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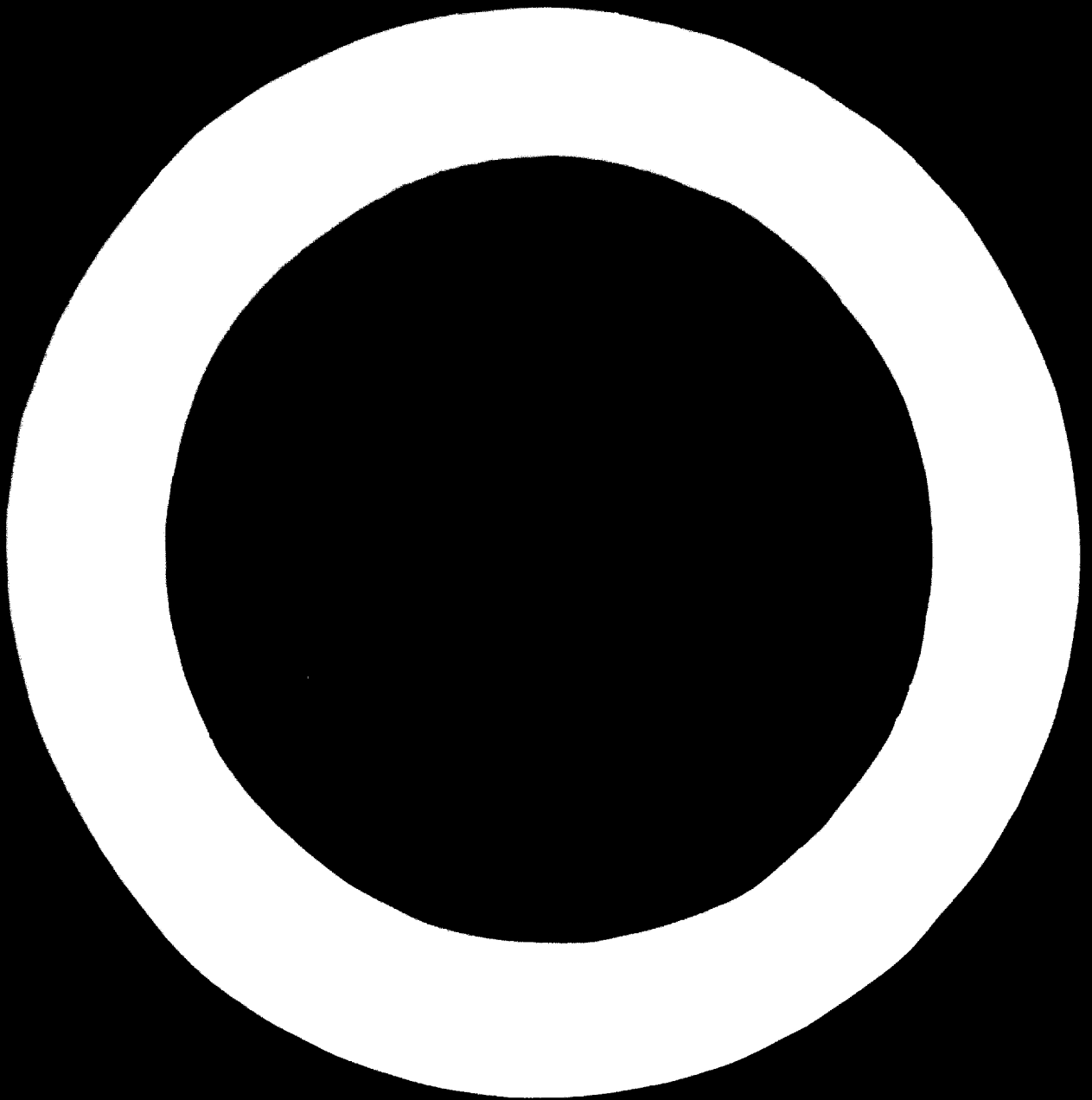
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REPORT OF THE PLenary SESSIONS



Activities in the field of industrial development

1. The secretariat stated that the work programme and basic strategy in the field of industry was determined by the sessions of the Standing Committee on Industry and Natural Resources of the Economic Commission for Africa and consisted of four phases, namely:

- (a) industrial missions to various countries;
- (b) research and documentation;
- (c) pre-feasibility studies, and
- (d) identification of industrial projects, and feasibility and engineering studies.

