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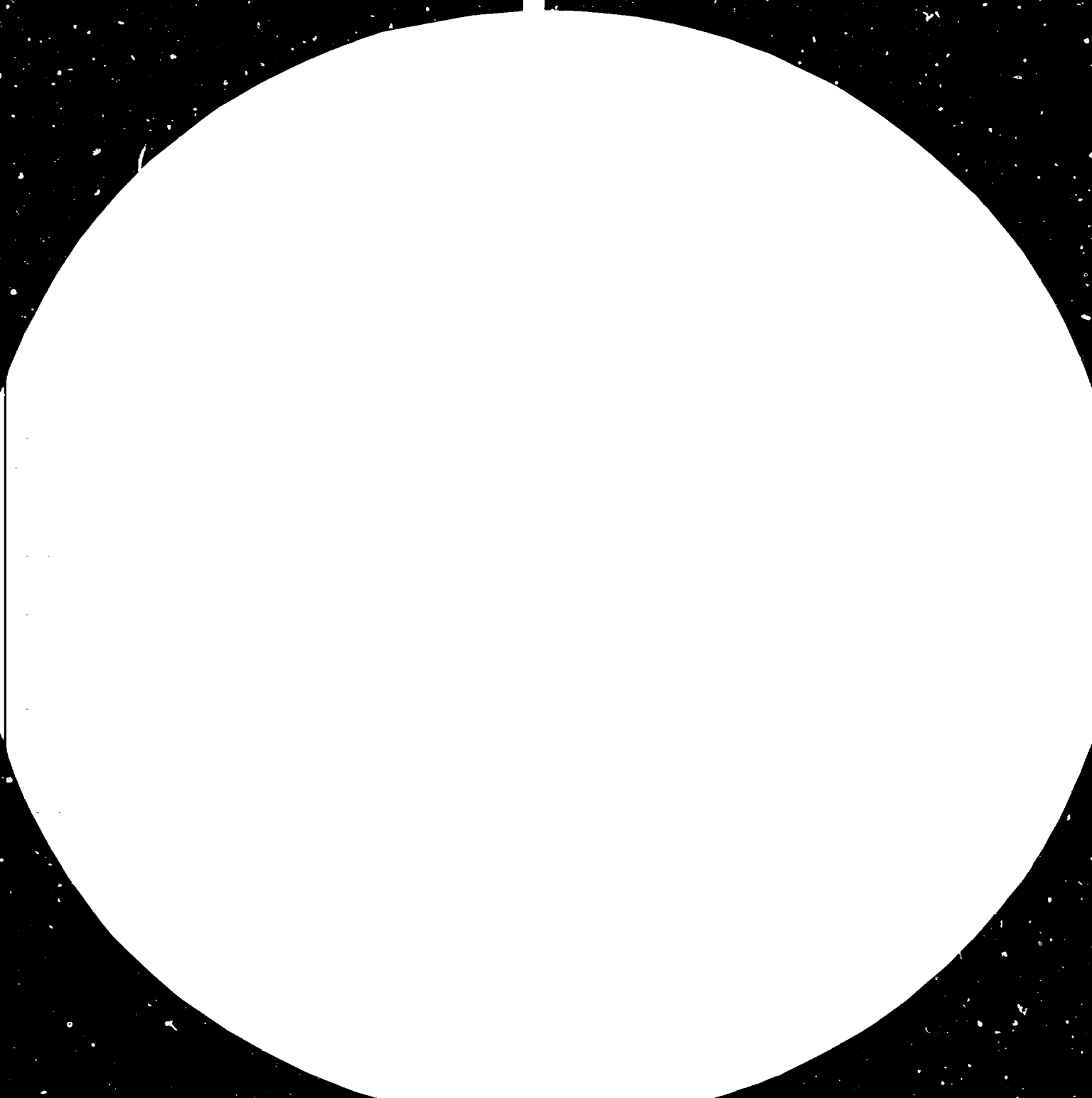
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2.8



3.2



4.0



5.0



When using this chart, the resolution of the system being tested is determined by the number of the smallest pattern that is clearly resolved. For example, if the patterns 1.0, 1.1, 1.25, and 1.4 are clearly resolved, the resolution of the system is 1.4.

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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

SOLIDARITY
MINISTERIAL MEETING
FOR CO-OPERATION
IN THE
INDUSTRIAL DEVELOPMENT
OF BANGLADESH

Dacca, Bangladesh, 2-5 December 1980

REPORT

000.81

Explanatory Notes

References to dollars (\$) are to United States dollars, unless otherwise stated.

The following technical abbreviations of organizations are used in this document:

ASEAN	Association of South-East Asian Nations
ESCAP	Economic and Social Commission for Asia and the Pacific
IFED	Iraqi Fund for External Development
MECON	Metallurgical Engineering Consultancy Organization
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

CONTENTS

<u>Chapter</u>	<u>Page</u>
INTRODUCTION	4
I. ORGANIZATION OF THE MEETING	5
II. INDUSTRIAL DEVELOPMENT STRATEGY OF BANGLADESH UNDER THE SECOND FIVE-YEAR PLAN	9
III. STATEMENTS MADE BY HEADS OF DELEGATIONS	12
IV. BILATERAL DISCUSSIONS ON PROJECT PROPOSALS	21
V. CONCLUSIONS	48
<u>Annex.</u> List of participants	51

INTRODUCTION

The Solidarity Meeting of Ministers of Industry for Co-operation in the Industrial Development of the People's Republic of Bangladesh, organized by the United Nations Industrial Development Organization (UNIDO) in co-operation with the Government of Bangladesh, was held at Dacca from 2 to 5 December 1980.

This Meeting was the fourth in the series of solidarity meetings for industrial development organized by UNIDO since 1979 in co-operation with the Government of the country concerned. The main purpose of the Meeting was to explore ways in which the participating countries could co-operate in promoting the industrial development of Bangladesh. Several possibilities for such co-operation were identified. The requirements of Bangladesh that could be met through bilateral or multi-lateral co-operation within the framework of economic and technical co-operation among developing countries were thoroughly discussed. Means of co-operation between the host and the participating countries in meeting those requirements were suggested.

I. ORGANIZATION OF THE MEETING

The Meeting was attended by representatives of the following countries: Algeria, Bangladesh, China, India, Indonesia, Iraq, Kenya, Malaysia, Pakistan, Peru, Philippines, Republic of Korea, Romania, Sri Lanka, Turkey, United Arab Emirates and Yugoslavia.

The following United Nations bodies were represented: UNIDO, the United Nations Development Programme (UNDP) and the Economic and Social Commission for Asia and the Pacific (ESCAP). A representative of the Saudi Fund for Development attended the Meeting as an observer. The annex contains the list of participants.

Opening addresses

In his inaugural address, Ziaur Rahman, the President of Bangladesh, thanked the delegates for assembling at Dacca to promote solidarity and co-operation among developing countries.

The timing of the Meeting was especially appropriate, since the second five-year plan had recently been embarked upon. With a population of 90 million, 80 per cent of which depended on agriculture, with limited resources, Bangladesh faced a great challenge. The second five-year plan had set a target of \$17 billion outlay for five years, which appeared ambitious in terms of size, but would barely give an overall growth rate of 7.2 per cent and an industrial growth rate of 8.6 per cent. The resources of natural gas, limestone, coal and hard rock agricultural produce such as jute, sugar-cane, fruits and vegetables, bamboo, softwood, agricultural waste of jute sticks, rice and wheat straw and molasses made excellent raw materials for further processing for domestic use and export markets. Bangladesh was fully aware that its balance of payments would not register significant improvements unless its dependence on export of primary goods was reduced and the share of manufactured goods rapidly increased.

He expressed the hope that the Meeting would point the way to a more durable co-operative arrangement between and among developing countries. He wished the Meeting success.

The Executive Director of UNIDO, Dr. Abd-El Rahman Khane, recalled the New Delhi Declaration and Plan of Action,^{1/} which received world attention because it highlighted the long struggle of the developing countries to establish an equitable relationship among countries. Since the developing countries of the world first began to attain independence more than three decades ago, a long way had been covered. In spite of occasional setbacks, those decades had given birth to a new era. Although the developing countries continued to be in need, it was increasingly realized that they must work hand-in-hand in a spirit of collective self-reliance.

He believed that the spirit of solidarity would be strengthened by the idea that the developing countries had something to offer to each other, even at an early stage of development. The fact that developing countries situated far apart from each other were represented at the Meeting was an impressive indication of the determination of the third world to fight a common battle and to win a common future. He expressed confidence that the Meeting would be an inspiration to developing countries in overcoming obstacles encountered in their fight for the well-being of their people.

