



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

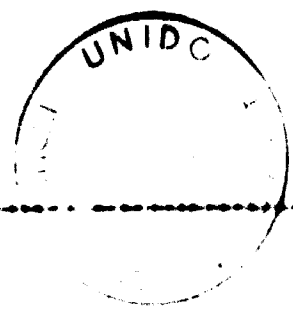
CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

22103
12

UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION



Distr.
RESTRICTED
UNIDO/IPFD.128
22 November 1973
ENGLISH

05540

REPORT ON EXPLORATORY MISSION TO
INDIA

by

K.W. Stang
Interregional Adviser

(26 - 28 February 1973)

14.73-7701

CONTENTS

INSTITUTION	Page
United Nations Development Programme	1
Indian Investment Center	2
Federation of Indian Chambers of Commerce and Industry	3
Trade Development Authority	4
Ministry of Industrial Development	5

UNDP

For a first informative briefing I met with Mr. J.H. Lascelles, Senior Industrial Development Field Adviser (UNIDO) and Mr. M.R. Malhotra, Programme Officer. We discussed the programme for my meetings in India which had been prepared by UNDP in close co-operation with the Ministry for Industrial Development. Since a number of important organizations, particularly development banks, concerned with industrial investment promotion and financing are domiciled with their head offices in Bombay, it was regretted that my visit to India did not include this important industrial and financial city.

My discussions with organizations concerned with industrial investment promotion and follow-up in India will have to be carried out under the consideration that India, contrary to other Asian development countries, is to a large extent interested in investment opportunities in Asian as well as close African countries as investors.

I offered to the UNDP and UNIDO officials same as in the other countries of my mission, to accompany me to any Meeting that appeared to be of interest and importance to UNDP.

They were interested to receive from me the first information on the forthcoming Third Asian Regional Investment Promotion Meeting in Kuala Lumpur. We discussed the different aspects and bearings on India.

On February 27, 1973 the second and final meeting took place to review the outcome of my mission with Mr. Guido Grisogono, Deputy Resident Representative, Mr. Lascelles and Mr. Malhotra.

Mr. Lascelles stressed the importance of sub-contracting and joint ventures for India and the necessity of the follow-up of Mr. Huntington's mission.

The suggestion was made that I should also visit the Trade Development Authority (TDA), New Delhi, the Government organization stimulating export industries in India, at present of 16 different sectors of industry. UNDP will endeavour to make arrangements for a Meeting at short notice.

UNDP is expecting as soon as possible and feasible a press release draft on the Kuala Lumpur Meeting. It was suggested that the staff/expert mission to identify projects should stay at least two weeks in India. As the important cities to be visited were mentioned New Delhi, Bombay, Calcutta and possibly Madras. From the discussions it became obvious that the New Delhi UNDP Office is placing considerable importance on our investment promotion work and is prepared to co-operate closely.

Indian Investment Center

I visited Mr. K.J. George, Executive Director, and informed him in more detail about the purpose of my mission and the possibility that there may be another Investment Promotion Meeting in November. (Mr. George had represented his organization at the Manila Meeting).

The review of our Programme of Services to Institutions concerned with Industrial Investment Promotion revealed that, basically, the Indian Investment Center is well-established and staffed. It has its own offices abroad in Dusseldorf, London and New York. Our review of ways in which a UNIDO expert as suggested under the programme could be of assistance to the Investment Center led to the tentative conclusion that there are probably few fields and lines in which such a mission could be useful.

As far as the preparation of the Third Asian Regional Investment Promotion Meeting is concerned, Mr. George assured me of his readiness to assist us in the identification of projects. The staff/expert mission should closely co-operate with the Indian Investment Center. We thought that as the time for such an expert mission we should envisage not later than the second half of May.

We also discussed in some detail the question of Indian investors as participants in the Meeting.

A brief review of the Indian projects presented in Manila and Singapore led to Mr. George's suggestion that information on the projects which are still interested in UNIDO's promotional assistance should be collected prior to the staff expert mission's arrival and the mission should assist in preparing the necessary details so as to present these projects again in Kuala Lumpur.

Federation of Indian Chambers of Commerce and Industry

On 27 February 1973 I visited Mr. Chentsal Rao, Joint Secretary, Dr. Ram Gopal Agrawal, Secretary (Economics) and Mr. Bicht.

Informed the officers in brief about our Programme of Services offered to Investment Promotion Institutions. Then we went into details of the Indian participation in UNIDO's Investment Promotion Meetings. Very interested to learn that there will be a Third Asian Investment Promotion Meeting in 1973.