The first two phases had been completed and the secretariat was now concentrating on the third and fourth phases. The programme includes national, multi-national and regional projects. The emphasis of the work programme is on co-operation among African countries or groups of countries in order to accelerate industrial development. It was, however, pointed out that multi-national co-operation at the sub-regional level among neighbouring countries was not rigid, but a step toward continental co-operation.

C. In the realization that industry was only one sector of the overall economy, inter-industry balances were being drawn up on national, multi-national and regional basis in order to establish, inter alia, the direct and indirect effects of the industrial programme envisaged on trade, manpower, balance of payments, production of industrial raw materials, agriculture, rate of economic development, etc.

3. At the Sub-regional Meeting on Economic Co-operation in East Africa, held in Lusaka in October 1965, the programme proposed for the period 1965-1975 covered some 6,000 products in 20 branches of industry. The pre-feasibility

studies prepared covered location, capacity, employment, investment, and inter-industry relationships. The Conference recommended the establishment of an Interim Council of Ministers to consider the various proposals and by formal treaty ratify the setting-up of an Economic Community of Eastern Africa to implement, inter alia, industrial co-ordination.

4. In West Africa, a conference was held in Bamako in 1964. Work was now proceeding in the whole field of industry in preparation for the conference to be held in Niamey in May 1966. As for East Africa, the studies being prepared include types of plants, capacity, location, etc. A co-ordinated industrial programme for the sub-region for 1966-1976 is being drawn up. An Interim Export Committee on Iron and Steel was established in 1965 as a follow-up to the Bamako conference and it was hoped that a West African Iron and Steel Authority would soon come into being to co-ordinate the iron and steel industry in West Africa.

5. An industrial co-ordination mission visited North Africa in December 1963 and the four countries of the Maghreb have since met several times and institutions for economic co-operation have been established. Commissions on industry, transport, agriculture, posts and telegraphs, and national accounts have been set up. A comprehensive study on present, past and prospective demand for hundreds of industrial products is being planned. This will be supplemented by an inter-industry balance for North Africa.

6. A mission of experts visited the Central African sub-region in April/May 1965 and prepared a detailed study of the economic structure of the sub-region, including natural resources, transport, energy, industry and agriculture. It is estimated that industrial output in terms of value added should increase from US\$30 million in 1965 to US\$1050 million in 1975. The report of the

mission will be submitted to a sub-regional conference to be held in April 1966. It is hoped that machinery for industrial co-ordination will be established at the meeting.

7. Parallel with the sub-regional activities an overall continental industry programme is being drawn up. It is expected that this will be completed by the end of 1966.

General debate

8. Following on the statement of the secretariat, delegates^{1/} presented country reports on prospects and problems of industrialization in their respective countries.

9. Delegates drew attention to the overall and specific problems of industrialization. These should be viewed in the light of a balanced development of agriculture and industry. It was pointed out that the economies of many countries in Africa are based on agriculture. Consequently, improved productivity in this field combined with industrialization, would lead to the desired economic progress. In this context, high priority should be given to agro-allied industries and the work of FAO in agricultural, fishery, and forest-based industries could play an essential and needed role in initiating industrialization.

10. The advantages of economic co-operation and industrial co-ordination were emphasized by several delegates. Such co-operation would permit economies of scale in major industries and provide the necessary market for economic-sized units. The sub-regional or multi-national approach was therefore considered the logical solution to overcome small national markets

1/ These country reports were circulated at the meeting. The report summarizes the substantive points raised at the general debate. Country reports which, because of late submission, could not be circulated during the meeting, will be sent to member States by the ECA secretariat.

and other similar bottlenecks. Caution was at the same time expressed that the groundwork for sub-regional or multi-national co-operation should also include detailed studies of resources of individual countries and development of infrastructure, particularly of transport and communication between countries. Furthermore, it was noted that however able and unremitting the efforts towards sub-regional or regional economic integration from the technical standpoint, results would always be ephemeral or at any rate, superficial and trivial unless a constant minimum of political stimulus is provided. In this respect, a very important permanent part can be played by the OAU and other smaller political organisations already existing or yet to be established.

11. Finally, it was suggested that co-operation in general planning and the establishment of secretariats well-equipped both in quality and in number at all levels of the existing sub-regional economic institutions, or of those yet to be established, would help to improve and accelerate industrial integration.

12. The need for the evaluation of natural resources available on the continent, in order to assess anticipated national progress, was emphasized, and the suggestion was made that surveys of these resources should be undertaken through all forms of direct aid from the UN and specialised agencies and developed countries.

13. It was pointed out that considerable capital is indispensable to develop infrastructure, both before and during the industrial development effort.

