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for a sustainable future

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ECONOMIC COMMISSION FOR AFRICA AND
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Symposium on Industrial Development in Africa
Cairo, 27 January - 10 February 1966

SPEECH DELIVERED BY DR. MUSTAFA KHALIL, VICE-PREMIER FOR
INDUSTRY AND MINERAL RESOURCES AT THE INAUGURATION OF THE
SYMPOSIUM ON INDUSTRIAL DEVELOPMENT IN AFRICA - AS DEPUTY
OF HIS EXCELLENCY EL SAYED GAMAL ABDEL NASSER, PRESIDENT
OF THE UNITED ARAB REPUBLIC

In the name of God, the kind, the merciful

In the name of President Gamal Abdel Nasser, President
of the U.A.R., we inaugurate the Symposium on Industrial De-
velopment in Africa.

I have the pleasure to convey the greetings of the Pre-
sident of the U.A.R. and his wishes for the success of this
important and historic symposium in realizing the aspirations
of the liberal and developing peoples of the African conti-
nent.

Gentlemen :

I seize this opportunity to welcome you on behalf of the
U.A.R. people and express our happiness at meeting you here
as representatives of your friendly countries and peoples,
standing together in a brotherly united effort to promote the
progress of our glorious continent. Africa is striving today
to wipe out the remnants of a long imposed stagnation, trying
to catch up with the technical and industrial progress achie-
ved in international fields and to develop its newly libera-

ted economy on a sound, well planned scientific basis in the light of modern methods.

We are proud and happy that the United Nations chose to convene this Symposium in the U.A.R. Our country has been working sincerely and seriously at rebuilding its economic and social life, co-operating positively and conscienciously with African and other developing countries, as well as with the advanced ones which believe in peaceful co-existence; equality, and respect for the peoples' will.

As the eastern and western civilizations mingled over our African territory, they seriously affected the development of the ancient Egyptian personality. This mingling, coupled by his inherent capacity enhanced his experience and thus enabled him to face and outlive the repeated blows dealt by imperialism and exploiting powers throughout ancient times.

In these difficult events our country has delved heroically and emerged enriched with valuable impressions of the different cultures and civilizations with which it has come into contact. It is these acquired experiences that qualified the Egyptian people with the necessary capacity and perseverance that are essential for a nation to achieve what has been achieved in the last thirteen years, i.e. since the glorious revolution of July 1952. In spite of the tumbling set up caused by despotic rule, by ruthlessness and exploitation, we were able to shape of the burden left by long years of dark and unjust rule and start building up a brand new socialist society. We delved with confidence into the strife of the great changes in order to provide means of prosperity and establish justice for all.

At first, the outlook was rather gloomy and crowded with

dilemmas : serious deterioration of the economic sector which was on the verge of explosion due to an ever growing population and no corresponding increase in the national income, almost complete stagnation in the cultivable areas, over and above, a rather meager contribution of industry to the national economy.

This sad state of affairs was not limited merely to retarded economy and unfair land and wealth distribution. National economy was wholly owned or controlled by imperialists and foreign monopolies. Banks in Egypt were owned by foreigners who exploited national savings to invest them in projects of no benefit whatsoever to the country. The same applied to insurance companies and commercial agencies concerned with exports and imports.

Under these circumstances our economy depended on one single raw material, namely, cotton which represented more than 85% of our total exports.

It was therefore natural that the newly adopted socialist policy be coupled with great efforts in the field of industry in order to liberate our economy from the limited sphere that paralysed it before the revolution and free it gradually from complete dependence on agricultural production.

The U.A.R. Charter stipulates that our great national task incumbent upon our policy rests upon three essential points and express all its national principles.

We must wage war against imperialism with all possible means and efforts, disclose all its secrets, and attack it in all its hiding places.

We must work towards establishing peace, because only thus can we find the opportunity to safeguard national progress. Ensure International co-operation and prosperity for all the world because all the nations must enjoy the right to live prosperous, without discrimination.

It is stipulated in the Charter that international co-operation to ensure prosperity for the whole world is a natural extension of the fight against imperialism....against exploitation and the logical form of behaviour to attain peace.

Prosperity is indivisible and international co-operation to attain it is the safest assurance to attain world peace. Peace cannot survive in a world based on different social strata.

International co-operation for world prosperity is the only hope to achieve peace.

These differences between nations should be smoothed out and replaced by love instead of hatred.

International co-operation for prosperity on behalf of advanced countries is the only human form of thinking for all alike.

Industry is the basic support of national entity and can realize the greatest economic and social aspirations.

