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for a sustainable future

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Joint Consultations with Fair Directors of
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occasion of the 50th Milano International
Trade Fair

Milan, Italy, 11 - 20 April 1972

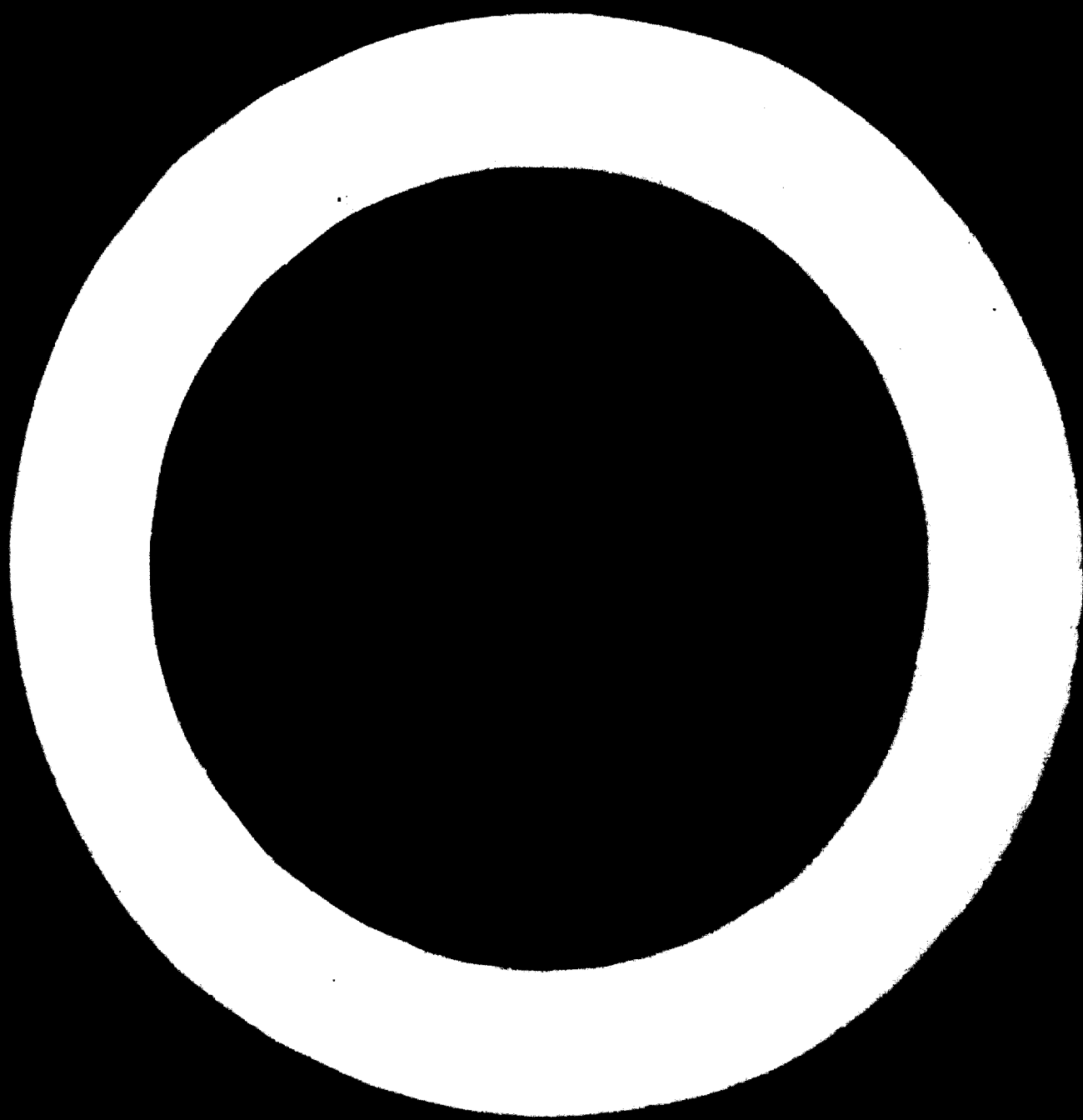
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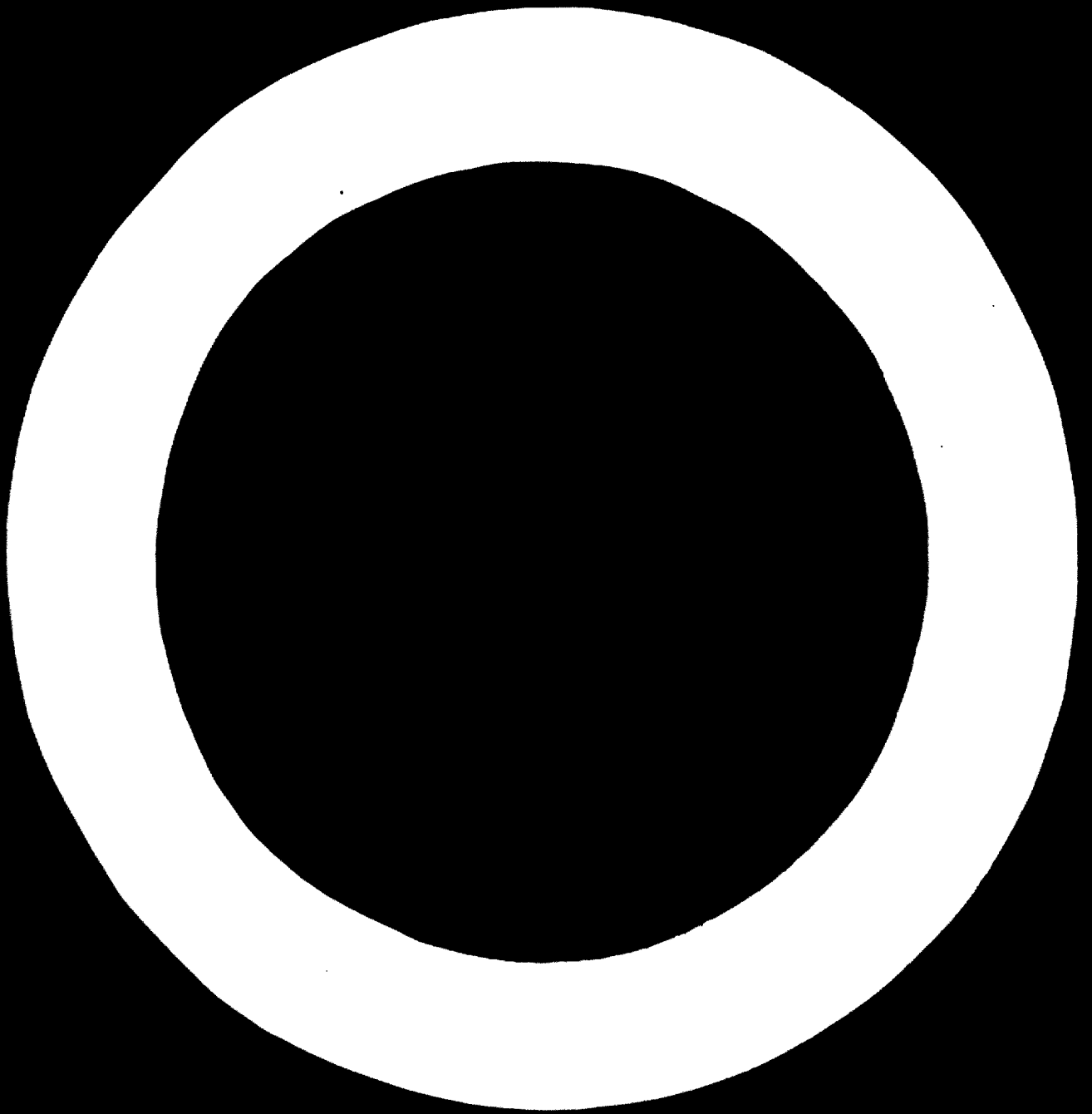
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I. Background

