



TOGETHER
for a sustainable future

OCCASION

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



TOGETHER
for a sustainable future

DISCLAIMER

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

FAIR USE POLICY

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

CONTACT

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

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

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.



07005



United Nations Industrial Development Organization

Distr.
LIMITED

ID/WG.227/4
22 April 1976

ENGLISH
ORIGINAL: BULGARIAN*

Round Table Ministerial Meeting on
Industrialization of Agriculture

Varna, Bulgaria, 20-24 May 1976

FORMS OF ECONOMIC CO-OPERATION OF THE PEOPLE'S REPUBLIC OF BULGARIA
WITH THE DEVELOPING COUNTRIES FOR INDUSTRIALIZATION
OF THEIR AGRICULTURE 1/

by

M. Kalchev
Chairman of the Committee for Foreign Economic Relations

* This is not an official translation of UNIDO.

1/ The views and opinions expressed in this paper are those of the author and do not necessarily reflect the views of the Secretariat of UNIDO. This document has been reproduced without formal editing.

id.76-1691

During the past several years the problems of economic development of and cooperation with the developing countries attained particular significance and were subject of important discussions at a number of international conferences of the United Nations and its specialized agencies. The just demands of the developing countries aiming at establishing a new economic order were supported at such international gatherings by the socialist countries, including the P.R. of Bulgaria. The constructive attitude of Bulgarian delegations at the international meetings contributed to formulation of resolutions and taking of decisions in the interest of the developing countries and of their economic progress on the basis of equitable and just international relations.

The People's Republic of Bulgaria pursues a policy of friendship and cooperation with the developing countries in their efforts for economic and political independence. The economic relations of our country with the developing countries of Asia, Africa and Latin America are based upon the principles of equity, respect of the national sovereignty and mutual advantage and are in the interest of stabilisation of the national economy of these countries.

In the field of foreign economic relations of our country particular importance is attached to the matter of rendering economic and technical assistance to the developing

countries, aiming at establishing mutual two-way cooperation.

The mutual trends to develop good relations in the field of economy between our countries is illustrated in the best way by the two-fold increase of exchange of goods - from 312 million leva in 1971 to 675.3 million leva in 1975. It is worthy to note that during the last years the forms of cooperation between the P.R. of Bulgaria and the developing countries have been deversified. These include extension and planned development of economic, scientific and technical cooperation and of mutual trade on the basis of long term commercial and payment agreements, collaboration in prospecting and complex utilization of natural resources, training of national personnel etc. The cooperation of the P.R. of Bulgaria with the developing countries acquires more and more the feature of steady division of labour.

The industrial cooperation introduced an element of stability and steadiness in the economic relations between our countries and made them more purposeful. This new form of cooperation attains an important significance at the present stage. It concerns first of all forms of cooperation aiming at specialization and cooperation in different industrial or agrarian fields. Thanks to specialization and cooperation in different operations, the economic aid offered by our country as well as the natural resources of the developing countries could be utilized more effectively and purposefully.

The Bulgarian Government attaches great importance to the industrialization as the most dynamic factor of progressive reconstruction of the entire national economy. Our country's experience shows clearly and unequivocally that economic and consequently political independence can be attained in the best

way by creating and developing of industry on a planned basis as well as by adopting industrial methods and operations in all fields of the national economy, especially in the agriculture. Experience also shows that such a task can be fulfilled primarily by mobilizing all internal material, financial and human resources and by involving technical and financial assistance from abroad.

Establishing and developing deversified industry and up-to-date agriculture is a complicated process which requires long period of time.

That is why during the last years the P.R. of Bulgaria makes efforts to build-up economic and scientific and technical cooperation with the developing countries on long term basis. Such a tendency will continue in the future too, since this form of cooperation would set-up durable economic links.

The primary importance of increasing the production of agricultural products in the developing countries themselves is emphasized in the resolutions of the VII-th Special Session of the United Nations. Our country attaches great importance to the recommendations of this Session and particularly to those relating to the role of socio-economic reforms for accelerated development of agriculture in the developing countries. In our opinion, in a number of developing countries, favourable conditions exist for working out of complex long term programmes for technical, technological, research and direct practical assistance in agricultural projects for reconstruction and modernization of the agriculture.

