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09069

Distr.
Limited

UNIDO/EX.80
19 March 1979

English

UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION

Meeting of Engineering Industry Associations
New Delhi, India, 12-17 February 1979

REPORT

000361

id.79-1986

Explanatory notes

The following abbreviations have been used in this document:

AIEI	Association of the Indian Engineering Industry
EIA	engineering industry association
ESCAP	Economic and Social Commission for Asia and the Pacific
INTIB	Industrial and Technological Information Bank
ITP	integrated technology package
MTIA	Metal Trades Industry Association of Australia
NGO	non-governmental organization
R and D	research and development
RCTT	Regional Centre for Technology Transfer
TIC	technology information centre

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INTRODUCTION

In March 1975, the Second General Conference of the United Nations Industrial Development Organization (UNIDO) adopted the Lima Declaration and Plan of Action on Industrial Development and Co-operation (ID/CONF.3/31, chap. IV),[1] which placed great emphasis on the promotion of an integrated industrialization process, with the goal of achieving the highest degree of interaction between industry and other institutions concerned with economic development.

The Declaration set as its target increasing the share of developing countries in world industrial output to at least 25 per cent by the year 2000. To achieve this target, the Plan of Action gives high priority to four major industrial sectors, of which the engineering industry is one.

History shows that as a country industrializes, the engineering industry plays an increasingly vital role in the national economy, and its share in the gross national product and gross domestic capital formation increases over time. It provides the necessary link between other industrial sectors of the economy. It creates the base for technology and capital goods, which is of great importance to the developing countries in the long run; it contributes more than any other industry in the fields of technical training, managerial skills and upgrading of technology and design. It has catalytic effects on all sectors of the national economy: on the one hand, it creates forward linkages for the basic metal sector while providing that sector with capital goods for further growth; on the other hand, it augments production of the consumer goods and infrastructural sectors by steadily providing the required capital inputs. All these factors combine to make the engineering industry the key to economic development, and thus no country wishing to attain rapid economic progress and higher standards of living can afford to neglect it.

The Lima Declaration calls upon UNIDO to play a special role in promoting industrial co-operation among the developing countries as well as between them and the developed countries. While recognizing that the rapid industrialization of developing countries and the establishment of a new economic order depends primarily on the will of Governments, the Lima Declaration devotes particular attention to producers' associations, inviting them to co-ordinate their production policy and to enter into long-term co-operation agreements.

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[1] Transmitted to the General Assembly by a note by the Secretary-General (A/10112).

Among the non-governmental organizations (NGOs) UNIDO has assigned an extremely important position to producers' associations, particularly the engineering industry associations (EIAs), in promoting and giving new shape to the economic development of all developing countries. The pre-eminence given to EIAs follows from the importance given to the engineering industry.

EIAs act as the central point of reference for the local engineering industry, give valuable information and consulting services to the industry, to other organizations and to Governments. They work out "consensus methods" for solving the problems faced by the engineering industry and charting new, more effective strategies of economic development.

EIAs have participated in various techno-economic activities in response to needs of the engineering industry at different times. They have proved to be useful in planning and establishing new productive capacities, in increasing production and improving its quality, in promoting the best use of scarce investment, in introducing new products and processes and co-ordinating research and development, in organizing technical education and training, in collecting and disseminating industrial, technical, marketing and business statistics, in encouraging import substitution and promoting export of non-traditional engineering products and processes.

Almost all Governments have realized the need to create or strengthen EIAs to promote faster rates of industrial growth and to intensify national and international industrial co-operation.

To stimulate co-operation among EIAs in various countries, UNIDO, in close collaboration with the Association of the Indian Engineering Industry (AIEI), organized a Meeting of such associations that was held at New Delhi from 12 to 17 February 1979. The purpose of the Meeting was to promote and strengthen EIAs in order to assist developing countries in their industrialization.

