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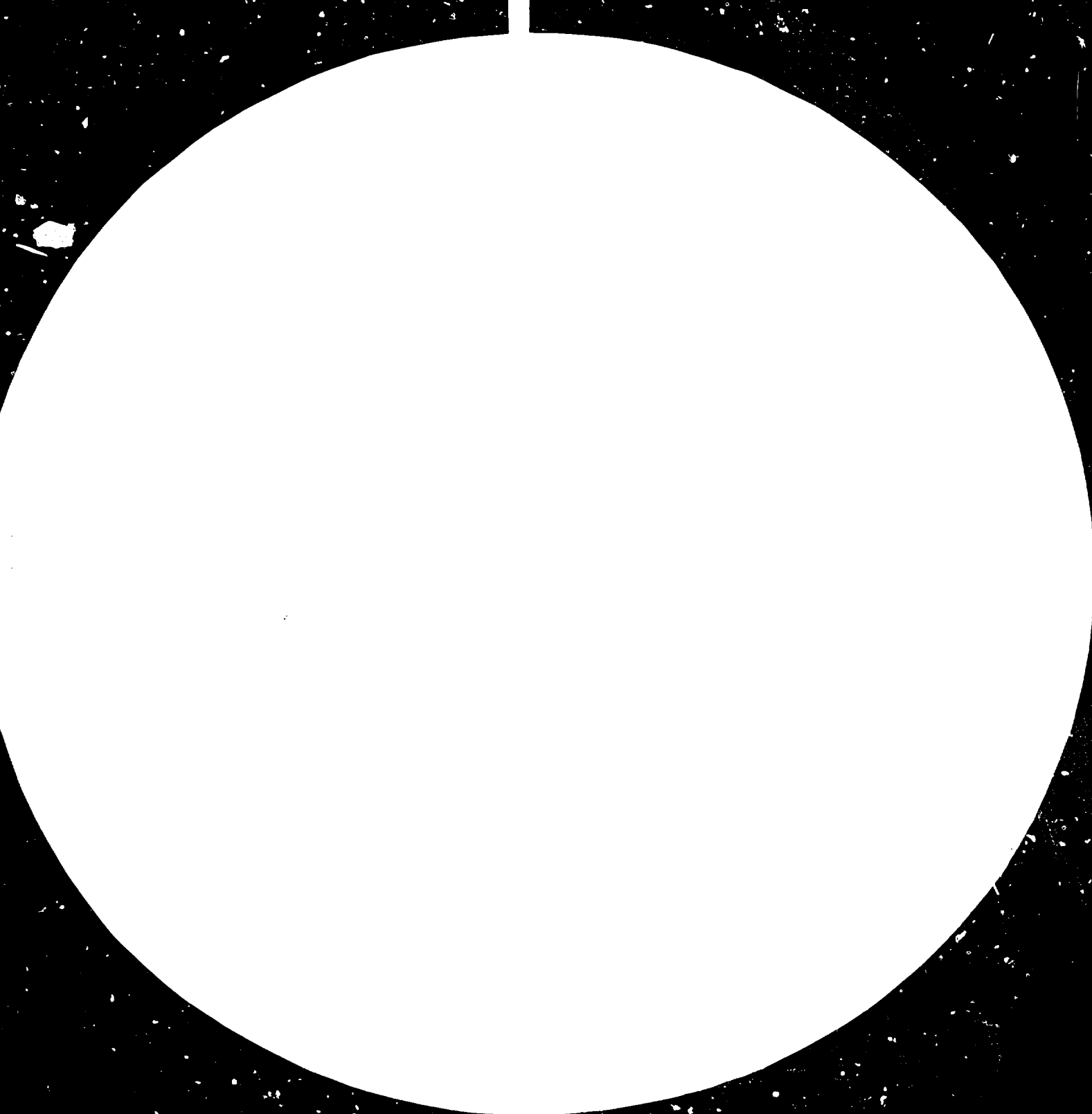
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SOLIDARITY MINISTERIAL MEETING FOR CO-OPERATION IN
THE INDUSTRIAL DEVELOPMENT OF THE
ISLAMIC REPUBLIC OF MAURITANIA,

Nouakchott, Mauritania, 18-20 January 1982

REPORT

00213

Engl. & Fran.

Explanatory notes

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

The monetary unit in Mauritania is the ouguiya (UM). During the period covered by the report, the value of the ouguiya in relation to the United States dollar was \$US 1 = UM 48.5.