This means that expenditure (capital and operational) directly or indirectly involved in carrying out industrial projects, is comparatively greater in the under-developed countries than in the developed countries. In view of this fact, which is now an admitted handicap, it was proposed that the conditions of foreign financing should be improved as regards the duration, interest rate and volume of loans and their proportion in relation to the

standards now required for national participation in project financing. At the same time, the importance of mobilising domestic financial resources was stressed. Among the means by which some governments increased the availability of domestic sources of financing were foreign currency savings in earnings from exports, increasing government revenue through a carefully elaborated tax structure and through the organization of administrative, institutional and banking establishments. In this context, the important role that a dynamic development bank could play in promoting industrialization was noted.

14. To encourage financial policies tending to release accumulated national resources with a view to development, it was proposed that the improvement of foreign financing conditions, as previously suggested, should be still more pronounced in favour of countries applying such policies.

15. The importance of the part played by internal resources was stressed, and the various ways of mobilising such resources were briefly reviewed.

16. The uncertainty of gains in foreign currency was stressed, due to steady deterioration in the terms of trade, fluctuations in ^{prices of} basic products, gradual or sudden loss of certain traditional outlets and reluctance on the part of developed countries to buy industrial products from under-developed countries, especially processed agricultural products. In this field the problems and solutions proposed should be carefully reviewed taking into account the United Nations Conference on Trade and Development held in Geneva in 1964.

Several
17. Delegates recorded the actions taken by their governments to attract external financing. Usually the economic development plans elaborated laid stress on the significant participation of the private sector. Incentives in various forms were offered such as the right to repatriate profits as well

as the original capital outlay including interest, tax holidays, fair and adequate compensation in the event of nationalization, and protective tariffs.

Parallel to these, governments were also committed to a policy of promoting local entrepreneurship on the one hand and efficient industries on the other.

18. Concerning the general preliminary conditions of economic development, and more particularly industrial development, thorough structural reforms in organizing production and distribution systems were in many cases needed.

The development of a State or para-State sector illustrated this need, in connection with which the United Nations recently had made a critical survey covering some twenty Member States.

19. It was also noted that the implementation of structural reforms led to international difficulties in the past, especially with the former colonial powers, even though they were not in principle aimed against non-national interests.

20. To avoid such crises, the idea of a charter of economic decolonization was suggested. This would make possible a definition of the general conditions and operational stages of new economic relationships, in particular, and would provide for fresh co-operation, fairer, better-balanced, and better adapted to the new political conditions; finally, more fruitful for all concerned. Such a charter could be discussed and defined at the International Symposium on Industrial Development.

21. The need to overcome the bottlenecks presented by the lack of adequate trained manpower was repeatedly referred to by delegates. Long-term planning of manpower requirements and organizing educational institutions to cope with these requirements should be the primary concern of government policies and actions. In this connection, the steps taken by a number of

governments in training manpower through the expansion of educational establishments were noted, and a plea was made to the UN and donor countries for assistance to tackle the problems more effectively.

22. The problem of selection of industrial projects to secure maximum economic benefits should also be examined critically. While there was wide scope for import substitution industries, the unchallenged application of the principle might prove disappointing in certain cases. Consumer goods industries for example, often have a low value added component. Substitution industries should not give rise to an unfavourable balance of trade, which they tend to do when they involve import of machinery and equipment, raw materials and components, and in addition they might need protracted tariff protection for their continued operation. Other criteria must also be analysed carefully in addition, such as the percentage of value added, labour-capital ratios and the potentials of the project in the diversification of the economy.

23. The representative of FAO drew attention to the importance of industries processing agricultural, fishery and forest products, as well as to the complex of industries serving agriculture through the provision of inputs such as fertilizers, machinery, implements, fishing gear, etc. He outlined the work of FAO in this regard and the assistance it provided in the identification and elaboration of suitable projects, training, pre-investment surveys, feasibility studies and pilot projects in the field of agricultural industrialization. This FAO assistance was available not only through the United Nations Development Programme, but also the FAO/IBRD Co-operative Programme that had been established in April 1965 and the Freedom from Hunger Campaign.