Jamal Uddin Ahmad, Deputy Prime Minister, Ministry of Industries of the Government of Bangladesh, surveyed the country's development. Although the contribution of the industrial sector to the gross domestic products was only about 9 per cent, the Government considered this sector a most dynamic instrument of economic development and an essential tool for fighting the scourge of poverty and unemployment.

^{1/} New Delhi Declaration and Plan of Action on Industrialization of Developing Countries and International Co-operation for Industrial Development (PI/72)

The industrial strategy developed during the last few years through a process of trial and error was to ensure the best use of the country's scarce resources and to offer adequate opportunity to both the public and the private sectors.

During the last three years through the deliberate shift in policy, the Government had moved to a mixed economy, where the public and private sectors complemented each other. A buoyant private sector had been created to play its role in the industrialization of the country; it was recognized that the dynamic entrepreneurship of the private sector could not altogether be replaced by public sector technocrats because an active private sector was essential for accelerating industrial development. It was in this context that the Government had drawn up the second five-year plan. The industrial sector, public and private sectors combined, accounted for \$3 billion of the total \$17 billion provided in the plan. Budgetary constraints had forced the Government to curtail the allocation for the industry sector in the second five-year plan. The portfolio of projects based on the natural resources of Bangladesh had great potential for bringing about allround improvements in the economy and would help to resolve the chronic balance-of-payments deficit.

The Meeting might consider means of sharing technical know-how, thereby facilitating the transfer to appropriate technology on a continuing basis among the developing countries. Here lay the importance of holding a solidarity meeting of developing countries to further the industrialization efforts of the less fortunate among the developing countries.

Ghulam Hassan Khan, Federal Minister for Industries and Production, Government of Pakistan, on behalf of the delegates thanked the President for inaugurating the Meeting.

Election of officers

The Meeting elected Jamal Uddin Ahmad, Deputy Prime Minister of Bangladesh as the Chairman and Sahap Kocatopcu, Minister of Industry and Technology of Turkey as Vice Chairman. K.K. Bhargava (India) was elected as Rapporteur.

Adoption of the agenda

The Meeting adopted the following agenda:

Opening of the Meeting
Election of Chairman, Vice-Chairman and Rapporteur
Adoption of agenda
Statements by the heads of delegations
Bilateral and group discussions on specific projects
Other business
Adoption of findings and recommendations

The Meeting adopted a timetable that provided an opportunity for meetings among the participants and bilateral discussions between the representatives of Bangladesh and those of the other participating countries, at which UNIDO officials were present.

Adoption of the report

The Meeting adopted the report at its last plenary session on 5 December 1980.

II. INDUSTRIAL DEVELOPMENT STRATEGY OF BANGLADESH UNDER THE SECOND FIVE-YEAR PLAN

Although the industrial sector comprises a small segment of the national economy, it is the most dynamic sector, with vast development potential in both the short and the long run. Since industry has both forward and backward linkage effects on the economy, the overall impact of the industrial sector is greater than its direct contribution to the gross domestic product. A broadened industrial base of the economy can be expected to generate substantial surpluses, create additional employment and usher in an economy based on self-reliance through utilization of the country's own resources.

The main objectives of the industrial development strategy of Bangladesh are to strengthen the linkages between agricultural and industrial development; to establish and strengthen intersectoral linkages, particularly between the large and small-scale industries; to attract industries away from the metropolitan to the rural areas to create employment opportunities there; and to encourage the growth of export industries.

Industrial development has a great contribution to make in terms of the domestic market. This market is primarily in the rural areas, where 90 per cent of the population of 90 million live and which promises a vast potential for agricultural development. In view of the growth potential of the agricultural sector and its dynamic relationship with the industrial sector, the second five-year plan attaches top priority to agricultural development as the cornerstone of industrial development. The industrial strategy is to promote industries linked with agriculture on a priority basis.

With the growth of the agricultural sector, commodity markets will expand faster in rural areas, which are not only endowed with cheap labour, but have a vast pool of craftsmen. Many industries could thus be located in rural areas, provided that rural areas have an equitable

share of the basic infrastructure. The second plan, therefore, has a programme for developing a chain of growth centres in the rural areas, mainly in large market-places. The objective is to achieve optimal dispersal of industries so that, without sacrificing economies of scale and the benefit of advanced technology, manufacturing activities will be located as close to the markets as feasible, enabling as much of the rural income to be spent on locally produced goods as is possible so that rural development and employment are maximized.

Another factor requiring careful attention is the choice of an efficient structure of industries, particularly in the context of international trade, a factor to be taken into account by all developing countries. One of the basic principles in the choice of industries must be that of comparative advantage. Besides, care has to be taken to evolve a structure of industries that will help to prevent a deterioration in the terms of trade. In this context, the industrial sector may need to be grouped somewhat into industries catering mainly to the domestic market and those that are export-oriented.

While public enterprises will continue to play a major role in the development of the basic industries, the second five-year plan envisages a much larger role for the private sector than before, to accelerate the pace of industrialization. For this purpose, liberal fiscal incentives and other facilities are being extended to the private sector. The private sector is thus expected to play an increasingly important role in the industrial development of the country. It is being encouraged to collaborate with foreign private investors in setting up industries, with or without government participation.

In view of the shortage of indigenous raw materials and an abundance of cheap labour, industrial gas and reasonably developed infrastructure and shipping facilities, export-processing zones are being developed to encourage the establishment of export industries.

With the present favourable climate for economic development in general and industrial development in particular, the strong expectation is that industrial development, which is being and will be supported by the Government in various ways, will play an increasingly important role in the economy of Bangladesh. In this context, the Government highly values technical and economic co-operation among the developing countries.

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III. STATEMENTS MADE BY HEADS OF DELEGATIONS

Princy H. Siriwardene, Deputy Executive Secretary of ESCAP, mentioned the work of the ESCAP Club for Co-operating among the Developing Countries, which had been collaborating in the Solidarity Meetings held by UNIDO in Asia. He pointed out that this Meeting in Dacca was being held at a time when conditions were propitious for providing assistance. The joint ESCAP/UNIDO Division of Industry at Bangkok would provide all technical and other assistance that it might be called upon to render in following up the decisions of the Meeting.

The statement of Fasihuddin Mahtab, Minister for Planning, Bangladesh is given in chapter II of this report.

The Minister of State for Industry, India, mentioned the strong bonds of friendship between the peoples of Bangladesh and India and the very close economic and technical ties between the two countries since the early 1970s. The two countries shared a common cultural heritage and aspirations. The Meeting was not a meeting of donors and recipients, but an assembly of developing countries committed to sharing their experience with each other. The scope for sharing of experience between Bangladesh and India was wide. There were vast opportunities for technical co-operation in the form of twinning of research and training institutions, exchange of research and development experience, provision of training facilities and provision of expertise and consulting services. India was prepared to provide 10 million takas for technical assistance during the period 1980-1983 to be spent primarily on feasibility studies for selected projects in Bangladesh. India was ready to co-operate bilaterally in establishing some industrial units. India was a capital importing country and suffered from the paucity of financial resources. Possibilities of trilateral co-operation should be explored, whereby developing countries with surplus capital or international financing agencies could provide the financial

resources; India, the capital equipment and know-how; and Bangladesh the local resources.

The Director General of Basic Metal Industries of Indonesia stressed the importance of technical and economic co-operation among developing countries in achieving the goals set out in the Lima Declaration^{2/}. The philosophy underlying the development effort of Indonesia sought a balance between the manufacturing and agriculture sectors. Gradual deepening of the industrial sector was being attempted. Emphasis was also placed on intra-industrial linkages, so as to provide an adequate support for the small-scale and decentralized manufacturing sector. There was considerable similarity between the development approaches followed in Bangladesh and Indonesia; the two countries could benefit from exchange of experience and expertise. The Government of Indonesia was willing to provide technical assistance and training in respect of some of the projects included in the portfolio of projects to be considered by the Meeting, in particular the proposed fertilizer and cement plants for which Indonesia was in a good position to provide assistance.

