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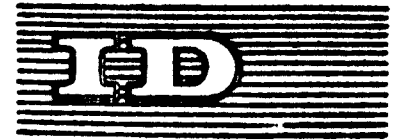
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Meeting of Top-Level Industrialists on
Factory Establishment Projects in
Developing Countries

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REGIONAL DEVELOPMENT PROGRAMME^{1/}

by

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^{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 translated from an unedited original.

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In 1975, the Instituto Venezolano de Productividad (Venezuelan Productivity Institute), with the active co-operation of the state governments in the matter of the investment of statutory income, started a programme entitled "Regional Development" as part of the general policy of regional development and industrial decentralization promoted by the Federal Government.

The fundamental aim of the programme is to establish new industrial entities in the various parts of the country, in order to create new sources of employment in the provinces, lessen economic dependence, promote industrial decentralization through the establishment of new development poles, increase the productivity of factors of production and, in general, stimulate regional development through the growth and strengthening of the industrial sector.

In order to achieve that aim, some short-term goals were laid down: the identification of investment opportunities in manufacturing industry and the preparation of approximately 150 industrial projects a year, in addition to activities connected with the list of projects of the Ministry of Development; the transfer of credits to the competent bodies; and the selection of promotional groups to launch the enterprises covered by the projects (annex 1).

The identification of project ideas constitutes the basis of the programme, being the process which determines industrial priorities and consequently project selection. The identification process is based on ongoing research into the best use of natural resources and industrial inputs, productive interrelationships in industrial specialization and alternative manufacturing techniques, with a view to industrial integration and the rational location of industries.

The formulation of industrial projects has been directed towards overcoming a series of national problems such as lack of interplay between the primary sectors and industry, absence of industrial specialization, rational incorporation of imported technology, and industrial concentration. Projects are elaborated by the Institute's technical staff, private firms of consultants and universities.

The policy of the "new entrepreneur", also being pursued by the Federal Government, is implemented in this regional development programme through the award of projects to groups of technologists representing various fields who, for one reason or another, have not participated directly in the management and control of industrial entities.

Achievements

A year from the start of the regional development programme, the over-all results are most satisfactory, not only because the goals have been achieved but also because the foundations have been laid for continued and intensified progress.

In all, 118 new industrial projects have been drawn up, 113 of which are located in industrially backward areas; this is in line with the policy of industrial decentralization (see annex 2).

The projects concerned relate to the agro-industrial, chemical and metalworking sectors, which have been established by the central planning organ as priority areas for industrial development. They represent a total investment of approximately 1,500 million bolivars and will create about 10,000 new jobs directly, in addition to those which will be created indirectly in agriculture, construction and general services.

In this selection of projects, optimum use is made, on a productivity basis, of abundant mineral, agricultural and forestry resources hitherto unworked or under-utilized. Paper pulp manufacture from sugar cane bagasse, as well as the production of lysine, riboflavin, citric acid, food yeast and industrial alcohols from molasses, is a revealing example in the sugar sector. In this activity, which is of great importance for the domestic agricultural sector, sugar will become one of the by-products and not simply the only article of economic value.

Another example is the cassava processing plants, which will use a tuber of American origin to feed livestock and human beings in place of cereals, the subsidized importation of which has been burdensome to the country's economy. The projects include schemes for glucose, ascorbic acid, meal, starch and animal feeds. There are similar examples using mineral resources, for instance the chemical plants which will produce calcium precipitate, calcium carbonate, ammonium chloride, calcium hypochlorite, sodium hydrosulphite, sodium sulphide, magnesium oxide and other products. The Institute's projects also include plants to produce agricultural lime; these will be under a state enterprise and will supply this important input to farmers.

Endeavours have also been made to direct investment towards the production of capital goods which are needed to make Venezuela economically and technologically independent, rather than consumer goods, many of which are luxury items. About 80 per cent of industrial investment will be devoted to enterprises which will replace large-scale imports of raw materials and equipment for industrial and agricultural use. The production of agricultural fumigators and planting machines, ploughs and harrows, power hand saws, lathes, presses, foundry equipment for small, medium and large components, plastic injection moulding machinery, compressors and other articles constitute some of the projects which the Venezuelan Productivity Institute is developing in the capital goods sector.

