of Directors representing several ministries. It provides medium and long term loans and technical assistance to industrial and agricultural enterprises. It benefits from a revolving line of credit granted by the I.A.D.B. and from financial and technical assistance granted by the O.A.S. The O.A.S. has, amongst other projects, financed a pilot sugar plant for the training of sugar producers in management and operation techniques. The equipment, leased by the O.A.S., will be progressively donated to I.D.A.I.

- ii) I.D.A.I. is a minority shareholder of Haiti's only cement plant and has taken over the management of a co-operative milk producing enterprise. However, I.D.A.I. is, by present legislation, prohibited from subscribing to share capital or to make loans to the public sector.
- iii) It has therefore created a subsidiary, the Société d'Equipe-ment Nationale (SEN) which is taking equity investments in industrial enterprises (it holds 100% of shares of an enterprise producing cotton and by-products and is a majority shareholder in an agricultural tool factory).
- iv) The industrial zones are managed by another subsidiary of I.D.A.I., the SONAPI.
- v) As a result of operational difficulties experienced by I.D.A.I., a new development agency will be established in 1979 with the technical and financial assistance of USAID, but with the participation of private banks. However, the capital of the new institution will be very limited (probably about US\$ 2 million) and I.D.A.I. will continue to operate.

4.6.5. The Bureau Haitien de Promotion Industrielle (B.H.P.I.)

- i) The B.H.P.I. has been established about two years ago and is, in fact, a Division of the Ministry of Commerce and Industry acting in some respects as an Industrial Development Corporation. The B.H.P.I. has benefited from some financial and technical assistance granted by the German Federal Republic.
- ii) The Bureau provides technical advice to local, particularly small and medium sized, enterprises. It has recently appraised a list of over 90 import-substitution projects necessitating

a minimum of US\$100,000 investment each, and retained three of them for implementation.

4.6.6. It is expected that an additional promotional institution the Office National de Promotion des Investissements (ONAPI) will be created in the near future. It remains to be seen to what extent ONAPI, as well as the present and planned institutions enumerated under paras. 4.6.4 and 4.6.5 above, will complement each other or whether administrative and substantive duplications will result, which would call for a radical reorganization of the institutional system dealing with industrial development.

4.7 Dominican Republic

4.7.1 The national Ministries, administrations and agencies were, at the time of this mission's visit, in a phase of evolution resulting from the change of Government which took place after the elections of May 1978. Some Ministers and heads of administrations who expressed their views and provided information, were new at their posts, a fact which had to be taken into account in assembling data and appraising the situation.

4.7.2 The Ministry of Industry and Commerce

A UNIDO project, in "agro-industrialization programmes" is attached to this Ministry. The programme being worked out will reflect the Government's strategy consisting in giving "parallel impulses" to agricultural and industrial development, with strong emphasis on regional development. Possible linkages with intra-area projects

or co-ordination schemes in the agro-industrial field will have to be ascertained in co-operation with the UNIDO project.

4.7.3 Oficina Nacional de Planificación (ONAPLAN)

- i) This agency is administratively linked with, and placed under the authority of, the Presidency of the Republic through the President's "Technical Secretariat". In industrial matters, the Oficina Nacional has continuous contacts with the Ministry of Industry which has, itself, a very small planning unit (Oficina Sectorial de Programa Industrial). A UNIDO project, "Consolidation of Planning" is attached to the Oficina Nacional.
- ii) The Oficina Nacional issued, end of 1976, a document entitled "PLANDES 26" outlining a development strategy for the period 1976-1986. This document includes, in a chapter dealing with industry, several passages strongly emphasizing the necessity of progressive integration in a regional group (preferably CARICOM). These guidelines should be studied in detail and taken into consideration by any regional Industrial Development Survey.

4.7.4 The State Sector: Corporación Dominicana de Empresas Estatales (CORDE)

- i) CORDE was established in 1966 and took over the shares and administration of the Trujillo enterprises which, from 1962 to 1966, had been managed by the Corporación de Fomento. It is a financially autonomous State-owned holding company, placed under the authority of the Vice-President of the Republic; it is administered by a Board of Directors, with

the Minister of Commerce and Industry as Chairman.

- ii) CORDE holds shares in three types of enterprises: industrial and mining; commercial; service enterprises (i.e. airline and insurance company).

In the industrial field, CORDE has holdings in a cement plant (90%), a paper mill (90%), a flour mill (90%), and in a number of enterprises producing consumer goods.

CORDE holds shares of a total nominal value of 75 million Pesos as majority holder, and of a total nominal value of 15 million Pesos as minority holder (1 Peso = US\$1.00).

- iii) CORDE has not, as yet, issued any comprehensive reports with data pertaining to its impact on GDP, employment, etc., but is publishing periodic statements relative to specific enterprises.
- iv) CORDE is at present reviewing its methods of operation and the scope of its activity in the productive sector. The most urgent aspect requiring attention is the necessity to replace antiquated and depreciated equipment. CORDE is also planning to expand by initiating vertical and horizontal integration operations, requiring implementation of new projects.

4.7.5. The State sector: Consejo Estatal de Azucar (C.E.A.)

- 1) This State-owned enterprise is the largest raw sugar producer in the country: between 800,000 and 900,000 tons p.a., or about 60% of total production; two private firms are producing about 30% and 10% respectively. The C.E.A. employs about 8% of the total active labor force in the

country and is said to generate 50% of the foreign exchange produced by the national economy.

- II) Production methods are however inadequate and result in considerable losses of raw material; equipment is antiquated and must be overhauled or renewed.

UNIDO has been requested to provide an expert to advise on management methods. FAO has prepared an assistance request to the World Bank for the financing of equipment purchases.

4.7.6. The State Sector: Centro Dominicano de Promocion de Exportaciones - CEDOPEX

- i) This State-owned export promotion center, having financial autonomy, seeks to encourage export of public and private enterprises. It was created in 1971. Its Board of Directors has five public sector and four private sector representatives, as follows:

Public Sector: Minister of Commerce and Industry

Minister of Agriculture

President of Central Bank

"Technical Secretary" of Presidency

President of "National Political Committee"

Private Sector: President of Santo Domingo Chamber of Commerce

President of Santiago Chamber of Commerce

President of Association of Industrialists

President of Association of Exporters

- ii) CEDOPEX performs market studies on behalf of enterprises and uses all classical methods to promote exports such as representations abroad, facilitating contracts, etc.

4.7.7. Industrial Development Institutions: Fondo de Inversiones para el Desarrollo Economico - FIDE

The fund is administered by the Central Bank and draws its resources from that Bank, as well as from international lending agencies. It grants loans to the productive sector (industry, agro-industry, mining, transport, etc.). However, these loans are channelled through commercial banks and other development finance companies.

4.7.8. Industrial Development Institutions: the Corporación de Fomento Industrial

- i) This State-owned institution acts as an Industrial Development Corporation and subscribes to equity capital; it also administers a Guarantee Fund to facilitate commercial borrowing by industrial enterprises.
- ii) It builds factories for lease and sale to industrial enterprises and administers one of the three Free Trade Zones (San Pedro de Macoris, to the East of the capital) as well as two industrial zones located within the Santo Domingo agglomeration.
- iii) It is asserted that a reorganization of the institution is pending.

4.7.9 The Free Trade Zones

- i) Apart from the one mentioned above, two other zones, created to foster employment in their respective regions (Santiago and La Romana) are operated on a non-profit basis by two private companies. Space and facilities are provided to foreign enterprises (most of them based in the U.S.A.) who pay in foreign exchange for services and purchases.

- ii) Facilities provided in this respect might be taken into consideration for the possible establishment of an intra-area pilot plant in a production sector to be agreed upon, as a result of findings and recommendations of the proposed Industrial Development Survey.

4.8 Trinidad & Tobago

4.8.1 Ministry of Planning and Development, Ministry of Industry and Commerce

- i) The last period covered by a comprehensive development plan was 1969/73. In 1973, the state of the economy changed radically due to increased oil revenues and the Government shifted its methodology by limiting itself to sectoral planning. However, the industrial sector has not been specifically planned, the Government acting mainly through budgetary provisions pertaining to selected industries, the trend being to reduce dependency on oil through diversification of the industrial base.
- ii) For its energy-based projects, Trinidad & Tobago may be increasingly looking to bilateral "hard loans" financing which it can afford due to its sudden elevation to a position of wealth. The new emphasis is, furthermore, to use oil revenues to set up a number of large new industries that would utilize locally some of the hydrocarbon production (almost all of which is at present exported). This trend should in turn produce inputs into other downstream and more labor intensive, industries.

- iii) To achieve this, the strategy adopted is to set aside surplus revenue in a series of Special Funds that have been created for specific purposes until they can be efficiently and productively spent. This was thought necessary because of the practical impossibility of spending considerable sums without creating inflationary pressures or placing greater strain on already scarce managerial and skilled manpower resources. These Funds are nevertheless an integral part of capital expenditures [see para. 1) above] for development. Thus in 1976 disbursement from them amounted to about TT\$377 million, a 50% rise over 1975. The allocation for 1977 (latest available figure) was about 890 million.
- iv) Nine major industrial projects have been scheduled for implementation up to 1981/2, most of them with outside bilateral financial and technical assistance and participation, mainly centered on Point Lisas, an industrial zone with a natural gas pipeline terminal from the Eastern off-shore deposits, itself one of these projects (liquid ammonia plant, iron and steel plant, polyester fiber plant, furfural plant and others).
- v) At the same time lighter industries are being developed. Thus, the European Development Fund is financing a feasibility study for a granular fertilizer factory to serve the CARICOM market. The EDF is also financing a study and the construction of a pilot plant to test processing techniques of fruit and vegetable crops.

- 11) Facilities provided in this respect might be taken into consideration for the possible establishment of an intra-area pilot plant in a production sector to be agreed upon as a result of findings and recommendations of the proposed Industrial Development Survey.

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4.8.2 Trinidad & Tobago Development Finance Co.

- i) The D.F.C. was established about seven years ago to promote and encourage activity in the field of manufacture, service industries and tourism. One of its present objectives is to increase the number of enterprises in sectors outside petroleum production, particularly those which produce local value added in excess of 45% of selling prices. Its capital is Government-owned (96%). Some additional resources have been provided by two World Bank loans and a TT\$12 million line of credit for industrial projects (U.S. \$1 = TT\$2.4)
- ii) The Company underwrites issues of share capital; subscribes to the share capital of client enterprises; guarantees payment of commercial loans for the purchase of machinery and equipment and provides loans to enterprises, the lowest limit being TT\$125,00.