In 1967 the United Nations Industrial Development Organization (UNIDO) was created to promote and accelerate industrialization of the developing countries and is headquartered in Vienna. That the international community should have a responsibility for promoting industrial growth of its least privileged members is a rather recent concept, since the question of their industrialization was not of primary concern prior to their independence. When the UN system was established some 25 years ago, no provision had been made for a special organization to deal with industrialization, although problems concerning food, health, education, labour, etc. were tackled on a world-wide scale. While two-thirds of the world's people live in the developing countries, they only produce about 6% of all manufactured goods, and this low level of industrialization prevents any real rise in living standards. UNIDO filled this lacuna.

The developing countries have the potential for more rapid industrialization and the industrialized countries have the capital, technology and managerial skills that can speed industrialization. The challenge is to bring the two sides together to widen access to international markets.

One of the major undertakings in UNIDO's first year of functioning was the International Symposium on Industrial Development held in Athens in December 1967. Concurrently with this event, UNIDO's first Industrial Promotion Service (IPS) was introduced.

II. IPS Objectives

A) Matching Operations

One of the aims of the Industrial Promotion Service is to help speed up industrialization in the developing countries by

providing opportunities for face-to-face discussions between those who are looking for technical and/or financial assistance for specific industrial projects, and those who can supply such requests. IPS assists in identifying and bringing together complimentary interests of the potential "consumers" and potential "suppliers".

In developing its promotional approach and carrying it into many areas of its work, UNIDO's IPS acquires experience which enhances its usefulness not only to the developing countries, but also for the benefit of the industrialized nations which are interested in doing business with the developing world.

The advantages of such an approach are proving to be many: at a cost which is small compared with that of providing direct technical assistance, industrial promotion can - on a business-to-business basis - liberate reserves of technology, skills and finance which are not normally available through an international organisation.

The transfer of technical "know-how" and industrial processes to the developing countries can be accelerated through the promotion of trade and investment, subcontracting, joint ventures and licensing. Continuous exposure to a wide spectrum of business, financial and technical contacts in the industrialized countries is of far greater practical benefit than any amount of academic studies.