The following abbreviations have been used in this report:

AFESD	Arab Fund for Economic and Social Development
AIDO	Arab Industrial Development Organization
AIGC	Arab Investment Guarantee Corporation
SOMALIDA	Mauritanian-Libyan Agricultural Development Company
STECM	Tunisian Electricity and Mechanical Engineering Company

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INTRODUCTION

The first Solidarity Meeting for Co-operation in the Industrial Development of the Islamic Republic of Mauritania, organized by the Arab Industrial Development Organization (AIDO) in co-operation with the United Nations Industrial Development Organization (UNIDO), was held at Ncuakchott from 18 to 20 January 1982. The purpose of the Meeting was to explore ways of enabling the participating Arab countries and development institutions to co-operate in the promotion of the industrial development of Mauritania. The participants examined in detail a number of project proposals and bilateral and multilateral co-operation schemes which would permit Mauritania to satisfy its requirements within a framework of economic co-operation among the Arab countries.

I. ORGANIZATION OF THE MEETING

The Meeting was attended by delegations from the following Arab countries: Algeria, Tunisia, Iraq, Qatar, Kuwait, the Libyan Arab Jamahiriya and Mauritania.

The following Arab development institutions were represented: the Arab Investment Guarantee Corporation, the Arab Fund for Economic and Social Development, the Arab Industrial Development Organization, the Libyan Arab Foreign Investment Company, the Saudi Fund for Development and the Islamic Development Bank.

The United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization were also represented at the Meeting.

Opening addresses

His Excellency Colonel Maawiya Ould Sid'Ahmed Taya, member of the Military Committee of National Salvation, Prime Minister and Defence Minister of the Islamic Republic of Mauritania, opened the Meeting and welcomed the participants. In his opening address Colonel Taya explained in broad outline Mauritania's industrial and agricultural policy, calling particular attention to the importance of assigning priority to the rural sector and stressing the resolve of the Mauritanian people to overcome all obstacles to their country's industrial development. Colonel Taya also paid tribute to the genuine and sincere spirit of co-operation between those taking part in the Meeting and Mauritania.

The next speaker, Captain Mouhamed Mahmoud Ould Deh, member of the Military Committee of National Salvation and Minister of Industry and Commerce of the Islamic Republic of Mauritania, explained to the participants the nature of the measures taken by the Military Committee to enable Mauritania to emerge from the economic crisis which had gripped the country for nearly 20 years. In addition, he emphasized that the industrial development process was a key factor in the nation's economic and social evolution.

Captain Deh pointed out that the objective aimed at was quite simply exploitation of the country's resources in such a way as to earn maximum revenue for the Mauritanian economy and put an end to the country's current

state of economic dependence. He expressed satisfaction at the role the Arab countries were playing in the financing of development projects in Mauritania.

Mr. Ayad Al Azabi, Director of the Arab Industrial Development Organization, expressed his admiration for the Mauritanian Government's efforts in the industrialization area despite the difficulties confronting it, particularly with regard to financing and vocational training. He said that there was every possibility that Mauritania could build a solid national economy if it succeeded, on the one hand, in securing the necessary financial resources and, on the other, in acquiring certain basic means for industrial development. He mentioned, in this connection, the financial and technical assistance being given to Mauritania by the Arab countries, assistance which he defined as a "right" and a "duty" in relation to a less developed fraternal country.

Mr. David Ganao, representing UNIDO, conveyed the regrets of UNIDO's Executive Director at his inability to attend the meeting. He congratulated the Mauritanian Government on its efforts on behalf of the country's economic development notwithstanding the difficulties created both by the world-wide economic situation and by the unfavourable natural conditions in Mauritania. Recalling the many co-operative undertakings by Arab countries in a variety of areas, he noted that the establishment of a number of Arab financing institutions had in fact been aimed at developing the natural and human resources of the Arab region. Today the problems of industrial development in developing countries had come into sharper focus and there was a clear recognition of the immediate need to establish the kind of fruitful co-operation that would lead to collective self-reliance, which he said, represented the only effective way of establishing a new international economic order.

Mr. Ganao went on to speak of the importance of co-operation among developing countries for the purpose of achieving the Lima and New Delhi objectives as well as the Buenos Aires plan of action and the targets set at other international meetings concerned with the problem of development in the developing countries. In this connection, co-operation between the Arab countries was of particular importance because of the social and cultural ties that existed between those countries.

Election of officers

The Meeting elected the Mauritanian Minister of Industry and Commerce as Chairman, the head of the Algerian delegation as First Vice-Chairman, the head of the Saudi Arabian delegation as Second Vice-Chairman and the head of the Iraqi delegation as Rapporteur.

Adoption of the agenda

The Meeting adopted the following agenda:

Opening of the Meeting
Election of Chairman, Vice-Chairmen and Rapporteur
Adoption of the agenda
Brief description of the project proposals
Discussions on the project proposals
Other business
Adoption of conclusions and recommendations
Closing statements

II. BRIEF DESCRIPTION OF THE PROJECT PROPOSALS

The Chairman of the Meeting gave a brief description of the project proposals (listed below), designed to promote the industrial, economic and social development of Mauritania.