4.8.3 The Industrial Development Corporation

- i) The agency was established in February 1959 to promote industrial development and to act in this matter as liaison between the Government and the private sector. It administers the Government sector of incentives offered to establish manufacturing plants and to expand existing ones. It is administered by a Board comprising representatives from the business sector, trade unions and government officials. Its operating divisions include the following: Economic studies and Planning; Industrial Liaison and Extension Services; Industrial Estates Division; Small Business Division.

The capital of IDC is state-owned; it has, for its initial operations, benefited from Canadian (CIDA) assistance.

- ii) Industrial promotion activity: IDC provides financial assistance by subscribing to share capital, providing loans and guaranteeing loans (Ceiling: TT\$125,000). It constructs factory shells for rental and builds factories for specific production on behalf of enterprises which subsequently purchase them by instalment payments.
- iii) Industrial estates: IDC manages 10 industrial estates established throughout Trinidad, but mostly in the County of St. George, which surrounds the capital; one estate is located in Tobago.

5. Selected Industries Requiring Special Study

A. An indicative enumeration

5.1. The CDCC Work Programme in the Industrial Sector (see para. 6.1. below) mentions, as priorities, the strengthening of linkages between agriculture and industry, (particularly agro-industries, forest-based industries) as well as the exploitation on a co-operative basis, of natural resources such as bauxite, with a view to achieving a maximum degree of processing within the region. The production of petroleum-based fertilizers is also envisaged. Furthermore, a number of industries have been designated during the exploratory mission as "sensitive" to area-wide bilateral and/or multilateral co-operation, and are briefly enumerated in the following paragraphs. The list is not exhaustive but indicative and the Industrial Development Survey Team will have opportunities to extend the range of possibilities but also, conversely, to narrow it down, in the process of project formulation.

5.2.(1) Sugar production and by-products⁶ (Haiti, Dominican Republic).

(2) Other agro-industries

Fruit juice processing (Suriname, Jamaica)

Palm-oil processing (Suriname)

Baby food production (Jamaica)

(3) Forestry-based industries (timber, pulp and paper)(Suriname,

Guyana, Jamaica, Trinidad and Tobago, Dominican Republic)

(4) Fishery Industries (Suriname, Guyana, Trinidad and Tobago, Dominican Republic)

⁶Countries where particular interest has been expressed for modalities of area-wide co-operation to develop these sectors are mentioned in brackets.

- 5.2.(5) Textile processing (Jamaica, Haiti, Dominican Republic)
- (6) Glass Industry (Haiti)
- (7) Bauxite production and processing (Suriname, Guyana, Trinidad and Tobago, Jamaica)
- (8) Cement production (Suriname, Guyana, Jamaica)
- (9) Charcoal processing (Suriname)

5.3 Attention must be drawn at this point to certain regional studies undertaken by international agencies which will warrant close scrutiny by the proposed Industrial Survey Team and consideration for the development of area-wide projects. The following two are cited here:

- (1) A pulp and paper programming project sponsored by CDB/FAO (for CARICOM region only). According to a progress report of July 1977 (the only document made available during the investigation which is the subject-matter of this Report), the first objective was to obtain information in Colombia and Venezuela, on available technologies for pulp and paper plants based on mixed tropical hardwoods, waste paper, bagasse and other non-wood fibers similar to those existing in commercially exploitable quantities within the CARICOM region. A certain number of country "sub-regional" and "regional" projects were tentatively identified involving Jamaica, Barbados, Trinidad and Tobago, and Guyana. Preliminary techno-economic studies were scheduled to proceed. However, projects are, in this context, considered "sub-regional" and "regional" in the sense that production outlets would be in parts of or in the entire CARICOM market. It remains to

be seen to what extent inputs from the area could or should be used for each plant. However, some production components are to be used in other plants of the region. In any event, the overall scheme would be "regional" in a wider sense, since it would involve identification of complementarity and of "regional" co-operation.

- (2) Under the sponsorship of the Action Programme for Economic Cooperation in the Fields of Trade, Industry and Transport (APEC) based in Guyana which acts as the executive entity, a pharmaceutical production study for the Caribbean has been performed. It is considered as a pilot study for the world-wide Programme.

5.4. While it has not been possible, within the limits of the exploratory mission, to proceed to an in-depth review either on a national or on a regional basis, of the industries indicated under para 5.2. above, a certain number of selected data are indicated below, pointing to some of the sectors which might warrant special study under the terms of reference of the Industrial Survey Team. These data pertain to selected sectoral situations in specific countries, presenting possibilities for the influx of inputs under inter-area bilateral or multilateral co-operation.

5.4.1. Surinam

(1) Timber products

The local market is too small for expansion of the present production (furniture, panels, pre-fabricated houses) which, moreover, is somewhat handicapped by a lack of competent labor force. On the other hand, competition with important foreign factories (in the USA and elsewhere) is hard because

of difficult and costly transport of end products such as furniture. Nevertheless, the excellent quality of the basic material warrants examination of modalities for production-sharing with other countries (formula developed by Taiwan), allowing for the shipment of relatively simple parts to a common assemblage center.

There is an important plywood factory in Paramaribo, in which the Government is a minority shareholder. About one thousand pre-fabricated houses have been recently sold to Venezuela.

(2) Fisheries (and shrimp processing)

On the fishing grounds off Guyana, Suriname and Brazil (continental shelf) shrimps are taken in a proportion of about 60% in Brazilian waters and in a proportion of about 20% respectively in Surinamese and Guyanese waters. Brazil would allow additional shrimping in her waters only if processing would take place in that country. Suriname has a processing plant and sells to the USA and Japan. Contacts have been initiated with Guyana⁷ for the setting up of a joint enterprise to expand production.⁸

(3) Bauxite production and processing

While it is not the purpose of this report to analyze, even in a summary form, the operation of the bauxite industry in

⁷In the following sections, bilateral negotiations or potential projects indicated to the author of the report, and which might warrant the attention of the Industrial Development Survey Team, are underlined.

⁸Suriname has a technical co-operation agreement with Guyana in the field of fisheries covering training and technical services.

the area, it may be recalled that Suriname is quantitatively the second producer of bauxite in the Caribbean and that it has the only smelter in the region, thus allowing a (relatively small) production of aluminium in the country. The bauxite production and transformation into alumina is in the hands of the US group SURALCO, which resells 50% of the alumina to the Billington Company (Shell group). Suriname's bauxite production is expensive due to high labor costs, necessity of deep mining and transshipment problems.

There are substantial reserves of bauxite in the West of the country (Bakhuis region); negotiations of the Government with the Reynolds Company for joint exploration broke down about two years ago. Venezuela's former President Andres Perez visited Suriname recently and signed a letter of intent to purchase bauxite from West Suriname mines to be opened in about two years, but this is merely a framework for possible transactions. Thus Suriname is looking for partners to start mining and processing operations in the West.

(4) Cement

Present negotiations with the Netherlands Antilles deal with a project to set up a regional cement plant using kaoline available in Suriname and limestone from Curacao. A feasibility study will determine the location of the plant and its size, and agreement on operation of the plant as well as on end product purchasing modalities might follow. It has been indicated that other Caribbean partners might be considered in this sector.

(5) Combined Resources Development

The West Suriname Bakhuis region mentioned under (3) above is being built up as a combined resources development region and it is indicated that inputs from other countries might be considered for the following:

- Bauxite production and processing (see above)
- hydro-electric potential utilization
- charcoal processing
- palm oil processing.

(6) Hydro-electric Project on the Kabalebo River⁹

Mentioned in this context because of its possible impact on industrialization projects. According to indications received in Paramaribo, an application for financing has been presented to the World Bank about two years ago. The Bank had, after a first appraisal, requested from Suriname an ecological study and a study on the repercussions of the project on co-operation with Guyana in the hydrological field. The World Bank subsequently suggested to Suriname to consider other financing sources while expressing readiness to "manage" the project. An EEC source indicated that co-operative projects between Surinam and Guyana have been difficult to set up: negotiations for purchase and joint operations of a modern ferry on the Kabalebo and for dredging operations have had no results.

(7) Contacts with the "Caribbean Task Force" of Trinidad and Tobago

Trinidad and Tobago established the Task Force in 1971 to

⁹Affluent of the Corentyne River, which forms the boundary between Suriname and Guyana.

appraise and discuss issues involved in regional co-operation. This working group had recommended to discuss with Suriname areas of mutual interest such as the bauxite industry, fishing, forest products and agro-industries. A visit to Suriname in 1972 prompted discussion on several areas of co-operation, and in particular, as indicated in Suriname, on processing, in Trinidad, of a range of raw materials, in particular food products, for export outside of the region. This approach proved unacceptable to Surinam^o and it appears that no agreement could be reached on an adequate participation of Surinam^o's enterprises in the processing field. It was pointed out in Paramaribo that openings still exist for co-operation between Trinidad and Tobago and Surinam^o, particularly in the agro-industrial sector; it was incidentally noted that Surinam could provide the services of a rice experimental station and would be interested in utilizing a research center for the sugar and by-products industry financed by Trinidad and Tobago with FAO co-operation.

5.4.2. Guyana

(1) Forest Products.

FAO has recently concluded a study of Guyana's potential in this sector. At present, timber is exported in bulk. There are both government and privately owned sawmills. Although U.S. pinewood is considered as a serious competitor, export of forest products of various types could be increased with the co-operation of partners in the area, particularly Trinidad and Tobago, where a wide range of design techniques, particularly for furniture, are available.

In spite of available raw material in Suriname and Guyana, by-products such as crates, boxes and other packing devices for agricultural products are being imported into the area. Area-wide co-operation for the setting-up of a plant to manufacture products of this type is considered possible. The CDB/FAO study referred to above indentifies two projects based in Guyana: one plant for folding cartons and multi-wall bags and one integrated pulp and paper mill complex to manufacture, amongst other products, printing paper and material for banana boxes.¹⁰ "Demarara Woods Limited" is a projected government-owned production and export enterprise, requiring an investment of about US\$30 million. Several industrial agencies are, or will be, participating in lending operations to implement the project: IBRD; FED; EIB; and OPEC (through the Venezuelan Trust Fund with IADB).

(2) Fishing Industry.

In relation to the indications given under 5.4.1 (2) above, it may be mentioned that Guyana is at present implementing the "Demarara" fish products complex requiring an investment of about US\$30 million (including trawlers). The plant will produce canned, smoked and frozen products. There is export potential to Trinidad and Tobago and other destinations. A wharf has been constructed with Japanese credits and EEC funds will be provided for subsequent phases of implementation.

¹⁰See para 5.3. (1) above.