The development of deversified industry and agriculture requires large and constant influx of capital investments for

a long period of time. This is beyond the possibilities of individual persons or group of persons, therefore it is necessary that the state should assume the important and complicated functions as a stimulator and coordinator of the national efforts for establishing and developing industry and agriculture and should ensure their close interrelation and cooperation.

Our country, appreciating the significant role of the state in the process of setting-up and consolidation of the national economy of the developing countries, develops its economic, scientific and technical cooperation with them on inter-governmental basis, by involving public resources, infrastructure and efforts. It is to be noted that ensuring the participation of the state and the public institutions in the process of industrialisation of the developing countries was recommended in the Plan of Action elaborated at the II-nd General Conference of the United Nations Industrial Development Organization (UNIDO), held in March 1975 in Lima.

Industry and agriculture are closely connected and interdependent. Taking into account such interrelation, the Bulgarian Government has directed its programme for technical and scientific cooperation with the developing countries to those branches of industry which give the greatest impact to the development of agriculture and industrial sub-branches based upon agriculture or interconnected with it. In one of its conclusion the Declaration of the II-nd General Conference of UNIDO recommended application of this approach which would assure the stimulation of the agro-based industries.

The bilateral cooperation of the P.R. of Bulgaria with individual developing countries is regulated and directed by the recommendations and the decisions of inter-governmental committees and sectorial sub-committees for economic, scientific and technical cooperation. Such committees are created by mutual agreements between the P.R. of Bulgaria and the respective developing countries.

The P.R. of Bulgaria has concluded 14 conventions for economic, scientific and technical cooperation with developing countries.

The main forms of cooperation between the P.R. of Bulgaria and the developing countries are as follows:

- commercial exchange of raw materials of industrial and agricultural nature, foodstuffs, consumer goods, machines and equipment, chemicals, pharmaceutical products, metals etc.
- exchange of scientific, technical and industrial experience
- training of engineers, technicians and skilled workers
- elaboration of feasibility report and forecasts
- granting of government's and supplier's credits
- passing-on scientific and technical information and documentation
- delivery of equipment and rendering of expert's assistance

- construction of complete industrial, agricultural and other projects

- industrial cooperation

- building-up of enterprises in developing countries by Bulgarian companies in cooperation and with the participation of renowned companies and firms of developed West-European countries.

The trade of the P.R. of Bulgaria with the developing countries is constantly expanding. While in 1960 our total exchange of goods amounted to 41 million leva, in 1973 it reached in both directions 390 million leva and in 1975 - 675,3 million leva.

At present Bulgaria has established trade relations with some 70 countries of Asia, Africa and Latin America and have signed long term agreements with 20 of them.

The machines and equipment occupy a particular share in the Bulgarian export to the developing countries. Chemical products, fertilizers and metals follow by priority in the total export.

The import from the developing countries to Bulgaria has considerably increased during the past several years. Fuels, ores, phosphates, raw materials of vegetable and animal origin, raw materials for production of consumer goods, foodstuffs etc. are imported in the first place. During the last years Bulgaria started importing also industrial goods manufactured in the developing countries, but the share of such goods in the total import is still a small one.

The structure of the Bulgarian export towards the developing countries is such as to stimulate the development of their production capabilities and to contribute to their economic progress. For example production means represent 75% of the Bul-

garian export to the developing countries, while consumer goods export is about 25%.

The following ministries and organizations in Bulgaria deal with the implementation of activities related to scientific, technical and economic cooperation with the developing countries: Committee for Foreign Economic Relations and its subordinate organizations: SEC "TECHNOEXPORT" and Direction "TECHNOIMPEX"; Ministry of Agriculture and Food Industry through SEC "AGROVODCOM-PLEKT"; Ministry of Building and Architecture through SEC TECHNO-EXPORTSTROY; Ministry of Forestry and Environmental Protection through SEC "TIMBER PRODUCTION AND CONSTRUCTION ABROAD" and Ministry of Mineral Resources through SEC "BULGARGEOMIN".