RECOMMENDATIONS

To EIAs

1. Delegates attending the Meeting should initiate aotion to set up EIAs in countries in which they do not exist. This is an area in which UNIDO and EIAs oan co-operate. Engineering firms in countries lacking EIAs should ask their Governments to seek the support of UNIDO in this regard.

2. Immediate action should be taken in countries in whioh EIAs exist to create apex EIAs or federations in the near future.

3. EIAs should institute continuous exchange of personnel between themselves.

4. There should be no further delay in exohanging association information and industrial technioal and marketing data between EIAs in different countries. Sinoe this exchange of information costs little, it can be initiated without UNIDO assistance.

5. Co-operation agreements between EIAs should be formalized.

6. EIAs should start training programmes for their own personnel and between associations. Special attention should be given to the least developed countries of a region.

7. EIAs should assist each other and UNIDO by identifying reliable suppliers and buyers of goods and technology. Identifying international projects and passing on information on them to members of other engineering industry associations can take place without further delay. EIAs should come into close oontact with technology information centres and should have directories on sources of teohnology.

8. To promote international trade, EIAs oan oonduct market-development studies and trade missions. An international trade fair should be organized for the engineering industry in the near future. EIAs oan organize bilateral co-operation oommittees to identify projects and promote joint implementation by their members.

9. EIAs in countries having strong apex bodies or federations of EIAs should take steps to bring about a regional federation. A oonorete step has been taken by the Metal Trades Industry Assooiation of Australia (MTIA) which has, subjeot to internal ratification, offered to organize a oonferenoe of Asian engineering associations.

To Governments

1. In countries in which no EIAs exist, Governments should recognize the importance of such associations and ask UNIDO to fund a part of the costs of setting up such an association.

2. In countries in which a multiplicity of EIAs exist, Governments should identify the most representative body or bodies and thereby take a step in creating apex structures, as the Governments of India and of Australia have done by recognizing AIEI and MTIA as their respective apex EIAs.

3. Having recognized EIAs, Governments should call on these bodies regularly for advice.

4. Governments can help co-operation between EIAs by forwarding developmental projects to UNIDO on behalf of these associations.

5. Governments can assist trade missions and publicize trade fairs through their diplomatic channels. They can also assist, through diplomatic channels, in giving advance information on international projects.

To UNIDO

With suitable government intervention, UNIDO should:

(a) Help set up EIAs and strengthen the organizational structure of existing associations;

(b) Facilitate transfer of experts in co-operation with EIAs;

(c) Encourage the setting up of apex bodies;

(d) Participate in specific industrial projects and particularly in workshops and seminars relating to subsectors of the engineering industry;

(e) Establish an officially recognized training centre for equipping personnel with professional, technical and managerial skills;

(f) Promote not only country projects but also regional and inter-regional projects designed to mobilize co-operation among the engineering industries of the developing countries.

I. ORGANIZATION OF THE MEETING

The Meeting was attended by delegates from Afghanistan, Australia, Bangladesh, India, Japan, Malaysia, Nepal, Republic of Korea, Sri Lanka, Thailand and Viet Nam and representatives from UNIDO and the Economic and Social Commission for Asia and the Pacific (ESCAP). The participants are listed in the annex.

Rahul Bajaj, Vice-President of AIEI (India), was unanimously elected Chairman. R.G. Fry, National Director and Chief Executive of the Metal Trades Industry Association of Australia (MTIA), was elected Vice-Chairman.

The discussion was carried on in three sessions:

Session	Subject of discussion
I	Role and organization of EIAs
II	Co-operation between EIAs
III	Presentation of conclusions and recommendations

Papers were presented by the participants from Afghanistan, Bangladesh, India, Japan (2), Malaysia, Sri Lanka (2), Viet Nam and the representative from ESCAP.