24. The representative of the African Development Bank (ADB) drew the attention of delegates to the fundamental aim of the ADB which was to contribute to concrete actions that would further the economic development of the countries of Africa. He pointed out that the effective functioning of intra-African co-operation would facilitate ADB assistance and welcomed the progress

in favour of inter-state and sub-regional co-operation. Nevertheless, the horizon for co-operation should not be limited to the sub-regional level only. The prospects offered by regional co-operation should not be overlooked. Sub-regional and regional co-operation must proceed hand in hand since they are complementary, and since the gains made at the sub-regional level would be clearly seen and appreciated through the realization of harmonization at the regional level. The creation of ADB itself was an achievement which opened up wide scope for continental co-operation. It would not be unreasonable to call for other organisms on a continental basis and the representative concluded by calling on the two African organizations - OAU, ECA and ADB - to co-ordinate and redouble their efforts to extend the field of co-operation to the continental scale.

20. The representative of the UN Advisory Committee on Science and Technology drew the attention of delegates to the role of science and technology in industrialization. He pointed out that in the developed countries, technology was advancing at a rapid rate. Developing countries should select technologies appropriate to their specific requirements, since the new technologies of the developed countries could not always be efficiently and economically applied under the conditions of the developing countries. Delegates were informed that the role of the Advisory Committee was to assist developing countries in adapting technologies to their needs, and attention was drawn to the importance of continuously improving production methods through applied research, if markets were not to be lost. Governments, it was suggested, should mobilize and expand their research organizations, encourage scientific education and establish sound scientific policies so that industrialization could proceed at the rate desired.

21. The representative of WHO sounded a note of warning in connection with the impact of industrialization on the health and well-being of the individual. He informed delegates that the harmful effects of industrialization on health had become an early sign of development. On the basis of observations in industrial countries, some of these adverse conditions could be

foreseen - overcrowding, sub-standard living conditions, air pollution, deterioration of nutrition, mental disorders resulting from new stresses, and so on. Since the progress of a society was a function of the well-being of its individual members, the representative called on delegates to give sufficiently high priority to health programmes during the period of industrialization.

27. The attention of delegates was drawn by the representative of the Afro-Asian Organization for Economic Co-operation to the importance of promoting sectoral co-operation between countries and industrialists in Africa. Approaches to the solution of the problems of industrialization could be realistically charted through close co-operation with experienced businessmen and industrialists. The representative underlined the benefits that countries could derive from laying a firm foundation of mutual understanding and trust and invited the ECA and UNCTAD to continue their long standing co-operation with the Afro-Asian Organization for Economic Co-operation.

28. Continuing with the general debate, delegates noted the experiences of individual countries in industrialization. The contrast of the industrial picture before and after independence was described by several delegates, and it was noted that the current major preoccupation of the new governments was to give a new and balanced orientation to the overall economy. It was stressed that the preponderant role of agriculture in the economy, and especially the reliance of countries on specific commodities was something which must be corrected within the shortest possible time. Industrialization was one means to this end.

29. At the same time it was pointed out that the aims of industrialization might be jeopardized by a proliferation of industries. The path of industrialization must therefore be charted within an all-embracing framework

within which all the implications could be properly assessed and allowed for. It was pointed out that the haphazard implementation of industrial projects, especially of those which would be under-utilized or subsidized by the State, might not be conducive to the realization of the goal of industrial development.

30. The attention of delegates was again drawn to the prerequisites for industrialization, and some of the major steps that developing countries should take were outlined. These included: (a) exhaustive survey of the country's natural resources, (b) the elaboration of an economic development plan with a clear definition of the role of the industrial sector, (c) the drawing up of feasibility studies, (d) training of manpower at all levels, especially through apprenticeship schemes, (e) exchange of information and visits among countries, (f) planning multi-national industrial complexes, which would attract external financing, (g) the rapid establishment of the proposed Intra-African Economic Co-operation Council, (h) creation of a favourable environment for the promotion of economic and, in particular, industrial development. Financial resources available at the UN for surveys and studies were noted.

Institutions for economic co-operation

31. The secretariat introduced the document on institutional arrangements, Document E/CN.14/AS/VI/5. The initiatives thus far taken in economic co-operation were briefly surveyed, and the progress realized in the Eastern, Central and North African sub-regions was noted. In particular, the co-operation achieved within such organs as the UDEAC, Maghreb, Senegal River Basin countries and EACSO was encouraging in the development of a framework

of sub-regional co-operation. It was recalled that the proposals for multi-national groupings arose out of the desire of governments to find a formula for economic co-operation with the objective of accelerating economic growth.