(3) Combined resources development: The Upper Mazaruni River Project

- a) It will be recalled that Guyana is a very important producer of calcined bauxite, a conglomerate used to make refractory material. A high proportion of the production is exported to the U.S.A. by the government-owned Bauxite Industrial Corporation (BIDCO), which is the only enterprise covering bauxite exploitation in Guyana. Guyanese calcined bauxite constitutes 80% of all U.S. imports of this material. As to alumina, it is exported to various destinations, including Norway, for processing.
- b) The initial Mazaruni River Project included plans for a joint venture between Guyana, Trinidad and Tobago and Jamaica for bauxite processing; it called for the construction of a hydro-electric plant, an alumina plant (500,000 tons) and a smelter (200,000 tons) in the Mazaruni region, as well as for a smelter in Trinidad and Tobago, to be completed by 1981. The project broke down for a variety of complex politico-economic reasons; Jamaica negotiated agreements with Mexico (not implemented) and Venezuela for bauxite supply and processing.
- c) It has been indicated that Guyana is "activating" its own parts of the project, the studies being undertaken under the auspices of BIDCO.

(4) Cement

According to information received, Guyana is negotiating with Barbados the joint construction of two cement plants,

with a total capacity of 100,000 tons using limestone and other materials available in Barbados.

5.4.3. Jamaica

(1) Forestry products

The GDB/FAO Pulp and Paper study mentioned above identified for Jamaica a project for an integrated thermo-mechanical pulp mill and for the expansion of a tissue mill. According to information received in Kingston, the results of a pre-feasibility study, and the co-operation of the World Bank were expected.

(2) Fruit Juices

Jamaica exports at present citrus concentrates but lacks technical knowledge and equipment to expand and to export a range of bottled products. A joint area-wide effort would be welcomed to achieve rationalized production of traditional and, possibly, "exotic" juices and avoid wasteful competition in this sector.

(3) Baby Food Production

Jamaican enterprises are looking for outside co-operation to set up joint production of baby food as an import substitution enterprise. Jamaican missions to Trinidad and Tobago and to Cuba (not included in the area here considered) have ascertained the availability of complementary technology in this field.

(4) Bauxite

The JAVAMEX project provided for the construction of an

alumina plant in Jamaica jointly owned by Jamaica, Mexico and Venezuela, the product to be exported to Venezuela and to Mexico, where a jointly owned smelter would be built. According to information received, the project has been halted because Mexico claimed excessively high costs in Jamaica, which has been increasing its alumina sales to Venezuela. Jamaican authorities (Planning Agency) are at present examining the possibility of implementing other versions of the project (See also para. 5.4.2. (3) above).

(5) Cement

The capacity of Jamaica's cement plant in Kingston has been expanded to 800,000 tons. It is indicated that a feasibility study is underway (with technical assistance from the Soviet Union) for the construction of a new 500,000 tons capacity plant with export potential (the market of Nigeria is being considered). It is, however, pointed out that the CARICOM region as such is traditionally short of cement and that Haiti and Colombia have supplied some quantities in the past. The proposed Industrial Survey Team may wish to study whether a regional cement production project--with separately operating plants and purchase agreements--would be feasible.

(6) Gypsum

Jamaica has important gypsum deposits and has been studying a project for the production of particle board and other products from gypsum, for export purposes. The provision of technological and other inputs from the area may assist implementation.

(7) Textiles

The Jamaican Planning Agency has been studying the possibility of setting up a cotton/polyester mill. Contacts have taken place with Trinidad and Tobago, where production of cotton/polyester yarn has been planned, with a view to establishing co-operative modalities.

5.4.4. Haiti

(1) Cement

The existing plant, in which the Haitian Government is a minority shareholder, the majority being held by a French firm which manages the plant, has recently expanded its capacity to about 400,000 tons to cope with road construction projects and also with expanded private construction. There have been sporadic export operations to countries in the area. According to unconfirmed reports, the Government has been negotiating with German interests the construction of an additional cement plant. An area-wide project for the production and marketing of cement could be identified by the Industrial Development Survey Team, in which Haitian cement production might play a significant role. (See Paragraph 5.4.3. (5) above.)

(2) Bauxite

Haitian bauxite deposits will probably prove too small to justify a local alumina plant. It has been suggested that Haitian bauxite might be used in Jamaica for refining, in the frame of a joint enterprise, which might alleviate some fears expressed in Jamaica concerning commercialization

of Haitian bauxite at lower than the present market prices, due to the availability of cheap Haitian labor. Basic data concerning production and transport costs would have to be ascertained before considering concrete possibilities in this field.

(3) Textiles

Textile industry in Haiti operates on a very limited scale. Three enterprises purchase local cotton, at prices well below those of the market, to produce heavy tissues (denim) for export, mainly to the U.S.A. Important outlets could be found in the area provided technological and management inputs would be available and the antiquated equipment would be replaced. These possibilities bear investigation in an area-wide context.

(4) Sugar Production

Sugar production in Haiti is in a deep crisis and would necessitate a complete overhaul in the frame of an area-wide co-operation project (see also paragraph 5.4.5. (2) below). There are at present three relatively important sugar producing enterprises in the country one of which is running a refinery. Traditionally, brown sugar was exported and the limited quantities of refined (white) sugar were sold on the local market. Due to the present trend of low sugar prices (and of mounting prices of a number of agricultural products in Haiti), sugar production has drastically decreased, while per capita consumption has been on the increase. The paradoxical result is that Haiti is at present importing

sugar for home consumption, (although molasses continues to be exported).

- (5) It will be recalled that Governmental policy, adopted about 1971 and providing for considerable facilities to foreign industries [which benefit from low wages, liberal regulations and other factors such as free zone status] has led to the establishment of a wide range of assembly industries producing for export, mainly to the U.S.A. This trend does not favor co-ordination, co-operation or integration schemes with enterprises in the area, and considerable efforts will be required to integrate Haiti into an area-wide industrialization strategy.

5.4.5. Dominican Republic

- (1) Various authorities in the Dominican Republic expressed interest in studying possibilities for area-wide co-operative enterprises in a number of fields: mineral production, fishery products, agro-industries, cotton and fiber by-products, pulp and paper production, and others. However, it is in the use of sugar by-products that concrete views were expressed and it is therefore suggested that the Industrial Survey Team give this matter particular attention.

(2) Sugar and by-products

- a) The organization and operation of the State Sugar Board are dealt with in paragraph 4.7.5. above. Of the two private enterprises producing sugar, Gulf and Western Corporation, with a plant in La Romana, to the East of Santo Domingo, is the most important. Average quantity

of cane processed is 17,000 tons daily, with a 24-hour operation during 200 days per annum. There is a small refinery producing white sugar for national consumption. Main by-products are molasses, bagasse and "cachaza", the last product being used locally as fertilizer. Bagasse is used as fuel for the main plant, also as fuel for an annex-plant producing furfuro_l (itself a product of bagasse).

- b) Local technicians consider that, in particular, techniques for the utilization of bagasse is irrational and far from optimum and that Dominican sugar-producing enterprises could use bagasse to produce animal feed which is imported at great cost throughout the area. In a more general way, it is felt that the development of technologies to use sugar cane and its by-products for the production of food, fertilizers and possible, fuel, is urgent.
- c) However, whereas the matter was discussed in the framework of the CDCC with the intention to establish an Institute for Research in the Caribbean region, representatives of the State Sugar Board of the Dominican Republic strongly feel that bilateral co-operation with Cuba (not included in the area here considered) would be most beneficial to the local industry. According to this view, the potential partner should be the "Instituto Cubano de Investigacion de los Derivados de la Caña" which has worked out advanced technologies in this field and is performing a study of sugar production problems in the Dominican Republic financed by the U.N.D.P.

- (3) Contacts between the Dominican Republic and Haiti have recently taken place, in the framework of the Programme for Technical Co-operation among Developing Countries, for joint action in a number of fields of mutual interest, amongst which, according to information received, mineral and forestry production and utilization of water resources. U.N.D.P. offices in both countries have been involved, and any possible follow-up would have to be initiated through them.

5.4.6 Trinidad and Tobago

- (1) It can be seen from the spectrum of Trinidad and Tobago's industrial development policies and trends (briefly analyzed under paragraph 4.8) that the country looks primarily outside the Caribbean region for development inputs, a situation that is prevalent in all countries in the area but which is accentuated by the high proportion of relatively complex industries that are, or will be, implemented in Trinidad.
- (2) There is little doubt, however, that area-wide co-operation opportunities will increase as inputs into less complex enterprises will become advisable and necessary. It is thus suggested that the Industrial Development Survey Team carefully examine available data and possibilities that may arise from the trend summarized under paragraph 4.8.1 (ii) above. The "Caribbean Task Force" of Trinidad and Tobago mentioned under paragraph 5.4.1 (7) mentions in one of its Reports (1974) the necessity to intensify co-operation, not only with the CARICOM States but with Suriname, the Dominican Republic and Haiti, in fields such as the bauxite industry, forest products and agro-industries. While this is

a mere expression of intended policy which has, by and large, generated little interest in Trinidad and Tobago, it is not excluded that the situation may change in the light of considerations stated above.

B. Selection of Priority Industries by the Survey Team

5.5. In view of the multiplicity of possible approaches leading to selection of specific projects, enterprises, sectors and industries for review, analysis and programming, a few considerations are submitted below pointing to some directions that the Survey Team might wish to follow.

5.5.1. For this purpose, it might be necessary to ascertain to what extent the countries in the area may have common elements and problems inherent in their industrialization process, and to what extent they have to face different or varied situations. Any attempt at clear-cut definitions in this complex subject-matter can only be of a limited impact and excessively schematic in the present context; nevertheless, some overall characteristics might be defined.

5.5.2. These common characteristics are:¹¹ small, fragmented and scattered markets; a limited range of resources and reliance on a few raw materials (sugar, timber, bauxite, petroleum) having on each national economy a disproportional impact; considerable proportion of un- and under-employment; low productivity; in varying degrees, low level of industrialization. In this framework, a number of industry types are extant:

- a) Light industries, most of them capital-intensive and often geared to import-substitution, encouraged by fiscal incentives doled out somewhat indiscriminately to encourage investment.
- b) Assembly (or "screwdriver") industries --using a high proportion of outside inputs, few value-adding national inputs and drawing upon the important pool of unemployed--are working for re-export.
- c) In Jamaica, Guyana, Suriname and above all Trinidad and Tobago,

¹¹Refer also to Chapter 3, (para. 3.2.5.)

heavy industries, based on bauxite and hydrocarbon resources, with practically no linkages with the rest of the economy.

5.5.3. Wages in the traditional sector (agriculture, cottage industries, self-employment) lag behind those in industries, and poorly paid workers in that traditional sector attempt to get jobs in the modern industrial one, often without success, thus become "voluntary" unemployed after having left their former jobs. Inevitably, wages in the traditional sector start to chase those in the modern one; agricultural enterprises and small businesses, which cannot offer to pay these higher wages without significant improvement in productivity, start to cut back their labor force, thus contributing to extend the pool of unemployed.