The following topics were covered:

(a) The role of engineering industry associations in promoting economic development in developing countries; specific problems faced by participating EIAs at different stages (establishing of EIAs, organizing required services, funding etc.);

(b) Means of co-operation between EIAs in industrialized and developing countries as well as between developing countries themselves, co-operation in:

(i) Providing assistance in establishing new EIAs in developing countries and strengthening existing ones;

(ii) Establishing joint ventures and promoting better use of existing capacities;

(iii) Improving production, including transfer of technology, consultancy, training and provisions of expertise, export promotion, industrial trade fairs;

(c) Co-operation between UNIDO and EIAs and/or selected institutions to improve the efficiency of services provided by EIAs and of UNIDO programmes of technical assistance to developing countries.

II. ROLE OF ENGINEERING INDUSTRY ASSOCIATIONS

Most EIAs classified as NGOs are voluntary associations, that is, more often than not there is no statute forcing individual members of the engineering industry to join any EIA.

The value of voluntary EIAs depends entirely on their effectiveness, i.e., whether they succeed in doing (and doing well) what the companies or the industries cannot do in their individual capacities. This, broadly speaking, is the raison d'etre for the existence of EIAs. The success of any EIA, the ability to draw from the experience of its member companies, the ability to attract funds through corporate subscriptions (the main source of funds for most voluntary EIAs) depends almost exclusively upon the extent to which they can assume the above-mentioned function.

The primary role of any EIA should be:

(a) To look into the problems relating to all aspects of the local engineering industry and member companies;

(b) To suggest solutions to industry and the Government at macro and micro levels;

(c) To provide detailed information on techno-economic and scientific matters to both the Government and the member companies;

(d) To act as a dynamic, growth-oriented co-ordinator for formulating more effective strategies of industrial representation and economic development.

The role of any EIA should not be limited to representation. Promoting the growth of the national and international economy in general and the engineering industry in particular is an equally important function. In other words, the development activities of an EIA must be on a par with, and not subservient to, its representational activities.

As mentioned earlier, EIAs can play a vital developmental role only if they act as the central point of reference for the local engineering industry. The degree to which they can perform this role not only depends on their success in doing things individual companies cannot do, but also upon their ability to create a national and international awareness of the importance of the engineering industry and EIAs. Such an awareness can be created partly through the quality of their work and the speed at which they discharge their diverse obligations and partly through the extensive use of the media and public forums.

Broadly speaking, EIAs should perform three types of services for their members:

Services vis-à-vis the local engineering industry, i.e., services within the industry

Services vis-à-vis the industry and the Government

Services vis-à-vis the industry and other countries, other EIAs and multilateral developmental agencies

The accent on all EIA activities should be interdependence and continuous interaction between the local engineering industry, the Government, third countries, other EIAs and international development agencies in search of consensus solutions to the problems of the engineering industry.

Regarding services within the local engineering industry, EIAs should:

(a) Provide detailed information on all technical, economic and marketing aspects of the subsectors of the engineering industry. Such information may cover:

Data on levels of production of various items or sectors of the local engineering industry

Industrial costs of production and prices

Rates of profit and industrial growth

Total savings and share of industry in gross national product

Levels, composition and direction of investments

Incidence of taxes on products and inputs

Plan targets and achievements

Impact of government policy on industrial production

Size, composition and destination of exports

Information on technology imports

Collaboration agreements

R and D and profiles of technology utilization in industries at home and abroad, and other subjects;

(b) Promote higher levels of production and productivity, encourage growth of indigenous R and D; and encourage cost reduction through standardization of products, conservation of materials and quality control;

(c) Assist in assuring member companies of adequate supply of raw materials, equipment and components of reliable quality and, in the case of government distribution, identify and resolve supply bottle-necks so that industrial production does not peter out for want of inputs;

(d) Co-ordinate with the industry and the Government to formulate growth-oriented industrial policies, particularly in countries whose industrialization is being directed by the Government;

(e) Make individual units fully aware of the implications of and the changes in government policy;

(f) Direct efforts of the engineering industry so that they will harmonize with the aims of national economic policy;

(g) Foster good relations between employers and employees. Fair labour practices are extremely important to industrial development, and EIAs should, through their mediation, limit the possibility of conflicts between these two sides, especially in countries having a large private sector.