32. The arguments for sub-regional co-operation and the need to set up institutional framework are reflected in several resolutions and recommendations of governments at past meetings. A system of inter-governmental consultation would safeguard the interests of individual governments and could eliminate the hazards of prejudicial and preconceived feasibility reports in the absence of consultation. Many aspects of industrialization problems could best be scrutinized at the sub-regional level. The experience of other regions showed that in the course of industrialization, protectionist devices once established might prove difficult to correct. Africa should benefit from this experience and ^{should} choose carefully the degree of protection, so that infant industries do not become a permanent feature of the continent.
33. Inter-governmental consultation arrangements would be an effective instrument for reducing the cost of foreign capital. Capital suppliers would then be in a better position to ascertain defined priorities of needs and the element of risk could be reduced.
34. A process of regular ^{consultation would also} reduce the degree of deviation from optimum solutions and should serve to make the location of industries more rational. National economic planning could be harmonised for mutual benefit and within a framework of complementarity. A far better organized co-operational structure than had been realised thus far should be set up.

35. Delegates commented widely on the different aspects of economic co-operation, and stressed its vital importance to the economic development of the continent. They agreed that the dynamic development of Africa would best be realized through the harmonization of efforts within a framework of sub-regional co-operation and that there should be no delay in setting up effective consultation machinery to promote sub-regional co-operation. The initiatives already taken by ECA and OAU in promoting sub-regional co-operation were welcomed. In so far as the proposal for the establishment of a permanent secretariat for continental co-operation was concerned, it was pointed out that whatever institutional arrangement is decided upon, it should not duplicate the work of OAU, ECA and ADB.

Policy aspects of industrial development, problems and prospects

36. In introducing this subject (Document E/CN.III/AS/II/2/K/1), the secretariat briefly surveyed past growth trends and the present situation of the industry sector in Africa. It was pointed out that while the rate of industrial growth in the past was as high as 7 per cent, there were now indications that there had been a slowing down in recent years. The outstanding disparities between sub-regions in industrial development were also noted, and the attention of delegates was drawn to the possibility of useful exchange of technologies and industrial products between sub-regions as a result.

37. Some countries were already in the process of shifting from investments in infrastructure to industry, and thus could speed up industrial growth. The development of the heavy industry sector in Africa would require a multi-national approach. In other industrial sectors, import

substituting industries were often given priority. Nevertheless, the weaknesses inherent in import substitution programmes should not be overlooked, for high-cost import substitution industries under the umbrella of protective tariffs might be a liability. Import substitution industries saved comparatively less money than was usually realized. It was the lagging of export markets that prompted countries to launch import substitution projects at an early stage. The scope for increasing export earnings through the establishment of primary processing industries was at the same time limited by the tariff schedules of the developed countries. Import substitution programmes were nevertheless important to African countries, and the central problem was how to avoid the inherent pitfalls.

30. The problem of export of manufactured goods from the developing countries to developed countries was extensively discussed by delegates to the Symposium and the general feeling appeared to be that extra efforts must be made to gain access to markets of the developed countries. At the United Nations Conference on Trade and Development held in Geneva in June 1964, an appeal was made to the developed nations to reduce tariffs on goods from the developing countries without demanding reciprocity. Several delegates therefore requested UNCTAD to make extra efforts to pursue this question. In the meantime, African countries should strive to attain a high level of quality in their industrial products and should promote intra-African trade.

39. In order to promote the employment objectives in industrialization, labour intensive technologies may be desired to offset the chronic shortage of capital and utilize available manpower resources. This should only be done, however, where efficient production would not be impaired. At the same time it was noted that in Africa today there is considerable under-utilization of capacities of existing industries which would make it possible to increase employment without the need for further capital outlay. There is also scope for raising employment through the promotion of a wide range of small industries.

40. The representative of the UNCTAD in his statement expressed the keen interest of the United Nations Trade and Development Conference in the progress of industrialization in Africa, and underlined the need of taking into account the export opportunities of manufactures and semi-manufactures to developed countries, right from the planning stage of industrialization. The UNCTAD were hoping to continue co-operation with the FCA in promoting exports of manufactures and semi-manufactures, and suggested particularly the fields of processing of raw materials to the maximum extent before export to developed countries, industrial co-operation to produce in developing countries products for consumption in the developed countries, and technical assistance in export promotion techniques.

41. The representative of GATT drew the attention of delegates to the fact that only a small part of industrialisation could be financed by foreign aid. Therefore, the export earnings of African countries must be increased through better access to the markets of the developed countries. It was hoped that the Kennedy round of tariff reductions might make this possible. Nevertheless, tariff reductions in themselves were not guarantees of expanded export markets for African countries.

