



**TOGETHER**  
*for a sustainable future*

## OCCASION

This publication has been made available to the public on the occasion of the 50<sup>th</sup> 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.

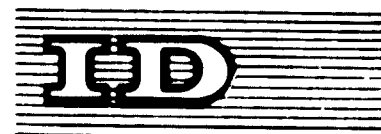
## FAIR USE POLICY

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](mailto:publications@unido.org) for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at [www.unido.org](http://www.unido.org)



170/393

Distr.  
GENERAL

ID/B/INF.34  
5 May 1972

ORIGINAL: ENGLISH/FRENCH

United Nations Industrial Development Organization

## Industrial Development Board

Sixth Session

Vienna, 23 May - 2 June 1972

SUMMARY OF ACTIVITIES CARRIED OUT IN THE FIELD OF INDUSTRY  
IN 1971 BY INTERGOVERNMENTAL AND NON-GOVERNMENTAL  
ORGANIZATIONS ASSOCIATED WITH THE ACTIVITIES OF UNIDO  
UNDER RULES 75 AND 76 OF THE RULES OF PROCEDURE  
OF THE INDUSTRIAL DEVELOPMENT BOARD

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

Contents

	<u>Paragraph</u>	<u>Page</u>
INTRODUCTION	1 - 2	4
PART ONE: INTERGOVERNMENTAL ORGANIZATIONS	<u>3 - 80</u>	4
World Intellectual Property Organization (WIPO)	3 - 15	4
Organization of American States (OAS)	16 - 28	6
International Institute for Cotton (IIC)	29 - 41	7
European Investment Bank (EIB)	42 - 45	10
Council of Arab Economic Unity (CAEU)	46 - 48	11
Common Afro-Malagasy-Mauritian Organization (OCAM)	49 - 56	12
Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA)	57 - 80	14
PART TWO: NON-GOVERNMENTAL ORGANIZATIONS	<u>81 - 139</u>	19
Afro-Asian Organization for Economic Co-operation (AFRASEC)	81 - 88	19
European Centre for Overseas Industrial Development (CEDIMOM)	89 - 92	21
International Co-operative Alliance (ICA)	93 - 98	22
European Union of Coachbuilders (UEC)	99 - 100	23
International Savings Banks Institute (ISBI)	101 - 105	23
International Council for Scientific Management (CIOS)	106 - 116	24
International Association for the Protection of Industrial Property (AIPPI) <b>IAPIP</b>	117	26
International Organization of Employers (IOE)	118 - 120	26
European Association of Management Training Centres (EAMTC)	121 - 122	27
International Federation of Automatic Control (IFAC)	123 - 124	28
International Christian Union of Business Executives (UNIAPAC)	125 - 127	28

	<u>Paragraph</u>	<u>Page</u>
➤ World Federation of Engineering (WFEO)	128 - 129	29
➤ International Union for Conservation of Nature and Natural Resources (IUCN)	130 - 132	29
➤ Union of Industries of the European Community (UNICE)	133 - 139	30

## INTRODUCTION

1. A report on the co-operation since the fifth session of the Board between UNIDO and intergovernmental and non-governmental organizations associated with the activities of UNIDO under rules 75 and 76 of the rules of procedure of the Industrial Development Board is contained in document ID/B/111 under item 9 of the agenda of the Board.
2. The present document summarizes the 1971 activities carried out in the field of industry by the above-mentioned organizations on the basis of information provided by them.

### PART ONE: INTERGOVERNMENTAL ORGANIZATIONS

#### World Intellectual Property Organization (WIPO)

3. In 1971, the activities of WIPO in the field of industrial development were marked by three main features: the first full year of activities of WIPO, successor to BIRPI; administrative preparation for the entry into force of the Patent Co-operation Treaty (PCT); and the adoption of the Strasbourg Agreement Concerning the International Patent Classification at the Diplomatic Conference of Strasbourg in March 1971.
4. In accordance with its work programme, WIPO undertook in 1971 the following activities.
5. Training programme. Training courses continued to be organized with the co-operation of several industrial property offices. In 1971, eight traineeships were granted.
6. Seminars. A Latin-American Symposium on Intellectual Property was held in Bogotá from 24 to 27 November 1971, and preparations were made for the holding of an Arab Seminar on International Treaties Concerning Industrial Property in Cairo from 5 to 10 February 1972.
7. Model laws on industrial property. To date, model laws on three main topics (inventions, marks, industrial design) have been prepared in consultation with representatives of developing countries and of international organizations. In

1971, work started on a fourth topic, appellations of origin. With a view to drawing up a model law for Arab States on patents, a Committee of Arab Experts of the Industrial Development Centre for Arab States (IDCAS) met at the WIPO headquarters from 30 August to 4 September 1971.

8. Montreux Lecture Series. WIPO organized a lecture series on "Current Trends in the Field of Intellectual Property", which was held in Montreux from 22 to 25 June 1971.

9. Patent Co-operation Treaty. The Patent Co-operation Treaty (PCT) was signed by 35 States. The Washington Diplomatic Conference, which adopted the PCT, was attended by representatives from 78 States and 22 international organizations. The PCT, when it enters into force in a few years' time, will constitute the culmination of WIPO's work on a plan to facilitate the filing and examination of applications for the protection of inventions in more than one country. The Treaty provides for the filing of an international application where protection is sought for an invention in several countries.

10. ICIREPAT. During 1971, further progress was made in the work of the Paris Union Committee for International Co-operation in Information Retrieval among Patent Offices (ICIREPAT). The objective of ICIREPAT is to promote international co-operation in the field of storage and retrieval of technical information needed in connexion with the searching or examination of applications for patents, inventors' certificates or other similar documents. Its work, therefore, leads towards the establishment of international data banks of technological documentation of great relevance to industrial development; this has been given added impetus by the documentary requirements of the PCT.

11. Strasbourg Agreement concerning international patent classification. A diplomatic conference, convened jointly by WIPO and the Council of Europe, was held in Strasbourg from 15 to 24 March 1971. It was attended by representatives from 40 States. The Agreement was signed by the following 23 States: Austria, Belgium, Brazil, Denmark, Federal Republic of Germany, Finland, France, Greece, Holy See, Iran, Italy, Japan, Liechtenstein, Luxembourg, Monaco, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, United States of America and Yugoslavia.

12. The Conference revised the European Convention on the International Classification of Patents for Invention in order to transfer the administration of that classification from the Council of Europe to the International Bureau of WIPO and thus to make it possible for all member States of the Paris Union to participate on an equal footing in the development of the Classification.