Services EIAs should provide vis-à-vis the industry and the Government are:

(a) They should accurately and objectively report problems facing the different subsectors of the engineering industry to the concerned government authorities along with suggestions for suitable growth-oriented remedial measures. If EIAs want to maintain the confidence of their Governments, they should refrain from making criticisms per se. Hence, with every criticism there should be a corresponding remedial suggestion. Simultaneously, EIAs should take care that their representations are objective and that they refer to general problems facing the industry and not to private difficulties of individual members. Thus, any suggestion that benefits one or two member companies to the detriment of the wider majority, other sectors of the economy or the long-term interests of the engineering industry should not be forwarded to the Government;

(b) EIAs should make annual pre-budget and post-budget representations on behalf of their industry and also make representations on matters relating to credit and monetary policy and foreign trade. The number and diversity of representations made to the Government will depend on the degree of government regulation of industrial activity.

(c) In countries with planned economies, EIAs can play a significant role in forwarding data on production, investment and capacity utilization in industrial enterprises and forecasts of demand for various items to central planning authorities. This activity would help Governments in framing realistic plan targets. At the same time, almost all Governments pursue varying industrial policies. EIAs can help the local engineering industry by making representations on the impact of different policies. In other words, EIAs can play a role in monitoring the effects of government policy and determining the extent to which planned targets have actually been achieved.

Submitting information and proposals to the Government or the planning authorities is not enough. It is only the beginning of a process that ends when the proposals forwarded by the EIAs are incorporated in government policy.

Most EIAs in Asia are of recent origin and, with exceptions, have not given adequate weight to the role of EIAs vis-à-vis other countries, other EIAs and multilateral development agencies. Thus, there is a need to mesh the activities of EIAs in the internal arena with those in the external arena. These two aspects are either synonymous or complementary. Those who have fully discharged this role have taken great steps in fostering international co-operation; and those who have yet to fulfil this role will have to co-operate on a larger and more meaningful scale in the near future.

The activities of EIAs in the external arena include:

Promoting technical and industrial co-operation

Exchanging industrial information

Promoting interaction between international R and D institutions

Identifying R and D projects and joint funding of pilot plants

Exchanging personnel between industries and EIAs of different countries

Promoting transfer and adaptation of appropriate technology

Assisting in professional training on an exchange basis

Conducting pre-investment feasibility studies

Promoting international trade by exchanging trade missions, organizing trade fairs, conducting market-development surveys and identifying international projects and subcontracting possibilities for the benefit of members

The success of any EIA depends on its ability to reach a consensus among all parties quickly. Given the heterogeneous nature of the engineering industry, there are bound to be conflicts and differences of opinion, and these can be resolved only by achieving a consensus.

A relatioship of trust is essential for the effective working of EIAs - trust between members, between EIAs and their Governments, between different EIAs and between EIAs and multilateral agencies.

Having observed the enormous developmental potential of EIAs, the participants unanimously declared the need for:

(a) Immediately establishing such organizations in countries in whioh they do not yet exist, including countries having public ownership of industry;

(b) Strengthening the management of existing EIAs.

III. ORGANIZATIONAL STRUCTURE REQUIRED BY EIAS

To perform the above-mentioned roles and to commit themselves to more fruitful co-operation in the future, EIAs require a special kind of organizational structure.

The most important issue placed before the Meeting was whether a single association (apex body) or federation for the entire engineering industry of a country was more effective than several competing associations.

As the engineering industry develops, products, processes and interests become extraordinarily diverse and buyer-seller relationships of constituent units become complex. Consequently there arise:

Conflicts between products in terms of end-uses

Conflicts between different types of producers and sectors

Varying problems of management with each sector having its own inherent dynamics and trends

Conflicts over government policy

Conflicts over technology

Trade-manufacturer conflicts

Because of these obvious conflicts, there is a strong case for establishing a comprehensive, apex EIA or a federation of EIAs in each country. Especially in matters relating to international co-operation, the need for a single, national point of reference becomes fairly obvious.