The Ambassador of Yugoslavia to Bangladesh felt that the portfolio of projects circulated at the Meeting could serve as a good basis for discussions. Yugoslavia, having faced massive problems of national development since the Second World War, more or less similar to these now being faced by Bangladesh, was in full sympathy with the aspirations and needs of Bangladesh. Yugoslavia would do its best to provide as much assistance to Bangladesh as its resources permitted. It was hoped that the coming session of the Joint Committee for Economic Co-operation between Yugoslavia and Bangladesh would be extremely fruitful and would reach concrete decisions on the exchange of equipment and technical know-how and training of technical and managerial cadres.

^{2/} Lima Declaration and Plan of Action on Industrial Development and Co-operation (PI/38)

The Minister of Industry and Technology of Turkey referred to the industrial experience of his country since the 1930s. Turkey was willing to share its experience with other countries. Some basic criteria for choosing co-operative programmes included the social benefits from the programmes, as against purely commercial considerations, and the long-term implications for development. These criteria had been kept in mind when the portfolio of projects for the Meeting had been formulated. Some of them related to the development of alternative sources of energy, which had become critical. In view of Turkey's balance-of-payments difficulties, assistance would be offered largely for the provision of consulting and engineering services, procurement for machinery etc.

The Vice-Minister of Commerce and Industry of the Republic of Korea wholeheartedly supported the concept that the more advanced among the developing countries should provide assistance to the less advanced developing countries. Since 1973, the Republic of Korea had received 79 trainees from Bangladesh in wide-ranging fields. Some modest financial assistance had been provided in 1979. Firms in the Republic of Korea were increasingly participating in joint ventures in Bangladesh. Trade between the two countries was sizeable. The Republic of Korea's experience and expertise in the industrial sector could be made available to Bangladesh in several forms. The experience of the Republic of Korea with the "Samul", or the "new community movement", could be of particular relevance to Bangladesh.

The Federal Minister for Industries and Production of Pakistan called for the designing of co-operative programmes between countries in accordance with their own priorities, which would utilize their capacity to the fullest possible extent and would assist in achieving national and collective self-reliance. The Government of Pakistan had begun technical assistance programmes for other developing countries.

Co-operation with Bangladesh was of special significance to Pakistan because of the ties of brotherhood and friendship that bound the two peoples and Governments. In the areas in which Pakistan had developed considerable technical expertise as well as capabilities of manufacturing machinery, Pakistan would be willing to provide training facilities and also enter into joint ventures. It would welcome the involvement of third parties capable of providing capital input. It was to be hoped that the bilateral discussions in the course of the Meeting would lead to a specific agreement that could be further followed up by the Joint Economic Commission set up between the two countries in July 1979.

The Ambassador of China to Bangladesh pointed out that economic and technical co-operation among developing countries was an important element in the promotion of collective self-reliance of the developing countries. Since 1973, China had engaged in multilateral technical co-operation with other developing countries. It had earmarked a part of its UNDP indicative planning figure for several regional projects, which would not only be of benefit to China but could also be used for training technical personnel from other developing countries. China and Bangladesh enjoyed cordial relations and had concluded several agreements in the fields of sea transportation, civil aviation, economic and technical co-operation, science and technology, culture and trade. The programme for economic and technical co-operation being carried on between the two countries would be expanded in the future. In the course of the Meeting the Chinese delegation would explore the possibility of carrying out specific projects that could include such ventures as extraction of rice-bran oil.

The leader of the delegation of Iraq noted that Iraq had already taken an active part in the industrial development of Bangladesh and recognised the favourable factors existing in the country, such as abundant supply of labour and agricultural raw materials. Iraq had already offered a loan for the establishment of two carpet mills, which were equipped with training centres. The loan would also assist in establishing a cement factory and the laying of gas pipelines in Bangladesh. Iraq would continue to provide assistance within the limits of the funds already committed to Bangladesh but not yet spent and within the framework of the Iraqi Fund for External Development.

The Deputy Minister for Industry of Kenya noted the commonality between the problems and aspirations of his country and those of other developing countries, such as Bangladesh. Inequities in the international order, as recently elaborated in the Brandt Report, continued to exist, and third world solidarity was important. The achievements of the developing countries were varied, not only in the aggregate national sense but also in different economic sectors. Some developing countries were in a position to lend capital, and some newly industrialized countries could effect transfer of technology. The vast complementarities now existing between the developing countries provided excellent scope for expanding their co-operation to their common benefit. Kenya had accumulated experience that could be shared with Bangladesh in several areas, such as small tea holdings and rural industrial development through the establishment of industrial estates. Twinning arrangements between the Kenya Industrial Research and Development Institute and the relevant institutes in Bangladesh offered good prospects for examining ways of utilizing traditional and non-traditional domestic resources for industrial purposes.

The Deputy Minister of Trade and Industry of Malaysia reaffirmed the commitment of his country to the principles of solidarity and collective self-reliance of the developing countries and the approach to its achievement set out in Lima Declaration and the Arusha Programme of Collective Self-reliance of the Developing Countries. The industrialization strategies of Malaysia and Bangladesh had several similarities. Bangladesh was seeking to move away from over-dependence on agriculture through a systematic programme of industrial development. The Malaysian experience could be of considerable interest to Bangladesh, and Malaysia would be willing to share it through appropriate mechanisms. The choice of projects included in the portfolio circulated at the Meeting was judicious. To secure the capital base for these projects would, however, require a formidable effort on the part of Bangladesh, and the international community. A major focus of the effort in Bangladesh should be on harnessing its immense manpower potential. Considerable possibility existed for collaboration between Malaysia and Bangladesh in human resource development. Malaysia could also offer technical assistance in certain industries, such as the rubber industry.

The Deputy Minister of Industry of the Philippines recalled the strong commitment voiced by President Ferdinand E. Marcos to the New International Economic Order on behalf of the Group of 77 at UNCTAD IV in Nairobi and at UNCTAD V in Manila and the strenuous efforts which his Government had been making in conjunction with the other developing countries to make progress in that direction. He viewed this Meeting as an important stage in fostering collective self-reliance among the developing countries which would, in turn, assist in the achievement of the New International Economic Order. He gave an account of the development efforts being undertaken in the Philippines and noted the several similarities with the problems and concerns of the two countries were population growth and utilization of manpower, reducing dependence

on imported energy, diversifying exports and securing a balanced geographical location of industries. The new strategy for industrial development adopted by Bangladesh, which emphasized the role of the private sector and reduction of bureaucratic red tape and viewed the international competitiveness of the country's products as a test of viability, was very similar to the approach adopted in the Philippines. There was, thus, great scope for the sharing of experience between the two countries. The Philippines could also provide training facilities to Bangladesh in a wide variety of fields.

The Deputy Minister of Industries and Scientific Affairs of Sri Lanka noted the similarity in the problems of Bangladesh and Sri Lanka and the development approaches that had been adopted. In particular, both countries emphasized the role of the private sector. Steps should be taken to promote intercountry joint ventures involving private commercial interests in which Sri Lanka could provide training facilities for Bangladesh in a wide variety of fields.

The Ambassador of Algeria to Bangladesh stated that authorities in Algeria were already engaged in a survey of new areas of economic exchanges with their counterparts in Bangladesh, and steps to bring them about had been taken. Algeria looked forward to widening the area of co-operation and would respond to the maximum extent possible to the proposed programme of action. Algeria would wish to be part of a long-term collective effort.

The Deputy Minister of Foreign Trade and International Economic Co-operation of Romania stated that Romania, as a developing country, allotted one third of the national income to industrialization every year; Romania considered economic co-operation with other developing countries very important. Romania was strengthening economic relations with Bangladesh. The two countries had set up jointly a few projects

such as the cotton spinning mill in Barisal, and two more were under construction. Romania had carefully studied the list of projects prepared for the Meeting. It could participate in implementing some of the projects such as the cement plant, soda-ash plant, wood-wool/cement slab plant, distillery plant, and cold storage plant. For such projects Romania could provide technical know-how, deliver equipment and train personnel. The collaboration of other countries was visualized mainly for financing these projects.

The Secretary of State in the Ministry of Industry of Peru expressed his country's wish to co-operate with Bangladesh in furthering industrialization. The levels of development already achieved by Peru in specific fields made such co-operation possible. Peru was in a position to extend co-operation with respect to five industrial areas identified in the portfolio of projects. The experience of Peru in the manufacturing sector showed the difficulties arising from the shift from import substitution to export promotion programmes.

The Head of Industrial Affairs of the Ministry of Industry and Technology of the United Arab Emirates stated that the policy of the United Arab Emirates was to give first preference to providing assistance to Arab, Asian and African countries in financing development programmes. For this purpose, the United Arab Emirates had established various institutions with the Abu-Dhabi Fund for Arab Economic Development (ADFAED) at the forefront in providing capital and in the implementation of projects aimed at social and economic development.