One of the best forms of economic cooperation of the P.R. of Bulgaria with the developing countries for the development of their national economies is considered to be the building-up of enterprises in the most important branches of industry, agriculture and infrastructure. More than 600 industrial, agricultural and other projects have been set-up and are under construction with the technical assistance of our country, such as:

- geological prospecting, mining and dressing plants and installations, including phosphate extracting (in Syria and Iraq). Phosphates are basic raw materials for fertilizers for the agriculture. At present 1200 Bulgarian experts work in this field abroad;

- chemical plants for fertilizers (in India and Egypt)

- machinebuilding plants for manufacture of agricultural machines and agricultural product processing plants for the food industry, including: tobacco processing plants, canneries,

- green houses, wineries, slaughterhouses, fruit and vegetable dehydration plants, essential oil plants, cold storage houses, dairies, tanneries and fur enterprises, ceramic plants. Iraq, Syria, Egypt, Algeria, Iran, Pakistan, India, Tansania, Sudan and others have been supplied with such plants;

- small thermal and hydro-electrical power stations, power lines and transformers stations which represent a base for electrification and mechanization of agriculture.

Exporter of these plants, enterprises and units is
SEC TECHNOEXPORT.

As a result of the increased economic possibilities and the success attained in the field of agriculture, a specialized foreign trade organization with engineering - AGROVODCOMPLEKT was founded some years ago in our country. Prospecting, studies, engineering and setting-up of complete agricultural projects, such as seed-growing and pedigree-breeding farms, enterprises for the food industry, poultry farms, dairy farms, silos, storage houses, dams, processing plants etc. are subject of its activities. The following is also included in the activities of Agrovodcomplekt: working out of up-to-date technologies, introducing licences and know-how, training of personnel and rendering of scientific and technical cooperation in the field of agriculture. For example an irrigation system is under construction in the PDR of Yemen; designs for dams and irrigation systems are being prepared, complex irrigation research work is being carried out, equipment for a secondary technical school for training of personnel is being delivered to Algeria; experimental stations for irrigated farming is under design and engineering work is being carried out for construction of dams, irrigation systems and channels in Iraq.

SEC "TECHNOEXPORTSTROY" has made designs for 10 000 t cereals silos in Tobruk and Sebha (Libya) and 20 000 t silos have been built in Tripoli, Suana, Hashan, El Abiar.

The following big agricultural enterprises have been executed by Bulgarian organisations and companies recently:

- in Tunisia - engineering and construction of an agro-industrial complex and a livestock breeding farm
- in India - buffalo breeding farm
- in Egypt - calffattening farm and feed meal plants
- in Libya - construction of sheep breeding farm, poultry complex and rendering of expert's assistance for the design of an agro-industrial complex
- in Iran - design for poultry complex for 6 million broilers and poultry farm for 600 000 laying hens
- in the P.R. of Congo - design for 2.5 million poultry complex for broilers and a complex livestock breeding farm.

When implementing projects in the developing countries we pay particular attention to training of personnel in view of their active participation in the development of their economy and the normal operation of the newly built industrial and agricultural enterprises.

Favourable conditions exist for training of highly qualified engineers, agronomists, technicians and workers in the Bulgarian schools as well as in enterprises.

660 nationals of developing countries were enrolled in Bulgarian schools in 1975. The increased number of foreign students can be explained by the fact that a school for post-graduate qualification of agricultural and other personnel was founded in 1975. During the same year 279 nationals of developing countries graduated successfully.

Our country's appropriate authorities have signed with a number of developing countries bilateral agreements for reciprocal admission of equivalence of the diplomas and certificates.

Training of many nationals from developing countries is carried out in Bulgaria within the framework of the programmes for technical assistance of the United Nations and its specialized agencies.

In fulfilling the intergovernmental conventions for scientific and technical cooperation the P.R. of Bulgaria has assigned to the developing countries more than 3000 Bulgarian specialists, 300 of which are experts in agriculture, including 120 agronomists, 30 experts in hydromelioration, 30 zootechnicians, 70 veterinarians, 40 experts in viticulture, etc.