Industry is the creative power that complements a well studied, five year planning and renders possible the execution of its programmes without difficulty. It is not easy to arrest the advance of industry, since it can expand the volume of production in a revolutionary decisive manner.

We must tackle industry objectively, taking into consideration the economic and social evolution.

From the economic point of view, we have to turn our attention to the latest scientific developments.

We must ~~set~~ aside the old belief that the use of machinery will not open a wide enough field for hand labor since modern mechanization require a minimum of human power to work it.

This might be true at present but will be no longer correct in the far future. New machinery can speed up the volume of production, this in turn can invade new and wider industrial markets thus opening new oportunities before workers .

Gentlemen ,

The greater part of mineral and natural resources have not yet been discovered, only scientific and industrial efforts can force the earth to disclose its wealth for the service of humanity.

These resources can therefore be the back-bone of heavy industry; and this in turn will help in producing new productive tools.

Heavy industry should be given particular attention since it is the basis for future modern industry.

Local industries must be established either on a small or general scale in both the agricultural and mineral domaine. This will enhance their marketive value, thus increasing industrial production, and offering greater opportunities for hand labor.

Attention should be given to consumption industries which offer opportunities for work, and answer the needs of the consumer, increase our hard currency funds, expand our exports to new markets and give us a greater chance in commercial competition.

Besides, food industries are of great help in stabilizing rural economy and are in great demand by markets in developed countries.

From a social point of view, industry helps to establish among human beings the equilibrium necessary between production and consumption.

In fact, industry is the practical support for effective revolutionary rights, which laborers have been enjoying since the issue of the 1961 socialistic laws. These ensure minimum wages and positive participation in administration; as well as a share in profits and of seven hours work per day.

Programmes of industry included in the second economic and social plan development aims at increasing the annual production of crude petroleum to 12 million³ of iron ore to 1,577,000 tons, spun cotton to 199,000 tons, woven cotton material to 107,000 tons, spun wool to 13 6 thousand tons, woven wool to 5,000 tons, artificial fibres to 19.3 thousand tons, spun jute to 19,000 tons, cane sugar to 835,000 tons, food oil to nearly one million, fertilizers to 7 million tons.

Gentlemen :

The experience of the U.A.R. in the domain of industrial development is worthy of scrutiny as a living example of what can be achieved by a developing country with limited resources and a newly acquired independence. Inviting you to study

our experience does not in least imply that it is applicable in some other country with different circumstances. Its study may present the opportunity of acquiring experience, and discovering the results of the experiment and the mistakes made while applying the plan, in getting to know the extent of available possibilities that can be recruited to meet the needs of the masses deprived for ever so long, to consolidate economic independence, eradicate the evils of retardation, and catch up with world progress in all respects.

From the onset our Revolution has believed that no change could be brought about in our social set up without applying an industrial scheme that would increase our resources, establish a just distribution of wealth and provide fair opportunities for all.

But the obstacles that stood in the way were numerous, as in the past no real attention was given to industrial concerns and that is denoted by the fact that the invested capital in this field did not exceed 12% of the total capital invested in the various companies. Consequently, in Egypt, up to 1952, the contribution of industry to the national income was a meagre 10% .

Among the causes that retarded industry here, we can point out the lack of well studied scientific planning which was not available then. So, naturally, this planning needed to be given the right attention to enable the country to step rapidly forward so as to overcome obstacles and realize the set aims.

The progress so far achieved in the industrial field was made possible mainly because we closely abided by scientific planning and the wilfull drive of the masses to reach the aims eagerly desired. In its turn, this led to hastening the implementation of the first industrial programme in Egypt, and which cost L.E. 330 millions and was achieved in three years

instead of five, that is, before starting the all inclusive national plan intended for the social and economic promotion, to raise the national income in one decade. Industry had an important role in realizing the development aims. The first five year plan - executed between 1960/61 and 1964/65 - comprised several important industrial projects, their cost totalled some L.E. 800 million besides L.E. 140 million earmarked for electric projects. The second five-year plan was started in mid 1965, and comprises the third industrial programme which is intended to consolidate the heavy and basic industries thus furthering our productive capacity and industrial revolution; their cost was estimated to amount to L.E. 1000 million.

These industrial projects have changed and will go on changing our social set up in terms of aims and figures as denoted in the researches submitted by the U.A.R. delegation to this Symposium.

We take pleasure in inviting you to study our experiment in the field of industry and shall be pleased to hear your comments and criticism as these can improve our efforts and hasten our drive towards further progress.

