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United Nations Industrial Development Organization

Regional Seminar for Managers of Chambers of
Commerce and Industry of Arab Countries

Beirut, Lebanon, 14 - 18 January 1974

REPORT
OF THE REGIONAL SEMINAR FOR MANAGERS OF CHAMBERS OF
COMMERCE AND INDUSTRY OF ARAB COUNTRIES. ^{1/}

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INTRODUCTION

The Regional Seminar for Managers of Chambers of Commerce and Industry of Arab Countries, organized by UNIDO in co-operation with the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries, was held at Beirut, Lebanon, from 14-18 January 1974.

The purpose of the Seminar was to discuss various aspects of the role that the Arab Chambers of Commerce and Industry could play in promoting, co-ordinating and assisting industrial development, and, in particular, to identify practical industrial services which the Arab Chambers could provide to their members. The Seminar also suggested the ways and means to achieve these objectives.

The Seminar was opened by Mr. Adnan Kassab, Vice-President of the General Union of Arab Chambers and President of the Beirut Chamber of Commerce and Industry. After welcoming the participants, Mr. Kassab emphasized in his address the importance of holding the Seminar in view of the fact that it was attended by the managers of Arab Chambers who were largely responsible for implementing the decisions and carrying out the policies adopted by the Boards of Directors of the Chambers. Mr. J.E. Cabrera, Director of the Seminar, underlined in his address the need for an industrial services infrastructure which would support, and give a certain efficiency and dynamism to, industrial development. He expressed the belief of UNIDO that Chambers and/or Federations of Industrialists in developing countries could be instrumental in providing a number of needed industrial services either directly or indirectly to their member enterprises; but this, he added, required that many of the Chambers and Federations be further developed and strengthened before they could assume this very important role in industrial development. Mr. Burhan Dajani, Secretary General of the Union of Arab Chambers, pointed out in his address the role which the Chambers of Commerce and Industry and Federations/Associations of Industrialists could play in the economic life of individual countries, and in promoting trade and economic relations with other countries. He expressed his belief that the Seminar would be a forum for the exchange of experience among the participants and that its recommendations would be carefully followed-up.

Other statements made in the opening session included addresses by the Assistant Director-General of the Arab Labour Organization (ALO) and by the Secretary General of the Arab-Asian Organization for Economic Co-operation (AFRASEC), both of whom pointed out that their organizations attached much importance to the role which Chambers and Federations of Commerce and Industry could play in promoting industrial development.

The Seminar was attended by participants from the following countries: Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libyan Arab Republic, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, and People's Democratic Republic of Yemen. The experts who participated in the Seminar came from: Austria, Hungary and Spain, and the observers were from AFRASEC, the Arab Labour Organization, the French-Arab Chamber of Commerce (Paris), and the U.S.-Arab Chamber of Commerce (New York). Representatives of some regional and international organizations, including the International Chamber of Commerce (ICC), also attended the Seminar. A complete list of the members of the Seminar is attached as Annex I to this report.

The working sessions of the Seminar were presided over by the following alternate Chairmen: Mr. Hatim Abid Al-Rashid (Iraq), Mr. Mohammad F. Abdel Ghaffar (Sudan), Mr. Haytham Al-Malluhi (Kuwait), Mr. Abdul Hamid Malakani (Syrian Arab Republic). Mr. Burhan Dajani presided over the closing session. The Seminar elected Mr. Elias Ghantus and Mr. Nabil Ladki as Rapporteurs.

The discussion followed generally the order of the Agenda and Programme of Work adopted by the Seminar (Appendices II and III).

At its closing session, the Seminar approved the draft report on the discussion. The draft recommendations, formulated by the participants, were considered and approved. Mr. Cabrera, on behalf of UNIDO, expressed thanks to the General Union of Chambers of Commerce, Industry and Agriculture for Arab Countries for helping in organizing and preparing the Seminar, and to the Beirut Chamber of Commerce and Industry for hosting it. Closing statements were also made by a number of participants, and by the Secretary General of the Union of Arab Chambers Mr. Burhan Dajani, who, speaking on behalf of all participants, thanked UNIDO for proposing the Seminar and for co-operating with the Union of Arab Chambers in organizing it, hoping that this would lead to further co-operation between UNIDO and the Union of Arab Chambers. He also thanked the Beirut Chamber of Commerce and Industry and its staff for hosting the Seminar, and the participants for their contributions to the discussions.