During 1978 and 1979, the Fund implemented 19 agreements with a total value of \$366 million. Under this assistance programme, Bangladesh received \$59.6 million up to June 1979, of which \$11.0 million was a grant for various development projects. Since the capital of the Fund had been raised to \$1,064 billion, the Fund would be able to finance further development programmes.

The projects proposed by the Government of Bangladesh for financing by the United Arab Emirates would be submitted to the authorities concerned in the United Arab Emirates for further consideration.

The representative of the Saudi Fund for Development referred to the close co-operation that already existed between Bangladesh and the Saudi Fund for Development. The Fund had already contributed to many projects in the country. Loans in the range of \$100 million had been extended to assist in the financing of the two important projects relating to a fertilizer plant and railways.

IV. BILATERAL DISCUSSIONS ON PROJECT PROPOSALS

Informal discussions were held between the representatives of the host country Bangladesh and the representatives of participating countries. UNIDO and other United Nations staff members also participated in these discussions. The record of these discussions follows.

Discussions between Bangladesh and Algeria

The Algerian delegation believed that arrangements of co-operation could be further expanded and strengthened and agreed with the suggestion that the Bangladesh Government examine its further needs for technical assistance. The Algerian delegation agreed to place the portfolio of projects before the Algerian authorities for further examination, with a view to providing capital and extending other types of assistance.

Discussions between Bangladesh and China

Both sides reviewed the progress achieved so far in respect of projects being undertaken mainly through bilateral co-operation and expressed satisfaction at the progress and efforts made to implement these projects promptly.

The Chinese Government had decided to earmark \$100,000 of its borrowed UNDP indicative planning figure of the third cycle for financing projects of co-operation in Bangladesh. This resource could be used for implementing two projects of bilateral co-operation, the polash urea fertilizer factory and the Sundarban textile mills in Bangladesh to further their implementation, and specifically as follows:

(a) To procure 4 valves, 3 water pumps and 25 air-conditioners that were necessary for the polash factory and had to be imported from foreign countries other than China, at an estimated cost of \$50,000-\$60,000;

(b) To provide a daily subsistence allowance for the Chinese experts to be sent to Bangladesh in 1981 to assist in installing equipment and trial production for the Sundarban textile mills, with the remainder of \$40,000-\$50,000.

The Bangladesh side expressed its appreciation for the new offer made by the Chinese Government and agreed to the above suggestion.

The Chinese delegation stated that the Chinese contribution to the United Nations Industrial Development Fund (UNIDF) had been used in 1978 for conducting a feasibility study by Chinese experts on the establishment of a rice-bran oil extraction plant in Bangladesh. The study showed that the project was feasible. According to estimates, about ¥3 million (in Chinese currency) was needed for the establishment of this plant. For financing the establishment of this plant the Chinese authorities agreed to use the Chinese contribution to UNIDF in the amount of ¥500,000 and the Chinese contribution to the United Nations Capital Development Fund (UNCDF) in the amount of ¥1,800,000 (including the Chinese contribution to UNCDF for 1981). The Bangladesh Government would have to make an official request to UNCDF to obtain the formal approval of this project. The Chinese delegation expressed its willingness to make further efforts to seek the rest of the needed funds. To facilitate the design of the plant, Bangladesh was to provide the necessary data on the specific requirements.

The UNIDO senior industrial development adviser expressed his support for these projects and was requested to follow-up as appropriate.

Discussions between Bangladesh and India

The Indian and Bangladesh delegations discussed areas of mutual interest in which India could co-operate for the industrial development of Bangladesh.

Technical co-operation

The proposals described below were to be financed from the 10 million taka the Government of India was prepared to provide Bangladesh, as indicated by the Minister of State for Industry in his opening address.

Feasibility Studies

Projects for feasibility studies included in the UNIDO document, as well as outside were discussed. In particular, India would consider undertaking feasibility studies for the projects listed below:

<u>Project number</u>	<u>Project</u>
12	Triple superphosphate plant
34	Newsprint, pulp and paper plant
26	Sponge iron and steel complex
10	Soda-ash plant
	Project for manufacture of basic electronic components
	Bogra leather complex

As regards project No. 34, the Bangladesh delegation explained that although the UNIDO document mentioned only a pulp and paper project, on reconsideration Bangladesh would like it to be a comprehensive feasibility study covering newsprint as well.

As regards the sponge iron project (No. 26), Bangladesh was now considering setting up an integrated sponge iron and steel plant with a capacity of 800,000 tons. The Metallurgical Engineering Consultancy Organization (MECON) of India was preparing an investment proposal for the project and its report should be available by the end of January 1981.

Small-scale industries

The following areas of co-operation were identified:

- (a) Setting up of model rural workshops. Four to five demonstration and production workshops could be set up, with India supplying software and some equipment, which later on could be supplied by Bangladesh;
- (b) Technical studies and blueprints for ancillary development;
- (c) Provision of inputs, including equipment for demonstration or production purposes, including improved charkhas and hand-made paper;
- (d) Sharing of experience on a mutually acceptable basis in research and development fields, including bio-gas and solar energy;
- (e) Training of personnel, including in-plant training.

An indicative figure of 3 million takas was mentioned by the Bangladesh delegation as the financial requirement for technical co-operation in the small-scale sector.

Industrial projects

The Bangladesh side sought India's assistance for the following projects:

(a) Cement plant. A cement plant with a capacity of 800,000-1 million tons per annum based on limestone imports from Meghalaya was being contemplated. For a plant of this size, an arrangement for buyback by India was an important component. The Indian delegation felt that useful discussions on this project could be held only after its broad parameters were known and the requisite data were made available. The two sides agreed to discuss this project further following receipt of the relevant information;

(b) Sponge iron and steel plant. The two Governments would discuss the proposed sponge iron and steel plant with a view to taking a decision after receipt of the investment proposal from MECON;

(c) Sugar-mills. The Bangladesh delegation held the view that of the four sugar-mills it is proposed to set up during the second five-year plan period, India could assist in establishing one with a crushing capacity of 1,500 tons of sugar-cane per day. Additionally, the Bangladesh side expressed interest in India's collaboration in the establishment of some of the 20 mini sugar plants with a crushing capacity of 300 to 400 tons of sugar-cane per day that it was proposed to set up in the private sector in the second five-year plan;

(d) Distilleries. In conjunction with some of the large sugar-mills, as well as the proposed complex of mini sugar plants, Bangladesh would like to set up distillery plants and sought India's assistance in this regard;

(e) Textile mills. Bangladesh sought India's collaboration for setting up (i) two textile mills in the public sector with a capacity of 25,000 spindles each and (ii) some of the 28 smaller textile mills in the private sector with a capacity of 12,500 spindles each;

(f) Mini-hydro plants. Bangladesh side sought India's co-operation in setting up mini-hydro plants of 5 MW each.

The forms that India's assistance with regard to the above-mentioned projects could take would be supply of capital equipment and know-how, consulting services etc. Equipment and know-how for private sector projects would be purchased through imports by the firms concerned out of the resources available to them.

However, the Bangladesh delegation stated that it would also be necessary to extend financial assistance to the private sector through credit institutions for which Bangladesh would like to obtain credits on soft terms from India. For the larger projects, and particularly for the public sector sugar and textile projects and modernization of some of the existing sugar-mills, projects that were to be taken up on a priority basis, Bangladesh also sought credits from India on soft terms.

The Indian delegation stated that India was in a position to provide equipment and know-how for the establishment of some of the plants mentioned above. However, being a capital-importing country, India had obvious financial constraints. For certain projects arrangements should also be envisaged according to which India could supply the equipment and know-how; the capital-surplus developing countries, the financial resources; and Bangladesh, the local inputs.

The Bangladesh delegation stated that Bangladesh would consider the feasibility of such tripartite linkages.

Discussions between Bangladesh and Indonesia

The Indonesian delegation consisted of eight members representing various sectors of industry, including metals, chemicals, mixed and small-scale industries. The head of the Indonesian delegation stated that Indonesia's co-operation was confined to technical assistance, and principally in-plant training and training of specialists. The Indonesian Government was ready to finance projects within Indonesia but could not commit itself to providing funds outside Indonesia, which would have to come from third-party or multilateral arrangements.

Indonesia expressed its readiness to co-operate in 22 of the projects contained in the portfolio document. This amounted to 136 man-months of training and expert services inside Indonesia (see table below). The estimated contribution was $136 \times \text{Rp } 750,000 = \text{Rp } 102,000,000 = \$163,200$.