List of projects

Establishment of a phosphate fertilizer factory
A date processing and packing unit
Establishment of a foundry at Nouakchott
An agro-industrial sugar complex
A sugar refinery
Modernization of the slaughterhouse at Nouakchott
An artisans' village at Nouakchott
Establishment of a tannery
Establishment of a brickyard at Rosso
Assistance in reorganizing the Ministry of Industry and Commerce
Setting up of a national vocational training centre
Construction of an electrical power station.

A livestock-feed production unit
Construction, repair and maintenance of small craft
Development of small-scale fishing
Establishment of a dairy unit
Cattle-vaccine manufacturing centre
Purchase of a Boeing 737

The Meeting agreed to set up four committees with membership representing the Arab countries and the Arab development funds.

The results of the discussions in the four committees were as follows:

The representative of Mauritania briefly described the nature of the projects, and the objectives of the economic and social development plans, which may be summed up as follows:

- Optimum use of natural resources;
- Replacement of the main imports by domestic products;
- Development of artisanry, and establishment of small and medium-sized industrial units;
- Implementation of certain large-scale projects, such as the sugar and petroleum refineries.

The representative of Mauritania then set out a plan of economic and financial recovery which would correct the errors of the past and which embodied the projects proposed at the Solidarity Meeting. He concluded by describing co-operation machinery which could enable the Arab countries and Arab development organizations to contribute to the national industrial development effort by financing (whether through loans, through donations or through the establishment of mixed companies) programmes of co-operation in training and industrial research, or again by coupling organizations on a bilateral or multilateral basis.

III. DISCUSSIONS ON THE PROJECT PROPOSALS

Tunisia

The Tunisian delegation indicated its desire to contribute to the following projects:

Establishment of a phosphate fertilizer factory

(a) Tunisia will gladly put its experience at the disposal of the Islamic Republic of Mauritania, if the funds required for the project are available. The Tunisian delegation is ready:

- To undertake a study on the use of raw materials;
- To provide the technical cadres needed for working the mines;
- To help to organize and strengthen the administrative apparatus of the project.

(b) The following technical studies will be made on the production of chemical fertilizers:

- Determination of the unit's production capacity
- Productivity study;
- Study of production processes.

(c) Tunisia will make a transfer of technology in the area of production of phosphoric acid using the production methods of the Tunisian company SIAPE.

Date processing and packing unit

The dispatch of experts to study this project will be conditional upon its being followed up and financed by a third party, although Tunisia will participate in both. The project will be reactivated by the Tunisian Centre for Industrial Studies.

Agro-industrial sugar complex

The National Centre for Industrial Research and the National Centre for Agricultural Research will send experts to prepare a technical and economic study on the project, provided that the finance for the study is provided by a third party.

Establishment of a brickyard at Rosso

(a) Technical assistance from Tunisia based on the "turn key" formula:

This assistance could be provided by the Tunisian Electricity and Mechanical Engineering Company (STECM), a subsidiary of SOTIMACO, or else by the Maghreb Industry Company.

(b) Assistance based on the "package" (lot) formula.

Construction, repair and maintenance of small craft

- Training of Mauritanian staff by SOCOME or by private agencies.

Establishment of a foundry at Nouakchott

- Vocational training and introduction to the foundry floor:
SOFOMECA + United Foundries - OTEEF (National Office of Vocational Training);
- Civil engineering, building, framework: by the companies SAMMI, SNIT, SCMG (installation, assembling, management, follow-up, supervision of management).

Establishment of a tannery

The Tunisian party will contribute to this project with its experience in such work, through its National Leather and Footwear Centre.

Assistance in reorganizing the Ministry of Industry and Commerce

Establishment of a vocational training centre

Artisans' village at Nouakchott

For these last three projects, the conditions for the Tunisian assistance will be determined by agreement with the Mauritanian authorities.

Algeria

Algeria is prepared to participate in the solidarity effort for the industrial development of Mauritania. For this purpose the Algerian delegation announced that it would make a contribution of US\$400,000, to be used in financing the following operations:

- (a) Market survey for the Nouakchott foundry project;
- (b) Feasibility study for the Nouakchott tannery project;
- (c) Training and further training of Mauritanian staff for the tannery project.

The practical details relating to implementation of these operations, which will be undertaken by the Algerians, will be decided later on, by agreement between the Algerian and Mauritanian authorities.

Qatar

After considering all the projects proposed, the representative of Qatar stated that these would be submitted to the experts in his country for consideration, in order to determine which should be implemented. He showed a particular interest in the sugar complex project, and also in the project relating to the centre for vocational training and further training (CFPP).