The regional development programme is giving effect to the Government's promises about the new generation of entrepreneurs by allowing groups of technologists representing various fields access to the financial wherewithal to establish new industries which was hitherto available only to a few groups of industrialists. Over 400 groups consisting of various kinds of technologists and businessmen from all parts of the country applied to become promoters of the projects formulated by the Institute and were selected primarily on the basis of technical and professional competence. The Institute's activities have not been confined to the project level and have extended, in conjunction with that of the entrepreneurial groups selected, to the establishment and commissioning of the undertakings covered by the projects, which will receive loans from government bodies, through the Fondo de Crédito Industrial (Industrial Credit Fund), CORPOINDUSTRIA, the Corporación Venezolana de Fomento (Venezuelan Development Fund), the Banco Industrial de Venezuela (Venezuelan Industrial Bank) and the Fondo de Inversiones de Venezuela (Venezuelan Investment Fund), and also from the country's network of private banks.

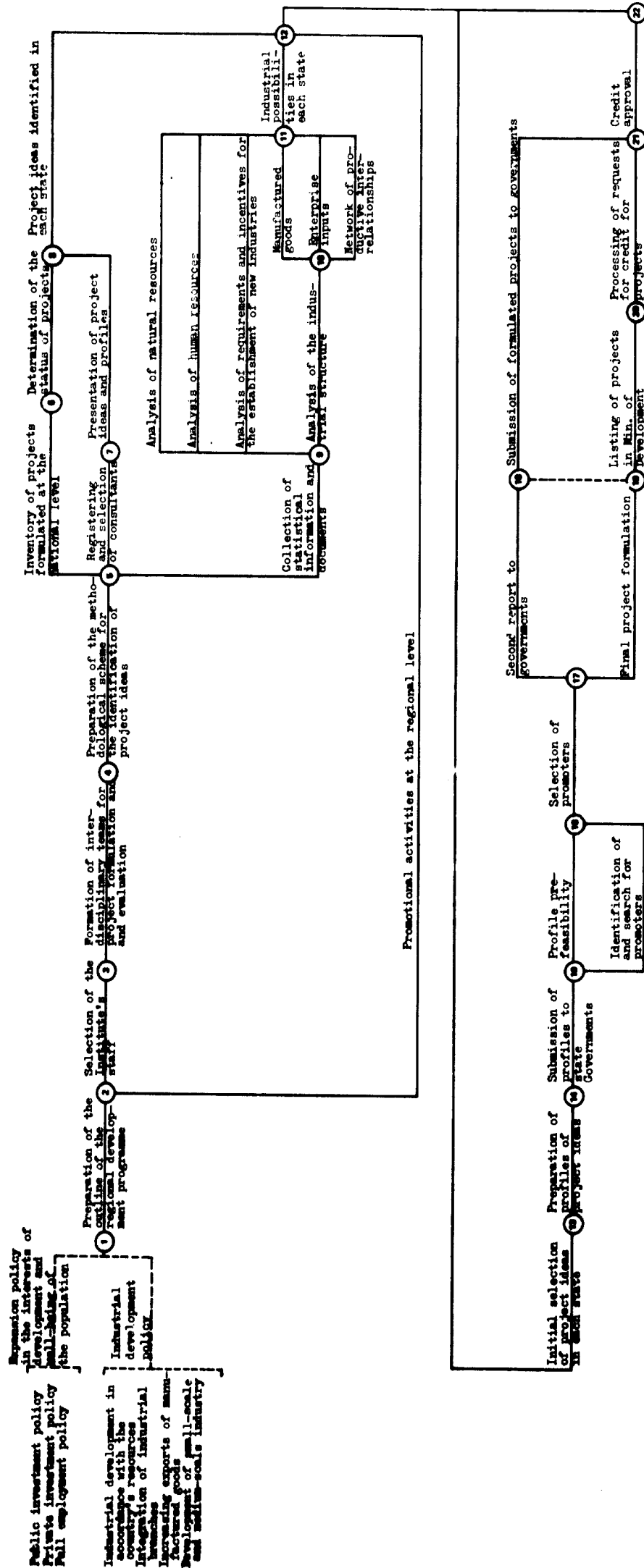
Finally, as part of the same programme and with the same objective of promoting regional development, the Institute has carried out studies on the location of industrial zones in the interior of the country, with a view to the establishment of the necessary infrastructure to enable nationally promoted enterprises to be better located, and to offering industrialists in the area of the capital alternative sites so that they can transfer to the interior of the country those undertakings which require to be relocated in the interests of the policy of industrial decentralization.