13. Revision of the Madrid Agreement on the international registration of marks. Preparatory work continued on the revision of the Madrid Agreement or on the conclusion of an additional treaty on the international registration of marks; committees of experts and groups of consultants, both governmental and from the private sector, were convened.
14. Proposed patent licensing convention. A detailed study of the feasibility of a patent licensing Convention, provided by the Government of Sweden, designed to facilitate the transfer of technology to development was continued in preparation for a meeting of a committee of experts in 1972.
15. Legislation and legal material. In 1971, WIPO continued its traditional tasks of maintaining collections of national laws and international agreements upon industrial property and of publishing relevant specialized material in its periodicals Propriété Industrielle, Industrial Property and La Propriedad Intelectual.

#### Organization of American States (OAS)

16. The industrial development activities of the OAS in 1971 were as follows.
17. Training courses: course on industrial projects in France, for 15 technicians; course on industrial development in the Netherlands, for one technician; course on development of small industries in the Netherlands for ten technicians.
18. Courses of research related to industrial technology: Pan American course on metallurgy for ten technicians; subregional course on metallurgy of CNEA (Argentina's National Center of Atomic Energy); regional courses on re-cycling; Seminar on Cellulose and Paper in Mexico for 13 technicians.
19. Standardization and quality control: course on quality control for instructors in the Netherlands, for five technicians; Pan American course on technical standards in Argentina for 18 technicians.
20. Export promotion and marketing: course on export promotion and international marketing in Belgium for 20 participants; Inter-American course on national and international marketing in Brazil for 26 participants; five courses on national and international marketing in Argentina for 25 participants, in Mexico for 3 participants, in Mexico for 25 participants, in Uruguay for 25 participants, and in Chile for 42 participants.
21. Scholarships: three fellowships in business administration at INSORA (Chile's Institute of Business Administration); one fellowship for study of economic elites in Brazil.



22. Industrial technical assistance: establishment of an office for technical assistance to small- and medium-sized industries in Colombia; establishment of productivity centres in Barbados; mission on quality control to Colombia.
23. Agricultural technical assistance related to industry: mission on agro-industrial projects to the Dominican Republic; mission on agricultural diversification to Barbados.
24. Other technical assistance related to industry: establishment of a study centre for business administration in Uruguay; organization of a management institute in Trinidad and Tobago; promotion of handicraft co-operatives in Paraguay; organization of a regional centre for research and training in packing.
25. Technical assistance to the Government of Guatemala in the organization and promotion of a national finance corporation.
26. Technical assistance to the Board of the Caragena Agreement in international marketing of chemical products.
27. Studies for the CIAP Country Reviews: general analysis of the industrial sector of Paraguay, with emphasis on agro-industrial projects; general analysis of the industrial sector of Panama, with emphasis on its prospects as a gateway of international trade; considerations on the industrial strategy of Brazil; considerations on the new industrial law of Peru; internal effort on the development of the Dominican Republic's industrial sector.
28. Special studies: the establishment of subcontracting industries through arrangements between the United States of America and Latin American countries; study on industrial employment; technological balance of payments.

#### International Institute for Cotton (IIC)

##### Market research

29. Apart from monitoring the trends in world fibre consumption and utilization, most of the activities of the Market Research Division during 1971 fell into the following categories:
  - (a) Studies of the cotton situation in developing countries;
  - (b) Surveys of the markets for specific products (e.g. sheets and pillow cases, mercerized yarns, and double knit fabrics) in Western European countries;

- (c) Review of the major factors affecting the textile industries in developing countries;
- (d) Research on consumer attitudes, opinions and buying habits in programme countries;
- (e) Cotton and its competitive position, with special reference to fibre blending in cotton end-uses;
- (f) Analysis of textile developments relating to production, consumption and distribution of cotton textiles in particular markets.

#### Technical research and development

30. The Technical Research Division is responsible for the initiation and supervision of a wide range of research projects in leading research institutes and universities in eleven different countries across Europe and in India and Japan.

31. The first major objective of the research programme is to provide better easy-care properties for cotton products while retaining all cotton's natural virtues. The approach is to strengthen and toughen the cotton fibre before the application of the easy-care finish so the final product still has a wear life at least as good as the untreated fibre. Earlier laboratory work produced cotton fibres with twice the strength and three times the toughness of the normal fibre, and research in 1971 has been directed towards carrying these improvements, at least in part, through to the finished yarns and fabrics.

32. During 1971, the Technical Research Division worked closely with the textile industry on product and process development particularly in the successful launching of 100 per cent easy-care cotton sheets and in developing end-use applications for liquid ammonia treated yarns and fabrics, and new finishing treatments for work wear. The Division has also been working with the industry and machinery manufacturers to ensure that cotton is utilized to the maximum extent in the new machines and processing techniques which are transforming the textile industry. The particular interest of IIC has been high-speed knitting, open-end spinning and twistless yarns. New types of cotton knitwear have been developed in IIC's own laboratories.

33. IIC also maintains a constant feedback of information to cotton breeders in cotton growing countries to help them produce cottons that give the best response to the new processing techniques.

34. During 1971, the Research and Development Centre expanded its technical service functions and is being used increasingly in a consultancy capacity. The liaison staff, which include specialists in spinning, knitting and finishing, help in identifying and solving practical problems in the mills and in introducing and demonstrating new processes for utilizing cotton. It also provides technical education and training services for IIC members in the form of conferences, training courses and specialized training designed to meet the specific requirements of the individual.

### Promotion

35. The promotion activities of IIC are directed towards strengthening the position of cotton in the market by stimulating consumer interest in cotton products. The promotion programmes are carried out in thirteen Western European countries and Japan in co-operation with leading manufacturers and retail stores.

36. In addition to direct consumer and trade advertising, the programmes include collective merchandising activities, participation in trade fairs, fashion shows and exhibitions, the provision of trade services and the distribution of point of sale material. In 1971, the programmes were given a sharper commercial edge by the expansion of IIC's fashion and fabric services. Following the success of the fashion and fabric centre opened in Paris in 1970, other fabric centres have been opened in London and Osaka, where trade buyers, makers-up, architects and designers can see and study a large and representative collection of new cotton fabrics, fully documented and kept continuously up to date. A well illustrated review of fashion trends is circulated every two months.

37. A study carried out by the Market Research Division in 1971, "Cotton Availability in Western Europe and Japan", has shown that since the IIC promotion programmes were started in 1967 cotton availability (production plus imports minus exports of cotton and cotton products) in the fourteen programme countries of Western Europe and Japan has risen significantly and consistently both in absolute terms and on a per capita basis. During the last 10 years cotton consumption in the programme countries rose by more than 600,000 bales to almost 9.8 million bales.