Far from being a failure, apex EIAs or federations, particularly those of India and of Australia, have shown that by eliminating internal rivalries, apex EIAs or federations increase the effectiveness of their representations and play a dynamic role in industrial development.

It should be pointed out that free competition among EIAs may raise efficiency, and excessive centralization produces ill effects. However, experience with multiplicity shows that competition tends to dilute the strength of representations instead of enhancing them. Secondly, given the voluntary nature of most EIAs, excessive bureaucratization and neglect of particular subsectors within the engineering industry lead to splitting up of the apex body and formation of separate EIAs. Thus, it is in the interest of the apex body to represent fairly all the subsectors of the engineering industry that come within its fold.

Formation of an apex body or federation, however, does not imply eliminating specialized subsectoral associations within the engineering industry. For instance, within an apex EIA or federation there can, and should, exist special associations or divisions covering automobiles, foundry, refrigeration, electronics, solar energy and the like. These associations should, however, look upon the apex body as a forum for giving wider and more effective coverage to the problems and prospects of their sectors and also for formulating "a common outlook" on the engineering industry as a whole

After long discussion, the participants came to the conclusion that:

(a) Countries that do not have EIAs should create an apex EIA or federation from the very beginning and thus avoid a proliferation of such bodies;

(b) Countries in which several EIAs already exist should take steps to create an apex body. Several administrative and legal hurdles are involved in effecting such mergers, but they are not unsurmountable;

(c) Apex EIA federations should have a committee of affiliated associations and/or divisions under the chairmanship of the president of the apex body:

To review past progress of these affiliated associations

To appraise them of the latest developments

To chart out effective policies for their growth

The second question concerning organization relates to the coverage of such EIAs, i.e., whether they should cover the large-, medium- and small scale sectors, the public sector, and also trading bodies. Although EIAs should cover engineering units of different sizes and irrespective of ownership, no hard and fast rule can be imposed from the top; each decision should reflect the national situation.

Inclusion of purely trading bodies will, as a rule, tend to create conflicts of interest between them and the manufacturing organizations. Nevertheless, in many countries, e.g., Japan and the Republic of Korea, large trading bodies contribute significantly to engineering exports and play a major role in the development of the engineering industry. In such a context, their exclusion is unjustified. Therefore, inclusion of trading bodies in the membership roster of EIAs depends largely on the situation in the country, and no general rule can be made in this regard.

A third question is whether EIAs should play a regulatory role on behalf of their Governments regarding, for example, inspection of products and distribution of raw materials and output, and, if so, whether the structure of EIAs should be adapted accordingly. The final structure should reflect the national situation: hence no sacrosanct rule either way can be laid down. If EIAs are called upon to play such regulatory roles, then they should be backed by legislation.

Regarding the important subject of funding, the major part of the funds will, naturally, come from the industry, since any EIA is responsible first of all to the industry it represents. For international development purposes, however, it may be desirable to secure assistance partly from Governments, from international development agencies and from other EIAs.

There can be no single formula concerning government assistance. Many established EIAs prefer to rely solely on corporate funds on the ground of independence, especially in matters relating to industrial representation. Others use substantial amounts of government funds.

Funding, irrespective of source, depends on the effectiveness of EIAs. Successful EIAs are usually not short of funds, though they sometimes have problems regarding the timely availability of money.

For setting up new EIAs, members concluded that "seed" money might have to come from UNIDO or other international industrial development agencies.

To conduct successfully such a wide range of specialized services, EIAs must recruit an increasingly large body of specialists: engineers, technocrats, economists - experts on fiscal policy, monetary policy, international trade, industrial relations - as well as statisticians, econometricians and procedure analysts. This team of experts should be supervised by a body of expert managers intimately aware of the mechanics of association activities, and the whole team should be backed up by a highly efficient staff. It is also desirable to have a few eminent experts and advisers in different fields associated with each EIA to broaden the scope of EIA activities.

IV. AREAS OF FUTURE CO-OPERATION AMONG EIAS

Although some EIAs actively keep in touch with associations in other countries, there are still many areas in which EIAs can co-operate to accelerate the economic growth of the developing countries.