Exchange of information on the Indian rules and regulations governing joint ventures abroad by Indian investors

Brief review of the activities of the Indian Foreign Investment Board, this is the Government Authority which handles the applications by foreign investors for investment in India. It was suggested that under consideration of the terms of reference of my mission a visit there might not be essential.

The officers of the Federation of Indian Chambers of Commerce and Industry were very interested in UNIDO's sub-contracting and joint venture promotion programme. We had a long discussion from which it became obvious that the Indian Industry has a considerable need for our assistance in these lines. They had met with Mr. Hemmington during his two months mission to India and are much interested in a follow-up.

It was mentioned that Indian industrial consultant organizations are well-prepared to undertake feasibility studies and all kinds of assistance to projects in developing countries, probably at less cost than consultant services from a number of prominent industrialized countries.

As far as the preparation of the Third Asian Investment Promotion Meeting is concerned, the Chamber officials will be glad to co-operate closely with our staff/expert who may come to India end of May/beginning of June to identify projects. They will be glad to notify their members, the Indian Chambers and private sector companies. It was suggested that as soon as we have the first list of projects from Asian countries the list should be sent, in addition to the correspondence undoubtedly to be routed through the Ministry of Industrial Development, directly to the Chamber in order to save time. It was strongly suggested that the project identification mission should, in addition to New Delhi, also visit Bombay and Calcutta.

Altogether, it was an interesting and fruitful meeting which was conducted in a spirit of mutual co-operation.

Trade Development Authority

Accompanied by Mr. Malhotra of UNDP, I visited on 28 February 1973 Mr. A.N. Bannerjee, Managing Director of TDA. Thereafter, I met with Mr. Roger Oldcorn, UNIDO Expert in Inter-Firm Comparison, attached to TDA.

Mr. Bannerjee briefed me on the activities of his organization, which is primarily designed to assist Indian export industries. They have now 200 registered firms as members. Furthermore, there are 50 clients from countries outside of India. Details on TDA are contained in literature which I am pouching to UNIDO Headquarters.

TDA has an allocation in foreign exchange for product adaptation. I understand they were instrumental in organizing the Indian participation in the UNIDO Seminar in New York last year.

One of the organization's objects is to set up the Export Processing Zones in different regions of India. The immediate project is the Airport Electronics Project in Bombay. TDA is assisting its clients in the capacity expansion, jointly and in close co-operation with the Indian Investment Center. I offered UNIDO's assistance in the Investment Promotional part of such expansion projects. It was agreed that information on such projects will be submitted to UNIDO by TDA in the form of completed project questionnaires through Mr. Lascelles' office at UNDP.

One of TDA's concerns is the field of sub-contracting. They have closely co-operated with Mr. Hemmingson during his mission here. Mr. Bannerjee mentioned that he has received Mr. Hemmingson's report some time ago and that he will write him shortly. This was an informative visit with the possibility of future co-operation between TDA and UNIDO, also in the line of industrial investment promotion of Indian export industries.

Ministry of Industrial Development


Accompanied by Mr. Malhotra of UNDP, I called on 28 February 1973, on Mr. Abid Hussain, Joint Secretary, who had called and presided at a Meeting. Others present were: Mr. N. Venkataraman, Director, Ministry of Industrial Development (he is Liaison Officer to UNDP and UNIDO); Mr. K. L. Nanjappa, Deputy Commissioner, Small-scale industries; Mr. H. L. Seth, Under-Secretary, Ministry of Industrial Development; the Representative from the Ministry of External Affairs; Mr. Kan D. Mariwalla, Chief Consultant, The National Industrial Development Corporation Ltd.