### Co-operation with international organizations

38. UNDP. Arising out of a meeting of IIC with UNDP, UNIDO, FAO and UNCTAD/ITC in New York on 1st and 2nd April 1971, UNDP is at present in the process of appointing and briefing a three-man mission to study the feasibility of an international cotton research and development programme.

39. UNIDO. IIC is currently co-operating with UNIDO in the organization of an expert group meeting on new techniques of yarn and fabric production, to be held in Manchester in June 1972.
40. UNCTAD/GATT/ITC. IIC has consultative status with UNCTAD, and on 28 June 1971 IIC presented a detailed report on "Research and Development in Cotton Processing and Utilization" to the UNCTAD Permanent Group on Synthetics and Substitutes. IIC is currently collaborating with the International Trade Centre and the Belgian National Cotton Institute in the organization of an international symposium on cotton market development which is to be financed by the Belgian Government and is to be held in Brussels in September 1972.
41. FAO. IIC consults regularly with FAO and works in close co-operation with FAO's staff on all matters relating to cotton.

European Investment Bank (EIB)

42. During 1971, the European Investment Bank signed four loan agreements totalling the equivalent of 22.54 million units of account in respect of industrial and tourist projects in the Associated African and Malagasy States. Details of these four loans are given below:

<u>Location</u>	<u>Purpose of the loans</u>	<u>Amount in millions of units of account</u>
Federal Republic of Cameroon	Extension of the Edéa hydro-electric installations	3.5
Republic of Senegal	Construction of an international class hotel at Dakar	1.44
Republic of Zaïre	1. Extension of mining and industrial installations in the province of Shaba for the purpose of increasing copper and cobalt production capacity	16.0
	2. Loan to the Financial Development Society (SOFIDE) to finance the extension of a synthetic textile factory at Kinshasa.	1.6

43. With regard to loans under special conditions from the resources of the European Development Fund, the Bank, within the framework of the new Association Agreement, participated in the study of several African projects, in conjunction

with the Commission of the European Communities. The Bank gave favourable decisions on four operations, totalling 7.020 million units of account, which were approved by the Commission before the end of the financial year; the financing contracts should be signed in 1972.

44. In 1971, as in 1970, the Bank's activities in Turkey were concentrated on the implementation of loans granted under the Special Section and under mandate from the member States for the implementation of the first Financial Protocol to the Association Agreement between Turkey and the European Economic Community. The total funds (175 million units of account) are now fully committed following the signature in May of the contract granting additional funds totalling 10 million units of account for the construction of the Kéban hydro-electric dam.

45. In addition, reinvestment operations were undertaken for the first time in 1971. With the Bank's agreement, Turkey granted investment credit from sums repaid by enterprises which had benefitted from loans from the Bank and not yet needed by the State to amortize these loans because the repayment period is considerably longer. The first of these reinvestment operations involved the granting to the Türkiye Sınai Kalkinma Bankasi (TSKB) (Industrial Development Bank of Turkey) of a global loan of 45 million Turkish pounds (the equivalent of 3 million units of account) for the financing of small-scale and medium-scale private industrial ventures in 1971-1972.

#### Council of Arab Economic Unity (CAEU)

46. The specialized technical committee for pharmaceutical industries held two meetings in Cairo; one on 9 - 14 May and the other on 30 November to 12 December 1971. Several recommendations were made in the first meeting, the most important of which was the setting up of a permanent bureau to follow up the work of the committees. The committee also recommended the basis to be followed in pharmaceutical co-ordination and marketing. The committee laid down the technical basis for the member States' approval of medicine and recommended the formation of an organization for pharmaceutical research and control and a unified code to be accredited in pharmaceutical statistics and undertakings. As to the unification of pharmaceutical patents, the committee recommended the unification of legislature in the member States and the establishment of a technical organization for pharmaceutical development.

47. At its second meeting, the pharmaceutical committee drafted an agreement for the establishment of the Arab organization for pharmaceutical research and control.

48. The reports of the two meetings were submitted to the Council of Arab Economic Unity at its nineteenth session on 19 - 21 December 1971 which tentatively approved the recommendations of the committee and recommended that the report concerning the establishment of an organization for pharmaceutical research and control should be sent to the member States for perusal in order to state their observations within a period of three months so as to present it to the Council at its next session.

#### Common Afro-Malagasy-Mauritian Organization (OCAM)

49. In 1971, the Secretariat General of OCAM, in accordance with the instructions given it by the Heads of State in 1970, carried out studies with a view to the industrial development of the member States on a regional basis.

50. First of all, OCAM made preliminary studies to establish the framework of its programme of activities, which was to cover the whole of the geographical area of the organization, so that it could work out a plan of action and a programme of operation on the desired scale, embracing all fifteen member States.

51. The work done by the OCAM Secretariat General in 1971 made it possible to determine the possibilities offered by the markets of the fifteen member States in the sphere of import substitution industries. The studies undertaken by OCAM showed that over and above what was being done by States at the national level to satisfy the needs of their national economies, there was still considerable room for action to the extent that the reorganization of markets would make it possible to produce on a reasonably competitive basis, consumer goods, intermediate goods and producer goods which at present are still imported.

52. In the sphere of industries utilizing member States' natural resources which could be developed on a multinational basis, more detailed studies will be necessary to establish export possibilities and assess the unused potential which could be exploited to promote the economic development of a group of States or subregion.

53. The investigations made by OCAM should lead to the preparation of a programme covering a series of multinational industrial projects to be undertaken in the member States. The studies that have been carried out have concerned

the level of demand for certain imported products in the OCAM countries as a whole which were thought likely to prove suitable for industrial production and subsequent marketing throughout the countries of the region. Bearing in mind the Secretariat General's limited facilities, OCAM restricted the field of study to a small number of products, so as to arrive at definite and workable proposals.

54. An initial selection resulted in the limitation of research to fifteen products which seemed to be the most promising, taking into consideration studies previously made on these products, and the present levels of production, which clearly bear no relation to the size of the markets in the OCAM countries. These products are of various kinds: chemical products, manufactured fertilizers, synthetic and artificial fibres, ceramic products, pharmaceutical products, tools, steel cutlery, steel cables and ropes, tires and inner tubes, ironware, electric bulbs, electrical equipment, hides and skins, brassware, copper products, glues etc., and they are not manufactured locally in most of the States, except in a few cases where small industries or workshops produce goods by simple methods for the local market only.