Kuwait

Kuwait undertook to study some of the project proposals with a view to contributing to their implementation.

Libyan Arab Jamahiriya

Libyan Arab Foreign Investment Corporation

The site of the project for the construction, repair and maintenance of small craft having been changed, it was agreed to send the project studies to the joint Mauritanian-Libyan company for its opinion. Since there was a study based on essential data from before 1979, the Mauritanian party requested that it should be brought up to date. The two parties requested AIDO to appoint an Arab expert to review the data and the possibilities for implementing the project. When that has been done appropriate decisions can be taken.

Modernization of the slaughterhouse at Nouakchott and establishment of a dairy unit

The Mauritanian-Libyan Agricultural Development Company (SOMALIDA) and the Confederation of Mauritanian Employers expressed interest in participating in this project once they have received the views of the Islamic Development Bank; the Mauritanian party expressed a desire to co-ordinate its actions along these lines with SOMALIDA.

Saudi Fund for Development

After noting the list of projects presented by Mauritania, the Fund requested additional information so that it could study them and formulate the necessary recommendations. It then suggested that the proposed projects should be placed within the framework of an overall development plan in which the priorities would be observed.

Arab Fund for Economic and Social Development (AFESD)

Date processing and packing unit

The Fund is interested in the preliminary studies as well as in the feasibility study concerning development of the date sector with a view to contributing to the implementation of feasible projects.

Setting up of a national vocational training centre

AFESD will undertake the study of the vocational training project, which can be one of those examined during the visit of a delegation.

Establishment of a phosphate fertilizer plant

AFESD expressed its interest in the preparation of the preliminary studies on the phosphate fertilizer project based on the studies undertaken by the French consultants in 1979 and 1980 as well as the views of the ministry responsible for industry on the project and study.

Feasibility studies

Should feasibility studies be needed for some of the projects, AFESD will consider the possibility of financing them.

Arab Investment Guarantee Corporation (AIGC)

(Private and public sectors)

Having noted the Mauritanian development strategy, the Arab Investment Guarantee Corporation expressed its readiness to assist Mauritania in different areas, such as insurance for public or private financing. It was also ready to submit all the studies on projects to Arab investors.

AIGC also undertook to make the necessary approaches to the LIZ Company in the United Arab Emirates, which specializes in the sale of aircraft, concerning the purchase of the Boeing 737 required by Air Mauritania. AIGC will also approach other companies specializing in the sale of aircraft.

Islamic Development Bank

Date processing and packing unit

The Islamic Development Bank drew attention to a study on the possibility of resuscitating the old project. It expressed its readiness to study the possibility both of financing that study and of implementing the project. It will take the necessary steps to that end.

Establishment of a dairy unit - Modernization of the slaughterhouse at Ncuakchott - Establishment of a tannery - Livestock-feed production unit

The Bank will be interested in all these projects once the final studies have been completed. Mauritania has submitted an official request to the Bank for the financing of these projects. It will be given an answer as soon as possible.

Arab Industrial Development Organization (AIDO)

As Mauritania is one of the least advanced Arab countries, the Organization will give a priority place in its programmes to assistance to Mauritania in the following fields:

- Carrying out of feasibility studies - sending of experts for limited periods - provision of technical advisers;
- Holding of practical courses - granting of fellowships for further training.

RECOMMENDATIONS

In light of the discussions which took place between the Arab countries and development institutions and the Government of Mauritania, the participants recommend that AIDO, UNIDO and UNDP should grant financial and technical assistance - to the extent possible - for projects requiring additional financial resources. They appeal to Arab countries and institutions to provide the technical and material assistance to make possible implementation of development projects in the Islamic Republic of Mauritania.

Annex

LIST OF PARTICIPANTS

ALGERIA

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Lyes Benazout, in charge of studies at the Ministry of Heavy Industry
Mustapha Khalfi, Chargé de mission at the Ministry of Light Industry
Mokrane Djouadi, Bureau Chief in the Ministry of Foreign Affairs
Mohamed Seddiki, Counsellor at the Algerian Embassy in Nouakchott

IRAQ

Farhan Khidhir Abbas, First Secretary at the Iraqi Embassy in Nouakchott
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Araibi Farag Ishac, Libyan Arab Foreign Investment Corporation
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Chérif Moctar, Chairman of the Board of Directors of SOMALIDA
Muftah Dandi, Libyan Arab Foreign Investment Corporation, Nouakchott

KUWAIT

H.E. Bedr Ahmed Haddad, Ambassador of Kuwait to the Islamic Republic of Mauritania

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Abdallah Ali Al-Abdullah, Director of Industrial Affairs in the Ministry of Industry and Agriculture

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