The industrialized countries themselves are given an opportunity to broaden the scope of their contacts with the developing world, within the framework of a programme of international co-operation designed to provide increased prosperity for all.

(1) The "Consumer"

The "consumer" side in the IPS matching process consists of factory owners; operators of plants; leaders of co-operatives; directors of industrial development agencies; spokesmen of industrial research and services institutions; banks; private entrepreneurs and government officials from virtually all of the developing countries.

(2) The "Supplier"

The "supplier" side consists of representatives of manufacturing firms; private corporations or state trading agencies; co-operatives; consulting firms; bankers; firms specializing in licensing arrangements; and other private sector resources, as well as officials of governmental and international organisations who are in a position to provide technical and/or financial assistance to help carry out industrial projects and solve industrialisation problems in the developing countries.

Generally, consumers normally come from the developing countries, while suppliers usually are from industrialized countries.

B) Sample Display

IPS has broadened its scope to display products of developing countries free-of-charge in the UNIDO pavilion at the Budapest International Fair to obtain reactions of potential buyers on such matters as quality, design, packaging, prices and other commercial aspects. A confidential assessment was transmitted to the displaying developing countries so as to assist them in obtaining expanded access to world markets and equally to stimulate additional business transactions. This new initiative will be broadened to take in a wider range of developing countries and a greater variety of their products for display purposes at selected future Fairs.

C) Other Activities

An auxiliary feature of IPS activities includes supplying answers to enquiries posed by IPS participants at the Fair site. Some of these enquiries can be answered on the spot, while others require backstepping from substantive divisions of UNIDO in Vienna. Enquiries range from requests for lists of manufacturers of specific products or potential buyers of such manufactures, to contacts with Chambers of Industry, price lists, general statistics etc.

IPS activity at Fairs and Exhibitions is being extended to other types of International Institutions. In addition to present contacts with Fairs, co-operation with a number of regional and international professional and business organizations in the industrialized and developing world will be strengthened to enhance promotional activities generally. In this way new areas of joint action can be negotiated.

III. IPS Procedures

A) IPS at Industrial Fairs

Industrial and Trade Fairs bring together government officials, businessmen, technicians and financiers, thereby offering an unparalleled opportunity for UNIDO's IPS to play its promotional role with a minimum outlay of time and money and maximum exposure.

IPS makes use of these Fairs as institutions for planning its promotional role for the benefit of the developing countries, by increasing their contacts with government officials, industrialists and financiers who frequent such gatherings.

In this way IPS facilitates direct contacts between those seeking external technical and/or financial assistance (consumers) and those in a position to supply such help (suppliers).

By modifying and developing its participation at these Fairs, IPS can assist the developing countries in drawing maximum advantages.

B) IPS Invitations

IPS invitations go to international organizations; appropriate governmental institutions from both developed and developing countries; UNIDO National Committees and Field Advisers, as well as to Chambers of Commerce and Industry, etc. Through this mechanism the future participants are alerted, regarding the specific

Fair at which IPS will operate. Each potential participant may pre-register, indicating the types of industrial projects the participant wishes to discuss. On the spot at the Fairgrounds to supplement data received through pre-registration, UNIDO staff interview the participants to obtain specific information on the assistance sought or offered. Then, as far as possible, supplier and consumer interests are matched. Upon request, IPS helps arrange private discussions between the parties concerned so that they can explore possibilities for joint ventures, the supply of technical know-how or provision of financial assistance.

C) IPS Industry Days

The holding of "Industry Days" offers the potential consumers and suppliers the possibility of informal frank discussions, at which they can ventilate their specific needs and problems in a particular industrial sector. They may also put forward formal or informal project presentations. When required, UNIDO experts are available to advise on technical or commercial aspects and on how UNIDO can be of assistance to the developing countries.

D) Exhibit of Selected Sample Manufactures of Developing Countries

1. Letters of invitation are sent to interested developing countries, pointing out that they may make use of the free exhibit space offered in the UNIDO Pavilion at the specific Fair.
2. IPS stipulates that the developing countries be responsible for shipping their samples to the Fair site and for their return.
3. The samples of the developing countries should specify price, delivery terms and other relevant commercial information to interest potential buyers.
4. Where feasible, the developing country should have his representative present to promote his product.
5. IPS prepares a questionnaire to ascertain the buyers' reactions on such aspects as packaging, design, quality, etc., in an effort to secure wider markets for the developing countries.

E) Follow-up

At the end of every IPS performance at a Fair, a follow-up letter is sent to all participants to gather information so that IPS operations can not only be objectively assessed, but to improve it for the greater benefit of the developing countries.

IV. IPS Past Performance

In 1969 IPS operated at the Budapest International Fair and at the Second Asian International Fair in Teheran. In 1971, this Service participated in January at the Arab Textile Industries Fair in Cairo, at the Ghana International Trade Fair in Accra in February, at the Budapest International Fair in May and during the 15th Malta International Trade Fair in July. In 1972 IPS participated in March at the 10th International Fair of Tripoli.

On average IPS operates about six programmes per year at International Fairs. While the majority are staged in developing countries, covering Fairs in Africa, Asia and Latin America, some are held in Europe, both East and West.





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