The representative of the Bangladesh Government recalled the Technical Co-operation Agreement of 21 November 1979 between Indonesia and Bangladesh. The Bangladesh delegation put forward the proposals for provision of finance and equipment for (a) gas exploration and utilization for energy and fertilizer needs; (b) cement; (c) pineapple and mango processing plants; and (d) shoe production, possibly, through joint ventures. The Indonesian delegation would transmit these proposals to its Government for consideration and would seek to promote co-operative activities in its country's private sector (as well as regional schemes within the area of ASEAN).

The question of assistance by Indonesia in the form of feasibility studies in the four areas of (a) pulp and paper industry using jute as raw material; (b) cattle feed production; (c) sponge iron; and (d) aluminium extrusion was raised. It was agreed that the terms of reference of the studies would be submitted to the Indonesian Government for consideration.

On the procedures for follow-up on the discussions, it was agreed to use the normal diplomatic channels. If necessary, the United Nations system could be used to explore how any obstacles encountered might be overcome.

Technical assistance offered by Indonesia

Project No.	Project title	Type of assistance	Number of persons to be trained	Duration (months)	Location
4	Cotton spinning mills	Training course in cotton classification	1	1	Bandung
5	Cotton spinning mills	Training course in spinning quality control	1	1	Bandung
12	Triple Superphosphate plant	In-plant training	1	4	East Java
14	Barge-mounted ammonia/urea manufacturing plant	In-plant training	4	4	South Sumatra
18	Shoe manufacturing unit	Training course	4	3	Jogjakarta
19	Hides and skins training	Training course (manufacturing of shoe or other leather goods)	4	3	Jogjakarta
21	Fruits and vegetable processing/canning unit at Rajshahi	On-the-job training	2	2	West Java
22	Fruits and vegetable processing/canning unit at Chittagong H.T.	On-the-job training	2	2	West Java
24	Catching, canning and preservation of sea-food	In-plant training in canning and preservation of seafood	1	2	East Java
26	Sponge-iron complex	Training in direct reduction process	1	4)	Cilegon West Java
		Electric furnace and billet making	1	4)	
		Wire rod making	1	4)	
		Profiled concrete bar making	1	4)	
		Steel pipe making	1	4)	

27	Electrical cable/ conductor manufacturing plant	In-plant training	1	3	Jakarta
28	Aluminium extrusion plant	In-plant training	1	3	Jakarta
30	Jaipurhat cement complex	In-plant training	2	2	East Java
32	Jaipurhat limestone mining project	Technical assistance in mapping and mining methods (two persons may be sent from Bangladesh to Indonesia or two experts from Indonesia may come to Bangladesh)	2	3	West Java East Java
33	Cigarette manufacturing plant	In-plant training specially for clove cigarette	1	3	Central Java/ East Java
34	Pulp and paper mills	In-plant training	2	3	East Java
		Training course in cellulose technology	4	2	West Java
		Training course in pulp and paper	15	1	West Java
35	Cattle feed plant	In-plant training	1	2	Lampung
37	Cold storage plant	In-plant training	1	2	Jakarta Central Java
38	Cold storage plant	In-plant training	1	2	Jakarta Central Java
39	Cold storage plant	In-plant training	1	2	Jakarta Central Java
40	Cold storage plant	In-plant training	1	2	Jakarta Central Java
41	Tobacco redrying unit	In-plant training	1	2	East Java

Discussions between Bangladesh and Iraq

The Bangladesh delegation expressed a wish that the following projects be financed:

1. Limestone project
2. Hangar for Dacca airport
3. Loans for Shilpa Bank to finance industrial projects
4. Training of Bangladesh personnel in the managerial and technical fields either in Iraq or having Iraqi experts come to Bangladesh for the purpose
5. Financing of some other projects listed in the project portfolio introduced at this Meeting.

The Iraqi delegation informed the Bangladesh delegation in the presence of a UNIDO representative that:

(a) The reply of the Iraqi Fund for External Development (IFED) was delivered by the Iraqi Ministry of Foreign Affairs to the Bangladesh Embassy in Iraq on 6 November 1980 to the effect that while the Fund approved the financing of the gas pipeline to the tea farm, it did not approve financing projects 1 and 2 listed above for reasons shown in the letter of 6 November;

(b) IFED was willing to consider projects that would be of greater benefit to the industrial development of Bangladesh and that would be within the remaining limits of the Fund offered to Bangladesh and not yet consumed. Projects that would fall in this category from the list of industrial projects to be established in Bangladesh were:

<u>Project number</u> ^{3/}	<u>Description</u>	<u>Estimated cost (million dollars)</u>
4 and 5	Two cotton spinning mills	10.62
1	Jute carpet factory	8.00
6-9	Four sugar-mills	49.60
21 and 22	Two fruit and vegetable canning plants	3.34

(or any similar project)

^{3/} See UNIDO/EX.118/Rev.1

(c) Items 3 and 4 in the list of the Bangladesh delegation would be transmitted to the Iraqi authorities for consideration;

(b) Loans given to Bangladesh were to finance the public sector only and these loans were not to be used for joint ventures.

Discussions between Bangladesh and Kenya

The Kenyan delegation showed keen interest for joint collaboration in the following projects:

1. Setting up of a jute carpet mill
2. Manufacture of tricycles and scooters
3. Manufacture of machinery for the tea industry
4. Manufacture of power tillers, tractors and other agricultural equipment

The joint collaboration could be in the form of joint ventures; joint participation in equity, management and marketing; and technical assistance in implementation.

Details regarding the location of the projects, the precise nature of participation, pre-investment feasibility study etc. would be worked out subsequently.

Discussions between Bangladesh and Malaysia

The delegation of Malaysia expressed its willingness to provide various forms of training, with particular emphasis on development of entrepreneurs, managers and supervisors and on-the-job training in specific industries. It indicated that the Malaysian authorities would study the Project Proposals of UNIDO to see how Malaysia could offer technical assistance. The Malaysian delegation responded to the specific request of the Bangladesh representatives as described below.

Rubber-based industries

The Bangladesh delegation indicated that through various small-scale projects on growing and processing of rubber on an experimental basis it had been proved that rubber could be grown in the country. Technical assistance, however, was needed for improving planting material and ultimately for upgrading the technological base for rubber processing.

Malaysia, on the other hand, had vast experience in this field that could be made available for the development of Bangladesh's rubber industry.

Bangladesh requested assistance from Malaysia in two areas: (a) in small-holder rubber planting based on the Malaysian land settlement scheme (FELDA) up to the stage of central processing and marketing; and (b) in the opening up of rubber plantations through joint ventures with either the public sector or private sector of Malaysia.

The delegation of Malaysia offered to explore the possibility of providing on-the-job training and fellowships for Bangladesh personnel in rubber planting, processing and estate management at the Rubber Research Institute of Malaysia (RRIM). The delegation of Malaysia would also explore the possibility that FELDA would assist small farmers in their land settlement schemes for rubber plantations.

The delegation of Malaysia indicated its willingness to solicit interest among companies operating rubber plantations in Malaysia in establishing joint ventures with Bangladesh partners in this field. It was agreed that the Malaysian as well as Bangladesh authorities would keep UNIDO informed about the progress of any such projects.

Batik printing

The Bangladesh delegation expressed an interest in securing training for Bangladesh personnel in batik design and printing, an area that was well developed in Malaysia. The Malaysian delegation agreed to explore possibilities of providing appropriate training, including on-the-job training. UNIDO was requested to organize a workshop on this subject, if it was considered necessary, with training personnel provided by Malaysia.

Food processing

The Malaysian delegation was requested to explore the possibility of providing technical assistance in food processing and canning and world-wide marketing of pineapple and tomato products. The Malaysian delegation agreed to study this request, particularly with respect to pineapple canning and organizing a common network for these products.

Discussions between Bangladesh and Pakistan

The Pakistan delegation stated that Pakistan could offer Bangladesh a complete sugar plant on credit. The terms of credit would be settled through bilateral negotiations. The Bangladesh delegation also showed interest in mini sugar-mills. Pakistan would also explore the possibility of providing these mills.

The Pakistan delegation stated that Pakistan was now producing machinery, sugar, cement, textile (weaving and winding machinery), vegetable-ghee, tannery, agricultural machinery and electrical equipment that might be of use to Bangladesh. Joint ventures with Bangladesh could be established on bilateral basis through which Pakistan's technical know-how, machinery, raw material and semi-

processed goods could be made available to Bangladesh with an international institution or a capital-exporting third country participating financially.