5.5.4 As a concise conclusion, it might thus be stated as follows with regard to the desirable range (type and size) of industries to be considered:

(1) The industrial trend should be toward labor intensive lighter industries using a maximum proportion of local (or area) materials, a maximum proportion of local (or area) processing and providing for agriculture-industry linkages. Since labor-intensive industries would result in higher cost production, assistance must be sought to increase productivity and improve technical and managerial skills.

(2) In a medium-term perspective, new import-substitution industries, are by and large, no longer required in Trinidad and Tobago, the Dominican Republic, Jamaica and Barbados, as the relatively small markets will not be able to absorb them (with the exception of some processed foods). However, some opportunities for import-substitution products still exist in Guyana. Altogether, however, industrialization in these countries should be geared to export-oriented enterprises.

(3) The situation is different in Suriname, where substantial credits from the Netherlands have resulted in a proliferation of import houses, offering a variety of imported products which can be produced locally. (For example, peanut butter, made from local peanuts, is being regularly imported.) Development of import-substitution industries is therefore necessary, not only from an economic but also from a social point of view, since there is a wide margin of un- and under-employment.

(4) As to Haiti, the immediate aim must consist in raising the standard of living--by far the lowest in the area--by continuing promotion of assembly industries as a priority, since the range of import-substitution production, or adequate capacity to absorb imports, is not even wide enough to create economic or social problems in this sense. In a parallel way, priority should also here be given to the projects providing for linkages with agricultural production, thus encouraging promotion of the purchasing power of the rural population.

(5) The small enterprise (cottage-type) sector being, to a large extent, excluded from area-wide co-operation endeavors (since no significant complementarity could be sought to small-scale, simple and largely identical local inputs), the Survey Team's operations should therefore encompass light industries oriented toward appropriate aims as described above. Nevertheless, it appears equally important--as confirmed by consensus during the exploratory mission--to survey possibilities in the sector of heavier and heavy industries, in particular, although not exclusively, in order to ascertain potential for backward and forward linkages to more labor-intensive industries.

5.5.5. With regard to the structure of industrial units, entities and branches to be encompassed by the Industrial Development Survey, choices and priorities will, similarly, have to be established taking into account a complex range

of possibilities. A possible schematic presentation of some alternatives might be as follows:

- a) Consideration of a local project involving an enterprise or plant (producing for internal and/or area-wide, and/or external outlets) which would benefit from inputs provided by other sources in the area;
- b) Consideration of a local project involving a plant, the actual or potential production of which might be utilized in another plant or other plants in the area, to constitute an optimum production pattern.
- c) Consideration of an area-wide project involving the establishment of several local plants manufacturing identical or complementary products (for an area-wide assembly plant, for example), each plant utilizing appropriate local resources according to the principle of comparative advantage and optimum size production.

6. Suggested Approach for the Proposed
Industrial Development Survey

6.1 The basis for the envisaged project is the "Work Programme in the Industrial Sector", approved by the CDCC at its First Session, and taken up again, at the initiative of the UNIDO representative, at the Third Session (April 1978) of the Committee, which requested UNIDO to formulate proposals for the implementation of the Survey. It is therefore important to keep in mind the basic aims and methodology adopted by the Committee, which are summarized in the following paragraphs.

6.2 Manufacturing growth in the area will ensure an appropriate use of internal resources, decrease unemployment, stimulate trade among the CDCC countries and tend to correct external disequilibrium by means of import substitution and expansion of export to countries outside the area. At the same time, and as a corollary, it is essential to strengthen linkages between agriculture and industry in order to achieve a satisfactory structural balance, particularly through development of agro-industries and forest-based industries.

6.2.1. Since these objectives can only be achieved by avoiding scattered approaches and, in a wider perspective, by adopting economies of scale, there will be, as industrialization advances, an increasing need and scope for co-operation among CDCC countries in the planning and execution of industrial projects and programmes.

6.2.2. Thus, the immediate objective should be to identify areas of complementarity and mutual co-operation. This review should lead to concrete

results such as the implementation of joint production projects, the planning and design of industrial plants and the setting up of multinational enterprises to exploit specific regional resources such as timber, sugar cane, bauxite and petroleum, with a view to achieving a maximum degree of processing in the area. Simultaneously, arrangements would be made for exchanges of technology, joint schemes for the training of personnel and other supporting activities.

6.2.3. Future plans of wider scope would consist in a systematic reviewing of different degrees of industrialization, and of resources development, aiming at the co-ordination of industrial policies, and possibly, at the formulation of industrial joint development plans.

6.3. It is suggested that the key objective at this stage is, and that therefore the basic term of reference of the proposed industrial development survey should be, the identification of areas of complementarity and mutual co-operation. The definition of this operational framework is fundamental and carries with it important consequences as to the methodology to be adopted by the Survey Team, which are briefly analyzed in the following paragraphs.

6.4 The initial implication is that the Survey Team will not be expected to conduct an investigation in depth of potential resources, infrastructure, existing industrial framework-structure and other factors relevant to industrialization in a macro-economic sense. Nor will it be expected to perform "studies" which would be the basis for the formulation of new projects. Necessary as these activities are--with varying approaches, orientations and emphasis in accordance with the different national contexts and options--it is submitted that they should be outside the scope of the Survey, for two reasons. The first is that a multiplicity of studies of this kind are being

performed, under different terms of reference, in all CDCC countries by public, private, national, regional and international agencies. The second reason is that the basic CDCC text, referred to above, implicitly and in this mission's opinion quite rightly, links the implementation aspect to the prior identification of complementarity.

6.5. It is therefore further submitted that the proposed survey team should in a first phase act as industrialization catalyser by surveying existing studies, programmes, national and/or regional Plans, and ongoing projects with a view to identifying those actual or potential projects, enterprises or industrial branches which might--in order to remedy specific problems or improve or extend their production to the advantage of a specific country or countries--benefit from the inputs of one or several countries in the area under consideration. A parallel step will consist in determining which specific inputs (raw materials, equipment, technology, training, operational or administrative assistance, financial assistance or others) might be beneficially contributed by a specific country or countries in the area. A schematic presentation of the survey objectives during this first phase of activity, might be as follows:

- (i) In each country, a performance of a "vertical" inventory of planned and ongoing projects (including any bilateral or multilateral projects), enterprises, industries which might benefit from "area" inputs. Classification into specific sub-sectors and sectors. Identification of the entity which, at the national level, is responsible for the status and/or implementation of the project or enterprise.

- (ii) Identification of the specific inputs which are essential or desirable from a micro--and macro--economic point of view, taking into account internal, area-wide and external market studies.
- (iii) Identification of potentially or actually available inputs as defined under (ii) in the area, thus determining the possibilities of complementarity in a "horizontal" area-wide approach.
- (iv) Establishment of priority lists of projects, enterprises and industries comprising those which would be most sensitive to functional co-operation in an area-wide context.

6.6 Obviously, the survey team will not have the ambition to achieve comprehensive area-wide participation to any identified project. In fact, limited multilateral (three to four countries, for example) or even bilateral participation to successful implementation should be considered as satisfactory. It has been pointed out in Chapter 5. that a number of bilateral endeavors are within the range of implementation but lack elements or components which might, directly or indirectly, be contributed by the Survey. The Survey Team should also give particular attention to the possibility of implementing a pilot or demonstration project with multilateral inputs within the area.

6.7 It will be seen in the next Chapter that the Survey Team will be able to rely on a rather wide spectrum of adequate tools to perform this exercise which, however complex it might be, will nevertheless be able to avoid the pitfall of going into undue depths consisting in "studies" which might theoretically result in new projects but which would embark the Survey Team on a course of action involving duplication with activities of other agencies or missions and neglect of existing potential for area-wide co-operation.

6.8 The second phase to be covered by the Industrial Development Survey can be considered as a pre-implementation phase. In practice, overlapping of the two phases will no doubt occur after a preliminary period of activity by the Survey Team, since identification of areas of complementarity might continue after detection of specific projects presenting the necessary prerequisites for implementation. This second phase would be of limited scope both horizontally and vertically: in other words the number of projects to be dealt with by the Survey Team would be a function of the Team's composition and time limitations, and the development of these projects should not go beyond a phase compatible with terms of reference of a survey. It is nevertheless essential to include an action component into the Team's terms of reference to avoid presentation of an overall study without follow-up. It is therefore suggested that, for selected projects resulting from the inventory mentioned under paragraph 6.5 above, pre-feasibility studies should be carried out by the Team.

6.9 The scope of these studies would include:

- (a) specification of project status, and/or activities;
- (b) market surveys;
- (c) production quantities by size and type;
- (d) types, volume, value and sources of inputs;
- (e) estimates of capital and operating costs, if appropriate based on alternative technological assumptions;
- (f) estimates of internal financial rate of return;
- (g) actual location or proposed location (with alternatives, if appropriate).

6.10 It is recommended that the Survey Team stop short of subsequent implementation phases involving all or several of the following steps: promotion of the project; full feasibility study; financial arrangements; institutional arrangements and others. These steps will have to be considered and initiated within the institutional framework suggested in Chapter 8 below or in another forum, as may subsequently be decided by the interested parties.

6.11. The mission would, in the course of a third phase of its survey, establish a general framework for a systematic reviewing of different degrees of industrialization in the area and for an overall assessment of natural resources and raw materials, aiming at the co-ordination of industrial policies and at the formulation of joint development plans in the area.

6.12 This empirical but, it is submitted, realistic methodology involves furthermore certain limitations in the scope of action which will have to be observed, in line with the approach implicitly suggested in the basic CDCC work programme (see paragraph 6.2 above). Industrial co-operation between separate political entities normally calls for certain initiatives designed to achieve an adequate institutional framework for this co-operation. The most fundamental steps are the progressive abolition of import duties and institution of a common external tariff.

6.13 In a part of the area under consideration, the CARICOM treaty is covering this aspect. In the frame of that same CARICOM organization, other steps are being or have been taken to achieve the basic integration aim: establishment of a common regime for enterprises; harmonization of fiscal incentives to industry; encouragement to co-operation in and integration

of transport and communications. The CDCC itself is implementing, for its own sphere of action, a number of projects aiming at the same final objectives: Caribbean Centre of Industrial Standards (to be implemented by UNIDO); creation of a Caribbean Council for Science and Technology. The Caribbean Group for Cooperation in Economic Development (CGCED) has endorsed additional projects having an impact on industrial co-operation: a study of Incentives and Protection in the Caribbean; a Management Training Programme (CARICOM zone only); and a project leading to Industrial Programming for the CARICOM zone.