55. In addition to the pre-selection of products as described above, OCAM has extended its investigations to the natural resources of the countries belonging to the Organization which are not yet exploited or are insufficiently exploited.

56. OCAM has made three requests to UNIDO in order to avail itself of the Organization's assistance in accordance with the Note on Principles and Procedures of Co-operation between OCAM and UNIDO and thus help the Secretariat General to continue the work already undertaken in 1971, with its own very limited resources. The projects are as follows:

- (a) Project concerning assistance to OCAM in setting up a regional centre for industrial information and technology;
- (b) Project concerning the services of a general engineer - economist to help OCAM review and assess the industrial projects which can be carried out simultaneously in each of the fifteen States belonging to OCAM, in order to encourage a realistic and practical approach to the aims of industrial harmonization and regional co-operation between the member States of OCAM;
- (c) Project concerning the services of a specialized expert or adviser on industrial finance to assess the industrial projects from the financial point of view, establish the methods of financing, and make specific proposals to OCAM on the administrative, organizational and legal measures to be taken to promote inter-African trade, within the framework of industrial harmonization, on the level of regional co-operation between the member States of OCAM.

Permanent Secretariat of the General Treaty  
on Central American Economic Integration (SIECA)

Programming of regional industrial development

57. During 1971 it was possible to carry out certain activities intended to strengthen the programming of industrial development in this region, in accordance with the objectives of the Central American Economic Integration Programme.

Central American inventory of industrial projects

58. In the first place, the second Central American inventory of industrial projects was formulated and analysed. It is considered that the work done has filled the need for up-to-date information on existing industrial projects in the region and the identification of industrial development trends in the area.

Analysis of the Central American Scheme of Integration Industries

59. In this regard, a beginning was made with compiling the background information that will give adequate knowledge of Central American experience in the application of the scheme of Central American integration industries and allow an assessment of its possibilities for use as an instrument of programming regional co-operation policy in the sphere of basic industrial development. Similarly, the examination was concluded of the experience obtained in the application of the Special System for the Promotion of Production which was adopted in the region as an alternative to the scheme of integration industries.

60. Such activities were undertaken with the aim of finding ways and means of perfecting the machinery of regional industrial policy with the aim of increasing its efficiency.

Technical assistance in the formulation  
of industrial plans and projects

61. The Governments of the Central American Common Market countries continued to receive technical assistance from SIECA regarding the formulation of their industrial development plans and the training of government officials in the formulation and evaluation of projects for the implementation of national plans. In 1971, the Governments of El Salvador, Guatemala and Nicaragua applied for and received technical assistance.



100

Statistical information for evaluation  
of the situation of Central American industry

62. In 1971, the first tabulation of information obtained in the second regional industrial survey was concluded in SIECA, meeting for the first time the data for the study of the present industrial structure and the evaluation of the policy of fiscal incentives. By means of a later ad hoc meeting, the information in that survey was supplemented by figures on employment by branch of industry, supplied by the social security agencies of the countries in the area.

Study of the prospects for  
industrial development in the decade 1970-1980

63. With a further assignment of funds from the United Nations and other international organizations, the study was begun this year of the prospects for industrial development in the decade 1970-1980; the basic element in the study is the determination of the objectives of the strategy for the decade and the formulation of the policy regarding the instruments and institutions through which it would be possible to achieve the objectives thus defined. Many of the special studies described in the preceding parts of this report are being used for that purpose.

Administration of the instruments of industrial development

64. In accordance with the stipulations of the General Treaty on Central American Economic Integration, SIECA is also responsible for carrying out a series of activities with the aim of correctly applying regional agreements on free trade and industrial policy among the Central American Common Market countries.

Activities related to integration industries

65. During 1971, various relevant activities were continued, including verification of the implementation of the production programme of the industries covered by the Regime for Central American Integration Industries, of which there are at the moment three, namely: the industry for wheel rims and tires, the soda-chlorine complex and the chlorinated insecticides plant. The plant for the production of flat glass assigned to the Republic of Honduras has not yet been installed.

66. As to specific activities in this year, an investigation was carried out jointly with the Central American Research Institute for Industry (ICAITI) to determine the conditions of development of the integration plants producing caustic soda and chlorinated insecticides, in relation to prices and supplies of caustic soda. This was requested by the agencies responsible for action on an application from the company that owns this plant, as a preliminary to a decision on a readjustment of the prices of this regional industry's products and the approval of machinery for temporary supply by means of imports from outside the region.

67. A study was also made of the conditions of competition between the wheel rim plant subject to the agreement on the Regime for Central American Integration Industries and the products of another wheel rim plant established in the same region, but not covered by the Regime. In particular, the study referred to article IV of the above-mentioned Agreement, which provides for the application of successive reductions in duty on products similar to those manufactured by integration industries not covered by the Agreement.

#### Special System for the Promotion of Production

68. A considerable number of industrial enterprises engaged in regional import substitution are covered by this System which principally grants advance customs protection to industries that submit projects to the regional secretariat with the aim of supplying at least 50 per cent of the demand of the Common Market.

69. In 1971, various activities for the development of these industries were carried out, among which prominence should be given to the analysis of the production costs of polyvinyl chloride compounds and resins (industry established in Nicaragua) and the examination of the experience obtained in the application of the System, already mentioned in paragraph 59 above in an analysis of the scheme of integration industries.

#### Regulation and control of the importation of substitute manufactured products

70. Article IX of the General Treaty on Central American Economic Integration contains the stipulation that the Governments of the countries that constitute the Common Market may not grant customs exemptions or reductions in respect of imports from outside Central America of articles adequately produced in the Contracting States.

71. In 1971, SIECA continued its administrative function of receiving notice of and giving rulings on specific cases presented to it by Governments of the region with a view to the suspension of franchises, in conformity with the provisions of the General Treaty, in order to protect local industry against imports from outside the region, when the articles in question are adequately produced.

72. On the basis of the evaluation of the experience acquired in handling this instrument, a beginning was made this year with defining and regulating, in accordance with the requirements of the industrial development of the area, the conditions of price, quality and supply that must be met by the products of the industries considered to be import-substituting and therefore eligible for preferential treatment, preventing importation under franchise.

#### Central American Agreement on Fiscal Incentives to Industrial Development

73. This year the Regulations for the Central American Agreement on Fiscal Incentives to Industrial Development came into force in four countries of the area, thus completing the entry into force for these countries of the uniform Central American policy on fiscal incentives to industrial development.

