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ACTIVITIES OF THE UNITED NATIONS SYSTEM OF
ORGANIZATIONS IN THE FIELD OF INDUSTRIAL DEVELOPMENT

Second Consolidated Report of the Industrial Development
Activities of the United Nations System of Organizations

Addendum 5: ACTIVITIES OF THE ECONOMIC COMMISSION
FOR EUROPE IN THE FIELD OF INDUSTRIAL
DEVELOPMENT

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Introduction

1. The Economic Commission for Europe (ECE), which comprises thirty European countries as well as the United States of America and thus covers a highly industrialized region of the world, is engaged in work on industrial development problems which can benefit countries of other regions as well. In fact, the Commission, aware of the needs of developing countries, has throughout its existence endeavoured to include in its programme of work and those of its subsidiary organs projects the implementation of which would be of interest not only to member countries of the ECE but to countries of other regions. As regards, more specifically, the co-operation of the ECE Secretariat with the Secretariat of UNIDO (and earlier with the Centre for Industrial Development), the Commission in its resolutions 14 (XIX), 9 (XX) and 2 (XXI) requested the Executive Secretary to contribute, by studies and close co-operation with the Secretariats of other regional economic commissions, to the preparations for and organization of the International Symposium on Industrial Development. The Commission also invited its subsidiary bodies to consider the possibility of contributing to this goal. Pursuant to these resolutions, and more particularly to operative paragraph 1 of resolution 2 (XXI), the Executive Secretary remains at the disposal of the Secretary-General, within the limits of his powers and resources, for such assistance to the Secretary-General as may be requested by virtue of the competence and special experience acquired in the work of the Economic Commission for Europe.

2. After a general description of co-operation between the CID and ECE Secretariat, the report indicates progress made on the ECE projects which directly or indirectly to industrial development in the following areas of the Commission's activities: steel; engineering; building materials and construction; chemicals; location of industrial plants; trade; statistics; research; and energy (coal, electric energy, gas). In addition to these areas, it should be borne in mind that a large proportion of the other activities of ECE on such questions as transport, air pollution, water pollution etc., are also relevant to problems of

industrial development. Reference may be made in this connexion to the Commission's Programme of Work and Priorities. (For the latest programme adopted by the Commission at its twenty-first session in April 1966, see E/4177, Part V).

3. Pursuant to the relevant resolutions of the Commission and acting in the framework of intra-Secretariat co-operation, the Executive Secretary of ECE has kept in close contact with the Under-Secretary for Economic and Social Affairs and with the Executive Director of UNIDO at Headquarters on matters related to the further implementation of General Assembly resolution 2089(XX). Consultations are regularly held with the Executive Director of UNIDO and other senior officials of the UNIDO Secretariat on specific matters arising out of UNIDO-ECE co-operation in this field. Close relations are also maintained with the Secretariats of the other regional economic commissions on a number of industrial development projects.

4. The various studies which are being prepared by the ECE Secretariat as its contribution to the documentation which is to be submitted for consideration by the International Symposium on Industrial Development and other activities of the ECE Secretariat which are relevant to industrial development are described in the following paragraphs.

Steel

5. Work on the three studies selected by the Centre for Industrial Development and which are to be presented at the International Symposium continued during 1966. These studies, i.e. "The World Market for Iron Ore", "World Trade in Steel and Steel Demand in Developing Countries" and "Economic Aspects of Iron Ore Preparation" are also included in the programme of work of the ECE Steel Committee.

6. On the basis of the material already at hand in the provisional versions of the two above-mentioned studies which were transmitted by the Executive Secretary to the Executive Director of UNIDO, as well as of other studies and reports, the ECE Secretariat has prepared two summary papers to be used at the International Symposium, summarizing the main

ST/EC/STEEL/14

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pects, prices and trends of the world markets for iron ore and for steel.

7. The study "Economic Aspects of Iron Ore Preparation", which was completed during 1965, and published in printed form (ST/ECE/STEEL/14) in 1966 was also included in the material transmitted by the Executive Secretary for the Industrial Symposium. It contains a general up-to-date review and discussion of iron ore preparation techniques of value to the developing countries. Information contributed by the Secretariats of the inter-regional economic commissions has been used in the preparation of the regional and country surveys in part II of the study. A brief summary of the study, followed by a case study on iron ore preparation in India, has been transmitted to the Executive Director of UNIDO for the International Symposium.

Engineering

8. The ECE Secretariat has continued to work with the help of consultants on the study "Engineering Industries and Industrialization" which will be transmitted shortly to the Executive Director of UNIDO. A short summary paper giving the main problems and tendencies with respect to the engineering industries in relation to industrialization has been prepared and submitted to the Executive Director of UNIDO.