6.14 It is suggested that the Industrial Development Survey should not encompass these general aspects which, while fundamental in a macro-economic sense, are not at the same level as the proposed terms of reference of the Survey which, in the last analysis, should be of a technical nature. Progressive liberalization of trade, institutionalized exchanges in the technological field, harmonization of taxation and co-ordination in the operation of common services, are frameworks facilitating bilateral or multilateral technical co-operation in the industrial field; conversely however, it is this co-operation which contributes to reach these objectives. Thus, the proposed Survey Team should not be directly concerned with policy matters pertaining to above-mentioned subjects for the following reasons:

- (a) It would not be realistic to aim at a co-ordinated approach since, at the present time, the considered area has no joint political, economic, financial or social institutions. Such institutions exist for the CARICOM component of the area; efforts are being pursued to achieve above objectives within CARICOM and might, as a result of political developments outside the scope of the Survey, be extended to cover the whole area.

- (b) Within the CDCC and CGCED spheres of action which, from a geographical point of view, include the area, measures are being taken to achieve aspects of co-operation aiming at above final objectives.

- (c) The Industrial Development Survey's objective should rather be to contribute to these fundamental aims by promotion of industrial co-operation based on complementarity of potential inputs in the area and on project implementation. The experience of the European Economic Community may be recalled in this context, pointing to the fact that implementation of specific industrial projects based on ad hoc bilateral or multilateral co-operation (whether by public or private enterprise), tends to a large degree to precede institutionalization of industrial co-operation involving establishment of common standards, services, policies, plans and programmes.

6.15 Nevertheless, the Industrial Survey Team will have to take into account that recently implemented or projected endeavors of regional or international agencies, aiming at objectives related to those of the proposed survey, will at some stage call for co-ordination geographically and functionally) with its own activity and follow-up operations resulting from this activity:

- (1) Regional Industrial Programming. The project involves preparation of a priority list of sub-sectors to be programmed under a CARICOM Programming Scheme. It will consist of a review of industrial policies and objectives in the CARICOM Zone, in an analysis of sub-sectors and in

recommendations for programming and regional allocation. The project was presented to the CGCD Steering Committee meeting on 1 September 1978, endorsed, and submitted to the CARICOM Council of Ministers which approved it in November, 1978. Implementation is scheduled to start during the first quarter of 1979. 12 man-months).

- (2) Study of Incentives and Protection in the Caribbean - Including CARICOM, Haiti and the Dominican Republic. The study will include recommendations concerning necessary legislative changes or action required to rationalize the incentive system in the region. The study will be based on existing industrial sector studies prepared by various bilateral and multilateral institutions as well as on the findings of the IBRD/IMF/CDB/UNDP series of missions to CARICOM's LDC's [see (3) below]. The study was to be undertaken in January 1979 (four months duration), after having been endorsed by the CGCED Steering Committee in September 1978.
- (3) Assistance to CARICOM's LDC's. IBRD/IMF/CDB/UNDP economic missions (including sector specialists in industry) completed their surveys by the end of November 1978; their conclusions and recommendations were due to be examined at the Second Session of the CGCED Steering Committee on 15 March 1979 and their official reports to be ready in April 1979. The terms of reference included identification of technical assistance requirements of on-going and formulated industrial projects, related to each country's public investment programme. While CARICOM's LDC's are not included in the area here considered, they are included in the region covered by CDCC, and geographical and functional co-ordination might have to

be envisaged between the Survey Team's activity and any implementation projects resulting from above mentioned missions.

7. Supporting Elements Available to the Proposed
Industrial Development Survey Team

7.1 It has been suggested under paragraph 6.7 above that the Team would be able to rely on a wide spectrum of adequate tools, and it has furthermore been suggested that, as far as possible, it should work on the basis of available data. Naturally, some of these data will be in need of review and adjustment and be submitted to a process of selection and elimination resulting in the establishment of chronological and functional priorities. The supporting elements might, for the present purpose, be divided into the following main categories, which will be enumerated in the subsequent paragraphs: those provided by the United Nations System; those provided by regional agencies; and those existent in the national systems, it being understood that the proposed enumeration is not exhaustive.

7.2 The United Nations System

7.2.1 UNIDO Projects and Missions

- a) In Suriname, an industrialization study, said to have been performed in 1972, has not received any follow-up and is considered still valid in some respects by local authorities. UNIDO assistance is said to have been requested for the establishment of an Industrial Development Board, and the resulting project might provide valuable assistance and follow-up to the proposed survey (see para 4.3.6 above).
- b) In Haiti, a UNIDO mission on industrialization has completed its assignment and will present a report in April 1979.

Another UNIDO mission,¹² basically dealing with industrial promotion, will furthermore follow-up the recommendations of the first one. (See para. 4.6.1)

- c) In the Dominican Republic a UNIDO mission is at present assisting in the establishment of agro-industrialization programmes.¹³ [A United Nations OTC mission is assisting in the planning of industrial development programmes.¹⁴ Furthermore, the National Sugar Board will be receiving UNIDO co-operation on improvement of management methods. (See para. 4.7.2, 4.7.3, and 4.7.5).

7.2.2. Other projects and missions of the United Nations System

a) International Trade Centre

- Operational links with this agency will be particularly important since ITC missions will be able to supply information on actual or potential markets in the area which could provide outlets for specific production.
- Attention is drawn to an ongoing ITC/CDB Export Development Project based administratively in Barbados and covering CARICOM countries. It is a three-year project started in January 1978 and financed by Sweden under bilateral project-contribution arrangements.¹⁵ During the first year's operation a micro-economic approach was used, aimed

¹²Project HAI/77/014

¹³Project DOM/76/007

¹⁴Project DOM/76/004

¹⁵Project ITC/CDC/RLA/10/55

at the improvement of production and management methods of individual enterprises in the garments industry and ascertaining export possibilities within the CARICOM region, as well as to North America and Europe. The second year's programme will deal with fishery products, timber, agro-products and essential oils for perfumes.

- Furthermore, the mission based in Barbados was, according to information received, scheduled to initiate, in January 1979, a trade information survey to cover Haiti, the Dominican Republic and Surinam over a period of 2-1/2 months. No further details could be ascertained on this in the countries concerned. It is suggested that the Survey Team establish contact with ITC at the start of its activity to ascertain modalities of possible co-operation during the period of the Survey and subsequent implementation phases.
- b) Attention is also drawn to the UNCTAD report entitled "Possibilities of Establishing Multinational Marketing Enterprises in the Caribbean". (By G. Rivera, November, 1978.)
- c) Action Programme for Economic Co-operation in the Fields of Trade, Industry and Transport - APEC
- The Programme covering "non-aligned and other developing countries" was established as a result of conferences (Georgetown 1972; Algiers 1973) which requested the Guyana Government to act as executive agency. In 1974, an Agreement between Guyana and U.N.O.T.C. provided for technical assistance and for establishment of administrative headquarters in Georgetown. The assistance project started in November 1975.

- The Programme is scheduled to deal, on a world-wide basis, with problems connected with the production, trade and transport of the following products: pharmaceuticals, pesticides, fertilizers, sugar derivatives, as well as with some aspects of food processing.
- The pharmaceutical production study for the Caribbean (considered as a regional pilot study) has been mentioned in para. 5.3 (2) above.
- Modalities of co-operation and of exchange of information might be worked out between the Industrial Survey Team and the Project's management with respect to action in the area.

d) Development of Regional Statistics

This U.N.O.T.C. Project¹⁶ ^{has} provided technical assistance to THE CARICOM Secretariat since November 1977. It has three different lines of action:

- Co-operation with the Statistical Section of CARICOM, with emphasis on trade. (It is indicated that a Yearbook on trade statistics will be published by the end of 1979.)
- Conduct of Seminars. A seminar on industrial statistics was held in July 1978, in connection with the preparation of a CARICOM Industrial Data Book.

¹⁶Project RLA/74/077

- Examination of national statistical programmes in the CARICOM region.¹⁷

7.3 Regional Institutions

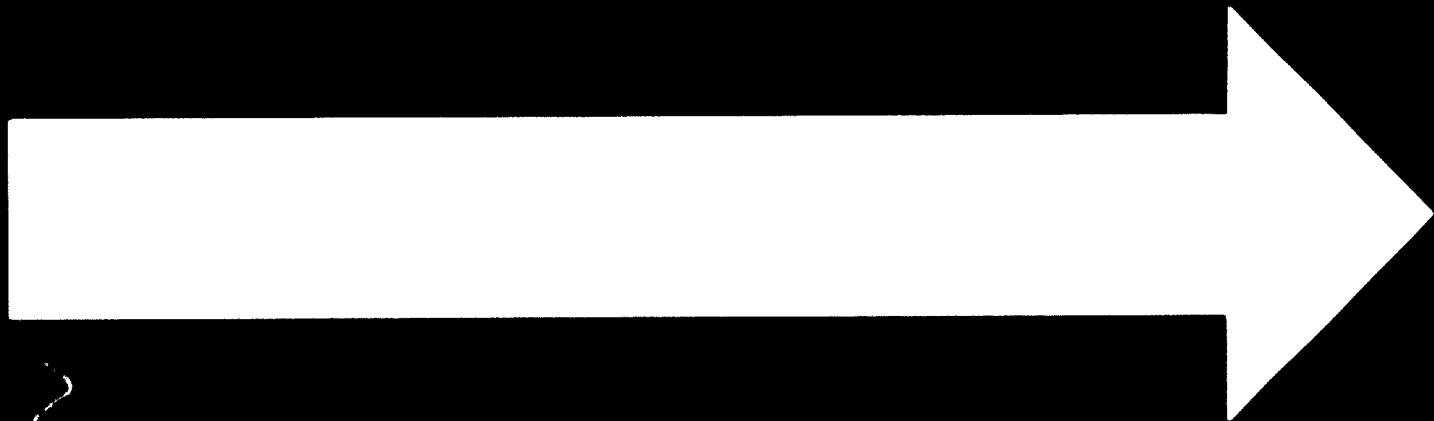
7.3.1 The area has no political, economic, financial or other standing institutions covering it exclusively. The CARICOM component of the area (Jamaica, Trinidad and Tobago, Barbados, Guyana) is encompassed in the Caribbean Community's organs and institutions which have, however, a wider membership than this component. The same situation prevails with regard to the Caribbean Development Bank. Nevertheless, the local impact and experience of both Community and CDB and the fact that the three "outsiders" (Haiti, Dominican Republic and Suriname) have in various degrees sought to establish links with them, merits special consideration by any Survey Team which might cover the areas as a whole. The CDB is briefly mentioned in para. 8.7 below; this Bank, as well as the CARICOM Secretariat will be able to provide important and varied data (see also para. 7.2.2. (d) above).

7.3.2. A mention may be made of the European Economic Community offices, established in Jamaica, Trinidad and Tobago, Barbados, Guyana and Suriname, which are able to provide some pertinent data.

