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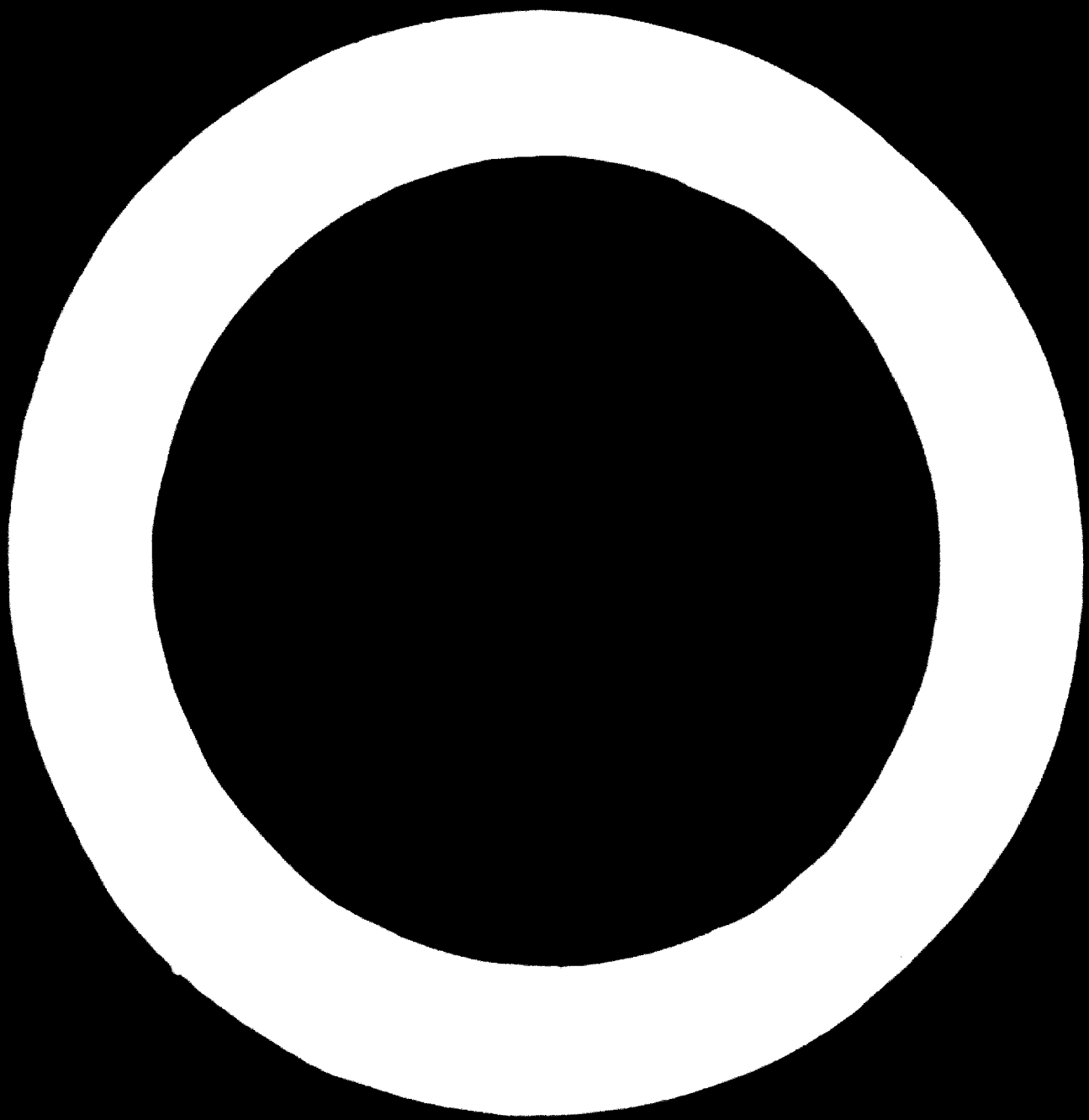
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INTRODUCTION

According to the estimates of the Ministry of National Economy, industry's share in the gross national product for 1968 was about 20 per cent, ranking second after trade and services.

Prior to World War II, however, industry in Lebanon did not exist in the real sense except for the cement, textile, beverages, and canned vegetables industries. The outbreak of the war shut off imports into Lebanon. This gave impetus to the development of existing industries and to the rise of new industries to fill the need of consumers. The local market was at the time much larger than it is at present due to the economic union then existing between Syria and Lebanon. Furthermore, the forces of the allied armies added to the number of consumers catered for by local industry.