Building materials and construction

9. The ECE Committee on Housing, Building and Planning, through its standing sub-committee on the Building Industry, follows current trends and examines measures regarding the development of construction industries and building materials, with special reference to the industrialization of building construction. The sub-committee has adopted a current long-term programme of work. Thus, the second Seminar on the building industry, which is to be held in April 1967 in France, will deal with the future of the production, assembly and use of industrially made building components. A study on the present stage in the application of dimensional co-ordination in building in different countries is expected to be published.

in March 1967. The ultimate purpose of promoting a more uniform system of dimensional co-ordination in building internationally is to help reduce building costs, promote industrialization of building and facilitate international trade. Preparations are in hand for compiling a directory of international organizations concerned with the building and construction industries. It is expected that this will facilitate wider contacts in the building industry. An attempt is being made to present some statistical indicators on the role of construction in the national economy and on the use of new building materials, technical methods and mechanical equipment. A study has also been started on methods of estimating and programming the required growth of production capacity in the building industry. Finally, a study on the development of building materials and component industries is being completed, with particular reference to the developing countries. This comprehensive study is being carried out by the ECE Secretariat, with the help of a panel of consultants. The study was initiated at the request of UNIDO as a contribution to the International Symposium. A summary paper essentially based on this study was prepared and sent to the Executive Director of UNIDO.

Chemicals

10. The study on "Market Trends and Prospects for Chemical Products" is being completed in accordance with decisions taken in meetings of a Group of Governmental Experts assisting the Secretariat in this work. The second session of the group was held in January 1967 to examine a provisional version of the study prepared by the Secretariat with the assistance of consultants.

11. In addition to this work, the Secretariat, with the help of experts, has prepared additions to the study to cover the relevant developments in the countries of the other regions and will transmit this material, as well as a summary paper, shortly to the Executive Director of UNIDO. As in the case of the iron and steel, and the engineering and building materials industries, a summary paper on the chemical industry reflects the main tendencies and problems on this very important industrial sector and may

serve as a basis in preparation for the International Symposium.

Location of industrial plants

12. The study on "Criteria for Location of Industrial Plants (Charges and Problems)" (E/ECE/652) has been completed and transmitted to the Executive Director of UNIDO as part of the contribution of the ECE Secretariat to the preparation of the International Symposium.

Timber

13. The ECE Timber Committee organizes various symposia and study tours, some of which are directly relevant to problems of industrial development. Recently there have been: the 1962 colloquium on the economic aspects of the production and utilization of fibreboard and particle board; the 1964 symposium on the economic aspects of, and productivity in, the sawmilling industry; in 1964, a study tour in Italy; in 1965, one in Romania; in 1966, one in Finland; and in 1967, there will be one in Yugoslavia; all are concerned especially with the wood-processing industries. There are also planned for the near future: a symposium on integration in the forest industries and a second colloquium on fibreboard and particle board, including other panel products. The Committee also organizes various forms of exchange of scientific or technical experience, either in the form of training courses (such as one held in Vienna in 1965 on the application and use of fibreboard) or through its publications, such as bibliographies, lists of films, and so on. Two recent titles should be noted in particular: a bibliography of publications on fibreboard and particle board and a study on the consumption of tropical hardwoods in Europe. The ECE Timber Committee does not concern itself directly with the pulp and paper industries, which are handled by FAO on a worldwide basis.

Statistics

14. The Conference of European Statisticians has done considerable work on industrial statistics which is relevant for the supply of the information needed both for the correct planning of industrial development and

for measuring actual changes in this field.

15. In 1961 the Conference adopted a set of recommendations regarding statistics which countries of the ECE region should collect by means of industrial censuses or similar enquiries, in the form of a European Programme of Basic Industrial Statistics. This was a regional variant of the corresponding World Programme of Industrial Statistics for 1963. These recommendations go substantially beyond those in the World Programme in several respects, including: (a) a more detailed classification in standard form of industrial activities; and (b) a list of selected commodities (with agreed definitions) for the provision of data on total production in physical terms. Nearly all European countries carried out basic industrial enquiries in or around 1963 as part of this programme, and the results of some of these enquiries are already available.

16. More recently the Conference has studied methods of improving and standardizing national index numbers of industrial production, and has drawn up a set of recommendations covering many important aspects of the compilation of these indexes, e.g. the scope, coverage, classification, formula and base period of the indexes. Work is in progress on the preparation of a consolidated version of these statistical standards for ECE countries which will shortly be published.

17. The Conference has agreed that its Working Group on Industrial Statistics should meet again in 1967/1968 to consider the relationship between basic statistics and current statistics in this field, and to prepare recommendations concerning the scope, coverage and content of annual and more frequent industrial enquiries, with particular reference to the establishment of lists of commodities produced and materials used for which data should be collected in accordance with standard definitions and units of measurement. The preparatory work for this meeting is being carried out in co-operation with the United Nations Statistical Office, which is drawing up draft world recommendations relating to annual and more frequent industrial enquiries. The Working Group will review these draft world recommendations and will use them as a basis for developing a more advanced

European programme in this field.