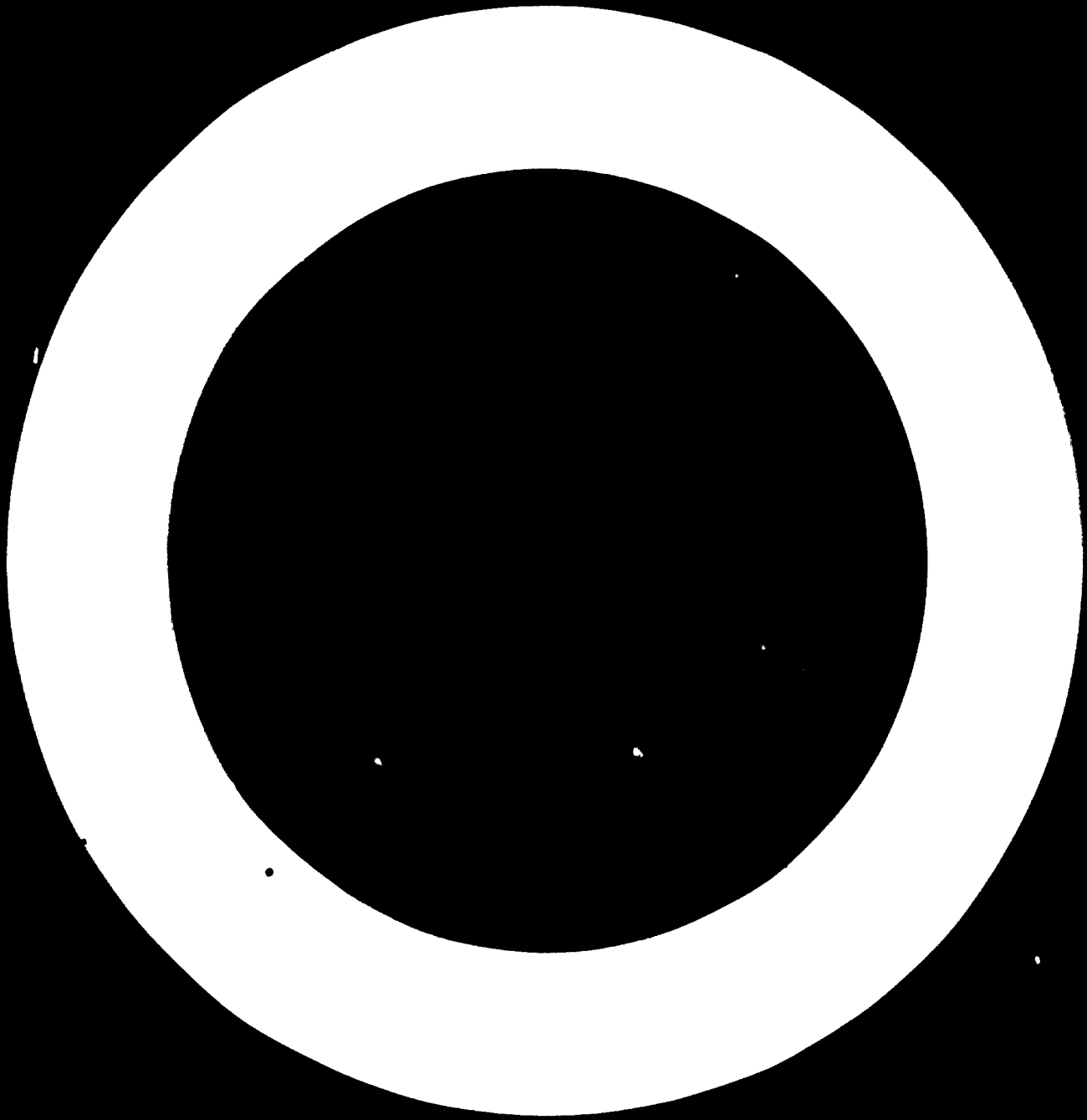
The industrial zones of Agua Santa (Trujillo), Villa de Cura (Aragua), Punto Fijo (Falcón) and Barbacoas (Anzoátegui) constitute inter alia areas which have been developed by the Institute as part of its regional development programme.