42. The GATT representative welcomed the initiatives taken towards sub-regional co-operation, for within such a framework export promotion action could be effectively undertaken. Trade between developing countries was today hampered by absence of export infrastructure which includes such determining factors as market research, marketing, financing, insurance and transport. The process of exporting must be carefully analysed at the stage when production was being planned. In 1964, GATT set up an International Trade Centre precisely to help in tackling these problems and to make it possible for developing countries to develop their export markets. The representative informed delegates that ITC was ready to act for any of the participating countries of the Symposium.

43. In the general discussion that followed, several aspects of the problem of industrialisation were reviewed by delegates based on the experiences of their countries. There was agreement that the role of industry must be appraised in a dynamic context and that purely static and commercial considerations

were inadequate. On the other hand, the viewpoint that all industries were viable could not be embraced. Project evaluation was the tool that could help in assessing the economic benefit on the one hand and the inefficiencies of the project on the other.

44. In their desire to industrialise, governments must not offer incentives indiscriminately. The cost of incentives must be carefully examined in relation to expected benefits, and incentives should be offered on a selective basis and only when necessary. The harmonisation of policies and actions to standardise incentives would assist governments to overcome one of the major obstacles to industrialisation.

45. The sacrifice of custom revenue that would result from industrialisation was referred to by delegates. It was generally agreed that while the loss of revenue would curtail government expenditure and national saving, nevertheless it should be considered as only a short-term phenomenon, which might be amply rewarded by the economic benefits that would be derived from industrialisation. Assuring an expanding market for industrial projects should be given the higher priority.

46. Delegates agreed that export markets could be secured only through intensive effort and efficient organisation. The efficiency of industries was improved if the export market was carefully preplanned. That there was scope for such exports was evident from a study of recent statistics, where it is noted that exports of manufactured goods from developing countries to developed countries had been increasing steadily. There was also evidence to show

that there was scope for increased trade among developing countries based on adequate differences of product ranges noted in such countries. It was pointed out that inhibiting factors of similar industrial structures were often exaggerated. Attention was also drawn to assistance with export promotion problems which African countries could now obtain from the UN Centre for Industrial Development.

47. In introducing a discussion on external resources for industrial development, other than finance, the Executive Secretary of ECA stated that the resources available in the United Nations Development Programme were growing and that it was also intended to increase the share going into industry. In addition, voluntary funds were being made available specifically earmarked for industrial development, to be used in the form of special industrial services established within the framework of the United Nations Centre for Industrial Development, soon to become the United Nations Organisation for Industrial Development, and the United Nations Development Programme. These services were designed to make available at short notice high level experts in a wide range of industries to advise on the preparation of, and implementation of, industrial projects; to assist in solving practical problems at the post feasibility stage and prior to financing; to provide on an intermittent basis and for short periods specialists throughout the development of a project; and to provide teams of specialists to examine complex

manufacturing techniques. Under the scheme it would also be possible to send national technicians to sources of specialised knowledge in advanced countries; documentary laboratory and designed services would be available; and experts would be available to solve technical problems arising after plants had been established. New areas of assistance were being opened up such as the financing of pilot factories.

48. The Executive Secretary recalled that there were other major sources of technical assistance for the promotion of industrial development provided for example by specialised agencies such as ILO, UNESCO, and FAO. In addition, bilateral donor countries were playing a very large part and were prepared increasingly to co-ordinate their efforts with the United Nations, in particular ECA. He referred to the role of the ECA in this growing effort, such as the wide range of preliminary industrial studies which would soon cover almost the whole range of industry in all four regions of Africa, and also the part played in promoting industrial co-ordination machinery in the sub-regions. This work would continue but in addition it was necessary to proceed further to the point where new industrial developments could be realised in practice. This was the significance of the new United Nations machinery described and the growing efforts of the bilateral donors, particularly in the preparation of feasibility and engineering studies. ECA would continue to remain available as a promoter and a catalyst so as to enable African countries to approach the appropriate sources of assistance, to help them

solve a given problem and to carry through their programmes to the stage of final execution. This would be facilitated by the new industrial promotion services the ECA planned to establish at its four sub-regional offices.

49. The UN Commissioner for Industrial Development explained that one of the reasons for the establishment of the special industrial services was to resolve the paradoxical situation in which African countries had frequently urged that more assistance should be given for the promotion of industrial development but had at the same time been unable to take full advantage of services already existing.

50. The representative of FAO drew attention to arrangements made between his Organization and the International Bank for them to co-operate in assisting countries in the identification and preparation of projects for Bank financing, including projects for the processing of agricultural, fishery and forest products.