Pakistan could participate with Bangladesh in fields such as construction industries, textiles, fertilizer, cement, leather, paper and packing, engineering and machine tools, metalworking, electrical equipment and chemicals. It could also participate in the processing of agricultural products such as edible oil or sugar and tobacco. There were firms in Pakistan in both the private and public sectors capable of rendering assistance in the establishment and management of the above-mentioned industries in Bangladesh.

Pakistan could provide training facilities in many industries such as textiles, engineering, metalworking and leather for which fellowships could be offered to Bangladesh participants. Pakistan could also provide consulting services for preparing industrial feasibility studies and project reports. In this context the Pakistan delegation mentioned the possibility of close collaboration and joint ventures between the Investment Advisory Centre of Pakistan and the Bangladesh Investment Advisory Centre.

Discussions between Bangladesh and Peru

The Peruvian side showed keen interest in collaborating in the development of specific industries. Both sides discussed possible types of collaboration - technical assistance, equity participation or joint ventures. The following areas of collaboration were identified:

Fulp and paper

Establishment of sugar-mills and technology of sugar production

Canning and preservation of seafood

Sponge-iron project

Pulp and paper

The Peruvian delegation pointed out that in Peru paper was produced out of bagasse using modern technology that had been developed after a great deal of experimentation. It wanted to know whether the technology of Peru would be appropriate for the proposed pulp and paper mills. If the technology proved to be suitable, Peru would extend technical assistance and a joint venture was also possible. Arrangements would have to be negotiated with the State-owned Parramonga company.

Sugar-mills

The Peruvian delegation expressed interest in co-operating with Bangladesh by transferring improved technology for processing sugar-cane. Furthermore, it also mentioned the possibility of supplying high-yielding and disease-resistant varieties of cane that had proved successful in Peruvian conditions. The Ministry of Agriculture of the Government of Peru would supply technical specifications for the high-yielding varieties.

Acquisition of fishing trawlers

SIMA, a State-owned company manufactured trawlers in Peru. The Peruvian delegation wanted the specifications for fishing trawlers needed by Bangladesh and would supply them according to the specifications. Long-term credits might be extended on a government-to-government basis.

Peru was in a position to transfer the technology of fish preservation. The State-owned company PEPESCA dealt with canned and frozen fish. The Ministry of Fishery could supply technical information on fish preservation.

Sponge-iron project

In sponge-iron production, Peru used a technology different from the proposed technology for Bangladesh, which would be based on natural gas.

Iron ore would be needed for the proposed sponge-iron project in Bangladesh. To diversify Bangladesh's sources of iron ore, it was agreed to explore the possibility of procuring iron ore from Peru on a long-term basis since Peru had an exportable surplus of ore.

Discussions between Bangladesh and the Philippines

Both countries agreed to seek ways of establishing a system of exchanging information, particularly on sugar technology, sugar-cane cultivation and food processing. It was noted that both countries needed information on modern methods of packaging dairy products and of canning fruit and vegetables.

Both countries expressed their interest in obtaining background information and specific studies on food processing, prepared by the United Nations, in order to update their knowledge of appropriate methods of packaging. In this connection, UNIDO was to obtain information available within the United Nations system.

The Philippine delegation expressed its willingness to co-operate with Bangladesh in providing training in various fields of common interest.

Sugar project

The Philippine delegation indicated that at present the Philippines had some unutilized production capacity, which provided the opportunity for Bangladesh to acquire machinery coupled with engineering and managerial assistance. This proposal was based on the assumption that

the level of technology used by the Philippines would meet the requirements of Bangladesh in establishing industries that could generate employment and still maintain a high level of output. Consequently, it was agreed that both countries would exchange information on the possibility of transferring production capacities in this field.

Food processing industries

The parties agreed that they should explore the possibilities of joint processing and marketing of selected food products for export to developed countries. It was also agreed to explore the possibility of collaborating in packaging and marketing various food items, including fish and fruit from Bangladesh.

Trade

The delegation of Bangladesh expressed an interest in exporting such items as shrimps, frog legs, hides and skins, jute and jute products and tea to the Philippines. The Philippine delegation requested a detailed list of exportable items for further examination by the appropriate Philippine authorities. It was also suggested that both countries examine their respective export potential with a view to stimulating two-way trade and co-operation in establishing suitable industrial joint ventures, possibly in each other's export processing zones. It was agreed that the collaboration in trade and industry be undertaken within the framework of the economic, scientific and technical co-operation agreement the two countries were expected to sign shortly. Both parties would start communicating with each other immediately on the possibility of establishing industrial joint ventures and on the feasibility of transferring production capacities in the sugar industry from the Philippines to Bangladesh. In this connection, the delegation of Bangladesh agreed to initiate a proposal through the External Resources Division and to furnish details of their requirements of Bangladesh to the Philippine Government.

Discussions between Bangladesh and the Republic of Korea

The delegation of the Republic of Korea agreed to explore possibilities of establishing joint ventures for the projects indicated below, which were selected mainly from the Project Proposals to promote the participation of enterprises in the Republic of Korea with public and private enterprises in Bangladesh. For projects where supplementary financing was required, the Government of Korea would explore possibilities of loan financing through financing institutions in the country and/or through multilateral financial institutions, which the Government of Bangladesh would approach for that purpose with the assistance and support of the Republic of Korea. The preparation of bankable project profiles was considered an essential element in promoting the identified projects. In this connection, the delegation of the Republic of Korea indicated its readiness to finance the cost of undertaking the necessary studies, which should be carried out on a priority basis.

Technical assistance to Bangladesh

Recognizing the importance of training technical personnel of Bangladesh, the delegation of the Republic of Korea indicated possible fields of training in 1981 covering among others:

Cotton spinning mills

Shoe manufacturing

Catching and processing (including canning) of seafood

Cigarette production

Cement production

Vocational training for operating machinery, including workshop layout, production flow, engineering techniques, inventory and cost accounting methods

In connection with the training programme, the delegation of the Republic of Korea requested the Bangladesh Government to prepare, in co-operation with the UNIDO senior industrial development field advisor at Dacca, a detailed training programme outlining the requirements of Bangladesh and to present it not later than 31 January 1981. It was agreed that when finalized, the costs of the training programme, i.e., international travel, subsistence and training costs, would be covered by the Government of Korea. This programme was expected to be implemented in 1981.

Selected projects for co-operation between Bangladesh and the Republic of Korea (from the UNIDO Project Proposals (UNIDO/EX/118/Rev.1))

Projects 4 and 5 - cotton spinning mills

The delegation of Korea would seek a suitable partner in the Republic of Korea to co-operate with a Bangladesh enterprise through equity participation. If required, loan financing would be sought from financing institutions in the Republic of Korea and elsewhere. In this connection, the equity participation could take the form of delivery of machinery with managerial and technical know-how as required.

Project 10 - soda-ash plants

The delegation of the Republic of Korea stated that in its view the planned capacity in the UNIDO proposals did not appear to be economically sound. It was suggested that this project might be implemented through a joint venture with a qualified partner in the Republic of Korea through the establishment of a soda-ash plant of a capacity of 200,000 tons per year. For this purpose a prefeasibility study should be carried out with the assistance of experts from the Republic of Korea to determine the financial and technical requirements.

Projects 15 and 16 - distillery plants

It was suggested that projects 15 and 16 be combined to achieve economics of scale and that the combined project be implemented as a joint venture with a local Bangladesh enterprise, either public or private. The delegation of the Republic of Korea indicated that the Republic of Korea was interested in absorbing most of the output through buy-back arrangements to offset the cost of machinery and equipment. The level of equity participation would be negotiated by the two parties concerned.

Projects 18 and 19 - shoe manufacturing
plants/hides and skins tanning plant

It was suggested that projects 18 and 19, although different in nature, be considered as a joint production venture. In this connection it was stated that project 19 would be implemented during phase one of the project, representing an investment of about \$10 million. Furthermore, according to a preliminary assessment, the production capacity under consideration was approximately 12 million square feet of finished leather per annum as compared with the capacity indicated in the UNIDO Project Proposals. The total output of phase one could be exported to the Republic of Korea.

Project 18, which could be implemented as phase two, was considered on a long-term basis, with a view to achieving vertical integration in this field. The two parties agreed that phase one of the project could undergo further examination through a prefeasibility study to be carried out by the Republic of Korea.