(Signed) Roberto Gabaldón
Director-General

MR/RG/laq
Caracas, April 1975.

REGIONAL DEVELOPMENT PROGRAMS FLOW CHART





ANNEX 2

LIST OF PROJECTS FORMULATED BY FEDERAL ENTITY

I. ANZOATEGUI STATE

Number of projects: 1

Number of studies: 1

1. Barbacoas Industrial Zone.
2. Mielas and Bancadas Bays.

II. ARAQUA STATE

Number of projects: 5

Number of studies: 2

1. Planning of the Villa de Cura Industrial Zone.
2. Plant for the production of cellophane paper.
3. Plant for the production of calcium carbonate precipitate.
4. Plant for the assembly of plastic injection moulding machinery.
5. Lathe assembly plant.
6. Plant for the assembly of medium-capacity air compressors.
7. Economic profile of Aragua State.

III. BARINAS STATE

Number of projects: 9

Number of studies: 0

1. Mechanised sawmill.
2. Plywood plant.
3. Wood agglomerates plant.
4. Wood impregnation plant.
5. Plant for the manufacture of flat slats for crates.
6. Forestry supplies plant.
7. Food formulation plant.
8. Weaving mill for flat cotton cloth.
9. Wood drying plant.

IV. BOLIVAR STATE

Number of projects: 8

Number of studies: 0

1. Plant for the collection and processing of scrap iron.
2. Metalworking and engineering workshop.
3. Trailer construction plant.
4. Plant for the manufacture of hydraulic cylinders for hoppers.
5. Plant for the manufacture of bearings for conveyor belts.
6. Plant for the manufacture of netting and barbed wire.
7. Metal furniture plant.
8. Production of sausages and other dressed meats.

V. CARABOBO STATE

Number of projects: 3

Number of studies: 1

1. Industrial manpower study of Carabobo State.
2. Industrial conveyor construction plant.
3. Hydraulic press assembly plant.
4. Essential oils production plant.

VI. COJEBES STATE

Number of projects: 6

Number of studies: 0

1. Plant for the industrial processing of meat and bone fat and meal.
2. Plant for the manufacture of industrial manometers.
3. Plant for the production of cassava meal and animal feed dehydration.
4. Bakelite production plant.
5. Plant for the production of glucose from tubers.
6. Plant for the production of aluminium pastes for paints.

VII. FALCON STATE

Number of projects: 7

Number of studies: 1

1. Planning of the Punto Fijo Industrial Zone.
2. Prefabricated concrete unit plant.
3. Plant for the manufacture of heat exchangers.
4. Plant for the manufacture of hand tools.
5. Plant for the manufacture of sodium sulphite and metabisulphite.
6. Copra collection plant.
7. Shipyard and dry dock for fishing vessels.
8. Fish filleting and smoking plant.

VIII. GUARICO STATE

Number of projects: 10

Number of studies: 0

1. Glass-processing plant.
2. Engine reboring plant.
3. Grey cast-iron parts (0.5 to 3.5 tonnes).
4. Die-making.
5. Plant for the manufacture of shock-absorber arms.
6. Plant for the manufacture of automobile locks.
7. Plant for the manufacture of stainless steel containers (medical use).
8. Plant for the manufacture of plastic parts (medical use).
9. Liquid solvents recovery plant.
10. Cassava complex.