Four major, albeit overlapping, aspects to co-operation among IEAs may be roughly distinguished:

Exchange of knowledge and information among EIAs

Promotion of co-operation among countries, particularly in relation to technology transfer

Promotion of trade

Co-operation among EIAs through international agencies.

Exchange of information

An exchange of views on the objectives of EIAs is urgently needed. However, objectives change with increased industrialization. New objectives are set while old ones are abandoned or become less important. Therefore, there is a need for periodic meetings between representatives of EIAs not only to appraise each other of past industrial developments but also to examine each other's objectives, work out common approaches wherever possible and determine to what extent certain objectives promote international co-operation.

The organizational structures of the EIAs and the extent to which they are facilitating national and international industrial development need to be reviewed periodically. These reviews would impart a new dynamism to the operation of EIAs.

There should be a continuous exchange of EIA experts and personnel to (a) assist in setting up new associations and employing their staff; (b) learn from the different organizational structures of EIAs and (c) assist each other in staff development and training.

Exchange of technical, economic and other statistical data is taken for granted as a sine qua non for the successful growth of industry and business. Unfortunately, it is not so in the case of EIAs, most of which have little knowledge of the others. A much broader exchange of such information should take place in the future because EIAs cannot develop without information about these organizations in other countries. This exchange can be fostered without great expense

through exchange of publications, government journals etc. For more ambitious programmes, the amount and quality of information exchanged largely depends on the existing funding situation. Multilateral agencies should fund nascent EIAs in order to teach them how to collect and disseminate relevant information, e.g., they can finance an initial library or give them the required books and journals.

In the course of the discussion, the definition of the engineering industry was raised as an issue. It was felt that since the industry was changing as times changed, no rigid definition could be laid down.

Transfer of technology

Much needs to be done by EIAs in the field of technology transfer. Unfortunately, developing countries have very little information on alternative technologies. What information they do have is limited to selected Western technologies, most of which are too sophisticated to be successfully applied in these countries. In fact, there is a conspicuous absence of news of practical technology. It is this lack of information, coupled with the urgent need for technology, that permits many developed countries to become monopolistic sellers of technology. Increased exchange of information on appropriate technology would help to reduce this information gap and thus eliminate a part of the dominance of the developed countries.

EIAs should co-operate with each other in creating an awareness of the concept of an integrated technology package (ITP). Too often technologies are imported piecemeal without due emphasis being given either to their appropriateness or to the indirect costs and potential for absorption. The concept of ITP would serve to define and rank different types of technology in terms of their direct and indirect costs; commercial success in similar areas; adaptability; potential for absorption; raw materials, equipment and components required; manpower training needs; and ancillary facilities. The recipient country would therefore be made more aware of the implications of different types of technology imports.

To give concrete shape to the concept of ITP, a computerized technology information centre (TIC) should be created. UNIDO has already established such a centre - called the Industrial and Technological Information Bank (INTIB), and countries can, through their EIAs, forward technological data to this centre and also draw know-how from it. The ESCAP Regional Centre for Technology Transfer (RCTT), located in Bangalore, India, could act as an additional clearing-house.

It would seem as though EIAs, as they are now, could not directly participate in establishing a TIC. In addition to the vast funding problems, existing EIAs do not have the organizational structure and the sophisticated manpower required for operating such a project. Instead, EIAs should, for the benefit of their member companies, draw upon the expertise and the technological information available in existing TICs such as INTIB and RCTT.

EIAs should be a vehicle for promoting technology transfer, but such promotion does not necessarily require active participation in the complex mechanics of such transfers. The job of EIAs is not to handle technology transfers directly, but to act as a conduit, conveying the information on technology to the member companies needing it. EIAs, therefore, at this juncture should not directly process technological know-how but indicate for the benefit of members the technically competent sources of such know-how.

Since secrecy surrounds much technological information, there can never be an exchange of full information. Nevertheless, some information is better than none.