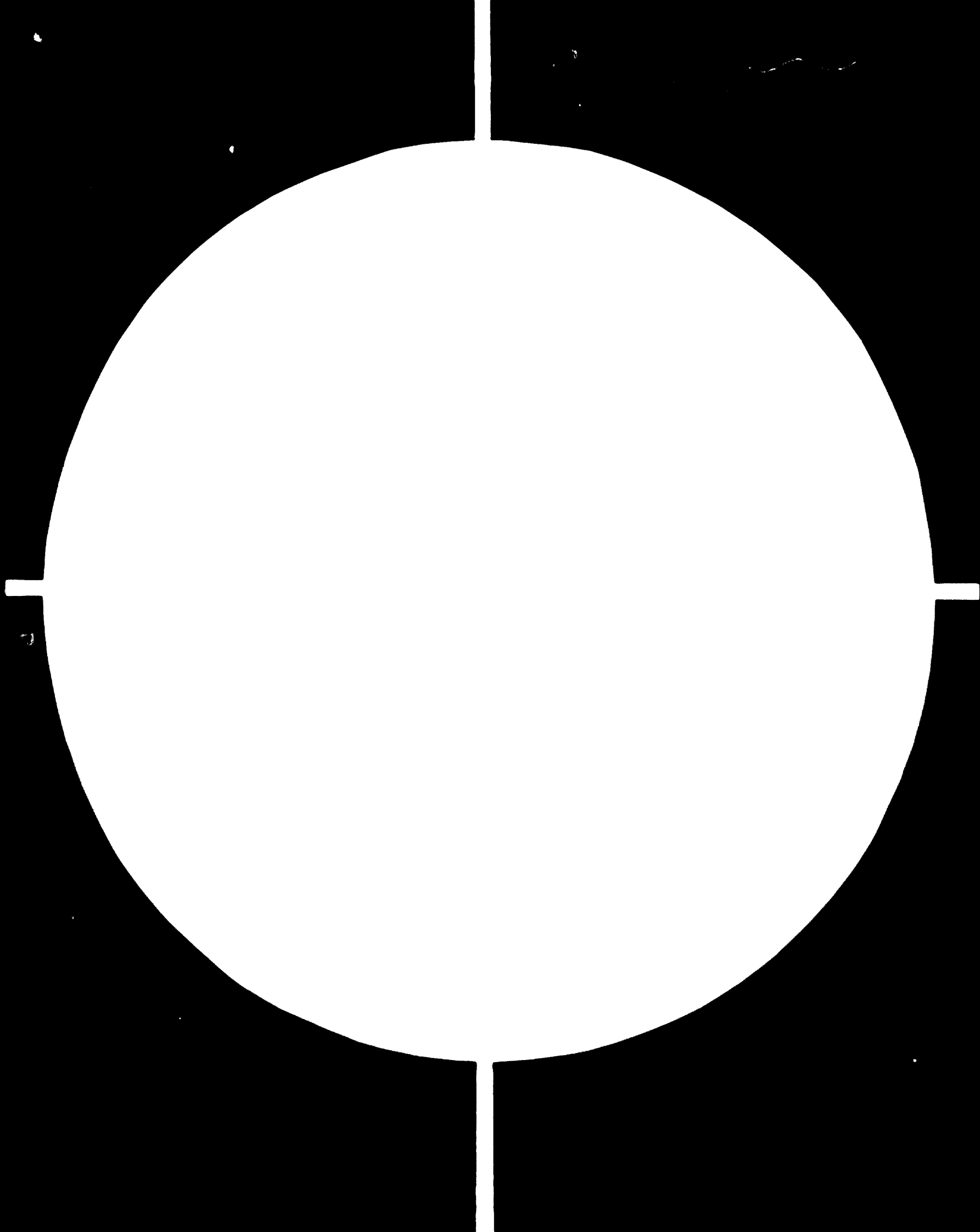
- The "Fourth European Development Fund" (set up by the Lomé Convention, that is for the period from March 1976 to

¹⁷The statistical offices in the countries of the area will be reviewed in subsequent paragraphs.

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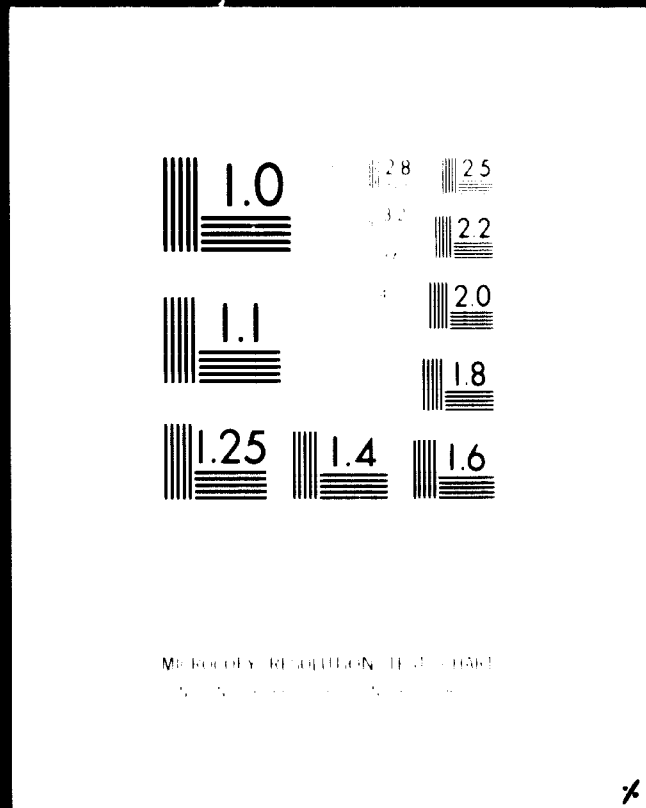


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March 1980) had earmarked 32 million "Units of Account", for projects involving two or more countries, based on identifications by the CARICOM Secretariat. However, less than one-third of that amount had been actually allocated at the end of January, 1979, and no specifically industrial projects were on the list. (Institutionally, industrial projects are as a rule handled by the European Investment Bank). EEC promotion of regional projects in the Caribbean (that is CARICOM countries and Suriname) has encountered little success.

- On the CARICOM level, multilateral projects are handled by the EEC office in Georgetown, if they are subject to grants; if loans through the CDB are considered or provided, multilateral projects are handled by the EEC representation in Barbados.

7.4 The Economic Commission for Latin America (Port-of-Spain office), the IBRD and the IADB are merely mentioned, without elaboration, in this context, since the first institution will be automatically involved in the survey as one of the sponsors and the two others will no doubt provide cooperation in the framework of the Caribbean Group for Cooperation in Economic Development (C.G.C.E.D.) (See also para 6.15.)

7.5 Caribbean Industrial Research Institute - CARIRI

This institute, covering the CARICOM countries, receives technical advice from UNIDO¹⁸-UNDP, and financial assistance from institutions both inside and outside the sub-region. It is located in Trinidad and has working agreements with the Industrial Development Corporation, the

¹⁸Project TRI/69/505

Development Finance Corporation and, in a regional context, with the CARICOM Secretariat and CDB. It is co-operating with research departments of the University of the West Indies.

Industrial applied research has been mainly undertaken for projects of governments or quasi-governmental agencies, but the Institute's range of activities has been expanding.

The Institute's Economic Division is, amongst others, performing financial and market analyses for feasibility studies. The Engineering Division has been increasingly dealing with pilot-plant development and operational assistance to industry. The Food and Chemistry Division has been studying projects in the fields of sugar-cane utilization and baby food production.

7.6 National Systems

7.6.1 Development Plans, programmes and studies

Some relevant data are specifically mentioned in Chapter 5, under each country heading. It is also recalled that a certain number of Ministries and agencies contacted during the exploratory mission have specific industrial project studies (often performed by outside agencies) available, which would warrant review by the Survey Team.

7.6.2 National Statistics

- (1) Throughout the area, centralization and standardization of industrial statistics remains a problem and the setting up of national statistical programmes must remain a priority pre-occupation in this field. Industrial Surveys are being performed in varying degrees of regularity; however, response by enterprises is often limited, sporadic and unreliable.

Some other difficulties connected with the working out of industrial production and trade statistics in the area are:

- Multiplicity of inquiries, the processing of which no country has integrated;
- The increasing interest of agencies other than central statistical offices in very detailed profiles of industry, and the independent attempts by them at establishment of inquiries;
- The persistent under-processing of existing survey returns in almost all countries in the area;
- The dependency on the expertise of relatively few persons;
- The failure of a number of countries in the area to produce readily accessible standard tabulations.

Nevertheless, available data on employment, outputs, value-added and trade can to some extent be used as working tools for the Survey Team. A brief review of national statistical agencies follows below:

- (2) In Trinidad and Tobago the Central Statistical Office is part of the Ministry of Finance (Planning and Development Division) and the Industrial Development Corporation has a small statistical unit. The compilation of industrial statistics is relatively advanced and is, to some extent, computerized. The Central Statistical Office has published a compilation of "Business Surveys 1974/75"; the edition for 1976 was to^{be}/made available in March 1979. The same office has issued, amongst others, the publication "The Gross Domestic Product of the Republic, 1966-1976".
- (3) In Barbados the Statistical Services (Ministry of Finance and Planning) publish a monthly Digest of Statistics including

industrial production data; the latest available Economic Report (for 1977) has relatively detailed data on trade (industrial products) and production by sectors.

Results of a Survey of industrial establishments for 1974 and 1975 are available; the tabulated results of a Survey for 1977 and 1978 were to be made available in March 1979.

- (4) In Suriname, the Statistical Department is temporarily headed by the Director of the Planning Bureau and some industrial statistics are contained in the latest available Statistical Yearbook (for 1975).
- (5) In Guyana, the Bureau of Statistics of the Ministry of Economic Development publishes Quarterly Surveys of public and private industries, as well as Annual Surveys. Some industrial data are also available in the Industrial Development Bank. Employment data are scarce and industrial surveys sporadic.
- (6) In Jamaica, the National Planning Agency (Ministry of Finance and Planning) has published a Statistical Abstract for 1977 as well as an Economic and Social Survey for the same year, with data on industry. According to information received, no recent industrial survey has been performed.
- (7) In Haiti, the 'Institut Haitien de Statistique' falls within the competence of the new Planning Ministry and acts at the same time as Executive Secretariat of the "Conseil National de Coordination Statistique". A UN-OTC expert on national accounting is advising IHS. The Institute is tabulating national statistics, including industrial data and publishes a Quarterly Digest.

In practice, however, compilation is being taken over by various Ministries. Thus the Ministry of Industry publishes its own Quarterly Digest (the latest available combines the second and third Quarters of 1978). Data compiled are, in any event, unreliable in many cases, and industrial surveys have no significant results.