After the cessation of hostilities importation was resumed, and Lebanese industry found itself face to face with keen competition from the industrialized countries of the world. The rupture of the economic union between Syria and Lebanon in 1951 further shrunk the market for Lebanese manufactured goods. Lebanese industry faced a dilemma; either to succumb to the new competition or to take up the challenge. Naturally the second alternative was unhesitatingly adopted by the great majority of Lebanese industrialists, and the 1950's witnessed a vast renovation and re-shuffling in Lebanese industrial activity. And the story of industrial development in Lebanon since has been that of continued development as could be seen from the following table:

| Year | No. of factories | No. of workers | capital invested L.L. |
|------|------------------|----------------|--------------------------|
| 1949 | 1,080 | 14,572 | 100,000,000 |
| 1958 | 3,200 | 21,814 | 212,381,000 |
| 1959 | 3,302 | 39,033 | 434,613,000 |
| 1960 | 4,559 | 50,403 | 578,053,000 |
| 1961 | 5,901 | 59,523 | 640,825,000 |
| 1962 | 6,271 | 60,867 | 691,628,000 |
| 1963 | 6,647 | 63,091 | 805,725,000 |
| 1964 | 6,854 | 61,988 | 839,505,000 |
| 1965 | 6,138 | 60,479 | 869,066,000 |
| 1966 | 6,311 | 63,297 | 986,931,000 |
| 1967 | 6,579 | 61,681 | 1,036,015,000 |
| 1968 | 6,981 | 68,460 | 1,068,620,000 |

Concomittant with the development in the industrial sector in Lebanon was a rise in the need for industrial services - practically non-existent before the end of World War II.

Late in the 1940's, an Industry Service was created in the Ministry of National Economy to which was entrusted the task of looking after industry. But the Service by no means - even at present - monopolizes the contribution of industrial services - not even at the official level; nor can it claim to be able to do so. Rather, numerous government departments, national organisations and private associations all work concertedly and individually towards industrial development one way or the other. The purpose of this brief exposé is to shed some light on such organizations that provide industrial services in Lebanon. It can in no way claim full coverage of such service organizations as they exist since the mere construction of a highway may, for example, be viewed as a service to industry. Rather the paper will deal with organisations which are more or less directly concerned with the contribution of services to industry. Furthermore, the exposé shall be more or less descriptive rather than being analytical or critical as such treatment lies beyond the scope of this paper.

For the purpose of clarification and easy reference, the organisations offering industrial services in Lebanon shall be treated under three separate headings: the purely governmental organs, the semi-public organisations, and the purely private endeavours.

I. OFFICIAL AGENCIES DIRECTLY CONCERNED WITH OFFERING SERVICES TO INDUSTRY

1. The Ministry of National Economy

The Ministry of National Economy is the government department directly concerned with all aspects of industrial activity. It does so through the Industry Service. The Industry Services is headed by a senior civil servant of the second category. It consists of two main departments, the Industrial Economic Department and the Technical Department; and one Section, the Trade Fairs Section. Its activities range from the mere certification of export invoices to the issuing of licenses for the importation of new machinery for the establishment of new factories.

In August 1967, through a special legislative decree, an Industrial Bureau was created and incorporated in the Ministry of National Economy and made accountable directly to the Minister of National Economy. The Bureau was given very wide prerogatives including the study of ways and means of fostering industrial development, proposals of assistance to existing industries,

protectionism and deciding over feasibility studies for the establishment of new industries.

A special organ of the Ministry of National Economy, the Petroleum Service, deals with all problems relating to the oil industry.

2. The Ministry of Planning

The Ministry of Planning, as the name implies, is concerned with the overall planning of various aspects of the economic activity in the country. Recently, however, the Ministry has been assuming an increasing role in industrial development, especially due to the fact that it is the liaison between the Lebanese government and specialised agencies of the United Nations, such as the UNDP, UNIDO, and the UNESOB. Furthermore, currently the Ministry is studying, in collaboration with UNDP, a special project relating to the establishment of fully equipped free industrial zones in the southern part of Lebanon.

The Ministry of Planning is also the seat of the Directorate of Statistics. Through the services of this Directorate, it has been providing basic data needed for industrial planning whether at the national level or at the level of the individual firm.

3. The Ministry of Education

The main contribution of the Ministry of Education in the field of industrial services lies in the preparation of skilled foremen and assistant engineers and technicians. This it achieves through the Directorate of Technical Education, a highly qualified and modernly equipped department.

4. The Ministry of Labour and Social Affairs

The Ministry of Labour and Social Affairs plays an important role in such industrial problems as industrial relations, collective agreements, labour disputes, and the like. By virtue of its being the liaison between the Lebanese Government and the International Labour Office, the Ministry has been able to render great services to Lebanese industry in the field of vocational training, management, and industrial relations through special plans with the ILO.