74. As a result of this new effort to co-ordinate policy on fiscal incentives among the countries of the region, SIECA carried out an exhaustive revision of the text and annexes of the draft Regulations for the Agreement, which were approved and put into effect from 10 September 1971, only ratification by Honduras being pending.

75. As a result of the entry into force of that Agreement, SIECA initiated a series of additional studies to comply with the requirements of the Agreement and its Regulations, these studies including reports on enterprises classified under previous national industrial development laws, the revision of the official government gazettes of the five countries in which agreements on fiscal concessions to industrial enterprises are published etc.

#### Studies and activities of industrial branches

##### Textile industry

76. Research was completed on the determination of installed capacity in Central America, in terms of spindles and looms, for the plant producing flat cotton fabric, with the aim of determining the extent to which and the conditions under which the targets of the first regional textile plant, approved in

the second Managua protocol, were being fulfilled. Work continued on the preparation of a study to evaluate the implementation by Governments of the prohibition of customs franchises on the importation of spun goods consisting of pure cotton or mixtures and fabric of any textile fibre. SIECA prepared documents for the second regional textile conference of entrepreneurs in this branch, which met in December 1971 and in which it was agreed to continue the studies of the textile branch with the aim of formulating the second plan for the textile industry.

#### Assembly industry

77. A new preliminary draft protocol for the assembly industry in Central America was prepared; in relation to this activity, it was necessary to revise and analyse all the material available on the assembly industries, including studies prepared previously by SIECA with United Nations assistance. Also an observation and study tour to Mexico was undertaken in order to ascertain that country's experience in the orientation and regulation of the assembly industries.

#### Pharmaceutical industry

78. Work continued on the study for the formulation of a regional protocol of industrial policy for the pharmaceutical industry. A study on the fiscal incentives that should be granted to enterprises producing pharmaceutical and medicinal articles was carried out.

#### Oils industry and fats

79. In this year, the report on the oils and fats industry prepared by ICAITI in collaboration with SIECA was submitted to the Governments of the Central American Common Market countries for consultation, and action was taken to promote at an early date a regional meeting of private entrepreneurs and government representatives on this industrial sector.

#### Activities related to the meetings of the Common Market organs

80. The standardisation commission of the Central American Common Market, which was created on a temporary basis in 1971, held several meetings at the regional level. This commission called for the assistance of SIECA in the study of various problems of free trade in products of several of the "traditional" industries of the area.

PART TWO: NON-GOVERNMENTAL ORGANIZATIONS

Afro-Asian Organization for Economic Co-operation (AFRASEC)

81. AFRASEC and UNIDO joint projects aim at encouraging the Afro-Asian Chambers of Commerce and Industry to contribute towards promoting technical and industrial development by becoming valuable consultants for the preparation of national policies and effective mechanisms for the mobilization of national productive forces.
82. A pilot project is now in the preparatory stage in Turkey. A consultant from UNIDO and the AFRASEC Secretary General will hold a one-week consultation in February 1972 with the officials of the Union of the Chambers of Commerce, Industry and Commodity Exchanges of Turkey, together with industrialists and government officials related to industry. The object of this joint consultation is to: investigate the organization and operation of the Union and its affiliated chambers of industry; identify the necessary industrial services which the Union or its local chambers of industry could provide to member enterprises; suggest ways and means of putting such industrial services into operation; and recommend possible specific areas in which UNIDO could assist the Union or its affiliated local chambers of industry in expanding its activities.
83. On the report to be prepared by UNIDO and AFRASEC, two or more specialists will be assigned and attached to the Union, on a more or less permanent basis, as a type of Industrial Service Centre. Their jobs will be to offer consultation in the following areas:
- The undertaking of techno-economic feasibility studies for the establishment or expansion of industrial enterprises;
  - The provision of services and training to such areas of management as marketing and financing as well as technology and production;
  - The collection and distribution of information including information on export markets, on economic, managerial and technological fields of interest to affiliated chambers of commerce and industry and to other members;
  - Assistance in the improvement of the organization and administration of affiliated chambers of commerce and industry and other member associations, including the training of their staff. (The institution to be visited next by the UNIDO expert and the AFRASEC Secretary General, is the Chamber of Commerce in Addis Ababa.)

84. The second project under consideration is the implementation of a resolution of the Addis Ababa Workshop, organized in December 1970 by the joint efforts of UNIDO, ECA and AFRASEC; the resolution calls for the organization of training courses for the managerial staff of chambers of commerce and industry. At present, members attend training courses such as those organized by AARRO at the Small Industry Extension Institute in Hyderabad (the most recent one attended by AFRASEC nominees was held from October to December 1971).

85. AFRASEC is in continuous contact with United Nations agencies and other international bodies such as WIPO and IDCAS for the protection of intellectual and industrial property. Views were exchanged with UNCTAD on trade, commerce and effective ways of developing regional and international trade of Afro-Asian countries.

86. From 23 to 25 September 1971, AFRASEC held the first Afro-Asian Tobacco Industry and Trade Conference. Another project in the field of sectoral collaboration is the convening of an Afro-Asian conference for the promotion of tourism and the related industries which will promote small industries, especially handicrafts. It is hoped that the conference will be held in 1972. Among the other projects for implementation within the framework of sectoral collaboration is the promotion of building materials and related industries.

#### Activities within the AFRASEC Centre

##### Industrial information service

87. An industrial information service will be established within the AFRASEC Centre to help to promote industrial development. As the recent industrial development of Afro-Asian countries constantly requires the purchasing of industrial machines and the setting up of complete industrial plants, the Centre is collecting literature and documentation concerning sources of supply of industrial machines and equipment of the most recent designs. The Centre should be in a position to furnish AFRASEC members with the required information on appropriate sources of supply.

##### The Afro-Asian Week Programme

88. AFRASEC has evolved a new programme called the Afro-Asian Week Programme. Within the context of this programme, a week will be reserved for one country in the Afro-Asian region. A brief exposé will be presented on the economic and social conditions prevailing in a specific country. An exhibition of

national handicrafts or cottage industries will complete the briefing of the meeting on the host country. Finally, a seminar will close the weekend and will constitute a forum where the host country and its guests will have an opportunity for open and frank exchanges of views on the different economic aspects.