51. The representative of the African Development Bank explained the arrangements being made to provide technical services for identification and preparation of industrial projects, in addition to capital financing, in particular of multi-national projects.

52. In the discussion the new arrangements ^{for special industrial services} were warmly welcomed as evidence of rapidly increasing and co-ordinated effort to assist African industrial development. It was suggested that pilot manpower and training units for industrial development should be established, with assistance in staffing and finance from outside Africa and capable of providing assistance to other African countries in the training of technicians and skilled

workers. Ancillary services should be attached and arrangements made to give fellowships for on the job training in advanced countries.

53. A number of delegations drew attention to the need for more flexible arrangements for provision of technical assistance for industry. It was pointed out that insufficient attention was given to the need for technical experts to train their counterparts. Sometimes the duration of the programme was too short. Furthermore, the time taken for example, to reach a decision in respect of requests for Special Fund projects appeared to be unnecessarily long. It was also suggested that in view of the increasing use of the sub-regional approach in African industrialisation it might be advantageous if technical assistance experts in industry could serve a group of countries.

54. A number of delegations felt that insufficient effort was being made to provide assistance in industrial development in the less developed African countries.

55. The following conclusions and recommendations arose from the proceedings of the plenary sessions.

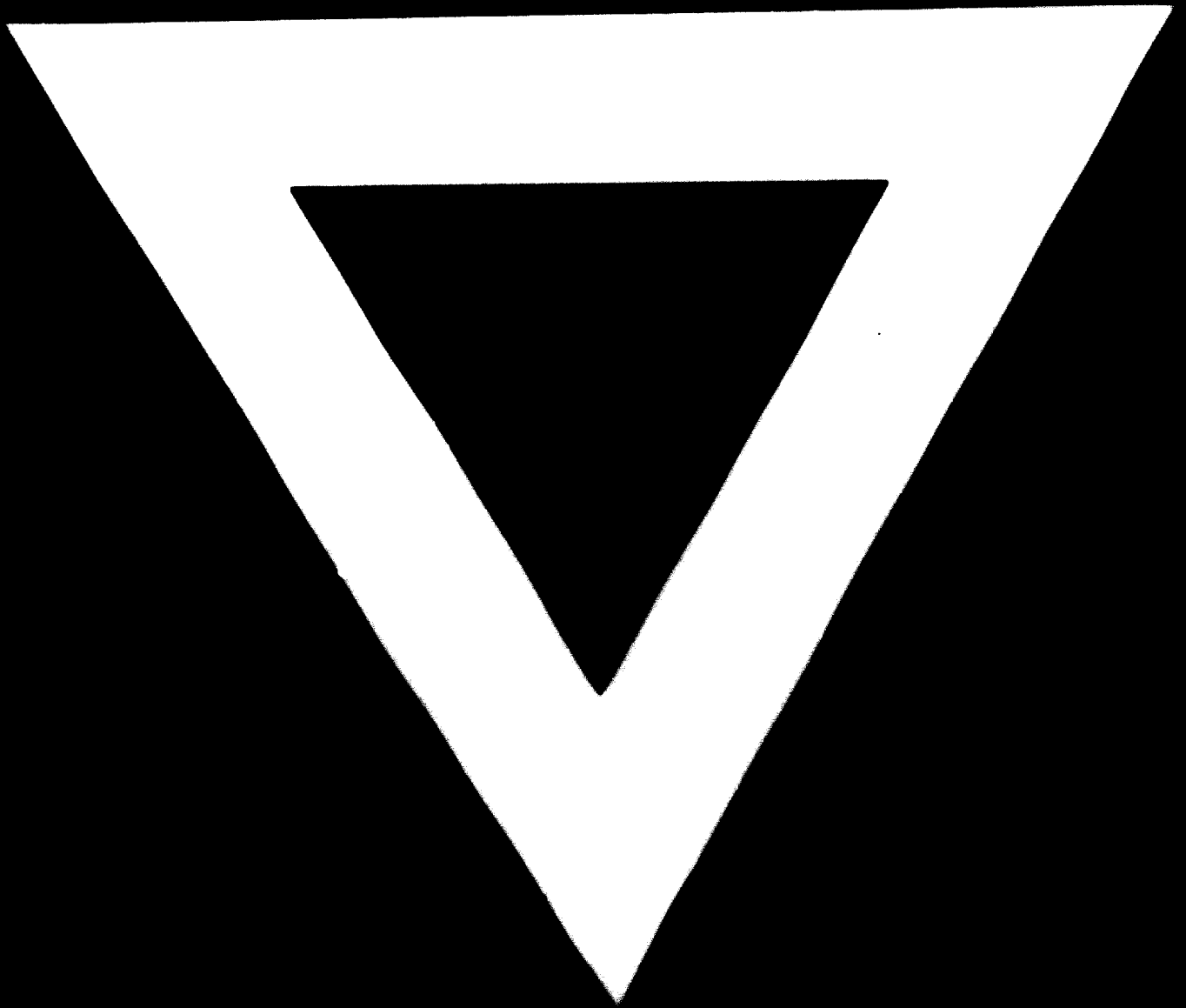
- (1) The importance and necessity of general planning at the national level was emphasized as a necessary pre-requisite for rapid, harmonious and balanced economic development. While making development plans, the countries must first take stock of their natural and human resources and then determine the emphasis to be given to the different sectors of the economy.