Gentlemen

The problems and obstacles our country had to face and overcome represent in a general way what your continent has to endure. I am sure each delegation has brought with it a number of such problems that can be discussed here, and which sprout from similar roots, though they may have different details.

Our rich continent produces 93% diamond in the whole world, 40% of the oil, 87% cobalt, 70% paraffin oil, 60% cocoa, 28% uranium, 25% copper, 25% tin, 27% coffee, 50 billion tons of phosphates and over 90% of the world's reserves of bauxite, manganese and tungsten.

This continent, so rich with natural resources, has lived through the ages in poverty, most of its peoples deprived of a fair share of its wealth, with just a bare minimum to keep them alive.

The African nations are now on the way to liberate their countries and recover their natural resources. As each flag of freedom is hoisted in a newly independent country, the nation finds itself facing a number of problems, treasuries are empty, if not burdened with debts., natural wealth controlled by foreign concessions ; sometimes a serious shortage of a qualified staff with technical and scientific knowledge and experience necessary for carrying the duties required of an independent country.

These African peoples go on striving to stabilize the corner stones of independence, spurred by the memory of the victims who fell during the fight, and whose blood was shed as a price. All these peoples, one after the other, face the problem of securing the funds and foreign currencies need for constructive investments and for meeting the people's expectations. At such moments the African finds himself forced to choose between accepting foreign exploitation hidden behind the flags of apparent independence, or refusing to have that independence bared from the means of liberating him, and so face all costs of exploitation. He has to venture on a hard path in order to attain his goal.

The African countries, like other developing independent countries that are now emerging with great expectations after long years of retardment undoubtedly need the cooperation of the more advanced states to build up and consolidate their newly formed structures. These nations certainly need a clearly set up scheme of cooperation with the developed countries in order to avoid being lured into the easy path which may lead them back to their unhappy past. This scheme should conform with the general framework of international co-operation that

It is a condition precedent to all participants, well aware of the need for a wide and broad because, as we all know, a liberal attitude is only in the basic criterion and guarantee of true internationality.

Equally important is the re-organization of relations between the developing countries that produce primary and raw materials, and the countries with advanced industries, on sound foundations that would safeguard the interest of both sides and restore faith where despair and doubt had settled for ages.

It would be essential that this symposium comes to realize the importance of executing the recommendations put forward by the developing countries at the Trade and Development Conference held in Geneva in 1964, namely:

- I - Basic relations must be established on the basis of mutual respect for their sovereignty, the right to self-determination and no interference in domestic affairs.
- II - All countries must cooperate in setting a new world trade system to promote and increase the exports of developing countries.
- III - Advanced countries must reduce, or abolish customs barriers and tariffs not imposed and in particular with regard to the products of developing countries.
- IV - Advanced countries that are members of economic regional organizations must agree on trade policies ascertaining that their integration of their economy will not affect trade links with developing countries.
- V - International assurance of ever increasing international trade and the volume of exports of developing countries, and assisting their economic progress.

- VI - Countries must allot a large share of the funds saved due to disarmament to improve economic expansion in developing countries.
- VII- Advanced countries and international organisations must take a positive stand towards the public sector in the developing countries without any financial, technical nor commercial discrimination because of its important role in speeding up industrial production and in increasing their exports.
- VIII- To establish a permanent Secretariat for this Symposium, which will work in co-operation with the African Organisation Economic Committee and the U.N. Centre for the Development of Industry and specialized agencies to co-ordinate plans for industries between African countries on a Continental level as one complete whole, not divided into geographical regions.

Gentlemen :

The attempts of our African developing States to achieve economic expansion after their political liberation, cannot take place in a vacuum....This is a difficult and complex task that requires regional and international united efforts. No doubt our African states which have suffered from problems more or less similar, are impressing need for a closer co-operation and integration so as to make use of the resources and experiences available in some of them, for the benefit of the continent as a whole....We shall not be able to carry on our co-operation and integration if we remain isolated from the developed countries where possibilities and experiences are found. Nevertheless, these countries must clearly realize the essence and depth of the evolution at hand in our countries and our determination to have no flaw marring our freedom and independence while concluding bilateral agreements.

It is our firm belief, during this decisive period in the history of world development that the U.N. and its Specialized Agencies should increase the technical and material aid to Africa's liberated countries in order to stabilize their economy, raise their standard of living and give them the opportunity to participate with the developed countries in building up a new world in which equality, love and peace will prevail.

We hope that the discussions of the reports and other valuable topics on the part of this Symposium would lead us to constructive decisions that will consolidate co-operation at the regional and international level, help us to make use of our natural resources, and the international and bilateral agreements and plans, for the benefit of building up and developing our liberated countries.