European Centre for Overseas Industrial Development (CEDIMOM)

89. In 1971, the CEDIMOM training department organized the following meetings:

- Study session on activities of major commercial companies in Africa (January 1971), attended by 31 African participants;
- Study session on tourism and leisure in Africa (March 1971), 30 African participants;
- Symposium of students of major schools and universities (March 1971) attended by 240 participants, including 220 students representing 36 countries;
- Study session on the links between agricultural and industrial development in the African economy (April 1971), attended by 37 participants from African countries and Mauritius;
- Study session on audio-visual aids and their role in modern society and the Third World (November 1971), attended by 30 participants from African countries and Madagascar.

90. In addition a regional inter-enterprise training course on the problems of distribution and marketing of fruit and vegetables was held at Marseilles in July 1971 and was attended by 9 participants from French overseas territories; a course for African students on personnel services in enterprises was held at Le Havre in September 1971 and was attended by 40 participants.

91. CEDIMOM is also preparing a conference on problems arising from training and enterprise in Africa. Its point of departure will be consolidated reports prepared by several enterprises that are members of CEDIMOM, in the light of the results of a survey devoted to the adaptation of training to the needs of French-speaking African states.

92. The department of information, documentation and publications of CEDIMOM has published the following works: "Echanges de vues sur la coopération des grandes entreprises européennes au développement économique de l'Afrique" (Exchanges of views on the co-operation of major European enterprises in the economic development of Africa) and "Les Activités des Grandes Sociétés Commerciales en Afrique" (The activities of major commercial companies in Africa).

International Co-operative Alliance (ICA)

93. The International Co-operative Alliance has helped in the completion of the setting up in 1971 of a dairy project in the Western State of India.
94. Useful collaboration between UNIDO and ICA has already begun with a recent project to assist the Government of El Salvador to develop industrial co-operatives. This project was carried out by ICA under contract from UNIDO, and the ICA expert has recently completed the debriefing session both in London and in Vienna. The final report will be made available in due course. It is hoped that the recommendations made by ICA will initiate a larger project for the development of industrial co-operatives in El Salvador, which would contribute to the industrialization of that country.
95. Some time ago ICA completed a feasibility study in the Republic of Korea in an effort to help the National Agricultural Co-operative Federation to set up a fruit processing plant.
96. In 1971, ICA completed a survey of agricultural co-operative marketing projects in Australia, India and Indonesia. This survey was carried out in collaboration with the Japanese member organization, the Central Union of Agricultural Co-operatives, Tokyo. It is hoped that the recommendations of the Survey, which will be implemented in several stages by a multinational team, will help in the creation of agricultural processing and marketing co-operative units.
97. ICA has advised UNIDO on the preparations for the survey of industrial co-operatives carried out in thirteen countries and has also offered its comments on the report.
98. The ICA completed for ILO a comprehensive study entitled "The Role of Co-operatives in the Industrialization of Developing Countries".



European Union of Coachbuilders (UEC)

99. This year the activities of the organization have been concerned with the safety of vehicles. The car manufacturers grouped together in the International Permanent Bureau of Motor Manufacturers are actively seeking to improve the safety of vehicles. Coachbuilders are also concerning themselves with this problem within their specialized field.

100. In particular, research is being made into passive safety measures, aiming to reduce the effect of collisions. In this field, the coachbuilders are contributing to the work being carried out at Geneva within the Economic Commission for Europe. This activity involves the drawing up of technical specifications for the construction of vehicles, consisting of recommendations to Governments or regulations annexed to the Geneva Agreement of 1958 concerning the Adoption of Uniform Conditions of Approval for Motor Vehicles, and Reciprocal Recognition of this Approval. The rules in question are being studied by the Economic Commission for Europe on the basis of studies and checks carried out by industry. In particular, the coachbuilders have devoted attention to developments with regard to the structural resistance of private vehicles and the safety of buses and coaches.

International Savings Banks Institute (ISBI)

101. The ISBI and its member organizations were active during 1971 in promoting the mobilization of domestic savings in developing countries. As far as the contribution to industrial development is concerned, mobilized funds are allocated according to national priorities in each country, and in most developing countries, industry gets a fair share of increased financial resources.

102. During 1971, ISBI participated in a United Nations Seminar on the Mobilization of Personal Savings in Stockholm from 2 - 11 August where UNIDO was also represented. Two items of the agenda of that Seminar were introduced by an ISBI representative, and ISBI's Annual Report for 1970 was distributed to participants as a background paper.

103. In September 1971, the ISBI, together with its member savings bank in Milan, organized a Conference on the Mobilization of Savings in African Countries. Participants in the Conference were representatives from 33 African countries.

At their Conference, ISBI distributed a brochure called "Steps to Savings" to all participants. The brochure outlined the steps authorities in developing countries must take to obtain the assistance of the United Nations and ISBI in order to accelerate the pace of savings mobilization in their countries. As a means of further dissemination of such information, ISBI sent the brochure and its 1970 Annual Report to all UNDP Resident Representatives.

104. During 1971, in co-operation with an ISBI member, assistance was accorded to Zambia for establishing a national savings and credit bank. A feasibility study was carried out by an Austrian expert provided to UNDP by ISBI.

105. ISBI's Italian member has assisted Ethiopia, Somalia and the Sudan in establishing savings banks in order to mobilize savings more effectively.

#### International Council for Scientific Management (CIOS)

106. With regard to the co-operation with UNIDO, the Administrative Director of CIOS discussed in 1971 with officials of UNIDO ways and means of elaborating a joint programme to benefit both organizations. At a later stage, the discussions resulted in the appointment of an expert, who was entrusted by CIOS and UNIDO with the task of assessing the needs for management consultancy in Latin America. The mission was carried out successfully, in close co-operation with CIOS member organizations in Latin America.

107. As a result of this joint mission, recommendations have been made which aim at establishing consultancy centres in Latin American countries, run by the member organizations of CIOS and sponsored by UNIDO and UNDP.

108. As a continuation of the services rendered to Latin American management associations by the International Management Co-operation Committee, two seminars were organized in February 1971, in co-operation with the Asociacion Venezolana de Ejecutivos, Caracas, and the Instituto Peruano de Administracion de Empresas, Lima, on "Managing in Economic Development" and "Japanese Export Strategy".

109. The highlight of the activities in the Asian region was the Asian Association of Management Organizations of CIOS IV Regional Management Conference, held in New Delhi from 22 to 27 November. The Conference theme, "Tradition and Modernity", gave the 700 participants from Asia, Australia and New Zealand ample opportunity for discussing such aspects of management as the influence of religion and culture, the technological changes, the effects of sociological changes and the influence of the economic environment.