- (2) The need for substantial structural reforms affecting the administrative institutions and the systems of production and distribution was noted and recognised as a condition necessary for the execution of fruitful industrialisation policies. In this connection, a wide exchange of information and the establishment of permanent and temporary exhibitions and fairs between the various African countries and the developing countries in general was recommended.
- (3) Present efforts in the field of co-operation at the regional and sub-regional levels were considered as likely to improve the results of national development policies. In order to accelerate and improve the industrial integration already started, the following recommendations are made:
- (a) Harmonisation of national development, to make it easier for countries to benefit from industrial integration.
 - (b) Establishment of well-equipped secretariats to do the preliminary work and follow up decisions, at the level of present or future sub-regional institutions.
 - (c) The need to ensure political stimulus with a view to taking concrete measures in the field of sub-regional co-operation, to promote the economic integration of Africa. These measures could be taken at the level of sub-regional or regional institutions already established or to be established.

- (d) Studies within the framework of the OAU, to lay the basis of an integrated African development plan, a joint trade policy and a joint financial policy, to meet the needs of industrialisation.
- (4) The delegates observed that individual countries still had more contact and trade with countries outside Africa than with their neighbouring African sister States. As a first step towards correcting this situation, steps must be taken to improve the transportation system, including transportation between neighbouring countries. Special efforts should be made at sub-regional and continental levels to examine ways and means of improving the situation.
- (5) The problem of lack of national markets makes it imperative to encourage intra-African trade in manufactured goods. Discriminatory tariffs and other measures hindering free flow of goods should be removed wherever possible, since there is evidence to show that there is scope for increased trade among African countries.
- (6) UN agencies should work hand in hand with African governments in preparing economic feasibility studies. This would avoid the danger of setting up projects which may be desirable but uneconomic.

- (7) Individual countries should finance projects as far as possible from domestic savings because of the high cost of external loans. Through well-planned taxation and sacrifice, considerable savings can be forthcoming from internal sources so that external financing would become merely supplementary. It was generally agreed, however, that external financing would continue to play an important part in Africa's industrial development, particularly since much of the domestic savings would be taken up in financing the internal economic infrastructure, and also because of fluctuations of the prices of raw materials which constitute the greater part of exports of African countries and frequent falling off in foreign exchange.
- (8) It is recommended that the forthcoming World Symposium should discuss the question as to how developing countries can be helped to cope with the deteriorating position of their foreign exchange earnings and their consequent dependence on external finance. The UN Conference on Trade and Development has already been made aware of the seriousness of the situation.
- (9) Meanwhile, it is recommended that the conditions of external financing should be improved and adapted to the requirements of developing countries. Such improvement and adaptation should cover volume of loans, applicability to sectors not at present covered, or inadequately covered, especially infrastructure, lower interest rates, extended time-limits for repayments, and increased proportion of external project financing as compared with the national contribution.

- (10) Technical assistance would be better adapted to the specific needs of each sector if more highly specialized services and experts were provided. In this connection, the Symposium welcomes the establishment of the United Nations Organization for Industrial Development, under General Assembly Resolution 2089(XX).
- (11) It is also recommended that maximum use should be made of joint intra-African possibilities of technical co-operation and mutual assistance, since there are already several examples of successful intra-African co-operation and the African States have begun to accumulate some experience in one or more sectors.
- (12) African countries should help each other as far as possible to solve the problems of skilled manpower shortages. African countries could exchange manpower in specific fields and educational institutions could be set up in appropriate fields where lack of manpower is liable to cause a bottleneck in industrialization.



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