IX. MONAGAS STATE

Number of projects: 6

Number of studies: 0

1. Nursery for fruit, forest and ornamental trees.
2. Caribbean pine timber plant.
3. Wooden furniture plant.
4. Grain classification plant.
5. Plant for the production of vegetable protein concentrates.
6. Plant for the production of cassava meal and animal feed dehydration.

X. MERIDA STATE

Number of projects: 5

Number of studies: 0

1. Plant for the manufacture of ploughs and harrows.
2. Plantain flour plant.
3. Fertilizer mixing plant.
4. Metal furniture.
5. Knitted fabric plant.
6. Dairy products.

XI. LARA STATE

Number of projects: 7

Number of studies: 0

1. Plant for the manufacture of pressure-regulating valves.
2. Diesel and petrol engine assembly plant.
3. Plant for the manufacture of electric switches.
4. Plant for the processing of sisal by-products.
5. Plant for the manufacture of fibre glass elements.
6. Plant for the production of cutlery.
7. Plant for the manufacture of small and medium-sized gears.

XII. NUEVA ESPARTA STATE

Number of projects: 5

Number of studies: 0

1. Plant for the production of alimentary pastes.
2. Industrial bakery.
3. Plant for the manufacture of prefabricated concrete units.
4. Plant for the manufacture of prefabricated concrete units.
5. Engine reboring plant.
6. Aluminium doors and windows.
7. Magnesium oxide production plant.

XIII. PORTUGUESA STATE

Number of projects: 8

Number of studies: 0

1. Plant for the production and assembly of agricultural fumigators.
2. Plant for the manufacture of netting and barbed wire.
3. Riboflavin concentrate production plant.
4. Lysine production plant.
5. Citric acid production plant.
6. Plant for paper pulp manufacture from bagasse.
7. Plant for the production of food yeasts.
8. Plant for the production of cassava meal and animal feed dehydration.

XIV. SUCRE STATE

Number of projects: 7

Number of studies: 1

1. Plant for the production of bicarbonate of soda.
2. Calcium chloride production plant.
3. Ammonium chloride production plant.
4. Sodium sulphate production plant.
5. Tuber processing plant.
6. Chain conveyor plant.
7. Screw-manufacturing plant.
8. Planning of goat-farming development in the Araya Peninsula.

XV. TRUJILLO STATE

Number of projects: 2

Number of studies: 4

1. Industrial alcohols production plant.
2. Planning of inter-city transport.
3. Lime production plant.
4. Planning of the Agua Blanca Industrial Zone.
5. Agricultural development of the El Cenizo region.
6. Diagnostic study of the transport enterprise.

XVI. YARACUY STATE

Number of projects: 3

Number of studies: 0

1. Plant for the production of agricultural seeders.
2. Sorbitol production plant.
3. Ascorbic acid production plant.

XVII. ZULIA STATE

Number of projects: 10

Number of studies: 0

1. Metalworking and engineering workshop.
2. Casting of special steel parts.
3. Cassava meal and animal feed dehydration plant.
4. Chipboard processing plant.
5. Plant for the utilization of animal products.
6. Glycerine and fatty acids production plant.
7. Sodium hydrosulphite production plant.
8. Calcium hypochlorite production plant.
9. Sodium sulphide production plant.
10. Plant for the processing of grapefruit juice and pectins.

XVIII. AMACURO DELTA FEDERAL TERRITORY

Number of projects: 7

Number of studies: 0

1. Plant for the drying, cleaning and packaging of grains.
2. Cassava and animal feed dehydration plant.
3. Crab and prawn processing plant.
4. Milk and cheese processing plant.
5. Ready-made clothing workshop.
6. Slaughterhouse.
7. Metalworking and engineering workshop.