110. As an innovation in management training, the Hong Kong Management Association hosted, from 14 to 19 February, the first course leaders trainers course, organized by AAMOCIOS. The course, which was attended by executives of all the CIOS member organizations in the region, was subdivided into two distinct parts: a course leader's course, which aimed at improving the methodology and techniques of the participants in leading management training courses; and a course leaders trainers course, the objective of which was to give participants the necessary background to enable them, in turn, to train course leaders in their respective countries.

111. The aspects of management in the changing social environment were thoroughly discussed during the National Management Convention, convened by the All Indian Management Association in New Delhi, from 12 to 14 February.

112. The Philippines Council of Management organized the second Philippines Management Congress from 21 to 24 July, under the heading "New Dimensions in Management". Particular features in this congress were the role played by consultancy in developing countries, management development and management in agriculture.

113. In a seminar on corporate planning, organized from 8 to 12 March by the Singapore Institute of Management in co-operation with the National Productivity Centre, 25 top managers from business firms discussed the needs of corporate planning, the development and application of a typical corporate plan, setting of corporate objectives and targets, the definition of the economic mission of an enterprise, the evaluation of opportunities, the managerial aspects of corporate planning and marketing aspects of long-range planning.

114. The 7th European Management Conference, organized in Brussels by the Comité National Belge de l'Organisation Scientifique, from 22 to 25 June, constituted in many ways an important experiment in conference organization. Instead of the lecture-oriented plenary sessions, the Conference - the main theme of which was "The Strong Company in 1980" - was essentially based on small discussion groups, which considerably facilitated a constructive exchange of views and experiences. A further feature of this Conference was the active participation of some 80 students in business administration.

115. As a further proof of the close co-operation which developed among CIOS member organizations in Europe, CECIOS European Management Council sponsored three European top management seminars. The first, organized by the Nederlands Instituut voor Efficiency in Amsterdam on 15 and 16 April and jointly sponsored

by the CIOS member organizations in Belgium, Denmark, the Netherlands and Norway, was devoted to the discussion of "Opportunities in/of the Common Market". The second, organized by the British Institute of Management in London on 12 and 13 October, dealt with "Inter-Firm Comparisons and Management by Objectives". The third seminar, organized by the Comité National de l'Organisation Française in Paris on 25 and 26 November, concentrated on the "Strategy and Planning in Multinational Enterprises".

116. The 7th Pan American Management Conference, organized by the Instituto Colombiano de Administracion in Cali from 8 to 10 September, was devoted to discussing the various aspects of Latin American management facing the challenge of our times. Over 600 managers from Latin America participated in this conference.

International Association for the  
Protection of Industrial Property (AIPPI)

117. The Special Committee set up by AIPPI to examine the problems relating to industrial property in developing countries was very active in 1971, preparing a number of thorough studies. Special reporters were entrusted with the task of looking more specifically into the value of industrial property for technical development and economic progress. They are to prepare papers which will be presented at the next congress of AIPPI to be held in Mexico City in November 1972. These papers will be the object of a preliminary study by the AIPPI Council of Presidents in April 1972.

International Organization of Employers (IOE)

118. IOE organized a seminar for employers' organizations in the Arab countries at Beirut in September 1971. During this seminar, the participants studied the question of the structure, competence and activities of central employers' organizations as well as their role in the economic and social development of their respective countries. Also, IOE recently sent an expert to Malta to assist the employers' organization of that country to solve certain problems of internal organization.

119. The efforts that IOE has been making for years to induce the International Labour Organisation to devote certain technical assistance projects

towards strengthening employers' organizations in developing countries are increasingly being crowned with success. For example, an ILO expert was sent to Turkey and another to Trinidad and Tobago to assist the employers' organizations in those countries. Also a round table discussion on the role of employers' organizations in English-speaking countries of Africa will be held at Addis Ababa in 1972.

120. IOE is also in permanent contact with the International Centre for Advanced Technology and Vocational Training in Turin, whose competence includes the training of cadres and skilled workers.

#### European Association of Management Training Centres (EAMTC)

121. The major activity of EAMTC over the last year has been in establishing the European Foundation for Management Development into which it has been incorporated together with the International University Contact for Management Education (IUC).

122. The objective of the Foundation is to improve the quality of management development activities within the European context, and it will bring together in its membership individuals and organizations involved in such activities. In pursuing this objective, the Foundation has three major roles to play:

An advisory role in helping training and research institutes and management development services within enterprises with their problems. Typical areas in which the Foundation will be involved are the study and setting of standards of performance, the stimulation of research programmes geared to management's needs, the evaluation of training, and the development of teaching methods and tools;

A catalytic role in helping to improve the capabilities of management teachers and researchers by organizing training seminars and other opportunities for persons from parallel or different backgrounds, discipline and functions to learn about and from one another;

An innovative role in working out an over-all strategy for activity on the European level and within this framework encouraging necessary and promising initiatives, such as fostering programmes to develop meaningful and effective relationships between industry and educational institutions.

International Federation of Automatic Control (IFAC)

123. Eleven symposia sponsored by one or the other technical committees of IFAC were held during 1971. Further, preparatory work was carried out for the 5th World Congress of IFAC which is to be held in June 1972 in Paris. Preparations were also started for eleven approved IFAC symposia scheduled for 1973.

124. A new IFAC Committee on Social Effects of Automation was set up. IFAC, and in particular the IFAC Technical Committee on Systems Engineering, was actively engaged in contributing to the preparations of the United Nations report on "The Application of Computer Technology for Development". The same IFAC Committee was involved in bringing about and in carrying through a project in collaboration with the CAS (Centre of Advanced Studies), namely a three-week seminar on "Technological Causes of Change in the Modern World" which was conducted in Dubrovnik, Yugoslavia in June 1971.

International Christian Union of Business Executives (UNIAPAC)

125. In May and June 1971, UNIAPAC representatives visited a number of African countries to ascertain how far it would be possible for UNIAPAC to develop contact with African businessmen with a view to the creation, at a later stage, of UNIAPAC minded groups in African countries, and how far it would be opportune for UNIAPAC to organize a regional African meeting in 1972, as a follow-up to the Congo Seminar of 1970.

126. In 1971, UNIAPAC was engaged in the preparations of its XIV World Congress, which will be held in November 1972 in Buenos Aires on the subject "The Business Executive in the Transformation of Society".

127. UNIAPAC issued in 1971 a document entitled "UNIAPAC and Development" expressing the views of UNIAPAC on the role of business executives during the Second United Nations Development Decade.

World Federation of Engineering (WFEO)

128. The World Federation of Engineering Organizations carried out for UNIDO, in 1970, a study on the role of engineering societies in industrial development. As the response for information on this subject from national members as limited, WFEO is investigating the possibility of revising the report in the light of further information received since the original report was submitted to UNIDO.