Projects 23 and 24 - acquiring two fishing trawlers/catching,
canning and preservation of seafood plant

Against the background of the experience of the Republic of Korea in the broad field of fishery and fish processing, projects 23 and 24 were to be examined as part of a larger venture. In this context, the delegation of the Republic of Korea recommended the creation of a joint working group whose first task would be to undertake a study of the long-term prospects of Bangladesh in this field. It was observed that this project would make a notable contribution to Bangladesh economic development in the long run.

The Office of Fisheries of the Government of the Republic of Korea would be involved in the joint study.

Project 27 - electrical cable/conductor manufacturing plant

The delegation of the Republic of Korea expressed interest in project 27 and was prepared to secure equity financing through machinery and equipment. This project represented one of the areas where experts of the Republic of Korea in the field of management, technology and marketing could facilitate the establishment of an export-oriented enterprise. A prefeasibility study was proposed.

Project 37 - cold storage plants (4 units)

The Republic of Korea was prepared to explore the possibility of fabricating one of the cold storage plants proposed with financing through its own institutions or other financial agencies.

Other projects

The delegation of the Republic of Korea requested the Bangladesh authorities to examine the five proposed projects listed below, in the context of their overall development objectives:

Cement-grinding mill with a capacity of 1 million tons per year
Ceramic factory
Wagon and rail fabrication
PVC sheet fabrication
A shipbuilding dry dock

The response of Bangladesh to these proposals was expected to be forthcoming within six months.

Discussions between Bangladesh and Romania

Romania preferred to undertake within the capabilities of its technical know-how the following projects:

<u>Number</u>	<u>Title</u>
10	Soda-ash plant
16	Distillery plant
30	Cement complex
31	Wood-wool/cement slabs manufacturing plant.

The Bangladesh delegation took note of the projects proposed by Romania.

The Bangladesh delegation was interested in having Romanian co-operation for the following projects:

- PVC complex
- Cotton spinning mills
- Progressive manufacturing of oil rig's component
- Progressive manufacturing of trolley buses

The Romanian delegation agreed to consider these projects. Both sides agreed that the financing of these projects would be examined during the next meeting of the Romania-Bangladesh Commission for Co-operation at Dacca in February 1981.

Discussions between Bangladesh and Sri Lanka

The delegation of Sri Lanka offered to provide training opportunities for Bangladesh personnel in the following fields:

- The operation and management of mines
- Cement production
- Manufacture of tyres
- Manufacture of leather products
- Manufacture of ceramic products
- Production of steel and iron

Training might be provided at the following institutions:

- The National Institute of Business Management (NIBM)
- The National Engineering and Research Development Centre (NERDC)
- The Ceylon Institute for Scientific and Industrial Research (CISIR)

The delegation of Sri Lanka took the opportunity of reviewing a jute mill project that had been under discussion for several years. This project was contemplated as a joint venture between Bangladesh and Sri Lanka and was to be located in Sri Lanka.

Under discussion was also the supply of raw jute, appropriate equipment and technology and know-how from Bangladesh. The output was to consist of bags for local consumption.

The delegation from Sri Lanka stated it would continue to examine the possibility of establishing this joint venture upon return to Sri Lanka and would give its response to the Government of Bangladesh within four weeks. It would also keep UNIDO informed about the status of the project to facilitate follow-up.

Discussions between Bangladesh and Turkey

The delegation of Turkey expressed interest in providing technical assistance to Bangladesh, including consulting and engineering services, as well as feasibility studies of the projects included in the Project Proposals distributed at the Meeting.

The Bangladesh delegation asked whether Turkey could undertake the feasibility studies for the soda-ash plant, aluminium extrusion plant and the Jaipurhat cement complex. The Turkish delegation agreed to this proposal.

The Turkish delegation also agreed to arrange programmes to familiarize participants from Bangladesh with on-going research and development in the sugar industry of Turkey, as was requested.

The Turkish delegation extended an invitation to Bangladesh to participate in in-plant group training programmes in the cement and sugar industries and small-scale foundry operations that are organized annually with UNIDO. In addition to these programmes, the Turkish authorities would organize programmes in the leather and textile industries as well.

In view of the foreign exchange difficulties Turkey was facing, the Turkish delegation stated that Turkey would not be able to provide loans and/or grants but would disseminate the information and urge its private sector to participate in joint ventures and projects for which equity participation was required.

As regards training programmes and study tours, the delegation of Turkey stressed its willingness to co-operate with Bangladesh in the fields mentioned above, if the foreign exchange requirements of such programmes were provided by United Nations agencies. The Turkish delegation stated that the Government of Turkey was prepared to cover travel costs within Turkey, accommodation and additional per diem to meet all the other local costs of participants from Bangladesh.

Turkey had requested that external financing of the feasibility studies be borne by the United Nations agencies, but Turkey was prepared to pay all local expenses and fees related to such activities.

In response to these proposals, the delegation of Bangladesh agreed to examine these possibilities and, keeping UNIDO informed, to undertake appropriate follow-up action.

Discussions between Bangladesh and the United Arab Emirates

The delegation of the United Arab Emirates explained its policy regarding financing projects of developing countries and asked the Bangladesh side to give a list of the top priority projects for which feasibility studies had been undertaken. It would then submit those projects to its Government for consideration. If the feasibility of these projects could be established, the United Arab Emirates would co-operate in financing projects important for developing the Bangladesh economy. The Bangladesh delegation then proposed the following projects for financing by the United Arab Emirates:

1. Joypurhat limestone mining project. Amount requested: \$30 million out of a total cost of foreign exchange of \$110 million.
2. Jamalganj coal mine. Cost of foreign exchange: \$250 million. Amount requested: \$20 million.
3. Biman hangar complex. Amount requested: \$20 million out of a total cost of \$20 million.
4. Pulp and paper mills with a foreign exchange cost of \$60 million based on jute cutting and jute stick.
5. Triple superphosphate plant (TSP) with a foreign exchange cost of \$40 million based on imported raw materials (e.g. from Jordan and Morocco).
6. Formation of a joint investment company for financing private sector projects in Bangladesh either through loans or equity participation.

The delegation of the United Arab Emirates agreed to transmit the above proposals to its Government for consideration.

Discussions between Bangladesh and Yugoslavia

The projects for which Yugoslavia expressed willingness to co-operate and provide assistance were:

1. Mango processing plant at Rajshahi (feasibility study already completed by Yugoslavia).
2. Pineapple processing plant (feasibility study already completed by Yugoslavia).
3. Slaughter-house at Dacca (part of equipment supplied by Yugoslavia).
4. Sleepway at Chittagong (Yugoslavia had supplied part of equipment);
5. Tanning technology and technical help in hide and skin processing (Yugoslavia had already carried out one feasibility study and had provided one expert who had worked in Chittagong, Khulna and Dacca for one year and one expert who had worked in Chittagong and Khulna for one month).

6. Silo-storaging (Yugoslavia had carried out feasibility study). The two countries might join forces through their respective enterprises to penetrate third markets in winning tenders for particular projects financed by third parties. A number of Bangladesh contractors and Yugoslav firms had already been working together in the Libyan Arab Jamahiriya. This kind of co-operation developed on a permanent basis.

Both parties agreed that the arrangements for close co-operation between Yugoslavia and Bangladesh would be discussed during the forthcoming meeting of the Joint Yugoslav-Bangladesh Commission in the first quarter of 1981.

V. CONCLUSIONS

The Meeting was of the view that the fostering of solidarity among developing countries and the building up of their collective self-reliance had acquired a new significance for achieving progress in the establishment of a New International Economic Order. The meeting was emphatically of the opinion that the potential for technical and economic co-operation among the developing countries was immense and that its scope would broaden in the future. Exploiting this potential should be a key element in the strategy of the developing countries.

The Meeting reaffirmed that the Solidarity Meetings initiated by UNIDO in 1979 provided a pragmatic approach to giving substance to the resolve of the developing countries to forge solidarity among them. These were not merely donor-recipient meetings but reflected an urge to identify programmes and projects of common benefit to the participating countries.

The Meeting placed on record its appreciation of the work of the UNIDO secretariat in pioneering this concept and having worked for its evolution. The Solidarity Meetings gave the participating countries an opportunity to examine the projects proposed and to respond to them, and at the same time made possible a follow-up of the decisions taken.

It was expected that the Meeting would mark the beginning of numerous programmes of intercountry co-operation, which would not only assist in the industrial development of Bangladesh, but also constitute a concrete step in strengthening the solidarity and collective self-reliance of the third world.