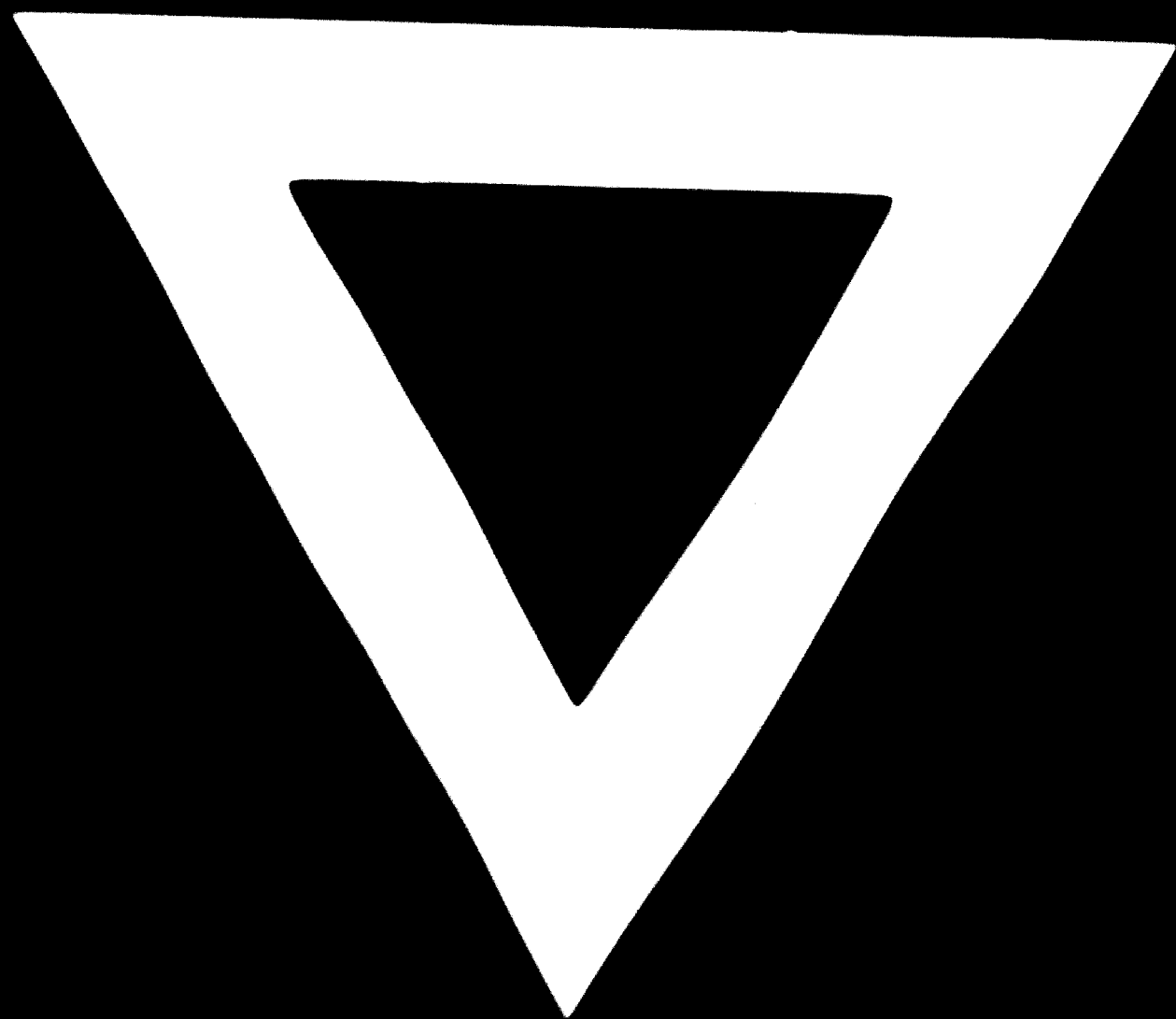
Discussion of UNIDO's Programme of Services regarding Investment Promotion and Follow-up as well as the forthcoming Kuala Lumpur Industrial Investment Promotion Meeting.

Mr. Abid Hussain assured us of the interest of the Government of India to participate again in the Meeting. He designated Mr. Venkataraman as co-ordinating officer. The Ministry will act as co-ordinating organization. This will refer both to Indian participants with industrial development projects in India as well

to Indian investment-incl. organizations which wish to study projects from other Asian countries. The Ministry will be glad to have a draft of the press release we may prepare to announce the Meeting. They are expecting an official invitation from UNIDO and further details on the Meeting. Request that the Ministry will be put on our mailing list for all projects to be identified for presentation in Kuala Lumpur. The Ministry will reflect about the necessity and possibilities of making use of our expert services for investment promotion and follow-up under our Programme of Services. At any rate, they are expecting UNIDO staff/expert to come in May or June to assist in the identification of projects for Kuala Lumpur. India will be glad to share its experience in industrial investment promotion with other countries. Mr. Abid Hussain suggested in connection with the discussion of UNIDO Investment Promotion Centers to be eventually established in capital cities of industrialized countries that UNIDO should establish a data bank for industrialization plans of different lines of industries and industrial projects from different countries to be made available as an exchange of information and experience to the other developing countries. India will be glad to provide this data bank with information on this country. Under consideration of India's interest in investing in other Asian countries generally by transfer of advanced technology and supply of machinery and equipment (investment in kind), the Ministry requests full information - Project Information Sheets - on projects to be presented in Kuala Lumpur. Mr. Abid Hussain reported about India's observations at the African Investment Promotion Meetings which found India's particular interest. He stated, however, that information available on the projects was insufficient in most cases to evaluate the projects by interested investors.

My mission to India was limited by time; therefore, it was envisaged that the follow-up on projects presented in Singapore and Manila will be prepared by the Ministry and should be done by the staff member/expert in connection with the preparation of the Kuala Lumpur Meeting.





76. 06. '29