(8) Dominican Republic

The 'Oficina Nacional de Estadística' is placed under the authority of the "Technical Secretariat" of the Presidency of the Republic. It receives technical advice from the O.A.S. and other outside agencies. Industrial data are available in the latest Industrial Statistics Yearbook, published for 1975. Data for 1976 and 1977 are said to have been compiled; publication is expected in the second half of 1979. Questionnaires for industrial surveys, previously sent out every three months, have met with inadequate response and it has been recently decided to conduct surveys on an annual basis.

8. An Institutional Framework for the Proposed
Industrial Development Survey and for
Future Project Implementation

8.1 In order to avoid the launching of a survey which would result in a study without appropriate follow-up, it seems indispensable to provide an institutional framework which would ensure (1) that the national authorities concerned will be ready to give the Survey Team active co-operation and (2) that an administrative base will exist for implementation of projects which might result from the Survey Team's findings and accepted by the competent authorities or decision centers. The implementation of the Survey will stem from successive decisions taken at meetings of the CDCC, a forum acting as a co-ordinating body for activities relating to development and co-operation, and as a consultative organ. However, while such decisions may constitute the basis for the development of a strategy, they may not necessarily lead to concrete results, even if the Survey Team would present convincing data, including identification of valid projects to be implemented through intra-area co-operation. A structure reflecting political and functional backing must therefore be provided to allow the Team to function in an appropriate way and to ensure the necessary follow-up.

8.2 It has already been mentioned that the area, as defined for the purposes of this report, lacks joint political, economic, financial or other institutions and one would be tempted to suggest the establishment of an appropriate entity for the present purpose; nevertheless, the creation of yet another international body--however limited in scope but necessarily implying additional administrative, budgetary and other provisions--is not recommended at this stage. The solution would rather consist in the utilization of existing institutions which would jointly act in order to give to the

Project the required background and support.

8.3 It is therefore recommended to establish a joint Council comprising selected Development Finance Companies and Industrial Development Corporations of the participating countries. Basically, the functions of the Council, which would act on an ad hoc basis would be (1) to represent the national authorities and decision centers by acting as a counterpart of the Survey Team; (2) to constitute the co-ordination link for the Survey Team's activity in the participating countries, which activity would, in each country, be facilitated and backed up by the national DFC's and IDC's; (3) in a subsequent phase, examine and appraise the Survey Team's findings, conclusions and recommendations and provide the multinational structure for any future action--on a bilateral or multilateral basis--that might be agreed upon.

8.4 The suggestion formulated above is based upon the fact that, whatever their diversity, DFC's and IDC's present common characteristics and have basic purposes which constitute an adequate framework for a regional Industrial Development Survey and its follow-up:

- i) statutory responsibilities which include stimulation of industrial development through promotion of projects by granting financial aid and infrastructure facilities;
- ii) potential to cover public, semi-public and private sectors;
- iii) availability of Planning and Research units directed towards identification of projects and determination of optimum utilization of resources, as well as of sub-sectors focusing on labor-intensive enterprises, backward and forward

linkages, import-substitution, export, and other aspects as required;

- iv) benefit from financial and technical co-operation from outside bilateral and international agencies, as well as (in the case of CARICOM member countries) of regional agencies.

8.5 To be sure, and as indicated in Chapter 4 of this Report, although some of these institutions are well managed and have acquired a high degree of expertise to perform their basic functions, others have not yet reached the required levels of efficiency. A recent World Bank Study¹⁹ dealing with the DFC's in the "Caribbean" stresses, in particular, in a number of cases, the need to strengthen project identification and evaluation capabilities and to overhaul and improve financing procedures, as well as to raise the efficiency level of management and staff. Nevertheless, above mentioned institutions are at present, in the countries here considered, acting as catalysts and prime movers in the pursuit of industrial development goals and, having as a rule,--in varying degrees--autonomous status, present the necessary flexibility to constitute the institutional framework for the Project.

8.6 It is proposed that the following institutions be considered in this context:

Barbados:	IDC; Development Bank
Suriname:	National Development Bank Industrial Development Board (when constituted)
Guyana:	Co-operative Agricultural and Industrial Development Bank
Jamaica:	IDC; Development Bank
Haiti:	I.D.A.I.; B.H.P.I. (Subject to revision in light of further developments)

¹⁹"Industrial Development and Development Finance Companies in the Caribbean", May 1978.

Dominican
Republic: FIDE; Corporacion de Fomento

Trinidad
& Tobago: I.D.C.; T & T Development Finance Co.

8.7 The Caribbean Development Bank

- i) The participation of CDB is mentioned in this context as a possibility, although it is evident that this might raise difficult functional and political problems. While membership in the Bank is, by its Charter, open to all States and Territories in the region, it is, de facto, limited to the CARICOM countries. Haiti and the Dominican Republic have applied for admission several years ago, but their application is still pending.

- ii) It remains to be seen whether some modalities of CDB participation might be worked out on a purely functional basis. Although the Bank pays particular attention to the LDC's in the region, its experience as a regional development finance institution assisting in the promotion, evaluation and financing of industrial projects, would be most useful.

9. Composition and Input of the Survey Team

9.1. The methodology suggested in Chapter 6 calls for three phases of activity which may to some extent be overlapping. A preliminary period should be scheduled to conclude the necessary arrangements as to the administrative framework (see Chapter 8) for the Survey Team's activity; to possible co-ordination (both geographical and functional) with other ongoing or planned projects; to counterpart contributions of the host Governments; and to financial matters. After signature of the Project Document, the Survey Team's activity might span a period of 30 months. The required inputs for the successive phases of activity are briefly reviewed below.

9.2 Two approaches might be considered for the provision of expertise. The first might consist in providing a strict minimum of experts--let us say one industrial economist and one industrial engineer for a total of 48 man-months--to be supplemented by technical consultants (for a total of, let us say, 30 man-months) who would be called in as the need for specialized studies would progressively arise. The other approach would consist in providing a numerically more important and, to some extent, cohesive team of experts²⁰ without, at this stage, provision of short-term consultancies. While both approaches present advantages and have their respective merits, the second one is being suggested in the following paragraphs, for the following reasons: (1) the geographically and economically scattered area

²⁰which could either be provided by a Consulting Firm or be composed of individually chosen experts.

under consideration necessitates a maximum of operational cohesion; selection and placement of consultants on an ad hoc basis would be logistically complex, time consuming and thus relatively expensive.

Training inputs are briefly considered under paragraphs 9.4.2 and 9.5.1 below.

9.3 In view of the multilateral and regional character of the project, counterpart contributions of recipient countries will have to be determined during the preliminary period mentioned under paragraph 9.1 above, according to functional and administrative necessities, as agreed upon by the recipient governments.

Reference is made in this connection to the considerations outlined in Chapter 8, dealing with institutional machinery. It is suggested that the co-operation mechanism will require the designation of a national institution, in one of the countries, as an area focal point, which choice might be determined by functional requirements and availability. Reference is made in this context to the working paper "Assessment of some Aspects of Realising the CGCC Programme" (E/CEPAL/CDCC/51), chapter III: "Institutional Machinery for Horizontal Co-operation".

9.4 The actual surveying phase may be expected to take about two years. Areas of complementarity should, as far as possible, be ascertained on the basis of available data, which would be submitted to review and adjustment, leading to the establishment of functional and chronological priorities. The setting up of an area-wide pilot project might be considered, and the project developed, during that period.

9.4.1. These extended and geographically scattered, assessment and inventory operations will require the expertise of a Project Manager who will be responsible for the overall co-ordination of the Team's activity, for maintaining liaison with representatives of national authorities and with agencies and project managers in related fields of activity. The Team's operational unit would consist of four experts. Two industrial economists (whose fields of investigation would, at least during an initial period of activity, be geographically divided) would proceed with the assessment of data in co-operation with an industrial engineer who would provide the required technical support, and with an industrial programmer who would provide expertise in the establishment of priorities.

9.4.2, Special consideration might be given to labor intensive light industries with a maximum inter-area processing component and agriculture-industry linkage elements. At the same time, the Survey Team might formulate proposals for training inputs to improve managerial and technical skills at the micro-economic level with a view to increasing productivity. To this effect, it is suggested that a total of 10 fellowships be provided with particular reference to the projects that would be the subject of the pre-feasibility studies referred to in the following paragraphs.

9.5. While the first phase of activity would be continued through the second year, that period would also include implementation of the second phase consisting in the formulation of pre-feasibility studies of selected projects and possible implementation of a pilot project involving inter-area co-operation. An industrial adviser would be entrusted with the task of formulating pre-feasibility studies of selected projects and would to this effect receive the support of one of the industrial economists

(the second one continuing the surveying activities together with the industrial programmer), and of the industrial engineer who would during the same period continue his assistance to the Team's surveying activity.

9.5.1. In preparation of the third phase of the work programme, five fellowships in the field of industrial programming and planning would be provided for selected specialists in the area who would act as the Team's counterparts in the elaboration and formulation of medium- and long-term programmes and plans referred to in the following paragraph.

9.6. The third phase, which might span a six-months period, would be implemented by the Project Manager, one of the industrial economists and by an industrial planner (who may or may not be the same expert as the industrial programmer selected for the first two years of operation). That phase may have the following objectives:

- (1) If the case arises, completion of the pilot project involving area co-operation.
- (2) Presentation, for future implementation, of a selected inventory of projects sensitive to intra-area inputs and co-operation.
- (3) Presentation of project profiles derived from pre-feasibility studies formulated by the Team.
- (4) Identification and definition of joint action leading to medium- and long-term programmes for area-wide industrialization review, assessment of resources and formulation of joint development plans.

(5) Formulation of technical co-operation and training requirements for the implementation of this joint action.

9.7 A schematic chronological projection of the overall inputs in expertise (a total of 150 man-months) is presented in Annex No.III to this Report.

Annex I

TERMS OF REFERENCE FOR EXPLORATORY MISSION

1. review the macro-economic conditions of the region and the relevant human/natural resources;
2. carry out an overview study of the structure of the industrial sector in the region including the determination of the availability of statistics on industrial employment, output, value-added, capital-output ratios, etc.;
3. review and assess the status of industrial infrastructural facilities, industrial institutions and industrial policies in the region;
4. review geographic distribution of industry in the region;
5. assess activities of currently established industries requiring special study and the desirability of their expansion for import substitution and/or export;
6. examine possibilities for developing a common industrial strategy for the region;
7. design the "frame" of the forthcoming survey project indicating the type of experts needed, project duration to review specific industrial sub-sectors, work plans/programmes, foreign inputs/budgets and counterpart requirements;
8. determine whether training of counterparts is required;
9. determine the extent to which the project profiles should be developed for the final survey report;
10. prepare a detailed draft project document.