The Meeting noted the projects contained in the portfolio were fully in consonance with the development perspective of the country, as reflected in the second five-year plan of Bangladesh.

The participants felt that the experience of the participating countries in development, described at the Meeting, could be of considerable interest and value to Bangladesh and noted that their countries would be willing to share their experience with Bangladesh, through exchange of experts or any other appropriate mechanisms.

The representatives of all the participating countries affirmed their willingness to render the technical and other assistance that they may be in a position to provide to Bangladesh. The offers of assistance included provision of loans on soft terms, export credits for the purchase of machinery and equipment, steps for the promotion of joint industrial ventures, undertaking of feasibility studies and preparation of bankable project profiles, provision of consulting and engineering services, provision of experts and training facilities. The Meeting agreed that constraints commonly experienced by developing countries in expanding their programmes for co-operation centred on the paucity of their financial resources.

The Meeting emphasized the importance of systematic follow-up during the various stages of implementation. It expressed the hope that the appropriate agency within the Government of Bangladesh would initiate follow-up action. It also called upon UNIDO, ESCAP and UNDP to provide all the necessary assistance to the Government of Bangladesh in securing implementation of the agreements reached at the Meeting. The participants were convinced that as a result of the Meeting, specific projects and programmes would be undertaken that would contribute to the industrial development of Bangladesh. It was agreed that the means of co-operation would be kept flexible so as to yield the greatest results. It was further agreed that all appropriate follow-up action would be undertaken in the spirit of the discussions held at this Meeting and its conclusions.

Annex

LIST OF PARTICIPANTS

A. Participants

Algeria

Raouf Mustapha Boudjakdji, Ambassador of Algeria to India

Abdel Madjid Saouli, Import Industries Textile, Ministry of Industry

Bangladesh

Jamal Uddin Ahmad, Deputy Prime Minister, Ministry of Industries

Abdul Mannan Sikder, State Minister, Ministry of Industries

S.M. Al-Hussainy, Member (Industry), Planning Commission

M. Matiul Islam, Secretary, Ministry of Industries

A.M.A. Muhith, Secretary, External Resources Division, Ministry of Finance

Salahuddin Ahmed, Secretary, Ministry of Jute

Shamsul Haq, Secretary of Textile

A.Z.M. Obaidullah Khan, Secretary, Ministry of Agriculture and Forests

A.S.H.K. Sadique, Secretary, Ministry of Petroleum and Mineral Resources

M. Sultan, Permanent Representative of Bangladesh in Geneva

A.H.M. Shahjahan, Joint Secretary, Ministry of Industries

A. Ahmed, Joint Secretary, Ministry of Industries

Rashid-Ul-Hasan, Director-General, Department of Industries

Mohammad Hossain, Joint Secretary, Banking and Investment Division,
Ministry of Finance

Nazrul Islam, Chairman, Bangladesh Steel and Engineering Corporation

Delvar Hossain, Chairman, Bangladesh Sugar and Food Industries Corporation

A.K.M. Mosharraf Hossain, Chairman, Bangladesh Chemical Industries Corporation

Hasan Ahmed, Chairman, Petro-Bangla

M. Wahidullah, Chairman, Bangladesh Mineral Exploration and Development
Corporation

Farashuddin, Deputy Secretary, External Resources Division, Ministry of
Finance

Kazi Afzalur Rahman, Director, Ministry of Foreign Affairs

M.B. Rahman, Chairman, Bangladesh Fisheries Development Corporation

Ahmed Abdur Rouf, Joint Secretary, Ministry of Jute

Farooq Sobhan, Director-General, Ministry of Foreign Affairs

China

Liu Shuqing, Ambassador of China to Bangladesh

Fan Tianguai, Economic Counsellor, Embassy of China in Bangladesh

Zhang Bingjing, Deputy Division Chief, Ministry of Economic Relations with Foreign Countries

Jia Wensheng, Attache, Economic Counsellors' Office, Embassy of China in Bangladesh

Bi Gang, Special Assistant to the Head of the Delegation, Embassy of China in Bangladesh

India

Charanjit Chanana, Minister of State of Industry

M. Dubey, High Commissioner of India to Bangladesh

K.K. Bhargava, Joint Secretary, Ministry of External Affairs

M.C. Gupta, Joint Secretary, Ministry of Industry

N. Dayal, Director, Ministry of Commerce

Karti Sandilya, First Secretary, High Commission of India in Bangladesh

D.C. Vehra, Special Assistant to the Minister of Industry

Indonesia

Suhartoyo, Director General of Basic Metal Industries

Rozy Asnawi, Senior Official, Ministry of Industry

Kismomihardjo Santosa, Senior Official, Minister of Industry

D.H. Suradji, Senior Official, Industrial Department

Tirto Sutowe, Senior Official, Ministry of Industry

Hasyim Nukman, Senior Official, Industrial Department of Indonesia

Ibrahim Yusuf, Third Secretary of Indonesian Embassy in Bangladesh

Sujono, Senior Official, Ministry of Indonesia

Iraq

Sadik Mahdi Kubba, Technical Expert, The State Organization for Textile Industries

Kenya

M. Sheikj Aden, Deputy Minister for Industry

Titus Paul Muthee, Industrial Development Officer, Ministry of Industry

Malaysia

Dato Lew Sip Hon, Deputy Minister of Trade and Industry (Minister of State)

Marsidi Arshad, Deputy Director, National Productivity Centre

Mukri Kamaruddin, Deputy Director, Industries Division, Ministry of Trade and Industry

Siti Maimun Haji Kamso, Deputy Director, Research and Planning M.I.D.A.

Jasmi Yusof, Second Secretary, Malaysian High Commission in Bangladesh

Pakistan

Ghulum Hassan Khan, Federal Minister for Industries and Production

M. Humayun Khan, Ambassador of Pakistan in Bangladesh

Aftab Ahmed, Additional Secretary, Ministry of Industries

Sirdar Hasan Mahmood, Minister, Embassy of Pakistan to Bangladesh

Aman-ur-Rahman, Commercial Secretary, Embassy of Pakistan to Bangladesh

Peru

Ivan Rivera Flores, Secretary of State, Ministry of Industry

Philippines

Jose Leviste, Deputy Minister of Industry

Republic of Korea

Sun Kil Kim, Vice Minister of Commerce and Industry

Kie Yul Moon, Ambassador of the Republic of Korea in Bangladesh

Kwang Kwee Ann, Director General, Business Guidance Bureau, Ministry of Commerce and Industry

Choi Dae-Hwa, Economic Organization Division, Ministry of Foreign Affairs

Chang Hoon, Counsellor, Embassy of the Republic of Korea in Bangladesh

Romania

M. Traistaru, Deputy Minister, Ministry of Foreign Trade, International Economic Co-operation

N. Stanciulescu, Charge d'Affaires, Romanian Embassy

Marius Vidan, Second Secretary, Embassy of Bangladesh

Sri Lanka

K.N. Denzil Fernando, Deputy Minister of Industries and Scientific Affairs

Turkey

Sahap Kocatopcu, Minister of Industry and Technology

Kamal Dirioz, Chief of Section, Ministry of Foreign Affairs

Sezer Turktan, Expert at State Planning Organization

Selen Orsan, Head of Department of International Affairs, Ministry of Industry and Technology

United Arab Emirates

Labib Al-Sadoon, Head, in-charge of Industry Affairs

Farid Al-Najjar, Senior Economic Researcher

Saeed Al-Zaabi, Third Secretary, U.A.E. Embassy in Bangladesh

Yugoslavia

Zivko Josilo, Ambassador of Yugoslavia to Bangladesh

Bogic Seedanovic, Senior Adviser in the Federal Secretariat of Energy and Industry of Yugoslavia

Miklavz Borstnik, Second Secretary, Embassy of Yugoslavia in Bangladesh

United Nations Secretariat

United Nations Economic Commission for Asia and the Pacific (ESCAP)

Princy H. Siriwardene, Deputy Executive Secretary

Vijai Kumar Kapoor, Regional Adviser, Division of Industry

United Nations body

United Nations Development Programme (UNDP)

Jehan Raheem, Resident Representative a.i., Dacca, Bangladesh

Bryan Locke, Senior Programme Officer, New York

B. Observers

Saudi Fund for Development

Yussuf M. Bivari, Representative of Saudi Fund for Development

Hammad Nassir Al-Mutib, Representative of Saudi Fund for Development