18. The Conference has also agreed that provision should be made for another meeting in 1969/1970 to review the recommendations for the 1963 basic industrial enquiries, on the basis of an analysis of the results of these enquiries, and to begin the preparation of a European programme for further industrial enquiries to be carried out in or about 1973 by the countries of this region.

Research work of the ECE Secretariat

19. The ECE Secretariat is engaged in research on a number of projects which are relevant at least partly to various problems of industrial development. These activities are outlined as follows:

Current reviews:

The Economic Survey of Europe (Part I) traces current economic developments, including the process of industrialization in eastern and western Europe.

The Economic Bulletin for Europe (first annual issue). One annual issue is devoted to the review of current trade developments, including trade of manufactured products.

Special studies:

Several special studies - some of which have been published recently and others not yet completed - have been prepared by the ECE Secretariat, bearing on the following:

(a) The general process of industrialization

- Note on Structural Changes in the Post-war European Economy
(not yet completed)

- Investment in the Soviet Union and Eastern Europe 1950-1964/65 (to be published in the Economic Bulletin for Europe, Vol. 18, No. 1)

- Studies of current and projected changes in demand in European countries and their implications for intra-European trade and for trade between Europe and the rest of the world, with special reference to developing countries. These studies will be initiated in 1967 and

will deal in particular with manufactured and semi-manufactured products.

(b) Industrialization policies

- Criteria for Location of Industrial Plants (E/ECE/652)^{1/}
- Incomes in Post-war Europe: A Study of Policies, Growth, and Distribution (to be published as Part II of the Economic Survey for Europe for 1965).

(c) Industrial planning and programming

- Problems of regional planning and development (published in the Economic Bulletin for Europe, Vol. 17, No. 2)
- Economic Planning in Europe (published in 1965 as Part II of the Economic Survey of Europe for 1962).

20. Most of the topics selected for discussion at the meetings of Senior Economic Advisers to ECE Governments deal at least partly with various aspects of industrial planning, programming and policies. Of particular relevance are the subjects selected for discussion at the Fourth and Fifth Meetings and at the Ad Hoc Group on Multi-Level Planning.

21. The subject of the Fourth Meeting (held in 1966) was "Construction and Practical Application of Macro-economic Models for Purposes of Economic Planning (Programming)". Among the main types of models discussed, those of the most direct relevance were the disaggregated macro-economic models for medium-term planning and branch and sectoral models. The following papers submitted to the meeting by Governments are of specific interest to the industrial sector: "The Programming Model of the Hungarian National Economy"; "The Use of Macro-economic Models for Production and Investment Planning (USSR)"; "The Use of an Input/Output Model in the Preparation of the British National Plan"; "Investments 85, Model of Electricité de France"; and "The Structural Branch Models in Czechoslovakia". These papers, together with the other case studies submitted to the Fourth Meeting, the Secretariat background paper, a summary of Government replies to a questionnaire, and an introductory chapter outlining the major issues discussed at the Fourth Meeting will be published in 1967 by the

^{1/} See also para. 12 above.

ECE Secretariat in its "Economic Bulletin for Europe".

22. The topic to be discussed at the Fifth Meeting, convening in October 1967, is "Policies and Means of Promoting Technical Progress as a Major Factor in Economic Growth". Discussions will be concentrated on the analysis of factors determining national policies for promoting technical progress in ECE countries and on methods for carrying out such policies within the frame of the industrial sector. Case studies will be presented by a number of ECE Governments.

23. The convening of an Ad Hoc Group on Multi-Level Planning was proposed by the Fourth Meeting of Senior Economic Advisers as a part of its future programme of work. This meeting, expected to take place in June 1967, will be concerned with the technical problems of linking over-all models with sectoral and regional models.

Energy

24. A number of projects included in the work programmes of the ECE Committees on Coal, Electric Power and Gas are of relevance to problems of industrial development and are listed below (for more details on these projects, reference can be made to the Commission's Programme of Work and Priorities (L/4177, Part 3)).

Coal. Analysis of the situation and prospects of the coal industry in Europe; harmonization of work in the energy field; activities of the standing subsidiary bodies; Sub-Committee on mining problems and Sub-Committee on solid fuel utilization; technical co-operation and development of all-European contacts; trade problems; mining problems and solid fuel utilization.

Electric power. Studies in co-operation with the Coal Committee and the Committee on Gas; study of the technical and economic characteristics of plans for the development of waterways; certain activities of the group of experts for the study of hydro-electric resources in Europe and their utilization; certain activities of the working party for the study of rural electrification; certain activities of the working party on thermal power stations; rationalization of electric power consumption; automation; investment selection in the field of electric power.

Gas. Analysis of the situation and prospects of the gas industry in Europe; technical co-operation and development of all European contacts; preferential uses of gas in the sectors selected for detailed analysis; economi s of gas transport in all its forms.





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