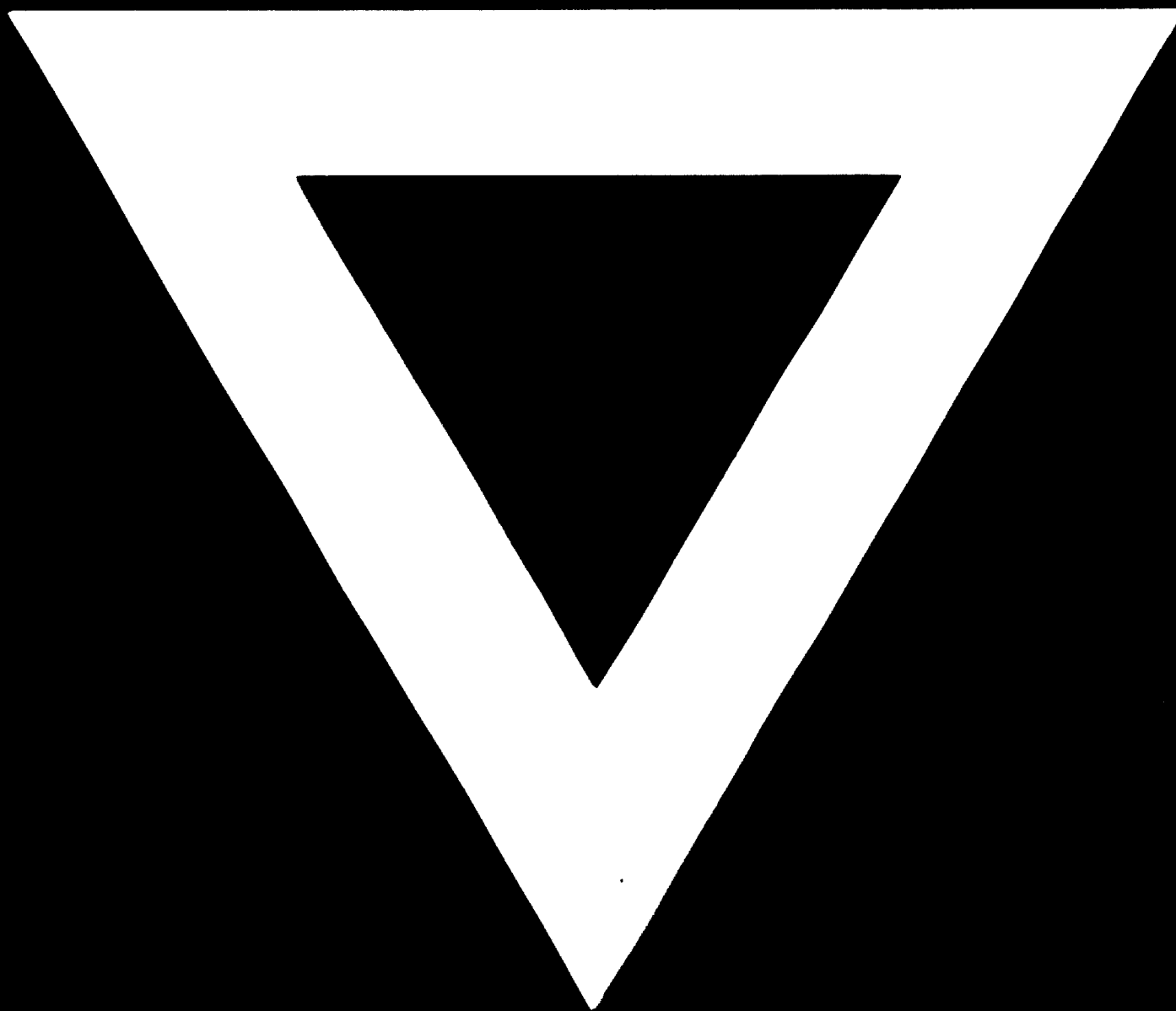
XIX. AMAZON FEDERAL TERRITORY

Number of projects: 6

Number of studies: 1

1. Workshop for the cutting and making up of clothing.
2. Metalworking and engineering workshop.
3. Economic study for an urban and inter-urban transport enterprise.
4. Carpentry shop.
5. Typographic shop.
6. Clay blocks factory.
7. Processing and manufacture of vegetable fibres of chiquichique palm, reed, "mamire", bamboo, etc.

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