RECOMMENDATIONS

The participants, after discussing the various items of the Agenda, were convinced that certain measures should be taken to strengthen the chambers of commerce and industry and federations or associations of industrialists (C+I) in the Arab Countries, in order that they might participate more constructively in industrial development, and made the following recommendations:

1. C+I in Arab countries should play a greater and more active role in the formulation and implementation of industrial policies and programmes. They could assume such a role by convincing their Governments of the importance of their participation on the one hand, and by having the needed efficient staff on the other. The Union of Arab Chambers, in co-operation with the representatives of employers in the Arab Labour Organization, must endeavour to raise this matter at the next session of the Arab Labour Conference in order that the Conference could adopt a resolution providing that the necessary legislations be enacted by the Arab countries to allow for a greater and more active role by C+I in the formulation and implementation of policies and programmes of industrial development.
2. C+I should put greater emphasis on a better utilization of their existing resources so as to expand and diversify their services. This might be achieved by reorganization of their internal structure and by rationalisation of their activities.
3. C+I should consider ways and means of finding new sources of income so that they might have the necessary resources to participate actively in industrial development.
4. C+I should provide a number of practical industrial services to their members, such as information on machinery, equipment and raw materials most suitable for production, as well as information and advice on production, investment, and new export opportunities, and advise on standardisation and quality control. They should also provide advisory services and organise training programmes to increase productivity, and assist in negotiating licensing agreements for the acquisition of new technology and know-how. C+I could also be useful in providing assistance in the adaptation of industrial products for export. The creation of a special industrial services department within the C+I

- facilitate the provision of these services. At the initial stage, the services could be provided with assistance from organizations such as UNIDO and IDCAS.
5. C+F should work in close co-operation with the governmental authorities to ensure the establishment of legislations and measures conducive to creating a favourable climate for industrial investment and production. They should also ensure that existing public and semi-public institutions concerned with promoting and assisting industrial development be fully utilized by their members.
 6. The Union of Arab Chambers should carry out a survey to identify present aims and objectives of C+F in the Arab countries, and review the legislations and statutes governing them, as well as their activities, including practical industrial services carried out by them, with the purpose of determining how C+F could be strengthened to play their appropriate role in industrial development. The Union of Arab Chambers might deem it necessary to request the assistance of UNIDO and other organizations in undertaking this survey.
 7. Taking into consideration the different levels of development and industrial activities undertaken by the different C+F in the Arab countries, there should be greater co-operation and exchange of experience among C+F. The joint chambers could be made more effective by having a greater knowledge of the activities of C+F in the Arab countries, and thereby promoting the interests of Arab businessmen and industrialists in the respective foreign countries.
 8. There was much scope for co-operation between C+F in the Arab countries and C+F in the industrialized countries. The Union of Arab Chambers should therefore find ways and means of bringing about this co-operation, with the possible assistance of UNIDO and ICC.
 9. Arab C+F ought to establish closer co-operation with their counterparts in African countries, for the purpose of exchanging experience.

10. The organization of consultations at the national level in which C+F and Government officials, a representative number of industrialists, and UNIDO staff would participate would be very useful for (a) examining, in depth, ways of increasing the capacity of C+F to provide useful services to their member enterprises and (b) for discussing ways and means of strengthening C+F through UNIDO assistance. UNIDO should organize such national conferences in co-operation with the Union of Arab Chambers and the ICC.
11. The present type of regional meeting should be institutionalized in order to assess the progress achieved by Arab C+F on the recommendations of this Seminar, as well as to have a continuous exchange of experience among executives of C+F.
12. Seminars or training courses on the various industrial services that had been reviewed should be organized for middle-level management personnel from Arab C+F. They should be organized jointly by UNIDO, ICC, IDCAS, Arab Labour Organization and the Union of Arab Chambers.

SUMMARY OF THE DISCUSSION

1. Role of C+F in industrial development programmes

As in other developing countries, industrialization is playing a major role in promoting economic growth and development in the Arab countries. Most Arab countries have formulated development plans which involve sizable investments in the industrial sector. The responsibility for planning is shared, though at varying degrees from one country to another, by the public and private sectors. So far, the role of C+F in development programming has been generally limited and confined to giving advice when asked by the respective government planning authorities, and in some cases to giving such advice upon their own initiative. Most C+F have so far tended to confine themselves greatly to their traditional role of representing the private sector vis-à-vis public authorities.