ANNEX II

INSTITUTIONS AND PERSONS VISITED OR CONSULTED

A. TRINIDAD AND TOBAGO

1. NATIONAL INSTITUTIONS

Ministry of Industry and Commerce

Mr. Cecil O. Wike, Adviser to the Minister.

Ministry of Development and Planning

Miss Alcantara, Permanent Secretary.

Ministry of Finance (Planning and Development Div.)

Mr. Gellinan, Central Statistical Office.

Trinidad and Tobago Development Finance Co.

Miss Shirley M. Thomas, Manager Research and Investment.

Industrial Development Corporation

Mr. George Lovell, Chief of Industrial Estates Division.

Trinidad Manufacturers Association

Mr. Arthur Goddard, General Manager.

2. REGIONAL INSTITUTIONS

European Economic Community

Mr. J.B.H. Thompson, Technical Adviser.

3. UNITED NATIONS SYSTEM

Economic Commission for Latin America Office for the Caribbean

Mr. Silbourne St. A. Clarke, Director.

Mr. Hamid Mohammed, Deputy Director.

Mr. Wilfred Whittingham, Economic Affairs Officer.

Mr. Louis L. Smith, Agricultural Economics Officer.

Mr. Guillermo Rivera, Econ. Affairs Officer (Trade Policy)

Mr. Max B. Ifill, Regional Economic Specialist.

Mr. Lancelot Busby, Statistician.

Mrs. Ana Rosa Muschkin, Administrative Officer.

UNIDO

Mr. Jens Mosgard, Chief Technical Adviser, Project TR1/74/001
(Tool and Die Production).

B. BARBADOS

1. NATIONAL INSTITUTIONS

Ministry of Trade, Industry, Tourism and Caribbean Affairs

Mr. George Reid, Permanent Secretary.

Ministry of Finance and Planning

Mr. Harcourt Williams, Permanent Secretary.

Mr. Keith Padmore, Acting Director, Statistical Service.

Mrs. Angela Hunt, Senior Statistician.

Barbados Development Bank

Mr. Richard E. Leslie, General Manager.

Mr. C.O. Squires, Industrial Project Analyst.

Industrial Development Corporation

Mr. E. Anton Norris, Dep. General Manager.

Barbados Association of Manufacturers

Mr. W. Basil Forbes, President.

2. REGIONAL INSTITUTIONS

Caribbean Development Bank

Mr. Joseph de Fonseca, Director, Industry Division.

Mr. Mullings, Chief, Economics Section.

Mr. Aubrey Garcia, Project Officer (Industry).

Mr. W.G.K. Voeth, Small Industry Loans Officer.

Mr. Eric Armstrong.

Mr. Eustace.

Mr. Ch. d'Assier de Boisredon, Manager ITC/CDB Project on Export Development.
(ITC/CDB/RLA/10/55).

C. SURINAME

1. NATIONAL INSTITUTIONS

Ministry of Development

Dr. Cambridge, Minister.

Dr. H.E. Rijdsijk, Head of Planning Bureau and Acting Director of Statistical Office.

Mr. Thijm, Planning Bureau.

Dr. A.J. Zunder, Economist, Planning Bureau.

Ministry of Economic Affairs

Mr. Zuyverloon, Minister.

Dr. Lunt, Director (Permanent Secretary).

Dr. Doest, Adviser Trade matters.

Mr. Feurich, Adviser financial matters.

National Development Bank

Mr. E.S.S. Misser, General Manager.

Mr. Walter Tirion, Chairman of the Board (also Ministry of Finance).

Mr. George Hindori, Member of the Board (also Ministry of Agriculture).

Mr. L.J. Neslo, Member of the Board (also Planning Bureau).

Mr. R. Holtuin, Member of the Board (also Ministry of Finance).

Mr. K.J. Texel, Member of the Board.

Surinam Trade and Industry Association

Mr. Frits J.H. Barend, Chairman.

University of Surinam

Dr. O. Spong, Head of Faculty of Engineering

2. REGIONAL INSTITUTIONS

European Economic Community

Mr. T. Rasschaert, Representative in Suriname.

D. GUYANA

1. NATIONAL INSTITUTIONS

Ministry of Economic Development and Cooperatives

Mr. Donald Augustin, Economic Adviser.

Mrs. K. Mohan, Bureau of Statistics.

Guyana State Corporation

Mr. O.A. Baptist, Vice President.

State Planning Secretariat

Mr. C.B. Greenidge, Chief Planning Officer.

Mr. Leroy Neckless.

Guyana Agricultural and Industrial Cooperative Bank

Mr. John C. Yates, General Manager.

Mr. Desmond Lee-Own, Chief Credit Officer.

Guyana Manufacturing Association

Mr. Jodha C. Samroo, President.

2. REGIONAL INSTITUTIONS

CARICOM Secretariat

Mr. Scotland, Director in charge of Sectorial Policy and Planning.

European Economic Community

Mr. Richard Lewartowski, Economic Adviser.

2. UNITED NATIONS SYSTEM

UNDP

Mr. Trevor Gordon-Somers, Resident Representative.

Mr. D. von Graevenitz, A.R.R.

Action Programme for Economic Co-operation in the Fields of Trade, Industry
and Transport (APEC): UN-OTC supporting project

Mr. B. Endeshaw, Acting Project Manager.

Mr. F. Csagoly, Industrial Engineer.

Development of Regional Statistics - UN-OTC RLA/74/077

Mr. Sitaraman, Team Leader.

Mr. John Vyannah, Trade and Production Statistics.

Mr. Barker, Chief, Statistics Section, CARICOM Secretariat.

E. JAMAICA

1. NATIONAL INSTITUTIONS

Ministry of Foreign Affairs

Dr. D.J. Gayle, Senior Economist.

Ministry of Commerce and Industry

Mrs. Gloria Pristley, Acting Director, Industry Division.

Ministry of Finance and Planning

Mr. Frank F. Weir, Under Secretary, Economics Division.

Mr. A. de Costa, National Planning Agency.

Jamaica Development Bank

Mr. Keith Nelson, Dy. Director (Economic Planning).

Jamaica Industrial Development Corporation

Mr. Roderick Rainford, Director Planning and Research Division.

The Private Sector Organization of Jamaica

Mr. A.S. Johnson, Executive Director.

2. REGIONAL INSTITUTIONS

European Economic Community

Mr. Westhoff, Representative in Jamaica.

3. UNITED NATIONS SYSTEM

UNDP

Mr. Robert Crooks, Resident Representative.

Mr. R. Moreno, Programme Officer.

Forest Industries Project FAO/JAM/77/006

Mr. Erick Garnum, Team Leader.

F. HAITI

1. NATIONAL INSTITUTIONS

Ministry of Industry and Commerce

Mr. Guy Bauduy, Minister.

Miss Maud Dupiton, Director of Industry Division.

Ministry of Planning

Mr. Claude Weil, Director General of Ministry.

Mr. Michael Bonnet, Director of Projects Promotion Div.

Mr. J.M. Ligondé, Director of Projects Promotion Div.

Mr. Blanchard, Director, Dept. of External Cooperation.

Mr. Roche, Director, Programmes Division.

Mr. Estimé, Industrial Adviser.

Ministry of Finance and Economic Affairs

Mr. Danel Georges, Dy. Director, Bureau of the Budget.

Institut de Developpement Agricole et Industriel - IDAI

Mr. B. Fatton, Dy. Director General.

Mr. Jean R. Sterlin, Chief, Industrial Section.

Bureau Haitien de Promotion Industrielle - BHPI

Mr. Yves Monchais.

Institut Haitien de Statistique, IHS

Mr. Jacques Vilgrain, Director General.

Haiti Chamber of Commerce

Mr. Julien Lauture, Secretary General.

2. UNITED NATIONS SYSTEM

UNDP

Mr. Andre Wilmots, Resident Representative.

Mr. Andres Sosa, ARR.

National Accounting UNOTC Project HAI/74/017

Mr. Antonio Maraviglia.

Industrial Investments Promotion - UNIDO Project HAI/77/014

Mr. Ives Messian, Project Manager.

External Trade Promotion - UNCTAD Project HAI/77/004

Mr. Jiry Ryska, Prinicpal Adviser.

G. DOMINICAN REPUBLIC

1. NATIONAL INSTITUTIONS

Ministry of Industry and Commerce

Ing. Gomez Pieterz, Minister.

Lic. Bienvenido Brito, Economic Adviser (Government counterpart assigned to mission).

Oficina de Planeamiento - ONAPLAN

Mr. Perez Minaya, Director.

Corporacion Dominicana de Empresas Estatales - CORDE

Mr. Arturo Martinez Moya, Director.

Oficio Nacional de Estadisticas

Sr. Mejico Angeles, Director.

Consejo Estatal de Azucar - CEA

Sr. Gaetan Bucher, Executive Director.

Ing. C.A. Garcia Victoria, Director, Programming and Projects.

Centro Dominicano de Promoción de Exportaciones - CEDOPEX

Lic. Luis Alvarez Renta, Director.

Fondo de Inversiones para el Desarrollo Economico - FIDE

Sr. Frank Tejeda Cabrera, Director.

Corporacion de Fomento Industrial

Sr. Manuel Fernandez Marmol, Director.

Free Trade Zone of La Romana

Sr. Campos S. de Moya, Vice President, Operadora Zona Franca de La Romana, S.A.

Sr. Virgilio Oviedo Trujillo, Director, Karolin S. de R.L.

Free Trade Zone of Santiago de los Caballeros

Ing. Fausto V. Ferreira, General Manager, Corporación Zona Franca Industrial de Santiago, Inc.

2. UNITED NATIONS SYSTEM

UNDP

Mr. F. Salazar Paredes, Resident Representative.

Mr. Lars Eriksson, DRR.

Planning Methods UN-OTC Project DOM/76/004

Mr. Ramos, Project Manager.

Agro-Industrial Programming - UNIDO Project DOM/76/007

Mr. A. Boccardi, Project Co-ordinator.

Annex III

CHRONOLOGICAL PROJECTION OF EXPERTISE TO BE PROVIDED FOR THE PROJECT

Preliminary Period	Year 1 (12 months 60 m/m)	Year 2 (12 months 72 m/m)	Year 3 (6 months 18 m/m)
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Preparatory

Phase

X

Phase I

Surveying

Project Manager
Industrial Economist
Industrial Economist
Industrial Engineer
Industrial Programmer

Project Manager¹⁾
Industrial Economist²⁾
Industrial Economist
Industrial Engineer³⁾
Industrial Programmer

Phase II

Pre-implementation

Industrial Adviser
Project Manager¹⁾
Industrial Economist²⁾
Industrial Engineer³⁾

Phase III

Identification of
Action Programs
for Industrial
Coordination

Project Manager
Industrial Economist
Industrial Planner

- 1) same person
- 2) same person
- 3) same person

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