Washington,

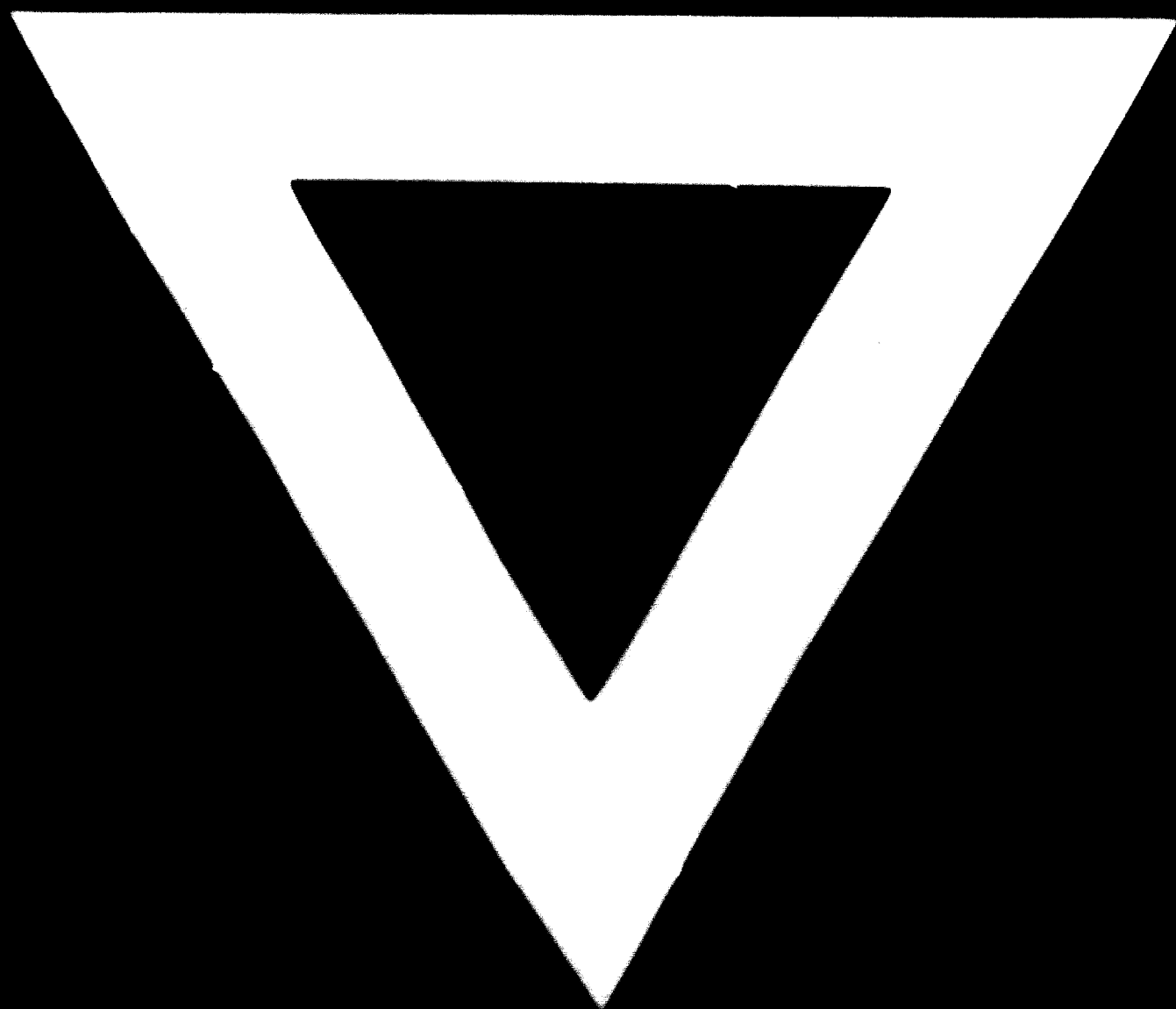
All with the warmest regards, in the name of the U.A.R. the warmest wishes for the success of this great Symposium. I hope you will enjoy your stay in the U.A.R., Cairo is a truly thrilled and proud to receive you.

I would like to express my sincere thanks to the distinguished members of the Economic African Committee, the United Nations Centre for the Development of Industry and all the specialized African agencies that have participated to the success of the preparatory work of this Symposium.

Once more, I would like to extend my sincere thanks to the Secretariat of the Arab League for its close cooperation.

Sincerely yours,





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