A detailed review of the present status and function of C+F in the Arab countries was made by the Seminar. It could be discerned from the review that the C+F could play a basic role in development planning at both the micro and macro levels of industrial development programming, if they had the proper administrative and technical staff. A few of them were represented in the national bodies entrusted with formulating development studies and plans, and in this capacity they could give advice and make studies of possible industrial development projects, thus providing an important link between the Government and the industrial sector. This link was felt to be necessary for the effective formulation and implementation of industrial development projects. Accordingly, it was deemed necessary that the status and functions of C+F in the Arab countries be more neatly defined, and that the necessary legislations be enacted to enable these C+F to perform their functions more adequately.

The Seminar noticed, however, that C+F in general have played a limited role in industrial programming. This was due to a variety of reasons, which included the following: (a) the political, economic and social conditions in some Arab countries; (b) the lack of proper organizational structure, technical personnel, and even technical departments in some C+F; and (c) the lack of financial resources. (The greater part of these resources is obtained from membership fees, and membership in C+F is not obligatory in many Arab countries).

It was further observed by the Seminar that the trend now in the Arab countries is towards closer collaboration between Government and industrial sector, and the hope was expressed that this would lead, eventually, to the constructive participation of the industrial sector in industrial development planning. C+F face the challenge of reorganizing themselves, of obtaining qualified technical personnel, and of participating effectively and jointly with Governments in industrial development. It was suggested by the Seminar that this might well be achieved with the assistance of international and regional organizations such as UNIDO, ICC and IDCAS, as well as through collective services provided to C+F by the Union of Arab Chambers.

The Seminar recognized the importance of regional co-operation in the industrial field among the Arab countries, and felt that C+F, through the Union of Arab Chambers, would have a vital role to play in promoting and planning regional industrial integration schemes.

2. Present and prospective practical industrial development activities of C+F

The Seminar identified a number of industrial services rendered by C+F to their members. It was thought useful to classify these services as direct and indirect.

Direct services: C+F could provide their members with information on machinery, equipment, and raw materials most suitable for production, as well as information and advice on production, investment and new export opportunities. They could advise their members on standardization and quality control, provide them with industrial advisory services and organise training programmes, both at the managerial and production levels, thus helping to increase productivity. C+F could assist also in negotiating licensing agreements for the acquisition of new technology and know-how appropriate to the local industrial needs and at reasonable prices. Another useful activity of C+F could be in providing assistance in industrial product adaptation for export.

It was suggested that it would be of great use to establish, within C+F industrial services departments staffed with the necessary experts and technicians to conduct feasibility studies for prospective industrial projects and to deal with various industrial development bottlenecks.

The Seminar also felt that C+F might take the initiative in promoting and assisting the development of industrial co-operatives among small-size enterprises so that they might benefit from economies of scale, use more modern technology and also to attempt to diversify industry away from the urban and into the rural areas.

Indirect services: The Seminar pointed out that C+F could, by working in close co-operation with the Governments, ensure the establishment of legislations and measures conducive to creating a favourable climate for industrial investment and production. Another vital role that C+F can play in industrial development would be to ensure that existing public and semi-public institutions (such as industrial research institutes, standardization and quality control bodies, industrial export promotion organizations etc.) are undertaking activities that actually meet the needs of industry. The C+F can also make industrialists aware of the benefits to be derived by fully utilising the services provided by these institutions.

The implementation of these activities - both direct and indirect - necessitated the strengthening of C+F, possibly with assistance from international and regional organizations, particularly UNIDO and the Union of Arab Chambers.

The Seminar noted, in addition, that there was scope for co-operation in this field between UNIDO and AFRASEC and called on the participants to give whatever assistance and information they could to foster such co-operation.

3. C+F co-operation

It was agreed that efforts should be made to maintain and strengthen co-operation between the various Arab C+F with the purpose of exchanging intelligence, so that the less developed countries, might benefit from the experience of the more developed C+F.

The participants expressed their appreciation for the opportunities offered by some chambers of commerce and industry in industrialized countries and recommended that such opportunities be made known to all Arab C+F through the Union of Arab Chambers and UNIDO, and that they be made available upon request.