5. The Ministry of Finance

The main organ of the Ministry of Finance contributing direct services to industry is the Conseil Supérieur des Douanes; which enjoys special legis-

lative powers in so far as customs duties are concerned. Its main and obvious service to industry is that of providing protective tariff to local industry.

6. The Ministry of Foreign Affairs

The Directorate General of Economic Affairs in the Ministry of Foreign Affairs is directly responsible for the preparation, negotiation and supervision of trade agreements. This is a service which is assuming an increasingly important role in view of the increasing restrictions on international trade.

II. JOINT ORGANIZATIONS

1. The Industry Research Institute

The Industry Research Institute, originally established through U.S. aid (Point IV) is now a purely Lebanese institution. Although the Institute receives financial aid from the Government, yet it is run on a completely commercial basis, accepting demands for its services from individuals and from governments, both locally and internationally. Its services range from conducting simple laboratory tests on samples of manufactured goods to that of preparing feasibility studies and the designing of new plants. By special contract, the Institute has become also the technical secretariat of the Lebanese Norms and Standards Association.

The Institute is run by a Board of Directors presided over by the Minister of National Economy with the President of the Association of Lebanese Industrialists as the "ex-officio" vice-president of the Institute. The rest of the members of the Board are chosen on the basis of their own qualifications but as representatives of the various aspects of the Lebanese Economy. They are appointed according to the proposal of the Minister of National Economy but by the Council of Ministers.

2. The Lebanese Norms and Standards Association (LENOR)

LENOR was established in July 1962 in response to the need for objective basis for the assessment of the quality of manufactured goods, and for the furthering of international confidence in Lebanese manufactured goods. LENOR started operations late in 1963 and has been very active since.

LEENOR is an official organ affiliated to the Ministry of National Economy but is run by a special Board of Directors representing the Order of Engineers, the Association of Lebanese Industrialists, the Ministry of National Economy, and the Agricultural Sector in addition to the Beirut Chamber of Commerce and Industry.

3. The Vocational Training Centre for Adults

The Vocational Training Centre for Adults has been created in 1960 through the joint efforts of the Association of Lebanese Industrialists and the Ministry of Labour and Social Affairs in collaboration with the International Labour Office. The Centre provides training for industrial workers in the fields of welding, mechanics and electricity. In 1965, with the collaboration of the Swiss Federation of Watch Manufacturers, a special branch for training workers on watch reparation was incorporated in the Centre. The Centre is run by a tripartite Committee representing the Ministry of Labour, the Association of Lebanese Industrialists, and the Workers Union.

4. The Agricultural, Industrial, and Real Estate Bank

The Agricultural, Industrial, and Real Estate Bank (BCAIF) was established in 1954 as a joint venture between the Government and private shareholders. It is the only source for medium and long term industrial credit.

III. PRIVATE ORGANISATIONS

1. The Association of Lebanese Industrialists

The Association of Lebanese Industrialists is a Lebanese organisation grouping the industrialist in Lebanon in a collective and balanced effort at promoting and developing industry in the country. It seeks to create and maintain an atmosphere favourable to the growth of industry, using the scientific method which is the basis for its successful take-off and continued well-being.

The activity of the Association, undertaken in co-operation with the Government and other economic organisations encompasses two sectors, the internal and the external.

In Lebanon, the Association looks after national industry and production

through all its phases. It does this by participating in all efforts aimed at quality improvement and cost-reduction. The Association also intervenes to facilitate the granting of credit and financial facilities to local industry.

Internationally, the Association takes active part in economic and scientific conferences. It is recognised as the official representative of the Lebanese groups of employers vis à vis the International Labour Organisation.

With a view of promoting knowledge abroad of the potential of Lebanese industry, the Association helps organise and participates in Lebanese economic missions abroad and represents Lebanon often at International Trade Fairs.

Finally, as the principal and primary spokesman of industrialists in Lebanon, the Association looks after the interests of and provides assistance to individual industrialists in the scientific solution of their labour, managerial, and economic problems within the legal framework in force.

2. The Chambers of Commerce and Industry

Four Chambers of Commerce and Industry serve the four main commercial centres in Lebanon, namely Beirut, the Capital, Tripoli, Zahlé, and Sidon. Their most direct services to industry consist mainly in the certification of export invoices and providing commercial reference when needed. Representatives of these Chambers, especially the Beirut Chamber of Commerce and Industry, take part in official meetings and discussions pertaining to industrial activity on many occasions.

3. The Lebanese Association for the Advancement of Technical Education

This association was created in the first part of 1970 through the initiative of some members of the Association of Lebanese Industrialists and a group of intellectuals. Its primary objective is to provide facilities for advanced specialised education to workers who did not have the opportunity to pursue their technical education. The Association received financial aid from the Government. The major part of the budget, however, is financed by contributions from businessmen. The Association prepares the programmes of study in close collaboration with the Conservatoire des Arts et Métiers in Paris.