129. As far as other activities in the field of industrial development are concerned, WFEO, though not directly involved in this area, is indirectly concerned through its Committees on Education and Training and Engineering Information. The Committee on Education and Training has set up a working party on education/industry interface and hopes to hold a seminar in 1973 to discuss this problem. The Committee on Engineering Information has also set up working parties, one of which is involved in identifying the information needs of engineers.

International Union for Conservation  
of Nature and Natural Resources (IUCN)

130. In 1971, IUCN prepared for UNIDO a draft of a paper on "Industry and the Environment" with special emphasis on the problems of developing countries. Particular regard was paid to the activities of the international community in providing assistance in handling such problems.

131. IUCN has prepared the text of a book with the title Ecological Principles for Economic Development, which summarizes the general ecological principles that have to be taken into account in all forms of development planning. Some of this material has an application to problems relating to industry although the main thrust is on other phases of economic development.

132. IUCN is also preparing a review on the ecological effect of toxic chemicals which will include the collection and collation of data on such materials, particularly on pesticides. The Union has also done some preliminary work on projects concerned with the impact of urban ecosystems on biosphere functioning, and with environmental planning.

Union of Industries of the European Community (UNICE)

133. The Committee on Developing Countries of UNICE has paid particular attention to the problems raised by security for foreign private investments. It has discussed systems now used by various member States and has taken note of information received about the work done on the subject by the Commission of the European Communities.

134. The Committee on Developing Countries will continue to study the Community system now being worked out.

135. The UNICE Committee has also studied the memorandum of the European Commission on a Community policy of co-operation for development. It is currently preparing its position, which will be based on the observations made on this document by the federations. The following points have already been noted:

- Co-ordination of the assistance granted by individual member States;
- Relations between a Community development co-operation policy and action taken at the international level (by UNCTAD, for example);
- Community financing of development aid;
- Increased role of the European Investment Bank and security for private investments;
- Stabilization of commodity markets.

136. The Committee on Developing Countries has also discussed the contacts made by UNIDO with certain central industrial federations regarding international subcontracting.

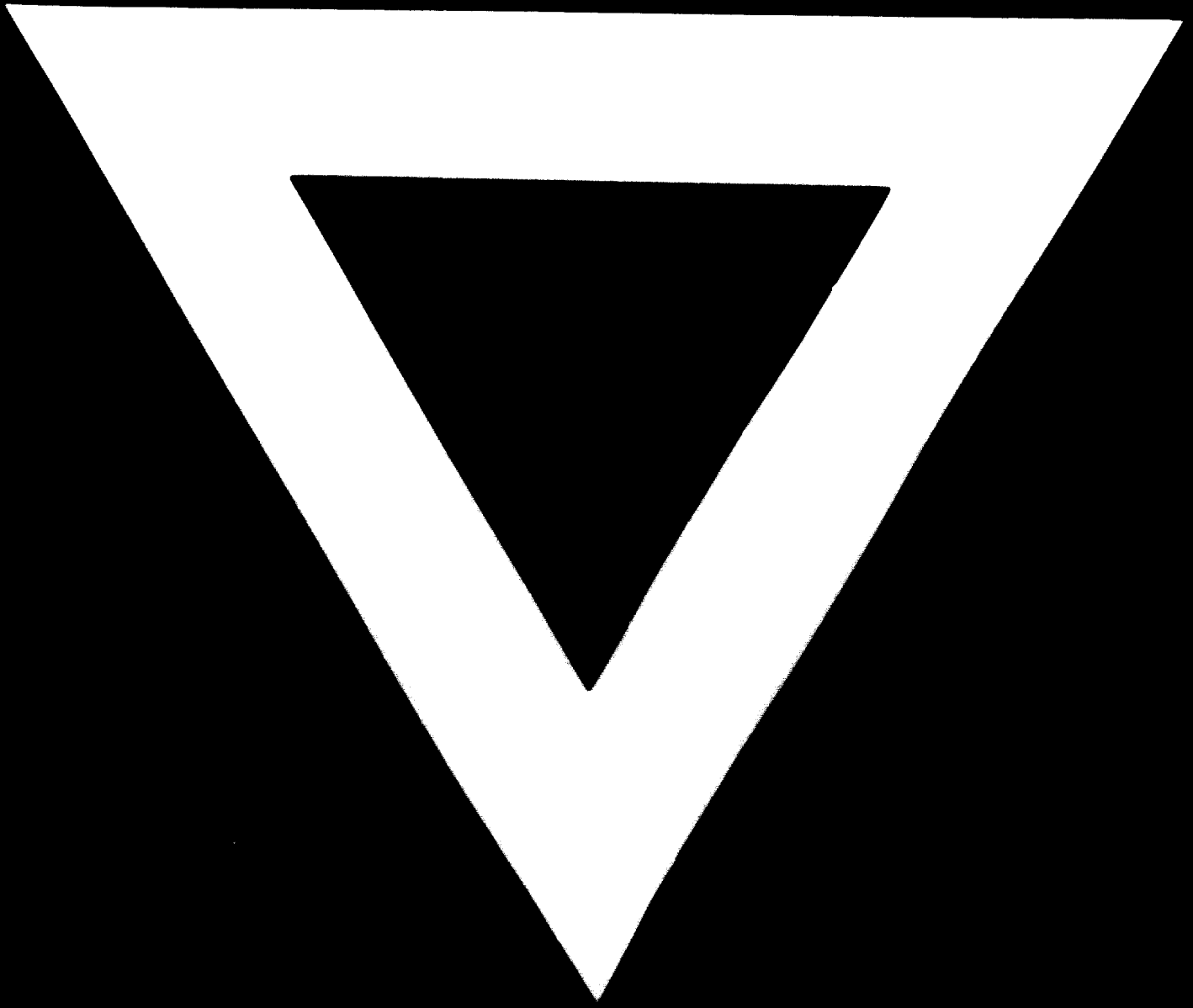
137. It has also held an exchange of views on the question of untied aid, taking into account the work done in this field by OECD.

138. A delegation from the Common Afro-Malagasy-Mauritian Organization (OCAM) was received by the UNICE Committee on Developing Countries. The delegation submitted a memorandum on the establishment of a regional industrialization programme. It also held meetings with potential investors.

139. In addition, the Committee on Developing Countries has met a delegation of high-ranking officials from the Associated African and Malagasy States.







**1 . 8 . 74**