The activities of joint chambers of commerce between Arab countries and other countries were reviewed. The participants emphasized the role which such chambers could play in furthering co-operation between the countries concerned. It was noted, however, that existing joint chambers must play a more active role in promoting the mutual interests of the member countries, and towards this end it was recommended that they should endeavour to do the following:

- (a) Improve relations between them and the various Arab C+F.
- (b) Provide extended fellowships and/or scholarships to members of the staff of Arab C+F.
- (c) Act themselves as a reference center for sources of know-how and skills for Arab C+F.
- (d) Improve business relations among their member enterprises.

The participants took note of the efforts made by some C+F to strengthen their relations with African countries. The participants expressed their unanimous desire for the establishment of joint chambers with African chambers of commerce and industry, taking into consideration geographical distribution and linguistic zones of the various African countries. As a

first step towards this end, it was proposed that a joint meeting between Arab C+F and their counterparts in the various African countries be organized upon the initiative of the Union of Arab Chambers and with the co-operation of AFRASEC and UNIDO.

4. Problems of organization, financing, and finding qualified personnel for Arab C+F industrial development activities

It was noted by the Seminar that problems of organization, financing and lack of qualified personnel were major constraints to the provision of practical industrial development assistance by Arab C+F. In general, Arab C+F did not have the necessary number of qualified personnel. They lacked the proper organizational structures to attract qualified personnel. In addition, the boards of directors of C+F did not allow the administrative staff to participate in decision-making or policy formulation and this usually led to differences in opinion between the Boards of Directors and the executive staff.

As far as organization and personnel were concerned, the participants were of the view that the following issues should be taken into consideration:

- (a) C+F were non-profit organizations and should be run as such. They should be concerned more with extending services to their members than with increasing their financial reserves.
- (b) C+F should organize their technical services by finding all the necessary qualified staff and by assuring them reasonable remuneration and social security.
- (c) There was a gap in the academic and professional qualifications of the executives of C+F and the rest of their staff. The participants were of the view that the narrowing of this gap would have a favourable effect on the working of C+F.

As far as the financial problem was concerned, the participants were of the view that the problem was a difficult but not an insurmountable one. To solve this problem, C+F could initiate direct services to their members which would convince them of the usefulness and value of C+F. Such services could be started at the initial stage with assistance from regional and international organisations.

5. Technical assistance for C+F from international organizations

The Seminar was told about various UNIDO and UNDP/UNIDO programmes of assistance (e.g. the organization of consultations at the national level, and the provision of experts, fellowships and equipment to help C+F in establishing and organizing their own technical services departments) and about the correct procedures for requesting this assistance. The participants expressed keen interest in the programmes and requested that they be kept informed concerning them and related UNIDO and UNDP/UNIDO activities.

ANNEX I

LIST OF PARTICIPANTS

Country Participants

Algeria:

Bachir Bouteflika

Deputy Director, Commercial Organisation,
Ministry of Commerce

Khalod Dimerdji

Chief, LONAFEX Delegation in Beirut
for the Middle East

Bahrain:

Yousuf Saleh

Director, Bahrain Chamber of Commerce
and Industry

Egypt:

Sayed El-Masry

General Director, Federation of
Egyptian Chamber of Commerce

Said El-Barred

General Director, Cairo Chamber of
Commerce

Iraq:

Hatim Abid Al-Rashid

President, Iraqi Federation of Industries

Abdul Munaim Al-Doori

Assistant Director General, Baghdad
Chamber of Commerce

Sabah ul-Din Al-Salihi

Director, Kirkuk Chamber of Commerce

Jordan:

Rashad Hammo

Secretary, Federation of Jordan Chambers
of Commerce

Kuwait:

Haytham Al-Malluhi

General Secretary, Kuwait Chamber of
Commerce and Industry

Aqeel Al-Jassem

Administrative Assistant, Kuwait Chamber
of Commerce and Industry

Lebanon:

Walid Ahdab

General Director, Beirut Chamber of
Commerce and Industry

Khair Doughan

Representative of the Ministry of Planning

Habil Ladki

Executive Secretary, Association of
Lebanese Industrialists

Libya Arab Republic:

Kamel Al-Hadi Arrab

Secretary General, Tripoli Chamber of
Commerce

Sudan:

Mohammad F. Abdel Ghaffar

Director General, Sudanese Industries Association

Syrian Arab Republic:

Mohammad Thabet Mahayni

General Manager, Damascus Chamber of Commerce

Abdul Hamid Malakani

Director General, Damascus Chamber of Industry

Tunisia:

Abdulmalek Bonachour

Director, Tunisian Union for Commerce, Industry and Handicraft

United Arab Emirates:

Abdulla Radhi

Deputy Director, Abu Dhabi Chamber of Commerce and Industry

People's Democratic Republic of Yemen:

Abdullah Salem Al-Rammah

Vice-President, National Chamber of Commerce and Industry

Experts

Benno Koch

Co-Director of the Organisation Desk, Foreign Trade Department, Austrian Federal Economic Chamber

Antonio Sevilla

Director of the International Economic Department of the High Council of the Spanish Chambers of Commerce, Industry and Navigation

Ferenc Siklos

Deputy Director General, Hungarian Chamber of Commerce

Observers

Afro-Asian Organisation for Economic Co-operation:

Farid Moustapha

Secretary General

Arab Labour Organisations:

Ibrahim Al-Rubeyi

Assistant Director General

French-Arab Chamber of Commerce (Paris):

Taha Farnawani

Secretary General

Malek Chehab

Technical Adviser

U.S.-Arab Chamber of
Commerce (New York):

Mohammad Baghal

Executive Director

International Organizations

UNIDO:

José Ernesto Cabrera	Industrial Development Officer
Mohammad El-Halfawy	Senior Industrial Development Field Adviser
Abdallah Abdelwahab	Senior Industrial Development Field Adviser
André De Crombroghe	Assistant Industrial Development Field Adviser

UNDP:

Mohammad El-Halfawy	Senior Industrial Development Field Adviser
André De Crombroghe	Assistant Industrial Development Field Adviser

ECNA:

George N. Sfeir	Chief, Industry Unit
Mohammad Abdel Moneim	Industry Unit
Munir Rashed	Industry Unit, Research Assistant

ICC/IBCC:

W.F. Nicholas	Deputy Director, London Chamber of Commerce and Industry
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Secretariat of the Seminar

José Ernesto Cabrera (UNIDO)	Director of the Seminar
Burhan Dajani (Union of Arab Chambers)	Co-Director of the Seminar
Mohammad El-Halfawy (UNDP)	Adviser to the Director of the Seminar
Abdallah Abdelwahab (UNIDO)	Adviser to the Director of the Seminar
Elias Ghantus (Union of Arab Chambers)	Rapporteur
Souhayl Hanan (Union of Arab Chambers)	Secretary

ANNEX II

AGENDA

1. Opening Statements
2. Election of Officers
3. Approval of the Agenda
4. Role of the Arab Chambers of Commerce and Industry and Federations/Associations of Industrialists in the planning and execution of industrial development programmes
5. Review of the industrial development activities currently undertaken by Arab Chambers of Commerce and Industry and Federations/Associations of Industrialists
6. Additional industrial services which Arab Chambers of Commerce and Industry and Federations/Associations of Industrialists can render to their members after a re-organization or expansion of their facilities
7. Co-operations between Chambers and Federations/Associations of Industry and Commerce in Arab countries, other chambers and mixed chambers in industrialized countries
8. Problems relating to the recruitment and financing of qualified officials to undertake the activities of the Chambers of Commerce and Industry and Federations/Associations of Industrialists in the field of industrial development in Arab countries
9. The possibilities of providing technical assistance to the Chambers of Commerce and Industry and Federations/Associations of Industrialists in developing countries by international organisations
10. Discussions of the Seminar's Report and approval of the recommendations

ANNEX III

PROGRAMME OF WORK

Monday, 14 January 1974:

Hour:

- 9:30 Registration of participants at the Beirut Chamber of
Commerce and Industry
- 10:30 Opening Session:
- Opening addresses
- Election of officers
- Adoption of the Agenda and the Programme of Work
- 13:30 Lunch at Carlton Hotel by the Beirut Chamber of Commerce
and Industry
- 16:00 Discussion of Item (4) of the Agenda

Tuesday, 15 January 1974:

- 9:00-12:30 Discussion of items (5) and (6) of the Agenda
- 15:00-17:00 Continuation of discussion on items (5) and (6)


Wednesday, 16 January 1974:

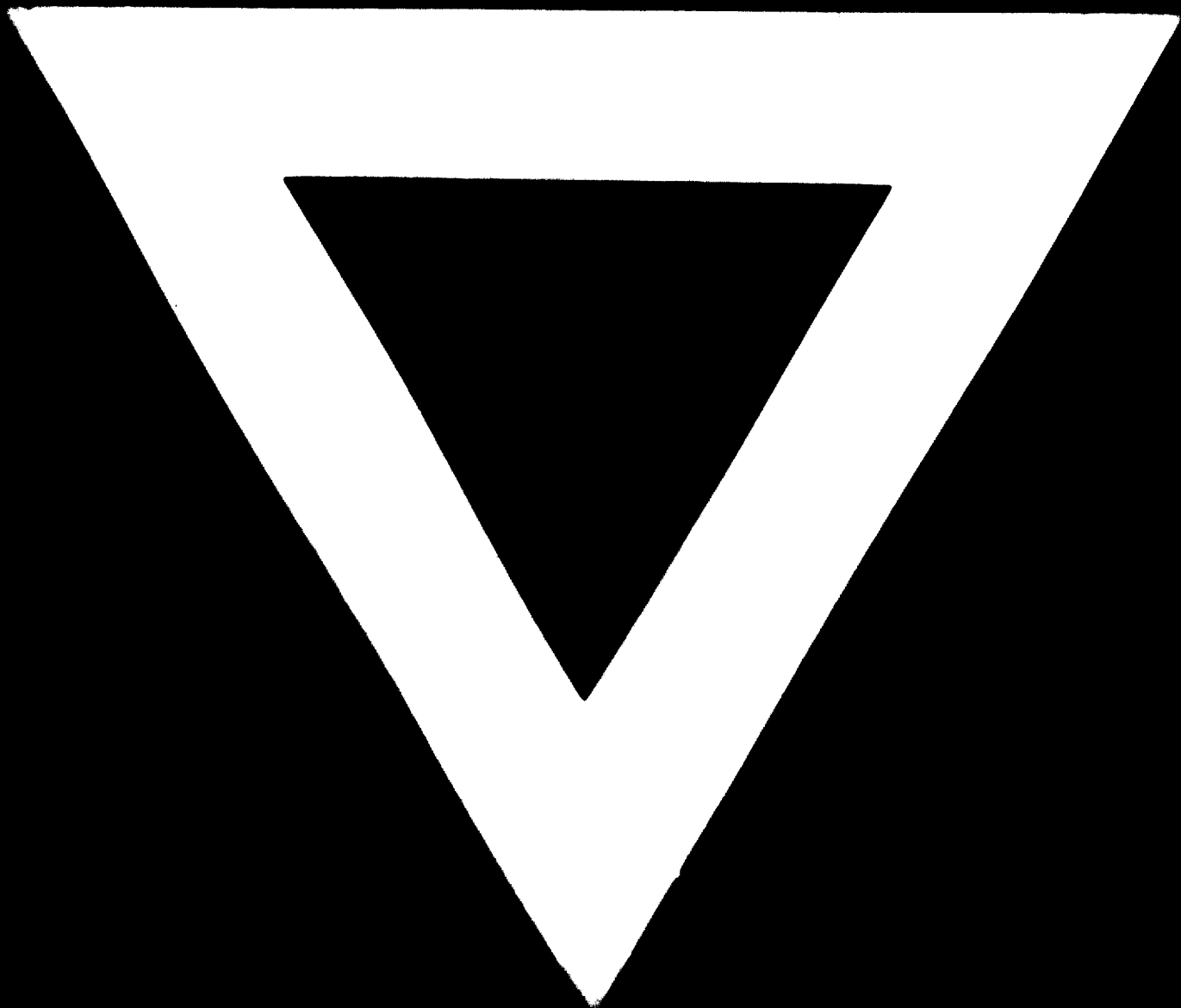
- 9:00-12:30 Continuation of discussion on items (7), (5) and (6)
- Afternoon - Visit to plant

Thursday, 17 January 1974:

- 9:00-12:30 Discussion of item (7) of the Agenda
- 13:00 Lunch at Beurivage Hotel by Union of Arab Chambers
- 15:00-18:00 Discussion of items (8) and (9) of the Agenda

Friday, 18 January 1974:

- 9:00-12:30 A plant visit
- 15:00-16:30 Discussion of the report, adoption of recommendations,
and closing session
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