4. The Lebanese Management Association


The Lebanese Management Association is a purely private organization. Its members are persons occupying managerial positions in Lebanese firms. The Association organizes special management courses oriented to meet the requirements of industrial management.

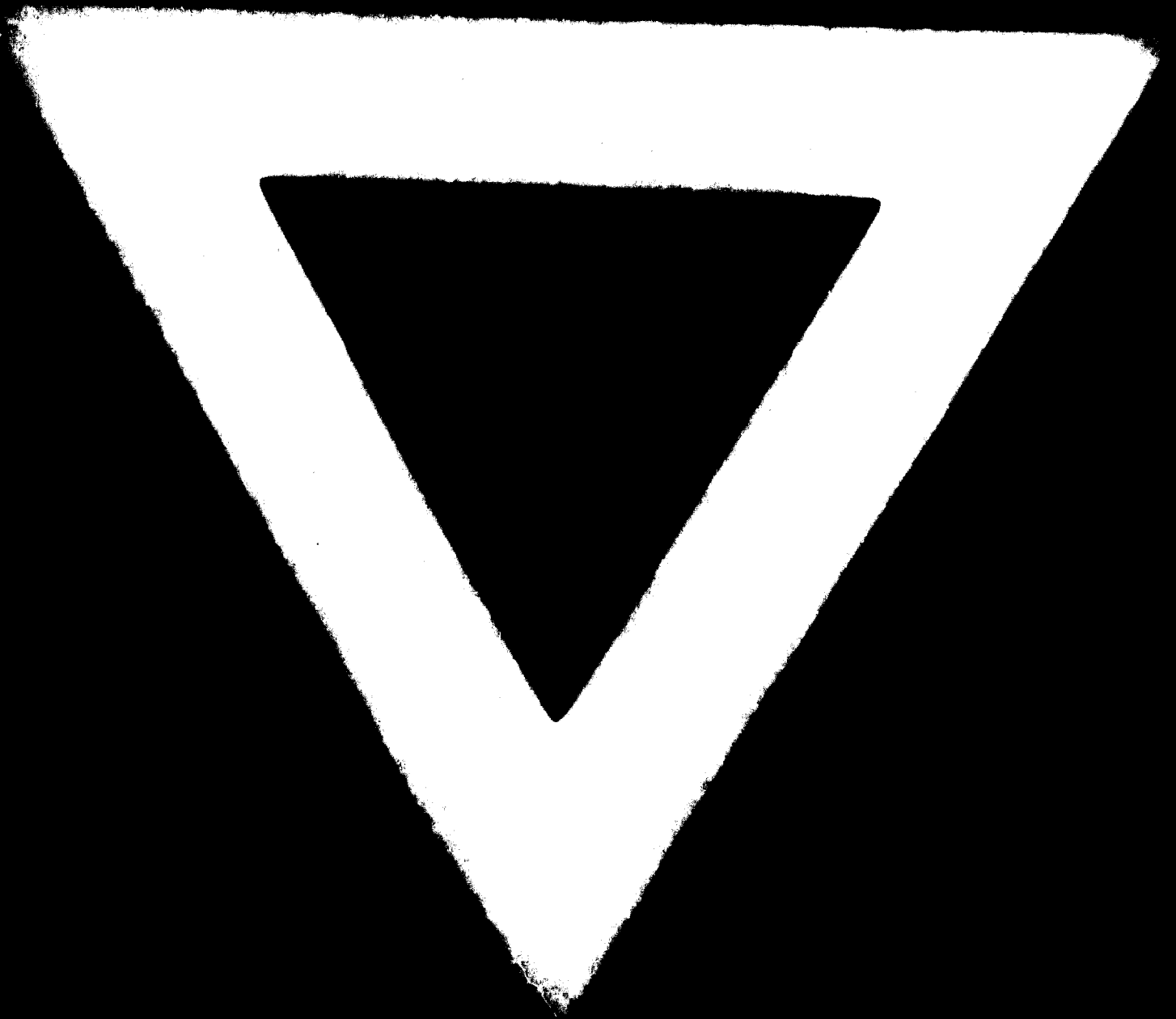
5. Commercial Agencies

Numerous specialized commercial agencies have been recently established to cater for specialized services to industry, especially in the following fields: management consultation, public relations, cost accounting, and marketing.

IV. CONCLUDING REMARKS

The above is meant to achieve one purpose - to point to particular organizations, public as well as private and semi-public - which provide essential and direct services to industry in Lebanon. Whether the organizations cited above meet the need, both quantitatively and qualitatively - for services required by industry is not the case in point.





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