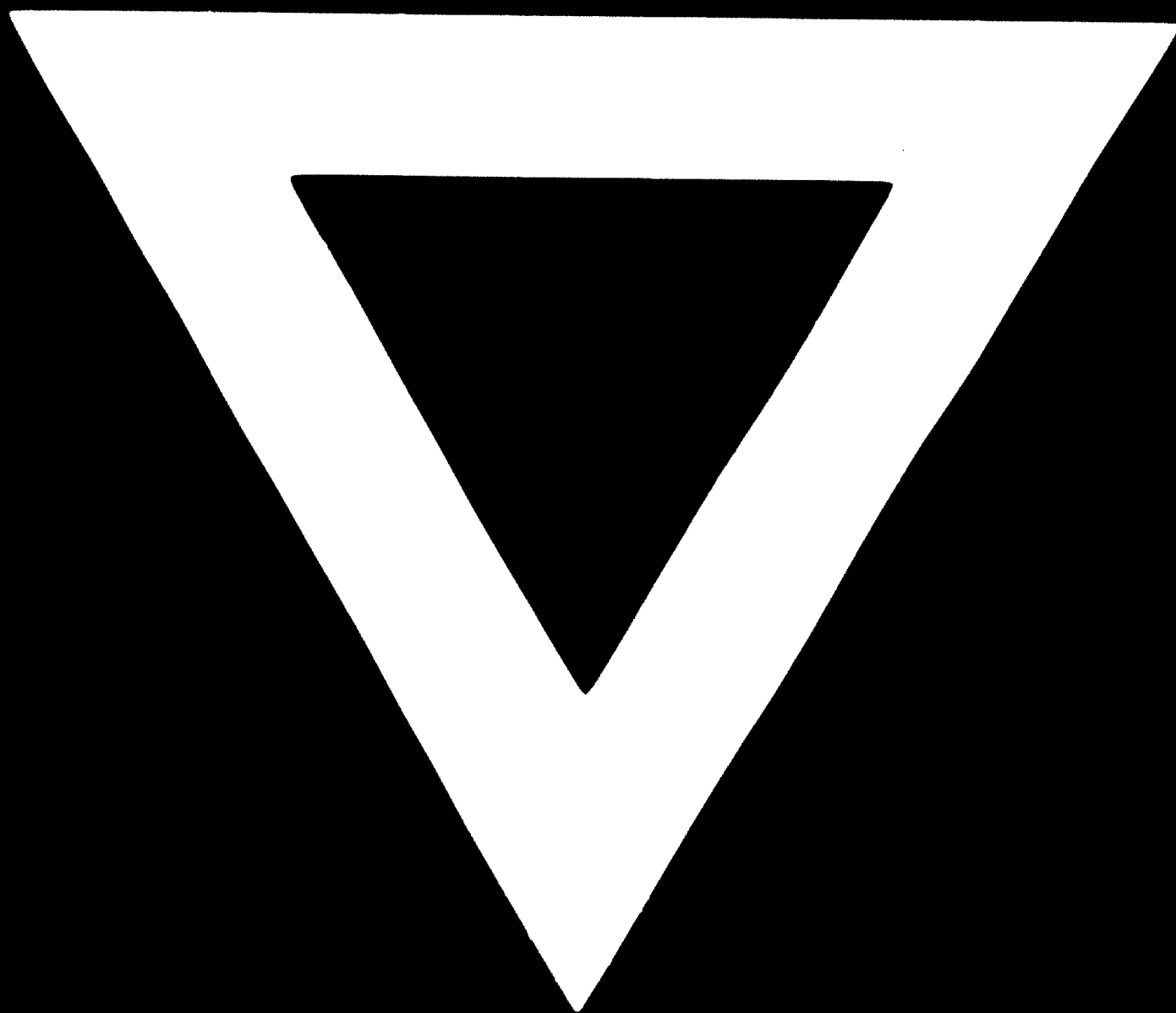
With the view to promote the national economies of the developing countries and strengthening of their development, the P.R. of Bulgaria has granted government's and Supplier's credits to some of these countries at favourable conditions. Usually, the government's credits are granted at differentiated conditions, the most favoured being nations which are not members of aggressive blocks and are oriented to extension of friendly relations with the socialist countries.

Important role play also supplier's credits granted by our country to developing countries for establishing of joint ventures with the participation of Bulgarian organizations. Such enterprises are in principle established on th basis of equal participation with capitals or with Bulgarian credits. They are subject to legal laws in force in the country where they act. It should be noted that the relevant country has the right to byu up, at its request, the Bulgarian participation and consequently to make the enterprise its entire property.

Cooperation between the P.R. of Bulgaria and the developing countries has good prospects and it is expected to expand at accelerated rates. The incessant progress of national economy of the developing countries will contribute to extension and increase of their share in this cooperation and consequently to larger income of foreign currency. On the other hand, the development of the economic, scientific and technical cooperation contributes to creating good climate of mutual understanding and friendly relations.



C-268



77.06.29