EIAs should have a directory of technology information centres and should be able to direct queries from both member companies and international organizations to the proper sources.

Industrial training goes hand in hand with technology transfer. EIAs can co-operate here by (a) introducing the concept of modular training; (b) training rural artisans to work with lathes and other simple machine tools; (c) collaborating with other EIAs and UNIDO in organizing industrial training courses; and (d) suggesting educational reform so that greater weight will be given to technical expertise.

There is an urgent need to monitor co-operatively (a) proper utilization of training facilities; (b) quality of training programmes; and (c) the final industrial employment of trainees.

With the concept of ITP, there is need for co-operation among EIAs in monitoring patterns of technology utilization within and across borders. Though EIAs cannot, by themselves, introduce technology, they can and should record the success or failure of different technologies on behalf of their members as well as for the benefit of other EIAs.

EIAs can co-operate to create an awareness of the need for interaction between R and D institutions on the one hand and the engineering industry on the other. One of the oldest problems facing almost all developing countries is the inadequate industrial utilization of the national R and D potential. EIAs can bridge this gap by promoting pilot plant projects with industry in collaboration with other EIAs and specialized national, regional and international technical and R and D institutions.

Conducting and co-ordinating pre-investment feasibility studies is another area for future co-operation, particularly in developing countries where there is a paucity of both manpower and finance for conducting such surveys. These surveys are usually highly technical and cannot normally be undertaken by EIAs themselves. EIAs therefore should refer these projects to affiliated specialized organizations or consultants that have the requisite know-how.

Promotion of trade

EIAs can co-operate in:

(a) Promoting trade fairs. Such fairs are important places where buyer and seller meet, and they show the rest of the world the capabilities of the local engineering industry and thus help in increasing trade in non-traditional engineering items;

(b) Promoting an exchange of trade missions;

(c) Carrying out market development surveys;

(d) Promoting joint projects of international subcontracting by collecting information on international projects carried out by national and international agencies such as the Asian Development Bank or World Bank and forwarding it to members of other associations (according to comparative advantages);

(e) Evaluating and exchanging views on existing trade barriers and starting discussions with Governments on customs unions;

(f) Promoting standardization of agreements and terms in joint projects and subcontracting, particularly with reference to government procedures, insurance, types of financing, guarantees etc. This standardization process can be initiated through an EIA co-operation committee.

V. ROLE OF UNIDO

UNIDO can promote interaction between EIAs, provide ideas for EIA co-operation and act as a catalyst together with EIAs and other governmental and non-governmental organizations to intensify economic co-operation between the developing countries and also between the developing and developed countries.

Although promoting co-operation between EIAs should be primarily the responsibility of the EIAs themselves, the active involvement of UNIDO in such co-operation would give a great weight and international recognition to these efforts and would, even in the absence of substantial UNIDO assistance, ensure that such programmes did not peter out in the near future.

UNIDO, however, cannot be the sole financer and overseer of all developmental projects. The role of UNIDO is to facilitate co-operation and iron out bottle-necks rather than to assist financially each co-operation programme.

At the request of Governments, UNIDO can:

(a) Provide assistance in creating EIAs in countries where such organizations do not exist;

(b) Set up, together with EIAs and other NGOs, R and D centres in developing countries;

(c) Provide technical assistance for setting up regional organizations of EIAs and a federation of EIAs. Such organizations are urgently needed.

In co-operation with EIAs, UNIDO can convene promotional meetings, technical seminars and workshops, trade fairs and other constructive promotional measures relating to the engineering industry. It can give travel allowances to experts from different EIAs to enable them to conduct feasibility studies in other countries. This activity can be facilitated significantly if Governments make official representation to UNIDO.

The major sources of UNIDO funds are its own budget, UNDP financing and the United Nations Industrial Development Fund. The total amount of funds earmarked for NGOs is limited. Therefore, so that UNIDO may play a more important role, EIAs should first forward their development programmes to their Governments and the Governments then, in turn, can ask for UNIDO assistance. This procedure will ensure that a larger source of funds is available for co-operation between EIAs.

Annex

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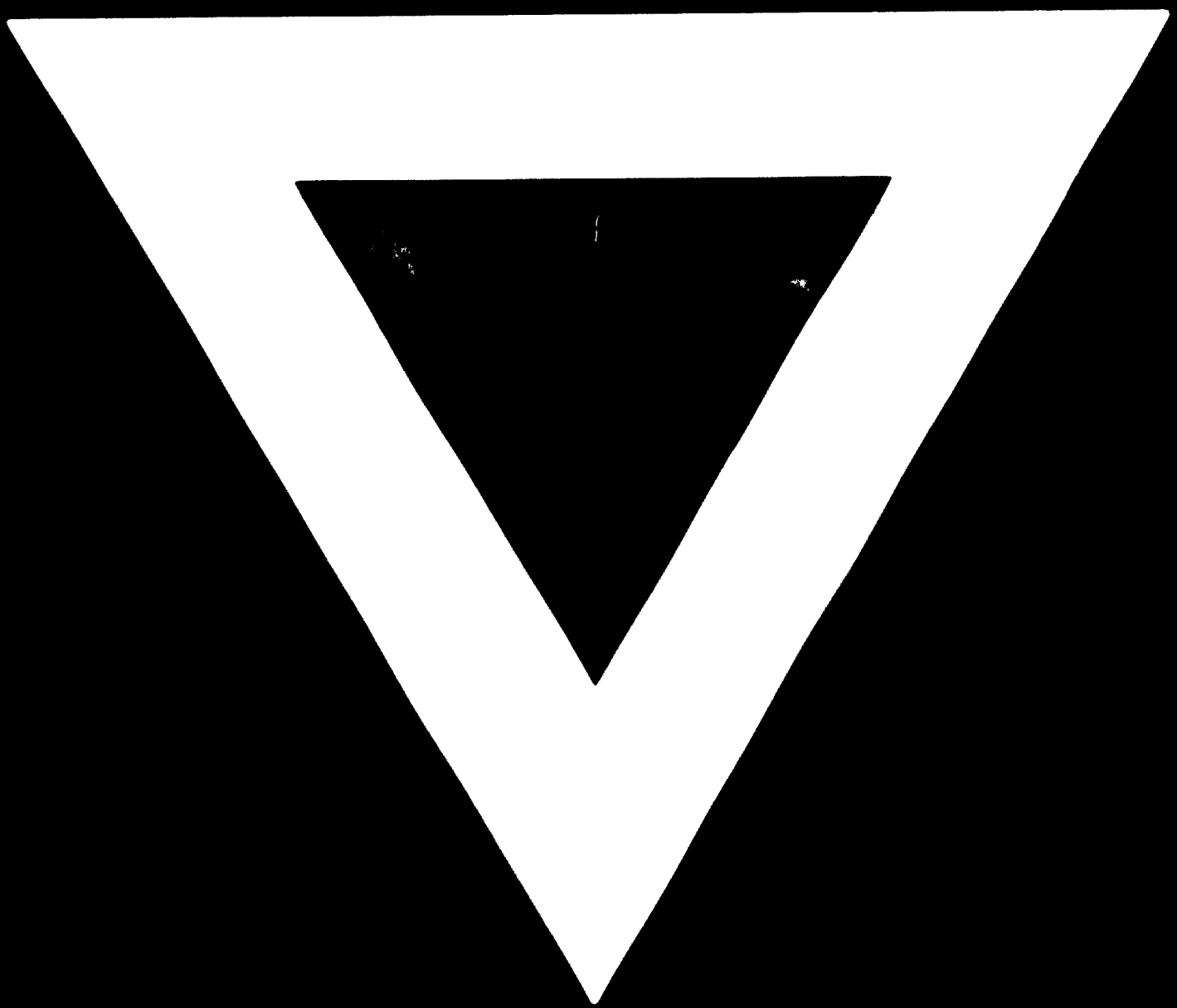

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